

University of Economics, Prague

Bachelor's Thesis

2018

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Faculty of Business Administration
Bachelors's Field: Corporate Finance and Management



Title of the Bachelor's Thesis:

Business Plan for SuperMop Market Place

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D e c l a r a t i o n o f A u t h e n t i c i t y

I hereby declare that the Bachelor's Thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree programme.

Prague, May 8, 2018

Signature

Acknowledgements:

I would like to hereby thank Ing. Jan Mareš for his support, tips and academic guidance throughout the elaboration of the thesis and I would also hereby like to thank Andrew Thompson for his valuable information about the market.

Dedication:

I dedicate this thesis to my family and the people that became my family. Thank you for your support and encouragement throughout my academic career. I will always be grateful for the values that you have given me, and they will always be part of me throughout my life. Thank you.

Title of the Bachelor's Thesis:

Business Plan for SuperMop Market Place

Abstract:

The aim of my bachelor thesis is to write a business plan for a Mobile application for household services. The purpose of the plan is to examine the marketplace of this business and to create and determine the marketing strategies of development that will promote the product and services of the company and be competitive in the Czech market, as well as in the Global market.

The analysis of the business plan will include a layout of the administrative plan, along with a SWOT and PEST analysis. I will examine the attractiveness of SuperMop in the marketplace. I will be also using a Porter Five analysis.

Five Forces analysis will outline the strategies of the SuperMop marketplace. For marketing, the Marketing Mix plan is being used. This includes Product, Price, Place, and Promotion. Finally, the Financial plan will outline the all the possible costs and the cash flow statement.

Key words:

Household service industry, business plan, Customers, Service providers, Marketing of on-demand services, market place analysis

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1 Introduction

In the service industry, there are never-ending business possibilities, as well as the inclusion of technology, with respect to the increase in the number of internet users. I have come up with an idea of creating an on-demand household service, bearing in mind the current situation of the household industry in Czech Republic, and the rest of the world. Before I create this business plan of the service industry field, it is important to understand the current market in this field.

With the growing economy and decrease of the unemployment rate in the Czechia, the sector of household services has become quite an important sector. The reason is, people's workloads are increasing, and employed people have limited free time, which leads them to search for help in their day-to-day household chores. They want to reserve their free time for other activities. Searching for help for their household work has different solutions, but finding a housekeeper, plumber, or someone to babysit at the last minute has become a growing concern. Household services are not easily found, and the question of efficiency always comes to mind.

There are many companies providing household services in Czechia, but there are no companies coming up with an exacting model of online, on-demand service applications for smartphones. This model of business has great potential to fill the gap between household services and online, on-demand services. For this reason, I have been given the courage to create a business plan, which has the potential to generate great revenue for a business and solve a growing issue for society.

1.1 Vision

My business model's vision is to create a mobile application platform for household services in Czechia. The services that I plan to offer from this application are intermediary household services that are not homecare related but intended for the wellbeing of the recipients. The services will start with housekeeping, repairperson, handy man, etc. The scope of the services will increase over time with the development of the business.

The main idea, and the advantage of this business model, is to be able to make household services available to everyone quickly, efficiently, and at affordable prices. This platform will mainly attract people with high workloads that need to free-up spare time for themselves. My main target audiences are expats, families, and students. Finally, when the business becomes successful, the team of SuperMop solutions we will make the service available worldwide, systematically.

1.2 Aim

The aim of the business plan is to study the marketplace for SuperMop solutions. By this, I will try to assess various points such as External environment, rivalry within the industry, understanding the whole market with customer segmentation and marketing. And finally, the financial plan for entering the market.

In this paper, I will create two parts: the theoretical and the practical. In the theoretical part, I will first explain the household industry, then how to create the business plan, and then define the theories behind it. After that, in the practical part of the business plan, I will apply the theoretical part of the business plan to the business model of SuperMop solutions,

2 Household Service industry

While the economy is growing in the Czechia, as with many other countries, employed people have more tasks to do, and they have little time to spend on their home and family needs, which has increased the need for people to search for help in regards of their household repairs and day-to-day services. In 2016, just in the USA, the size of the household services sector has grown to 600 billion dollars. (Ramer, J. 2016). Household services, in general, cover a broad range of activities, and contribute to the economy and an overall wellbeing. For the average household, this can mean housekeeping, babysitting, plumbing services, handy man, home repair, gardening, etc. Even though some of the services can be categorized as care services (i.e., cleaning services for the disabled), we are focusing on the non-care services to improve the wellbeing of the recipients.

Theoretical Part

3 Business model Canvas

The Canvas Business Model is a good way to prepare a Business Plan, it has been developed by Alex Osterwalder, and it is a logical model of how an enterprise creates value that is important to its customers, how it reaches its value, and how it collects the value from its customers. The Canvas Model is in fact a very effective and simple model because it has the ability of showing the entire idea of the business. The Osterwalder model Canvas is a way of a shared language for the business that allows to easily describe and manipulate the business. (Osterwalder, A., & Pigneur, Y. 2011) By putting the business model canvas after the introduction of the business plan, we will give a direct idea to the reader of the main details, without reading through the whole plan, which will give the reader a reason to read the rest of the business plan.

Table: Business Model Canvas

Lean Canvas				
Key Partners	Key activities	Unique value Proposition	Customer Relationship	Customer Segment
Activities that are outsources and the activities outside of the business	The number of activities that are performed	Solving the customer problems and how to satisfy them	Customer Relationships are established and maintained with each Customer Segments	The customer segments that organization serves
	Key Resources		Channels	
	Assets that are required for offering and delivering.		Unique value proportions are delivered to customer by communication, distribution and sales channels	
Cost structure		Revenue streams		
Cost structure of the business model		It is the result of value proportions that is offered to customers		

Source: Author with the information withdraw from: (Osterwalder, A., & Pigneur, Y. 2011)

4 Business Plan

Although it is often thought of as a standard feasibility study, the business plan is far different from this. Creating a business plan is important for future businesses to be successful and to protect their financial assets, for newly established business, or for changes to existing businesses.

Let's briefly explain what the business plan is like. It is a plan that guides you through what you are doing now, or what you want to do in the future. It is a framework for progression with sustainable success, and a blueprint to follow for times of confrontation. In other words, a business plan is a report that shows the entrepreneur how to be successful and how to keep its economical coexistence.

A business plan describes what you are doing or are planning to do. It is a roadmap that guides you. A well-crafted business plan is the first step in building a successful business. It is also a necessary tool that can be used to entice banks, suppliers and other third parties.

The business plan process is an analysis of all aspects for establishing an enterprise and the maneuvering the uncertainties that may arise. It helps to take precautions by seeing obstacles in advance. For this reason, businesses that prepare a business plan have a higher rate of success.

4.1 Use of a business plan

A business plan is just a simulation and a way to predict the future success of a business idea. Is your plan, right? The only way to understand how realistic your estimates are is to implement the plan and see its results. Large companies spend a lot of time and money on preparing a business plan because they will have a large scale of investment in the product they are planning to offer. Due to uncertainties, the risk of losing money in massive amounts is high. They try to eliminate the uncertainty in estimates of the future as much as possible and think that it is worth spending more time and money to create a plan like this. (Boyd, A. 2017, March 08).

5 Structure of a business plan

5.1 Executive Summary

This executive summary is a brief and concise summation of the detailed business plan. This is an important section that needs to be completed after the business plan has been finalized. The intent of the business plan summary is to give the reader or entrepreneur valuable information about the business idea. The main impact of this summary will have is to show whether the entire plan is worth reading or not. For this reason, this section needs to be prepared very carefully. If the business plan summary grabs the reader's attention, then the detailed business plan will be worth reading. Like Adam Boyd said, "Even the most well-written business plans fail because of poorly-written executive summaries" (Boyd, A. 2017, March 08).

The points that should be found in the summary section are:

- The purpose of preparing the business plan

- Information about the business idea
- Information about the entrepreneur
- Short, medium, and long-term objectives of the operator
- The way and how to achieve their goals and objectives
- Vision and mission of the business
- The amount of financing the operator will need

5.2 Business Overview

In this section there should be a description of the company which is being planned for entering the market. The type of company, and the type of the organization, should be stated. A summary of the business plan should cover brief, but essential, characteristics of the fundamentals. It will include a brief introduction of the business, its mission, products and services to be offered, the company's financial situation, the amount of capital invested by individual investors, and their investment expectations. This section should not be longer than a page. It should be noted that the company overview is the reader's introduction to your plan. We can also summarize the points that should be included in the business description:

- The business concept and status of your business
- What kind of business is it?
- What exactly are the products or services?
- Which markets will be targeted?
- Competitive Advantages: what are the reasons that people will use your services instead of other competing services?
- What is the financial situation?
- What is the future growth expectation of the company? Will the business go international?
- What is the ambition of the company? (Boyd, A. 2017)

5.2.1 Mission Statement

The mission statement reflects the purpose of the company that will guide the company's decision and actions (Shelton, H. 2017 p.59). The mission statement should consist of one sentence, to a brief paragraph. The statement should be clear, understandable to readers, and should reflect the company's vision and goals.

5.2.2 Vision Statement

The vision statement is the desired future target for organizations, which lays the guidelines for development and the business's core. In other words, the vision statement reflects what the organization's goal is for the future, what goals they want to reach, what their targets are, and what they want their position to be in the future. According to Jim Collins and Jerry Porras (Collins & Porras, 2011), the vision statement has to outline the main aspects that are

the base ideology and future vision of the company. The base ideology is explaining the reason for the company's existence, persistent features, and identity. The visionary future is describing the company's future position for the next 10 to 20 years. (Ana Čuić Tanković 2015).

5.2.3 Objectives and Goals

In this section it is essential to include the objectives and goals of the business in a short paragraph. What is the path of the company? What are the main goals? These need to be clearly spelled out. (Ana Čuić Tanković 2015).

