



# Light Head Café

*Helping people beyond their limits*

**Social Business Plan | Czech Republic**

## Company Profile

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The aim of our enterprise is to open a non-smoking, barrier free café in the city of Pilsen that will create sheltered jobs primarily for young people with disabilities. The café will provide work and training opportunities to young people with different types of disabilities, mainly with first degree disability and also some with second degree disability. Further it will also employ young people who are in some way disadvantaged in society due to specific health issues. The café will be a place that will help young disabled people integrate better into work life, help them gain new skills and training. It will provide them with a safe and supportive work environment in their professional beginning and real life work experience. The partners of our business will be schools where disabled students study, NGOs caring for or supporting disabled people and the local Labour Office.

Our café will specialise in baking cakes and pastries that will be sold in the café and making very good coffee, different types. We will use mainly local suppliers and fresh products. Disabled people will work as waiting staff, cooks, bakers, cleaners, in administration, as lecturers, marketing and management.

The mission of our café will be to provide a friendly and comfortable atmosphere, where customers will experience good food and services at a reasonable price.

The café will provide a varied menu of different types of coffee, beverages, its own home made cakes and sweet and savory pastries. We will also offer a light snacks and special breakfast and lunch menu (usually a choice of three meals).

The space of the café will also be used to organise workshops, smaller concerts, exhibitions, lectures and tutoring for the public. These events will initially be held once a month. We will also **rent out part of the premises for special events like** smaller birthday parties, anniversaries and other celebrations or events.

## Legal Form

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Light Head, s. r. o., is a limited liability company (LLC). It is a private company, whose owners are legally responsible for its debts only to the extent of the amount of capital they invested. An LLC is commonly used for small and medium sized businesses such as Light Head Café.

The company will be registered in the Czech Republic.

## **Name, Location, Working hours**

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### **Name:**

Light Head, s. r. o.

**Explanation:** The café should be a modern but cozy place with a friendly atmosphere to hang out and relax with friends and family.

### **Location:**

Prokopova 17  
Pilsen 30100  
Czech Republic

### **Why did we select Pilsen as a place to set up our café?**

Pilsen is the 4th largest city in the Czech Republic with a population of more than 170 thousand. It has a university and during the school year there are many students there. It has a nice historical centre and a famous brewery which are visited by many tourists. We believe that our café which is situated not far from the historical centre will be popular with visitors.

The headquarters of the company are at the same address as the café itself. The café is made up of three parts, administration office, baking and cooking area where the food is prepared and the café itself.

### **Working Hours**

Light Head Café will be open from:

Mon: 7 am - 6 pm

Tues: 8 am - 6 pm

Wed: 9 am - 6 pm (9pm)

Thurs: 8 am - 6 pm

Fri: 8 am - 11 pm

Sat: 9 am - 4 pm

Sun: closed

Disabled people will work in long and short shifts - short 4-6h, long 6-8h. Working hours will be discussed individually with each employee.

Special events will be mainly held on Saturdays or occasionally on Wednesdays.

## **Organisation and Management**

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The company will incorporate a flat hierarchy as the three founding students will be the main managers and employees at the café. One will be responsible for the marketing, webpage, organising special events, communication, PR and HR, the second will be in charge of finances and accounting, and the third for supplying and supervising the baking/ cooking area. The last person will be in contact with the next three professional employees (baker, cook, waiter), who will train, assist and supervise the disabled employees at the café.

In the beginning there will be one disabled person employed as an administrative assistant, others as cashier/ waiting staff (2 full time and 1 part time), 2 cooks, 2 bakers (1 full time and 1 part time) and 1 person as cleaning staff. As the company develops and grows we plan to employ more people full and part time. Initially we will employ 6 - 8 disabled people.

We will cooperate with local NGOs and labour office which will help us access disabled people who want to work in our café. They will supervise the training and employment procedure. The minimum wage in the Czech Republic is 420 EUR and will be adjusted to the abilities of the employees. We also plan to grant our employees all the tips, so they are motivated.

## **Marketing Plan**

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Initially we will make use of free resources so that we do not have to invest so much money into marketing.

We will set up a company webpage, which will require low maintenance, but will be kept up to date offering a balanced menu and services that will be updated regularly. Further, we will make use of social media such as Facebook, Youtube and Instagram to inform about our menu, cakes, and special events and gain new customers.

### **Customer acquisition:**

- Cooperation with a local radio station and newspaper.
- Presentation of Café on Facebook and Instagram and other suitable social media to inform and attract customers and create a community supporting our project. Photos of cakes, setting, the daily menu and short promotions will be posted there daily.
- Celebrity endorsement - famous local and national personalities, that support such a social cause, successful or inspirational disabled people, who encourage others to overcome their issues in life.
- Cooperation with Fair Trade to offer high-quality and fair coffee and goods.
- Cooperation with organisations that support disabled people. Try to arrange to have our banners on their webpages.
- Word of mouth advertisement with the help of our regular and supporting customers. Achieved by friendly and quality service.
- Workshops and lectures at schools and the local University of Pilsen.
- Making coffee and selling our cakes at the farmers market.
- Offer quality services and home delivery of our cakes and pastries.
- Compete in baking competitions.

