

Report on Bachelor/Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Ladislav Bárta
Advisor:	PhDr. Wadim Strielkowski, Ph.D.
Title of the thesis:	Franchising jako moderní forma podnikání: McDonald's Česká republika

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

This bachelor thesis provides a thorough analysis of one of the less-known sides of entrepreneurship and small business which is called "franchising". This becomes especially true in the Czech Republic, where this form of entrepreneurship has not gained enough popularity. However, quite curiously, almost all franchising in this country is represented by one major player – McDonald's.

In his thesis the author concentrates on showing different forms and shapes of franchising with a special focus on McDonald's firm and its activities in the Czech Republic. This is of a special interest due to the fact that the author has some „insider's knowledge" of the firm thanks to his work for McDonald's in Prague.

The thesis consists of 69 pages, of which there are overall 56 decent pages of text, 3 pages of references and 3 pages of additions. It also contains 5 tables and 9 charts that are merely used for illustration and depicting various types of data.

In Chapter 1, the author introduces the essence of franchising and defines its main attributes. Here, I very much appreciate the use of microeconomic literature in explanations on the role of firms in franchising. Advantages and disadvantages of franchising are also described, however in a very short form and not to the desirable depth.

Chapter 2 concentrates on franchising in the Czech Republic. It provides the short history of franchising in this country and describes different forms of franchising available on the Czech market.

Chapter 3 introduces the history of McDonald's and its history in the Czech Republic. This chapter is of a special interest, as far as the author shows various data that he obtained using his "insider's" position within McDonald's. He also describes some management and marketing techniques used in McDonald's, such as price setting, etc.

Chapter 4 is a case study of McDonald's where the comparison is drawn between franchises and non-franchise restaurants. Here, the author applies some econometric tools in order to show the implications of market models utilized by McDonald's. The data comparison of McDonald's franchises in the Czech Republic is illustrative and amusing too.

In conclusion, the author summarizes his findings from the thesis and comes up with a statement that licensed McDonald's fast-food restaurants in the Czech Republic are, on average, more successful than those owned and managed centrally. This finding might be attributed to the fact that when a small business exists in a form of franchising, there is less risk of moral hazard and agent-principal dilemma.

Overall, the thesis is well-written and full of novel ideas. I only have the following minor objections:

- Excessive use of bullet-points (the author is inclining to representing things in a structured way without going into much detail and providing explanations of what they are supposed to mean),
- Use of „superfluous" form of writing (as if the author was in a hurry and did not have to explain things to the reader),
- Minor problems with the introductory chapters throughout the whole thesis: quite often, the author provides very short introductions and comes straight to the point without familiarizing the reader with the "state-of-the-art",
- Use of few relevant literature sources: it seems that the author could have obtained more sources and papers on franchising (this remark of mine might not be relevant, however, in case of a Bachelor thesis).

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Nevertheless, I consider this thesis to be a good piece of work. The author is attempting to be creative and his approach to methodology and his use of literature, as well as data sources are quite innovative. With a little effort, this thesis might be turned into a good basis for further research on this topic (perhaps, it might also become a springboard for the Master thesis on the same topic in the nearest future). Given the fact that this is just a Bachelor thesis, the author managed to compile a large amount of data, proved that he was able to work with the literature and even provided some novel ideas.

For the defense, I have the following question to the author:

- "Would the effectiveness of franchises (on the example of McDonald's and in comparison with centrally-owned enterprises) be the same in the Western Europe as it is in the Czech Republic? Use the data or information known to you or elaborate on this using your own ideas."

In case of succesful defense, I recommend the author to be awarded with „velmi dobre“ (good, 2).

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Literature (max. 20 points)	12
Methods (max. 30 points)	18
Contribution (max. 30 points)	22
Manuscript Form (max. 20 points)	15
TOTAL POINTS (max. 100 points)	67
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: PhDr. Wadim Strielkowski, Ph.D.

DATE OF EVALUATION: 10.06.2009

Referee Signature