6 Analysis

The analysis that will be carried out in a business plan will outline the prospects for the business. A business plan is useless without a solid customer base. This also means that without a customer base, a financial plan will be irrelevant because, without a customer, there will not be any financial figures. Under the analysis, we should first convince ourselves, and then the investors who will be reading the business plan, that there is a market gap or an opportunity for this business plan. Under the analysis there should be parts included, such as:

- Company product and services description
- Market analysis
- Rivalry analysis
- SWOT and PEST analysis (Shelton, H. 2017)

6.1 Product and service description

In this section there should be clear statements on what will be sold or what services will be provided in the business or venture. It should be clearly expressed here which ways the planned work will be successful in the framework of the business concept. Clear details need to be stated about the services and products, for instance what the advantages are, along with the quality and demand for the product and services. There should also be some of the following points:

- What will be the services and products offered?
- What needs will the product and services address?
- Who are the potential customers?
- What are the boundaries of the service and products? (Shelton, H. 2017 p.65)

6.2 Market analysis

Market analysis is one of the most crucial part of the business plan. This section is necessary to carry out research regarding the market in which the business will be operating. Later, the marketing plan should detail product mix, price, location and promotion. An entrepreneur who wants to prepare a good marketing plan should analyze this information well in advance by gathering detailed information from various sources of information. A marketing plan is a very important tool in the regulation and management of an enterprise's marketing

activities. Also, here the products and services should be addressed towards the competitors in the market, which provide the same or similar goods and services. (Shelton, H. 2017 p.65)

6.3 Target Market

Know your customer; to whom do you want to sell your product and services? This section is where the targeted customers are described. Mainly should answer the question of who the customers are for the venture? The way it's segmented and what would effect the targets markets decisions for purchasing the goods and services. The researches that are done on this subject should address the customers and potential customers.

It is essential to do a good research for the target market to convince the potential investors and the reader of the business plan that the targeted customer will indeed buy the product and services. Target market research can include simply talking with potential customers to get reactions to your product idea, conducting focus groups or mailed surveys. (Taylor, G. 2012)

6.4 Customer Segmentation

It is clear that in any business, the customer is the center, thus making it essential to understand the customers for which the business intends to reach. The customer segmentation points to the separate groups of people that the business wants to reach. At the end of the day, customers are the reason that businesses generate profits, and without that, no business can survive for long.

In order to serve customers better, it is feasible to group customers in categories like general behaviors, geographic location, age, and others. Large or small, customer segmentations can be defined in a business model. It is an important decision for the company to choose which segments to focus on, and which to ignore. Only then can the business model be designed with the understanding of the customer's specific needs.

Customer groups represent separate segments if:

- Their needs require and justify distinct goods.
- They are reaching through different distribution channels.
- They require diverse types of relationships within society.
- They have substantially different profit abilities.
- They are willing to pay for various aspects of products and services. (Ekstrom, J. 2017).

6.5 Market Test Results

This is the section where we need to include the market's research results. It should be clearly stated what kind of methods have been used for the research with sporting statistical data.

6.6 Competitive analysis

The crucial reason for analyzing the competition is to understand who the competitors are and what differs you from what your competitors offer. It will help to see what is currently being offered in the market and find a way in which to improve the goods and services that the company will offer. Analysis of your competitors will show their current situation as well as a way of estimating what actions competitors may take in the future. There are a few ways to help make this analysis. (Ekstrom, J. 2017).

6.7 Porter Five analysis

The Porter Five analysis was created by Harvard Business School professor Michael porter in 1979. When he created this model, the markets were not well developed and there were not strong brands in existence, like today. In today's market, knowing the Porters Five analysis will help organizations to understand the sector their business is in, and will help to know how to be prepared against rival's attacks. (Overdorf, M. 2017). These five forces are:

- Threat of new entrants
- Bargaining power of suppliers
- Bargaining power of customers
- Threat of substitute products and services
- Rivalry among existing competitors

Figure 1: Porter five forces



Source: Myers, M. (2013, February 03).

➤ **Threat of new entrants**

This should be the first step for the analysis of the industry if the company is planning to newly enter into the market. If the entrant's barriers are relatively low, there can be continual new entries of rivalry, which will distract the customers, and competitors will continually keep the prices down, which will put a cap on the potential profit of the industry (Porter, Christensen, Overdorf 2017, October 03)

➤ **Bargaining power of suppliers**

Every industry has its own various inputs from different suppliers. When there is only a few number of suppliers for a certain product, this increases the supplier's leverage to negotiate and raise prices, resulting in lower industry profitability. For example, if the changing or switching of suppliers is costly and time consuming, the bargaining power of suppliers is high. (Porter, Christensen, Overdorf 2017, October 03)

➤ **Bargaining power of customers**

In any industry, the strength of the buyer will constrain the potential profit power of the producer. For the buyer, switching cost between competitors is low, and the products are undifferentiated. (Porter, Christensen, Overdorf 2017, October 03)

➤ **Threat of substitute products and services**

The threat of substitute products happens when consumers choose to replace the products they are currently obtaining, with products from different competitors. The threat will be high if the substitute products offer considerable price-performance (i.e., train travel vs. air travel).

➤ **Rivalry among existing competitors**

Rivalry among existing companies has existed over the decades. It is intense and includes lowering the prices of the products, and effects the profit costs of the competition. There are a few points that determine the intensity of the competition:

- What is the number of competitors in the sector?
- What is the level of competition in the sector?
- Are there fewer products with high competition in the industry?
- How fast does the market grow?
- What are the obstacles to exit from the sector?

6.8 SWOT analysis

SWOT analysis was created by Alberd S Humphrey in 1960, and since then has become more useful, compared to PEST. SWOT analysis is the essential technique that examines the organization's internal strengths and weaknesses, as well as its external opportunities and threats. It is analyzed for the organization's short-term and long-term strategy. SWOT will help to examine new solutions and efforts by comparing the opportunities for success and threats. It can show a clear path for direction and choices. The quadrants below give a clear and useful view of internals vs. externals and enablers vs. challengers.

Table 1 SWOT analysis

		Enablers Help to achieve the vision	Challenges Hinders achieving the vision
Internal Within the organisation	Strengths	<ul style="list-style-type: none"> • High brand visibility • Right products, quality • Superior performance • Better product life • Direct delivery 	<ul style="list-style-type: none"> • Range gaps • No direct marketing • Not international • Need more sales people • Limited budget • No pilot or trial ability • No detailed plan in place
	Opportunities	<ul style="list-style-type: none"> • Could develop more products • Profit margins are good • End users respond to ideas • Could extend overseas • New specialist applications 	<ul style="list-style-type: none"> • Legislation could impact • Existing core business impact • Market demand is seasonal • Retention of key critical staff • Distracts from core business • Potential negative publicity
External Outside the organisation	Threats		

Source: Strategic Analysis. 2018

6.9 PEST analysis

PEST analysis is one of the strategic planning tools a company can use. It is useful for examining the environmental aspects that the business is presently operating in, and foresees the possible future effects of Political, Economic, Social and Technological aspects. PEST analysis is also essential for improving the future vision of the business. It also helps to understand environmental changes, which leads to adapting to changes rapidly. Below shows the PEST analysis matrix, which helps to give a better understanding.

- **Political factors:** It is the current effect and the stability of the policies, government terms and changes, legislation, fiscal policy, licensing, transparency, and control of corruption on the business.
- **Economic factors** Inflation, purchasing power, GDP, local economy, product taxation and duties, and the seasonality of economic cycles.

- **Social factors** Demographics, psychographics and life style, brand perception, effects of advertising and public relations, effects of religion, race and ethnics.
- **Technological** Effects of innovations, product design, online shopping, and effects of technology on a product regarding design, production, distribution, pricing, and consumption. (Galea, D., & Sammut T. 2015, January)

7 Marketing mix

It is also known as 4P, the Marketing Mix was created by Philip Kotler in 1964. 4P represents the first letters of Product, Price, Place and Production.

7.1 Product

What is a product? A car, a vacation in the Bahamas, using an Uber, a lipstick? All are products. Just as it can be a physical product, it can also be the services that are provided in the market which should satisfy the needs or wants of the consumers. Products are the main player in the marketplace. If they fail to satisfy the customer, then they have no worth, which makes products more than just tangible goods.

The service sector is one of the most important aspects of the world's economy. Services are intangible products that are not owned, but they satisfy or give benefits to the consumers. Requesting housekeeping, calling a plumber, or getting a haircut are all products. Due to the core of our business plan, we will mainly be focusing on the services sector. (Kotler, P., & Armstrong, G. (2005, pg. 535).

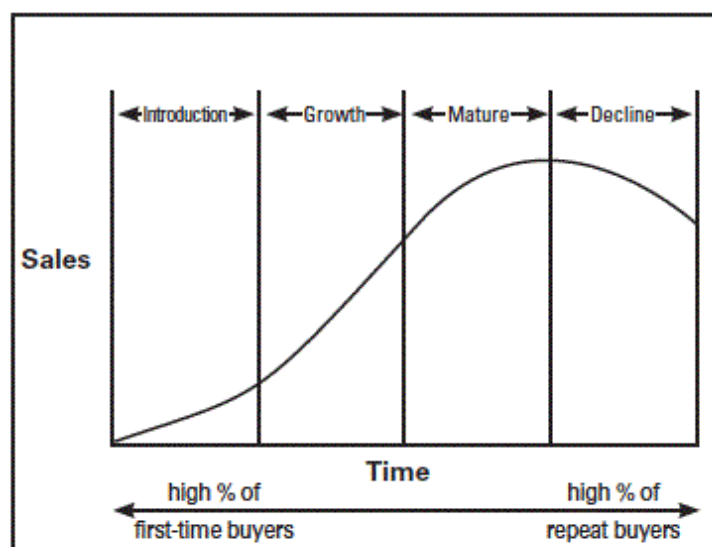
7.1.1 Life cycle of a product

Every product has a life cycle. Just as a living being is born, grows-up, and dies, so does a product. In order to prevent a drop in sales, it is important to know the life cycle of a product, and continuously improve and differentiate the product in order to keep its competitiveness and ensure the product has a long, healthy life. Life cycle stages of a product:

- Introduction is the stage where the product is introduced with slow sales growth, as it is a new addition to the market. Also, with the high product introduction expenses, there is no profit existence.
- Growth stage is when the market accepts the product and profits increase.
- Maturity stage is the period where growth of the sales slows down as the acceptance by the most potential buyers has been reached.
- Decline is the stage where sales slow down even further, and profits fall. (Kotler, P., & Armstrong, G. (2005, pg. 605).