### **Customer service:**

- Create a website, where brief information is given about the company and the social idea behind it. Besides that, it should inform about our products and services.
- Website and Facebook page should include contacts, telephone, webpage links, and an online order form where customers can order our cakes and pastries.
- If our products do not meet satisfaction be ready to compensate the customer.
- People who spend a certain amount of money in our café will get our bag with the company logo for free.
- Discount card for regular customers:
  - buy 10 coffees and get one free
  - people who regularly buy our cakes and pastries will get a 5% discount on the 5th product and a 10% discount for 10th purchase (these discounts are for purchases over 100CZK).

- As part of a social service to the community we will introduce the “suspended coffee”, which means customers can leave any amount of money for a coffee or pastry for someone in need at the café.

## Product and Services

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### Our products

Cakes and sweet and savoury pastries made in our own bakery.

Light snacks and breakfast, lunch and menu.

A wider variety of coffees and beverages.

The menu will not be extensive.

**Website**, where customers can see our cakes and pastries and order them online:

[!!!!](#)

### Services

In order to make the café more attractive to a varied audience, we plan to carry out monthly events, such as concerts by local musicians, invite interesting guest speakers, workshops, lectures or exhibitions in our premises. Most of these events will be about topics connected to the idea of the café.

### Price policy

The prices for the café and pastries should be average or a bit higher than average. This has the aim to create a sense of quality. We think that people are willing to pay more for our products, because we support disabled people and serve high-quality products and services.

## Market

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### Market analysis

According to market studies, cafés and bars in the Czech Republic have experienced a stable value growth of 2-3% during the last couple of years. That is due to the general growth of the economy, but also because innovative and different styled cafés and bars have experienced an even bigger value growth.

## **Target group**

The company and brand will be a place where everyone can come and hang out, from families, to singles or students to the elderly. Our aim is to create a place for everyone. So, no additional measures should be taken to attract one group of people or specific customers. As our prices are designed to be average to average-high, we will attract customers who are willing to spend a bit more for quality products and are also willing to pay a slight premium for the social awareness. Regarding the residence of our customers, most of them will be locals from Pilsen, but measures will be taken to attract tourists who visit the city and are generally willing to spend more money. The focus will be set on people who have a higher amount of social awareness and want to support such a social enterprise.

Identified barriers to entering the market and maintaining success:

- **Competition**

There are several cafés, bistros and restaurants in the city. There is one company that provides similar services (lunch and a charity shop), but they do not bake cakes or pastries. Light Head essentially offers the same or very similar products as other cafés, however we hope that the quality of our homemade cakes will attract customers.

- **Complicated training**

Special needs of disabled people have to be considered and require a greater extent of training than usual. It might take longer to train some employees than others. But it is an opportunity for a specific group of people to gain new work experience, self-confidence and training.

- **Little money**

As a startup, the young team faces the challenge of having limited financial resources and possible growth of cost. The café does not have a reputation and needs to make a name for itself. Common stock capital of 8,000 EUR is needed to establish a limited liability company.

- **High costs**

Bigger Czech cities, like Pilsen (Prague, Brno, etc.,) have a very high-priced real-estate market, so rent for our café won't be cheap and it will make up a big expense in our budget.

- **Little experience**

As it is the first company to be established by the young team, we face additional barriers regarding legal information and organizational know-how. We will need to be informed and aware about different authorizations, legislation, hygiene standards, taxes and other requirements.

- **High hygiene standards**

Czech law requires our company to have strict hygiene standards and quality certificates, especially when working in the field of gastronomy.

- **Economy** - there might be a slump in economic growth in the country

We will start our business in Pilsen and if we are successful and make enough profit we will consider opening a café in other big cities like Prague, Brno, Ostrava or České Budějovice. Our customers will be people of all age groups and those who want to contribute to a better society and give disabled people a chance in life. Company profit will be used to help and train employees and will be reinvested into the company.

## **Competition**

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### **Niche market**

The café market in Czech cities is relatively saturated, so there is a lot of competition in that regard. As we have a niche position with our social business and we want to create social awareness, we think that the big competition in Pilsen won't be such a big problem. We believe we will be able to differentiate our café from the others with the high quality of our cakes and pastries that will be made from high quality ingredients.

### **Quality certificate**

We will have the necessary food and hygiene certificates, to confirm that our products are safe.

Our main baker has a certificate of professional training in cake baking.

**Company strength** - there is only one other café similar to ours in Pilsen, but it does not bake cakes and pastries, but they buy them from other companies. We can try to make an agreement to be their supplier in the future. We will produce delicious cakes and pastries made from local and high quality ingredients. A variety of different types of coffees and beverages. Promoting a good cause of helping disabled people. The café is situated near the city centre and it is easily accessible for people.

## Financial Data

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### **Profit**

When the company makes profits in the future, all of it will be reinvested into the café to increase the overall experience and also to broaden the fields of business.

### **Tax deduction**

As the company will be a social business and will employ disabled people, there is a possibility of a tax break. The company will apply to get incentivized for their mission from the government and the EU social and employment funds.

**Rent:** the café will rent premises from the city, which has given it to us at a reasonable price considering the prices in the area.

### **Disabled Employees**

Average salary 18 - 25,000 CZK (full time)

Some salaries will be subsidies by the Labour Office in its employment programme.

Also we will apply for some tax deduction benefits that are available for companies that employ people with disabilities.

Tips will be divided among all the disabled employees.