Table 3 shows the typical life cycle of a product.

Figure 2: lifecycle of a product



Source: (Kotler, P., & Armstrong, G. (2005, pg. 605).

7.2 Place

Place is important, because it is where the customer gets their products or services. We can define the place as a relation to consumption and production. Products and services must reach the customers to be consumed. In the early stages of trade, it was possible for producers and their customers to meet face-to-face to exchange goods and services. For instance, the situation where the farmer takes their produce to the local market. However, when trade becomes more sophisticated, the services of various intermediaries along the supply chain may need to be used to ensure that the goods or services reach the consumer in the right manner at the right place, time and price. It is the process of moving goods and services through these intermediaries to reach the end user that we will be discussing in this module. The channels of distribution used within the market place have evolved to match the needs of the users of these services, and they continue to be adapted to meet those needs. The objective is to move the goods or services efficiently, with the lowest possible number of intermediaries between the producer and the end user. Ideally, the producer aims to exchange the products directly with the consumer. However, as the physical distance between two parties widens, and the volume of goods to be exchanged increases, it becomes necessary for producers to use the help of others to complete the movement of the goods associated with the transaction. These are the intermediaries within the channels of distribution, or the ‘value chain’, as it is termed. This is

particularly the situation for producers supplying the consumer in a mass market, where it becomes impracticable to exchange products directly between the producer and the consumer.

7.3 Price Policy

All goods and services that are offered in the market have a value. By Kotler & Armstrong, it is described as “price is the sum of all the values that consumers exchange for the benefits of having or using the product or service.” (Kotler, P., & Armstrong, G. (2005, pg. 665).

After producing a specific product or service, the next step would be setting the price. There are numerous aspects on price setting; one of them is the cost. When setting a price, it is essential to consider what the consumer is willing to pay and what the rival's set price is. At this point, there can be a scale of what consumers are willing to pay and what the business wants to charge.

In this section, the business pricing strategy should be clearly explained, and the reasons for how it should be effective, considering the targeted customers in the market. The pricing strategy and its comparison to rivals, as well as the reasons why our targeted customers would be willing to pay for the goods or services.

7.4 Promotion

In today's world, promotion is an important segment of the marketing mix. Taking in account the competition of today's market, it is essential to be able to keep the good and services in the market long-term. Creating the goods and services, setting the price, and introducing it into the market is not enough. The targeted customer should also be aware of the products existence. Waiting for the goods and services to be noticed by the targeted customers would be risky. Promoting the goods and services that are being offered will help to ensure that the goods and services sustain a full and healthy life cycle. In this section there should be a clearly explained businesses advertising and promotion strategy.

According to Kotler, P., & Armstrong, G., the business should have a well-planned promotional mix of advertising, sales promotion, public relations, and direct marketing tools, so that the company can meet its promotional objectives. We can see the five main promotional tools:

- **Advertising.** Any paid presentations and promotions that are conducted by a third party.
- **Sales promotion.** Giving discounts on product and services.
- **Personal selling.** Where the sales force creates an image and good relationship with the customers.
- **Public relations.** Creating a good company image and obtaining favorable publicity.
- **Direct marketing.** To be in contact directly and carefully with the targeted customer via e-mail, phone, internet or any other tools (Kotler, P., & Armstrong, G. 2005, pg. 719).

8 Financial Plan

By forecasting and examining financials, a business can create their strategy and prevent unexpected future problems. The main reason behind the financial plan is to be able to take future actions to maximize the business's value.

In general, the financial plan covers part of the business strategy process of the organization. Financial planning helps increase profits, decision-making, and even reduces future unwanted positions. By making the financial planning today, organizations are making the decision to influence the future of their enterprise. Since the future is uncertain, there is a probability that plans that are made are not realized, because financial planning covers part of the planning process of the operator. Making the financial plan today forms the decisions that will influence the future of the business, but since the future is uncertain, it is also possible that the plans will not be realized, because the future is a moving goal, and the reasons for planning are to estimate expectations and create strategies.

Financial planning refers to a pre-program linkage of all kinds of fund inflows and outflows that will occur during the operations of the enterprise. Financial planning managers must systematically focus on the relationship between growth, investment and financing objectives. In other words, planning reveals the inconsistencies between these goals.

Since all activities are directed towards the future of the business, the financial managers have to identify strategies to be followed in the future, and need to monitor the planned strategies. Thus, it helps to understand the future strategical effects on the business well ahead, otherwise the risk of having future problems, and not being able to solve these problems when they are faced, will increase. What is expected from financial planning is to seek solutions to cash outflows and cash surpluses in advance. In other words, the work of creating optimal liquidity is the goal of financial planning. The benefits of financial planning are gathered at this point:

- Investments and financing decisions are decisions that are related to each other and not given independently of each other. Financial planning in this direction undertakes an auxiliary task in giving investment decisions.
- Financial planning helps managers make appropriate decisions so there are no surprises.
- Financial planning allows the managers to set concrete objectives that will motivate and create performance standards.

8.1 Sales Forecast

The sales forecast is important for foreseeing the amount of revenue the business can generate from goods and services over a set period. The sales forecast should include a minimum of three years estimation. For the first year of the sale forecast, each month of estimation should be shown, and the following years can be done on a monthly or quarterly basis. (Boyd, A. 2017) To prepare a successful sales forecast, these steps should be followed:

- Create a target sale for the business
- Create a minimum of 12 months of work schedules
- Create an excel sheet
- Prospect the needed sales activity
- Create a marketing plan

8.2 Expenses Budget

Each business plan should come up with a list of expenses in the budget, including a reserve. The businesses expenses budget will show the quality of the management. A business should create an expense budget, and then follow-up with what the real expenses will be in reality. After this, the business can review its budget and adjust it accordingly. With good experience, creating an expense budget is quiet simple. It is just like creating a personal budget, but this time for the business. The expense budget will become a crucial point of a business plan when it begins to operate. The expense budget will especially play a key role in the profit and loss statement, and will affect the cashflow statement. (Parsons, N. 2016)

8.3 Cashflow Statement

Cashflows form the basis of a successful financial plan. Many businesses use accounting data and charts in their planning. However, large differences between accounting data and cash flows limit the use of such data in planning. With a focus on cash flows, more attention can be paid to liquidity, flexibility and risk issues. Cash flow statements show revenue projection, purchases on inventory, budgeting and the expense budget.

Cash flow statements give an understanding for reasons of the change of cash and cash equivalents during an accounting period. More specifically, as it is effected by operating activities, investments and financial activities, it reflects the changes in cash and cash equivalents', and can be considered similarly to a bank statement. The cashflow statement helps the business to see how much cash on hand there is at the beginning and end of each period, which helps to see the amount that the company has acquired and spent in the period. This also helps to see if the business can turn its receivables into cash, and show the business's ability to become solvent. (Bartlett, C. 2004).

8.4 Break-even analysis

According to the Harvard Business Review; calculating the break-even point starts by setting up an equation where Total Revenue is equal to Total Costs (Total Revenue = Total Cost), which will mathematically represent the point where profit is equal to zero. (Gallo, A. 2015). In other words, it is a zero point, meaning that there is no profit or loss. The break-even point is a source of valuable information for companies. At any point below this point, the business will suffer loss. We can state some points where the break-even analysis is helpful, such as:

- Which production will gain profit for the business?
- When there is an increase in cost, deciding on what volume of sales and production should be in order to cover the cost.

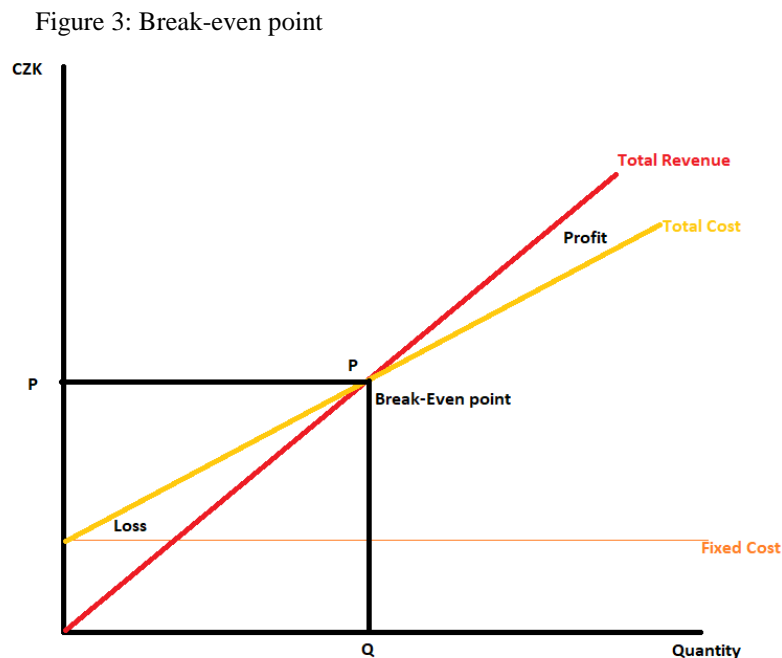
- Deciding which product is most profitable.

Calculating the break-even point:

We can calculate the break-even point per unit and for revenue. The break-even point per unit is calculated by dividing the total fixed costs of production by the price per unit less the variable costs to produce the product.

$$\text{Break-even point in unit} = \text{Fix Cost} / (\text{Sales price per unit} - \text{Variable cost per unit})$$

On Graph;



Source: (Author. 2018) with the information withdrawn from: (Spears, R. 2009)

On the graph above it is visually described the breakeven point. Fix Cost represent the constant cost that business would have with production or without. where also the Total Cost is the sum of Fixed Cost plus the variable cost.

Practical Part

Business Plan for SuperMop Solutions



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9 Business plan for establishment of SuperMop solutions

9.1 Executive summary

Over the years, mobile phone technology has come to a point of being used more than computers. With the introduction of new smart phone technology, the variety of information and applications make people's lives easier and have been realized in the palm of their hands. Thanks to these developments, I have come up with an idea that can make people's lives easier. The idea is to create a mobile application that will help people to easily order household services at anytime and anywhere. SuperMop's idea is to create a platform which will let people offer their professional skills and expertise to everyone.

SuperMop solutions is a new intermediary company in the service industry, which will reach customers via a mobile application. The company is planning to enter the market soon. SuperMop solutions will be offering services specifically tailored for household needs such as; housekeeping, handy man, plumber, repairperson etc. The customers will be able to purchase these services on demand via a mobile application.

SuperMop solution's goal in giving these services is mainly accomplished by connecting two groups: service providers who are either skilled repair people, or amateurs looking to supplement their income by doing basic household services, and the people who demands these services in the simplest and effective way. This will be accomplished by the service providers registering on the SuperMop solutions platform and downloading our app to their smartphone, then the clients register on our platform and request any of the service that are offered through the SuperMop application. After the registration of both parties, the client can request services they need from the closest service provider. Once the client and service provider are connected, they can negotiate the price on the SuperMop application and confirm the services requested. Once the work is completed, the service provider and client can conclude their transaction by the tap a button. Our platform will charge the client's credit card and deposited to the service provider's account, minus a 12% cut to SuperMop. The reason our clients will come back to SuperMop again and again is because of the assurance and trust that SuperMop will build with each client and service provider. Our clients can write reviews and read the reviews left by other happy clients. If clients prefer not to use our platform, then services they find by other means will not be insured by SuperMop solutions.

The location of SuperMop's head office will be located in Prague 9, as acquiring an office in central Prague is more costly. All orders and transaction will be held interactively. For that reason, no customers will have visit the head office for intermediary services.

As for employment in the head office, other then the company director, the company will need to hire one Software Engineer, one IT support staff, and one Customer Service employee. Customer Services, we will only need one representative in the beginning, as there will not be many direct calls from customers, except in urgent cases. SuperMop will provide an interactive Customer Service section integrated in the main mobile app. Customers will be able to get help with their questions and concerns by finding answers to their queries in our Frequently Asked Questions section.

Our long-term vision and goal of SuperMop solutions is to be the biggest household services provider in the world, by making our services available to everyone in the most

effective and profitable way. To begin operations, SuperMop solutions will need 1.8 million CZK.

9.1.1 Mission

With SuperMop solution, we are providing people with the household services they need in the easiest way, on a platform they already use on a day-to-day basis. SuperMop solution will connect people in one simple application.

9.1.2 Vision statement

Make household services available and simple for everyone, everywhere.

9.1.3 Objectives and goals

- Provide our customers with a new, professional and friendly service.
- To achieve to be the biggest household services provider in the world.
- Meet the expectations of our customers.
- Generate revenue.

9.1.4 Mantra

Fun, service, anywhere, anytime

9.2 Business Model Canvas

Table:2 Business model Canvas

Model Canvas				
Key Partners	Key activities	Unique value Proposition	Customer Relationship	Customer Segment
<div>-Service Providers (with specific skills)</div> <div>- Data Mapping providers</div> <div>-Authorities</div> <div>-Banks for payments</div>	<div>-Application, Platform and algorithm development.</div> <div>-Marketing</div> <div>-Service providers onboarding</div>	<div>-Cashless</div> <div>-Household service on demand</div> <div>-Finding a service provider easy and quickly</div> <div>-Way for a part-time job and additional income</div>	<div>-Automated</div> <div>-Customer loyalty programs, promotions and e-mails</div>	<div>-Household service demanders</div> <div>-Service Providers</div>
	Key Resources		Channels	
	<div>-SuperMop solutions Platform.</div> <div>-Pricing Algorithm</div> <div>-Matching algorithm</div>		<div>-Mobile applications and website platforms.</div> <div>-Social medias</div>	
	Cost structure		Revenue streams	
<div>-Research and Development.</div>		<div>-Pay per hour</div>		

<p>-Sales and Marketing</p> <p>-Salaries</p> <p>-Payment to service suppliers.</p>	<p>-Pay per specific work</p> <p>-Pay immediate service</p>
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Source: Author

9.3 Advantages of SuperMop solutions

We can investigate advantages on both sides; first for the company, and then for the customers. For the company, the idea of SuperMop solutions is very new; there are few similar projects which have not yet been realized, thus giving the company an advantage in entering the market without many obstacles. We can list SuperMop's advantages in the following points:

- Low barriers to enter the marketplace.
- Generate revenue without having numerous store locations, resulting in low fixed and variable costs.
- Being unique in the market will allow the company to have less competition.

For the customers demanding services, there will be the advantages such as:

- Customers will no longer spend hours searching for reliable sources for household services.
- As services will be on demand, customers won't need to wait for these services for a lengthy time period.
- There will be competition among the service providers, which will result in cost savings to the customer.
- By the created a rating system, customers will be able rate the work they received, which will push service providers to do their best work possible.
- Customers will be able to order services with confidence, because all services will be insured by the company

For the service providers, the advantages will be:

- Individual service providers will no longer need to search for a company to work through
- It is a chance to have a part-time job without a permanent commitment.
- They can now run their own business by just giving a percentage of their work to SuperMop.
- There won't be any worries on receiving their rightful payment.
- They can choose whom to give their services to.
- It will be a good source of income for students.

9.4 Description of the company

SuperMop solutions is a company with the ideology of providing intermediary services by connecting the individual or professional service provider to clients in need. SuperMop solutions has designed these services in such a way that both the service providers and the clients will be able to sign up on SuperMop solution's website or download the mobile app on their smart phone.

9.5 Product and Services

The company is bringing a new application-based business to the market for the customer. This app will make people's lives easier in such a way that they will no longer need to do hours of research or make numerous calls to find a skilled person for their household needs. SuperMop solutions is the new way to get a part-time job or find a household services provider. This application will make hiring hourly workers more efficient and less worrisome and will be straightforward for its users. SuperMop business solutions is designed to be used by adults that are searching for a part-time job, or by people that are looking for an hourly-based worker. An example of how our application would work is simple. Let us say there is a single mother taking care of her elderly father, and at the same time raising a newborn child. Her housework is falling behind and she has a leak in the bathroom that puts her father at risk of slipping on the tile floor. Finding a repairperson has become daunting, as she is inexperienced with finding a reliable plumber she can trust. All she would need to do is download our application and sign up. After signing up with her required information, she would now choose a service that she needs. For her circumstances, she would look for a plumber. The young mother would just enter her address and request the closest plumber to her location. After making her request, our application would connect her with the closest person available, who is also a member of our service provider network. Now they can chat with each other to discuss the work that is needed. Our insured plumber would then offer a price range, and if agreed, the plumber would go to her location where the service has been requested, and confirm their arrival in our app. This will mark the beginning of the agreed upon hourly charging fees. Once finished, the plumber would complete their services by confirming the completion of their work. Fees would be charged on the client's credit card and transferred to our plumber, less 12% of the payment, which would be transferred to SuperMop. Finally, after services and payments have been rendered, both participants could now rate each other and leave a comment on their profiles. It is as simple as that! There are brochures and advertisements that explain our services in detail.

9.6 Location

We will need actual office space to manage our work for the app development and other services. Location will be in Prague 9 city. This will allow the company to hire a low-cost space, also the employees won't have to locate them self in the central Prague where the accommodation rents are higher.

10 Market analysis

10.1 Market situation

The busy lifestyle of the consumer is leading them in search of new ways to manage their household work more productively, which includes ordering household services online. Freeing-up more spare time is giving them the chance to really connect more with their friend and family, relax, or become more social. This means they are finally having some peace-of-mind, which coincidentally, is also helping the household services market to grow. The growth of this market creates the opportunity for creating a smartphone on-demand household services application. Today's generation is now the largest group of internet users, and thanks to this, there is a high demand for these household services online.

The increasing demand of this market has also been triggered by the availability of modern technologies and internet access, where consumers can search for information and book services. On-demand household services are bridging the gap between real world services and online services. Real world services offered online, and on-demand, also make it easier to maintain quality and efficiency.

10.2 Targeted segment

We have three intended target customers: busy people who do not have time to do housework, single parents who cannot handle everything by themselves, and foreign people who have problems with finding the right workers in the Czech Republic.

We will divide the users into 2 groups: service providers that need employment (e.g., Marta, aged 23, is trying to get her degree and needs a part-time job immediately to earn extra money for tuition. She is skilled in-house cleaning, ironing and babysitting because she grew up taking care of her little sisters). Then there are people who need help with their housework (e.g., a mother with children who cannot complete her housework because she is too busy taking care of the kids, so she needs a hand). As our business plan is aimed toward providing service to people who are not experienced in fixing things or in doing around the house duties, our focus is towards busy people and those who do not have enough time for these kinds of household works.

10.3 Customer Segmentation

Customer Segments by needs:

- I want to order a service: Cleaning, plumber, Babysitting etc.
- I want an exclusive service: Multiple worker at once.
- I am willing to pay extra to have an immediate service: service now
- I want to preorder a service: Scheduled service

Customer Segments by Real-time

- Tech Users
- Smartphone Users
- Users that have a valuable time

- Clients that needs the services on-demand
- Cost-saving Users
 - Users that have a less spending power and want to have a cost-value service
- Users with high purchasing power
 - They will be able to call the service at a higher price and faster

10.4 PEST Analysis

➤ Political-legal forces

I have focused on finding the legal requirements and regulations for starting a company that provides household services. Compared to other EU states, in Czechia I did not find any specific regulations regarding household services providers. Anyone that wants to create a company in Czechia can do so with very low requirements of capital, and the level of VAT is 21% for the sales of goods and services. (yourtaxes. 2018).

Then I researched the level of difficulty for entering the market in Czechia with this type of business. It is very promising. At the moment there are no specific companies that provide the service I'm offering, which means there is a big gap in the market. Also, the government supports businesses relating to household services, which makes Czechia a great place to start this type of business.

➤ Economic forces

Unemployment in Czechia is 2.3%, and average wages are 29,000 CZK (tradingeconomics 2018). Thanks to this development, SuperMop solutions will be able to attract more clients as workloads increase, as people are looking to free-up more spare-time, which contributes to the lowering of the unemployment rate.

➤ Social-cultural forces

In order to discern the viability of our project, we wanted to collect data that is explicitly relevant to the household services mobile application. As the GDP is growing in Czechia, household incomes are increases as well, thus enabling consumers to spend more on their well-being, There has been also an increase in household expenditures on maintenance and repair of the dwelling per capita. (Sirmer, P. 2016).

➤ Technical factors

As the internet generation is growing up, technology has become the center of people's lives, making life easier. Therefore, SuperMop solutions can be successful. As the main idea of the business is online, on-demand services, it will inevitably make the recipients life easier, providing more time efficiency and quality of services.

10.5 Market Test result

For testing the market SuperMop solutions conducted a detailed research. As household service is a part of Household expenditure, we have contacted to Czech statistical office for the overall statistical data of household expenditure on services for the maintenance consumption expenditures.

Table 3: Maintenance and Repair of the dwelling

HOUSEHOLD BUDGET SURVEY Consumption expenditures - annual averages per capita in CZK (2016) (in '000)		Households, total	including			households of	
			employees			self- employed	pensioners without EA members
			total	lower education	higher education		
CONSUMPTION EXPENDITURE		125 947	130 159	115 232	140 756	120 552	121 998
04.3	Maintenance and repair of the dwelling	2 010	2 026	2 036	2 018	1 452	2 635
04.3.1	Materials for the maintenance and repair of the dwelling	1 278	1 459	1 626	1 341	972	1 140
04.3.2	Services for the maintenance and repair of the dwelling	732	566	410	677	480	1 495

Source: Sirmer, P. (2016)

On the table above, there is statistical data of the household budget survey per capita. This survey helps us to understand the levels of expenditures by households in our field. This also gives an overview of the market demand situation within Czechia.

Therefore, we decided to make a survey targeting SuperMop's potential clients to test their interest in our services now, and in the future. The results were extremely positive. Almost 90% of those who responded were under 30 years old. From a pool of 50 surveys, 48 people responded 'yes' or 'maybe' to downloading and using our app to order household services. Having explained how our service would work, (with results of 82% yes, 16% maybe, 2% no) the people whom we surveyed conveyed a desire to choose our service. When we asked if they would use SuperMop solutions verses standard uninsured workers, even if using our services meant they would pay an additional 12%, the responses declined slightly to 80% saying yes, 18% saying maybe, and only 2% saying no. When asked how long they would be willing to wait before workers responded to their requests, on average they answered with 20-30 minutes

waiting time. We are confident that responses to client's requests will be less than 30 minutes. This indicates that SuperMop has a strong competitive advantage over standard workers, who could not supply their services on demand, ranging from 1 hour, to a few days later.

The qualitative responses we received were typically in support of SuperMop solutions. We asked why respondents answered yes, no, or maybe to whether or not they would use our household mobile app, and here are some of the following answers: "I think it will be easier and faster to find a worker close to me." "Using the English filter will help me find someone I can communicate with, since I don't speak Czech." "I would definitely use this app. I am not skilled in fixing things, especially when it comes to water pipes." "I started using UBER last year, and services like these, where someone can come to my home, will help me a great deal. I would surely use your app if something breaks in my flat and I don't know how to fix it." We found the last response to be particularly compelling.

It is difficult to find good workers with good reputations somewhere on the internet these days. SuperMop has our own ratings in place in the app, posted by our clients. We found the survey to be overwhelmingly convincing evidence of unmet needs that current household services address.

10.6 SWOT analysis

SuperMop solutions is dedicated to entering the marketplace, and at the same time is concerned with all aspects involved with this venture. For us, it is important to do a SWOT analysis to be well prepared for our challengers and know our enablers.

Table 4: Swot Analysis

SWOT	Enablers	Challengers
	Strengths	Weaknesses
Internal	<ul style="list-style-type: none"> Well organized brand. Clients enjoy the highest quality of service. No fulltime employees. Low competition. As it is an intermediary company, there are low operating costs. Mutual rating system builds trust and motivation for the best service. Flexible for part-time workers. Higher competition among the service providers will give better prices for our clients. 	<ul style="list-style-type: none"> Model can be copied easily. Relationship between SuperMop and service providers. Unpredictable sales. Privacy concerns.
	Opportunities	Threats
External	<ul style="list-style-type: none"> Customers are not able to find quality service providers on time. It can easily be accepted in countries like the USA. Can attract investors; this will result in expanding to other markets. Open to expanding our services. 	<ul style="list-style-type: none"> New regulations can come into play, like in Finland. Building a good relationship with authorities. As new providers join the system, there can be scandals and fraud.

Source: Author

On the table above, details of a SWOT analysis of SuperMop solutions apparent. It is important for the organization to be aware of its challengers and work to make it better.

10.7 Porter Five analysis

➤ Threat of new entrants

The threat of new entrants to online-based and on-demand services is quiet high. As the SuperMop solutions business model will not be a secret, many other companies might want to imitate us. This in turn will create a low entry barrier and low capital requirement for new entrants to move into the market.

➤ Bargaining power of buyers

There is great bargaining power in the hands of the buyer. Buyers on SuperMop solutions are sensitive to changes in the price level. If prices are considerably higher than the market, buyers could stop using our services.

➤ Rivalry among existing firms

The rivalry among the household industry similar to SuperMop solutions business model is not high, as there are only a few local providers. There currently aren't any on-demand household service providers in the Czech market. In the future, this risk might rise as new entrants join the market.

➤ The power of Supplier

The power of suppliers is quiet low, as the suppliers are the people who registers on platform that who doesn't need to have a specific collage degree, there can be always more people who would want to register on the platform. As this platform will be a good way of getting a part-time job, starting from the student, SuperMop solutions will be very attractive for earning some extra money.

➤ Thereat of existing competitors

Thereat of the existing competitors is significantly low, as the ideology of the tis type of business is very new for Czechia. There is no identical business model with in the country, which gives a chance for SuperMop solutions to succeed with out competing with existing the competitor. If we would consider as a one competitor in Czechia, it would be the company that offers the service called Hodinovy Manzel which gives a house hold service as well in Czechia but their hourly price is 250 CZK per hour and the company employees the service providers by themselves. (Ceník našich služeb. 2018)

10.8 Marketing plan

10.8.1Price Policy

One of our main ideas is to sell the services and the simplicity of SuperMop solutions. SuperMop plans to go to the market with the idea of value for money, but with relationships into more premium segments. As mentioned before, SuperMop provides an exclusive service to its clients. SuperMop solutions team researched the market of our main competitors and

found that prices are very different, and they are mostly on a contractual basis. As in Czechia the basic rate of a hiring someone per hour is 90 CZK, we will be setting the base limit as 110 CZK/Hour, but this will be the minimum hourly rate the service provider will have to give, if the work requires more work power then service providers will have a right the negotiate the price over the app with the client.

10.8.2 Promotional plan

For the SuperMop solutions promotional plan, will start with the creation and announcement of the mobile application. We will begin by distributing press releases to journals oriented to our target audience. Following that, we will focus on general news outlets and their appropriateness for our application. The outcome of our press releases will be based on the merits of the application. We will seek out offline media, not just internet resources, to reach as many of our potential clients as possible. We will gather interest by posting on social networks and our official website, all the while updating key stages of our application's development and advantageous benefits over our competitors.

When our application is ready for release, we will publish reviews and articles in the afore mentioned resources online, and in print, as we have already created connections with these resources. History has shown that in the rollout of other products, users who have read about and shown interest in a product prior to release, and have followed, in anticipation, the product's introduction into the marketplace, are far more willing to install and create loyalty.

After the introduction of our application, video reviews of our app will introduce the advantages, functionality, and design. We believe that users will be attracted to short videos over news articles in general.

We know that the majority of our target audience is internet savvy, and more often than not, they look to reviews before installing a new app, especially when it comes to seeking services that inevitably will include opening their wallet. To attain such reviews, we will require the help of online services, which provide a sizeable number of installations, coinciding with favorable reviews. Driven users will agree to install and review the app for a paid fee. Their terms will include opening the app, leave feedback that is positive or neutral, and then uninstall the app. These services are generally about 0.14 cents per install.

Another of our goals is to attract large audiences from social networks. Several of our options include leading a group to help attract users, showing easy and proven ways of using the app, and posting information, which has been collected by our target audience, in themed social media groups. We will use the following channels for promotion:

➤ Offline advertising

For SuperMop solutions, there will be offline advertising in our budget.to include posters, billboards, print media, and other methods, that are not connected to the internet. We will produce posters or flyers with a QR code, which will direct potential consumers to our website. In addition, we will be using posters in public places, like subways and buses.

➤ Contextual advertising

By using contextual advertising, we will be paying online search companies, such as Google, to target our advertisement to people who are searching related services with

similarities to our business. By doing this, we will have the advantage of reaching the right audience.

➤ **Targeted advertising in social networks**

Target advertising enables the company to show advertising on social media according to the type of interest that people have. This method is an effective way of reaching our target audience. Before this method is used, the target audience should be clearly defined with the right analysis and development, which will lead to finding the right expectations of the audience. After the analysis, the right ads can be placed on social networks such as Facebook and Instagram.

With the high number of people using social networks, there is enough information on the users that will lead to the correct advertising being shown to the right target audience.

➤ **Press releases**

Even though reading a newspaper can seem like an outdated source of information, a press release is a good method of reaching some audiences. Printing a press release can be a valuable asset for a business to draw more attention to their product. The best part of a press release is that it has a low cost and is available to everyone.

10.8.3 Personnel requirements

SuperMop solutions is designed to have minimum employment with maximum performance. There won't be the need to employ people for household services, as the company is an intermediary. SuperMop solutions will only create a linkage between the service providers and the clients. For the company, the employment need for the SuperMop solutions is listed below;

- Director: Volkan Ozturk will be taking care of advertising, sales, and finance.
- IT support: one person is needed.
- Software engineer: one software engineer will be hired for the development of the app.
- Customer Services: one person is needed for customer services, as most of customer support will be handled in a section implemented in the app with a designed algorithm.
- In the event a call center is needed in the future, it will be outsourced, until a larger growth of the company is realized.
- The remaining services and accounting support will be outsourced if needed, which will give us a chance to grow our company without having to hire more people.

11 Financial Plan

Before embarking on the financial plan, we need to gather information of Czech's population. Even though our aim is to provide our services worldwide, we must first start with the Czech Republic.

Knowing the population and demographics of the country are a crucial factor for our business. The population in Czech is around 10.5 million. Along with the population, we need

to know a few more points, such as the number of households, unemployment rates, etc. On the table below, you can see this information.

Table 5

Population	Unemployment rate	NO. Households	No. of internet users
10564766	2,9%	4419500	7902300

Source: (World Population. 2018)

On the table above, population, unemployment rate, number of households in Czech, and the number of internet users is given. These numbers are for the general overview of the country, which will help us to answer some questions.

Table 6: Population of major cities in Czech Republic

City	Population	pop by %	No. household
Prague	1165581	0,110327195	487591,039
Brno	369559	0,03498033	154595,568
Ostrava	313088	0,02963511	130972,368
Pilsen	164180	0,015540335	68680,5093
Olomouc	101268	0,009585447	42362,8811
Liberec	97770	0,009254346	40899,5822
Ceske Budejovice	96053	0,009091825	40181,3191
Hradec Kralove	95195	0,009010611	39822,3967
Usti nad Labem	94105	0,008907438	39366,423
Pardubice	88741	0,008399713	37122,5306
TOTAL	2585540	0,244732349	1081594,62

Source: (World Population. 2018)

Listed on the table above are the 10 major cities comprising Czech, which are where our company will be expanding, stage by stage. Smaller cities have not been included, as the demand for our services will be very low in the rest of the Czech Republic. As it can be seen on the table, the total population of the major cities covers 24.4% of the total population, and the number of households in these major cities is 1081594,64.

To be realistic, with the assumption and the statistical records in Czech, we are certain on reaching 5% (54079 households) of the households within 3 years.

11.1 Initial Investment

For the first investment, there is a sum of the estimated total amount on the table below. To be able to estimate correctly, there is a cash reserve for each part of the cost.

➤ **For the opening one-time cost**

Table 7: Opening costs

For the Opening	CZK
Registration of the business including all fees (www.businessinfo.cz)	24000
Creation of the mobile application and Website	400000
Office furniture	11500
Fire System (firejack)	28000
Company sign (svero.cz)	34000
Security system	12000
Other	400000
Kitchen Needs	CZK
Kitchen furniture and materials	27000
Refrigerator	21850
Garbage bins	2000
Microwave	1700
Dishwasher	8000
Other	20000
IT supply	CZK
Computers for the staff (i7 Lenovo V330 x 4)	78760
Printer and scanner	15851
Server and Server room(including the rented server 1 year)	110000
Ip Phone system	6000
Other	100000
TOTAL	940661

Source: Author

On the Table above, there is the list of needs for the company that is major to have at the beginning. All of them are one-time cost and all has a 3 years lifetime in average.

➤ **Office Supply**

Table 8: Office Supply

Office Supply	CZK
Business Cards 2000 (15 CZK/pcs)	30000
Office Materials	12000
Several types of paper: A3, A4	860
Envelopes and Boxes	300
Stamps	6000
Binders	900
Files	300
Other	10000
Total	60360

Source: Author

➤ **Salaries**

Table 9: Salaries and Employees

Number of employees	Position	CZK Net	Social security and insurance	Total	Grand Total
1	Director/Sales manager	25000	8500	33500	162140
1	IT support	33000	11220	44220	
1	Customer Support	28000	9520	37520	
1	Software engineer	35000	11900	46900	

Source: Author

➤ **Fix Cost**

Table 10: Fix Cost

Fix Cost	
Office Rental Vajgarska Prague 9, 215 m2	29000
Internet connection and phone line UPC per month	2000
Security fee	1600
Salaries	162140
Marketing	32000
Total	226740

Source: Author

On the table above is listed the estimated fixed cost for the SuperMop solutions.

➤ Variable Cost

Because of the type of the business, SuperMop solutions will not have much variable cost other than, when the business reaches the level of 25000 hours of work in a month, there will be an agreement for the outsourcing of customer services. This will be a 30 CZK/call rate. With respect to the design of the business model, most of the customers will contact us via email, which will in the contact section of our application. Until we reach capacity, our customer services representative of SuperMop solutions will be taking care of the customers' requests/complains.

11.2 Sales Forecast

For the sales forecast, I have forecasted for the next 3 years. my main goal is to reach 50000 households that can order services within an hour. The sales forecast for 3 years is just in Czech, but we need to be prepare for the worst. For that reason, we have created an optimistic and realistic forecast.

As there are high and low seasons, I have estimated our growth according to when we would have the most and least demand. For that reason, we have estimated different growth rates for different months. For each scenario, I will give the average expected growth for the year.

➤ Worst-case Scenario

Table 11: Worst-case sales forecast

Worst Case Scenario (Hours x 12%)						
Month	2018	CZK	2019	CZK	2020	CZK
January	0	-	4039,875	53 326,35 Kč	14504,41763	191 458,31 Kč
February	0	-	5655,825	74 656,89 Kč	15229,63851	201 031,23 Kč
March	0	-	6786,99	89 588,27 Kč	15991,12044	211 082,79 Kč
April	0	-	7465,689	98 547,09 Kč	16790,67646	221 636,93 Kč
May	0	-	8137,60101	107 416,33 Kč	17462,30352	230 502,41 Kč
June	0	-	8869,985101	117 083,80 Kč	18160,79566	239 722,50 Kč
July	300	3 960,00 Kč	9668,28376	127 621,35 Kč	18524,01157	244 516,95 Kč
August	570	7 524,00 Kč	10538,4293	139 107,27 Kč	18894,4918	249 407,29 Kč

September	855	11 286,00 Kč	11276,11935	148 844,78 Kč	19272,38164	254 395,44 Kč
October	1282,5	16 929,00 Kč	12065,4477	159 263,91 Kč	19657,82927	259 483,35 Kč
November	1923,75	25 393,50 Kč	12910,02904	170 412,38 Kč	20050,98586	264 673,01 Kč
December	2885,625	38 090,25 Kč	13813,73108	182 341,25 Kč	20452,00557	269 966,47 Kč
Total Per year	7816,875	103 182,75 Kč	111228,0053	1 468 209,67 Kč	214990,6579	2 837 876,68 Kč

Source: Author

In the worst-case scenario, 50% of growth, on average, is predicted for the first year. As the business is new, the first growth will be high, but we are keeping our first year expected growth 40% lower than our goal for the worst-case scenario. For 2019, our expected average growth is 7%, and 3% for 2020.

➤ Realistic case forecast

Table 12: Realistic sale forecast

Realistic Scenario (Hours x 12%) min 1 hour 110 CZK						
Month	2018	CZK	2019	CZK	2020	CZK
January	0		5963,3994	78 716,87 Kč	21410,47319	282 618,25 Kč
February	0		8348,75916	110 203,62 Kč	22480,99685	296 749,16 Kč
March	0		10018,51099	132 244,35 Kč	23605,0467	311 586,62 Kč
April	0		11020,36209	145 468,78 Kč	24785,29903	327 165,95 Kč
May	0		12012,19468	158 560,97 Kč	25776,71099	340 252,59 Kč
June	0		13093,2922	172 831,46 Kč	26807,77943	353 862,69 Kč
July	300	3 960,00 Kč	14271,6885	188 386,29 Kč	27343,93502	360 939,94 Kč
August	510	6 732,00 Kč	15556,14046	205 341,05 Kč	27890,81372	368 158,74 Kč
September	867	11 444,40 Kč	16645,0703	219 714,93 Kč	28448,62999	375 521,92 Kč
October	1473,9	19 455,48 Kč	17810,22522	235 094,97 Kč	29017,60259	383 032,35 Kč
November	2505,63	33 074,32 Kč	19056,94098	251 551,62 Kč	29597,95465	390 693,00 Kč
December	4259,571	56 226,34 Kč	20390,92685	269 160,23 Kč	30189,91374	398 506,86 Kč

Total Per year	9916,101	130 892,53 Kč	164187,5108	2 167 275,14 Kč	317355,1559	4 189 088,06 Kč
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For the Realistic case, expected average growth for 2018 is 70% on average. For 2019, we expect an average growth of 9%, following 3 % on average in 2020.

➤ **Optimistic:**

Table 13: Optimistic sale forecast

OPTIMISTIC (Hours x 12%) 1 hour 120 CZK						
Month	2018	CZK	2019	CZK	2020	CZK
January	0		10399,6158	149 754,47 Kč	38136,18659	549 161,09 Kč
February	0		13519,50054	194 680,81 Kč	39280,27218	565 635,92 Kč
March	0		16223,40065	233 616,97 Kč	40458,68035	582 605,00 Kč
April	0		19468,08078	280 340,36 Kč	41672,44076	600 083,15 Kč
May	0		21414,88886	308 374,40 Kč	42922,61398	618 085,64 Kč
June	0		23556,37774	339 211,84 Kč	44210,2924	636 628,21 Kč
July	300	4 320,00 Kč	25912,01551	373 133,02 Kč	45536,60117	655 727,06 Kč
August	570	8 208,00 Kč	27984,97676	402 983,67 Kč	46447,3332	668 841,60 Kč
September	1083	15 595,20 Kč	30223,7749	435 222,36 Kč	47376,27986	682 218,43 Kč
October	2057,7	29 630,88 Kč	32339,43914	465 687,92 Kč	48323,80546	695 862,80 Kč
November	3909,63	56 298,67 Kč	34603,19988	498 286,08 Kč	49290,28157	709 780,05 Kč
December	7428,297	106 967,48 Kč	37025,42387	533 166,10 Kč	50276,0872	723 975,66 Kč
Total Per year	15348,627	221 020,23 Kč	292670,6944	4 214 458,00 Kč	533930,8747	7 688 604,60 Kč

Source: Author

Our optimistic expectation and Goal is to be able to reach 50000 hours of work per month by the end of the 3rd year. With the consideration of a gap in the market for our services, we are estimating a 90% growth for the first year in average. Following the year 2019, growth will slow down, so we expect 7 % growth on average, and 3.5 % average growth in 2020.

11.3 Cash flow statement

➤ Optimistic

Table 14: Optimistic Cashflow statement

2018	July	August	September	October	November	December
Revenue	4 320,00 Kč	8 208,00 Kč	15 595,20 Kč	29 630,88 Kč	56 298,67 Kč	106 967,48 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	820,80 Kč	1 559,52 Kč	2 963,09 Kč	5 629,87 Kč	10 696,75 Kč	20 323,82 Kč
Cash Flow	-223 240,80 Kč	-220 091,52 Kč	-214 107,89 Kč	-202 738,99 Kč	-181 138,08 Kč	-140 096,34 Kč
2019	January	February	March	April	May	June
Revenue	149 754,47 Kč	194 680,81 Kč	233 616,97 Kč	280 340,36 Kč	308 374,40 Kč	339 211,84 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	28453,34883	36989,35348	44387,22417	53264,66901	58591,13591	64450,2495
Cash Flow	- 105438,8813	-69048,5457	-37510,25484	335,6941899	23043,26361	48021,58997
2019	July	August	September	October	November	December
Revenue	373 133,02 Kč	402 983,67 Kč	435 222,36 Kč	465 687,92 Kč	498 286,08 Kč	533 166,10 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	43080,6	43080,6	43080,6	43080,6	43080,6	43080,6
Cash Flow	103 312,42 Kč	133 163,07 Kč	165 401,76 Kč	195 867,32 Kč	228 465,48 Kč	263 345,50 Kč

➤ **Realistic Cashflow statement**

Table 15: Realistic Cashflow statement

2018	July	August	September	October	November	December
Revenue	3 960,00 Kč	6 732,00 Kč	11 444,40 Kč	19 455,48 Kč	33 074,32 Kč	56 226,34 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	752,40 Kč	1 279,08 Kč	2 174,44 Kč	3 696,54 Kč	6 284,12 Kč	10 683,00 Kč
Cash Flow	-223 611,60 Kč	-221 287,08 Kč	-217 470,04 Kč	-210 981,06 Kč	-199 949,80 Kč	-181 196,66 Kč
2019	January	February	March	April	May	June
Revenue	78 716,87 Kč	110 203,62 Kč	132 244,35 Kč	145 468,78 Kč	158 560,97 Kč	172 831,46 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	14 956,21 Kč	20 938,69 Kč	25 126,43 Kč	27 639,07 Kč	30 126,58 Kč	32 837,98 Kč
Cash Flow	-162 979,34 Kč	-137 475,07 Kč	-119 622,08 Kč	-108 910,29 Kč	-98 305,61 Kč	-86 746,52 Kč
2019	July	August	September	October	November	December
Revenue	188 386,29 Kč	205 341,05 Kč	219 714,93 Kč	235 094,97 Kč	251 551,62 Kč	269 160,23 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	35 793,40 Kč	39 014,80 Kč	41 745,84 Kč	44 668,04 Kč	47 794,81 Kč	51 140,44 Kč
Cash Flow	-81 434,31 Kč	-64 479,55 Kč	-50 105,67 Kč	-34 725,63 Kč	-18 268,98 Kč	-660,37 Kč
2020	January	February	March	April	May	June
Revenue	282 618,25 Kč	296 749,16 Kč	311 586,62 Kč	327 165,95 Kč	340 252,59 Kč	353 862,69 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0

VAT	53 697,47 Kč	56 382,34 Kč	59 201,46 Kč	62 161,53 Kč	64 647,99 Kč	67 233,91 Kč
Cash Flow	2 180,78 Kč	13 626,82 Kč	25 645,16 Kč	38 264,42 Kč	48 864,59 Kč	59 888,78 Kč
2020	July	August	September	October	November	December
Revenue	360 939,94 Kč	368 158,74 Kč	375 521,92 Kč	383 032,35 Kč	390 693,00 Kč	398 506,86 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	68 578,59 Kč	69 950,16 Kč	71 349,16 Kč	72 776,15 Kč	74 231,67 Kč	75 716,30 Kč
Cash Flow	91 119,34 Kč	98 338,14 Kč	105 701,32 Kč	113 211,75 Kč	120 872,40 Kč	128 686,26 Kč

Source: Author

➤ Worst case

Table 16: Worst case Cashflow statement

2018	July	August	September	October	November	December
Revenue	3 960,00 Kč	7 524,00 Kč	11 286,00 Kč	16 929,00 Kč	25 393,50 Kč	38 090,25 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	752,40 Kč	1 429,56 Kč	2 144,34 Kč	3 216,51 Kč	4 824,77 Kč	7 237,15 Kč
Cash Flow	-223 532,40 Kč	-220 645,56 Kč	-217 598,34 Kč	-213 027,51 Kč	-206 171,27 Kč	-195 886,90 Kč
2019	January	February	March	April	May	June
Revenue	53 326,35 Kč	74 656,89 Kč	89 588,27 Kč	98 547,09 Kč	107 416,33 Kč	117 083,80 Kč
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	10 132,01 Kč	14 184,81 Kč	17 021,77 Kč	18 723,95 Kč	20 409,10 Kč	22 245,92 Kč
Cash Flow	-183 545,66 Kč	-166 267,92 Kč	-154 173,50 Kč	-146 916,85 Kč	-139 732,77 Kč	-131 902,12 Kč
2019	July	August	September	October	November	December
Revenue	127 621,35 Kč	139 107,27 Kč	148 844,78 Kč	159 263,91 Kč	170 412,38 Kč	182 341,25 Kč
Fix Cost	226740	226740	226740	226740	226740	226740

Variable Cost	0	0	0	0	0	0
VAT	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč
Cash Flow	-142 199,25 Kč	-130 713,33 Kč	-120 975,82 Kč	-110 556,69 Kč	-99 408,22 Kč	-87 479,35 Kč
2020	January	February	March	April	May	June
Revenue	191458,3127	201031,2283	211082,7898	221636,9293	230502,4064	239722,5027
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	36 377,08 Kč	38 195,93 Kč	40 105,73 Kč	42 111,02 Kč	43 795,46 Kč	45 547,28 Kč
Cash Flow	-71 658,77 Kč	-63 904,71 Kč	-55 762,94 Kč	-47 214,09 Kč	-40 033,05 Kč	-32 564,77 Kč
2020	July	August	September	October	November	December
Revenue	244516,9527	249407,2918	254395,4376	259483,3464	264673,0133	269966,4736
Fix Cost	226740	226740	226740	226740	226740	226740
Variable Cost	0	0	0	0	0	0
VAT	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč	43 080,60 Kč
Cash Flow	-25 303,65 Kč	-20 413,31 Kč	-15 425,16 Kč	-10 337,25 Kč	-5 147,59 Kč	145,87 Kč

11.4 Financial statements

➤ Balance Sheet

Table 17: Balance Sheet

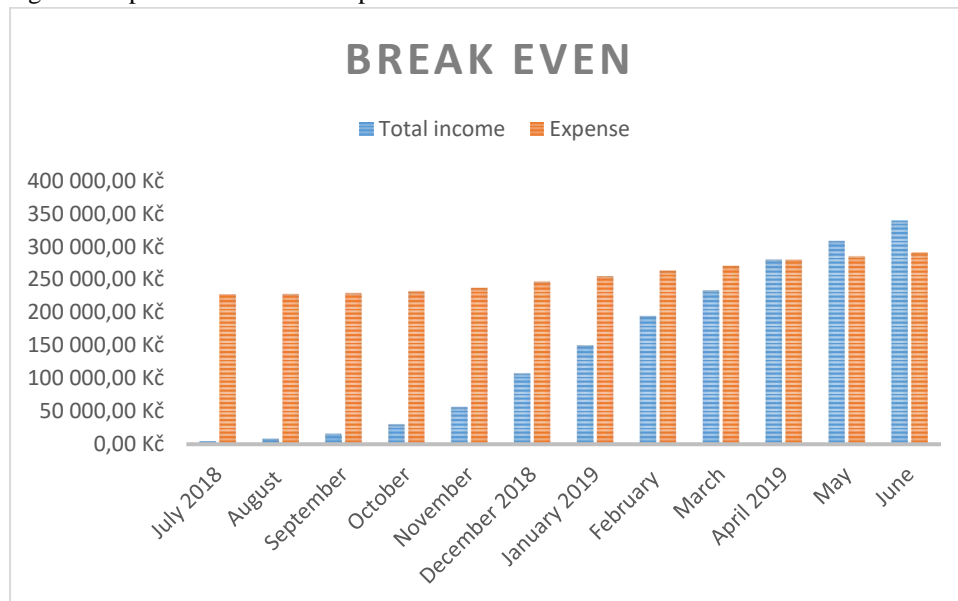
Balance sheet for the SuperMop solutions S.R.O. as at June 2018			
ASSETS		Equity and Liabilities	
Current Assets		Equity	
Cash	800000	Capital	800000
Bank Account	989000	Owner's draws	0
Investments	0	Retained earnings	0
Receivables	0		
prepaid Insurance	11000		
Less	1000		
Total Current Assets	1800000	Total Owner's Equity	800000
FIX Assets		Current Liabilities	376701
Buildings	0	Bank Loan	50000
Equipment	80550	Account payable	326701
Printer	15851	Taxes Payable	0
Computers	98450		

Fridge	21850	Non-current liabilities	950000
Server	110000	Bank Loan	950000
Total fix assets	326701	Total liabilities	1326701
Total Assets	2126701	E+L	2126701

11.5 Break-even point

➤ Optimistic

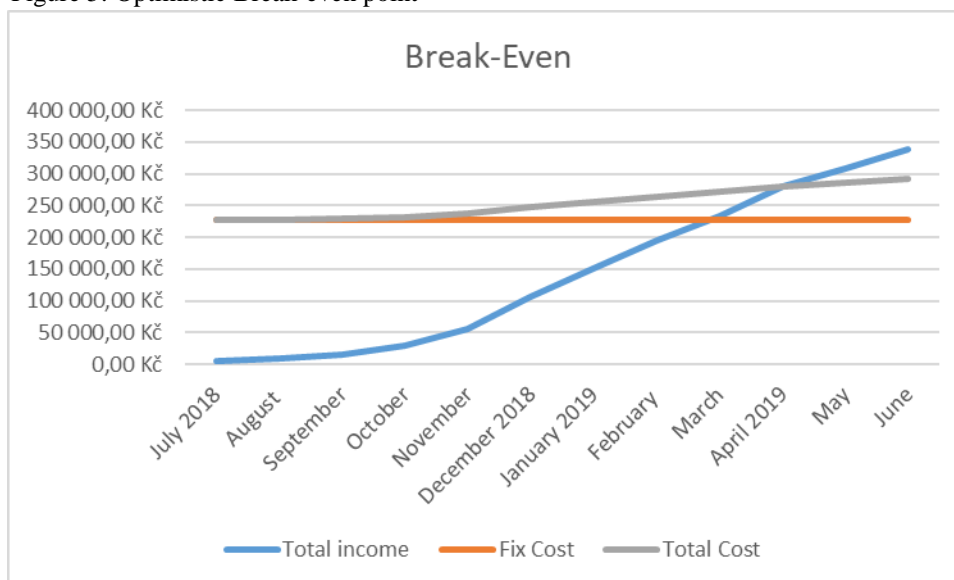
Figure 4: Optimistic Break-even point



Source: Author

On the Table above, the optimistic breakeven point is in April 2019, where cost and income become equal.

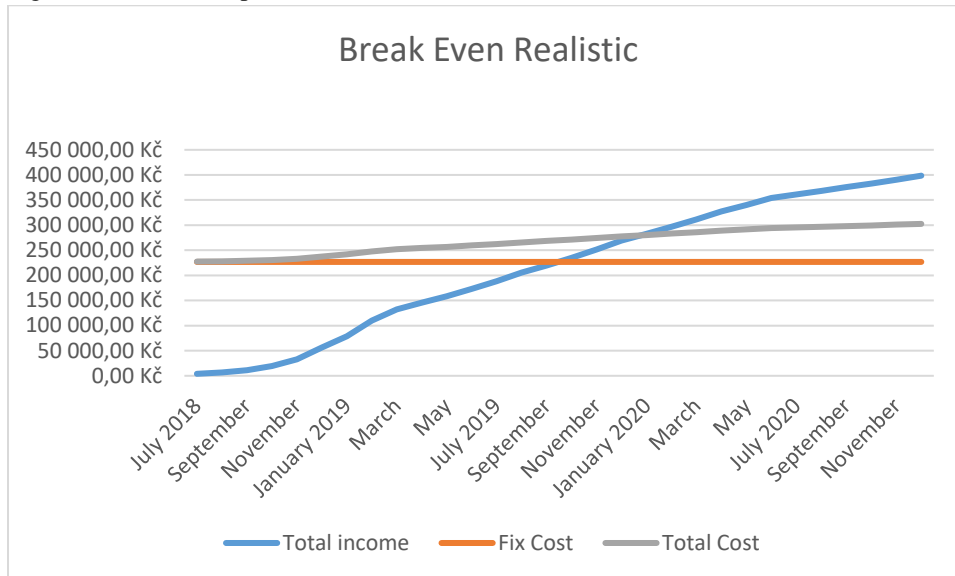
Figure 5: Optimistic Break-even point



Source: Author

➤ Break-even point realistic.

Figure 6: Break-even point realistic



Source: Author

On the graph above it can be seen that business would have the break-even point in January due to slower growth of the hours of work per month.

12 Conclusion

The aim of this thesis was to create a business plan for SuperMop solutions. This business plan was created based on the Theoretical part of this business plan, which was the first step in showing how to create a good business plan. In the second part of the thesis, I have created the practical part, based on the theoretical part.

SuperMop solutions is an intermediary company that is operating in the household service industry. Its main activity is to connect service providers, such as housekeeping, handyman, etc., to clients that demand these service. The company's aim and goal are to make household services available for everyone in the most efficient way. SuperMop solutions is located in Prague 9 in Czechia, and it is working on earning its market space to become profitable.

Analyses were conducted to examine the market and the possibility of the company's success. In our research of competitiveness, our findings showed that this type of business model is very new for Czechia, and there are no identical competitors, which gives SuperMop solutions the advantage to come out ahead of its future competitors. However, the imitability of the business model is quite high, this causes the risk of low barriers of entry to the market for future competition. For SuperMop solutions, it is necessary to stay up to date with current technology and maintain its relations with clients in order to keep its position in the market.

SuperMop solution's target audience is people who have limited time for their household works, and people who need to create spare-time for themselves. On the other side, our company needs to attract the service providers for the target audience. For this section we would need people who are looking for an extra income source, and people who want to work as part-time.

Our PEST analysis outlined the factors of political, economic, social and technological areas, which means that with all the new developments and growth of the economy within the country, this type of business model can be a full success. As well as Czechia having considerably high usage on the internet, and an excess of new technologies, market test results also shows that people are open to new types of services over traditional methods.

Finally, the financial plan outlined the investment requirements of the business and its monthly fixed costs. With the sales forecast, I have conducted possible sales and possible scenarios based on the percentage of growth. The cashflow statement was also prepared according to possible cases, and it shows that for the best-case scenario, the company would have positive cash flow in the second accounting year, and in the worst-case, the business would have positive cash flows within 3 years. Lastly, the break-even point outlines the possible scenarios of when the business would reach its break-even point.

13 Appendices

Appendices 1 Survey questioner.

1. Please indicate your answers				
Would you order a house hold services when you need a spare time for yourself?	Yes	No	Maybe	Please comment why?
What if we told you that there a mobile application where you can easily book household services, would you use it?	Yes	No	Maybe	Please comment why?
Through this application you will be insured for the people who will be giving this service, would you use our application verses a calling and someone by phone.	Yes	No	Maybe	Please comment why?
With the information you have about SuperMop Would you trust this service?	Yes	No	Maybe	Please comment why?
Do you think been able to call a household service whenever you want is an advantage?	Yes	No	Maybe	Please comment why?
How often do you order a Household service in a month?	1 to 5	5 to 10	10 or more	Please comment why?
Is Household service easily available whenever you want?	Yes	No	Maybe	Please comment why?
Are you satisfied with price range of hourly household services in the market?	Yes	No	Maybe	Please comment why?
Would you choose this service as a part-time income option?	Yes	No	Maybe	Please comment why?
Do you think that clients and service providers been able to rate and comment each other is good?	Yes	No	Maybe	Please comment why?
After all the information given about the services, would you feel more confident on ordering household services from an application.	Yes	No	Maybe	Please comment why?

2. What is your age?	3. What is your gender?	5. Which factor is most important to you when you order a household service
18 to 30	Female	Safety
30 to 35	Male	Price (affordability)
35 to 44	Other: (genderless/fluid/transgender/etc.)	Ease of use (convenience)
45 to 54	4. Where do you live?	Other (please specify)
older then 55	Please specify	

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14 Abbreviations

CZK – Czech crown

SWOT – Strengths, Weaknesses, Opportunities and Threats

PEST – Political, Economic, Social and Technological analysis.

4P – Product, Place, Price and Promotion

BB – Break-even point

EU- European union

EA - European co-operation for Accreditation

FC- Fix Cost

VC- Variable cost

TC – Total Cost

U.S. – United states