

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
Degree Programme in International Business

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Business Plan for Ice-hockey Center

Thesis 2017

Abstract

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The purpose of the study was to develop a business plan for an ice-hockey center in Finland to be implemented in the future. The theory related to a business plan concept is explained in the beginning. Afterwards, business plan was created according to the outline including strategic, marketing, financial and risk management plans. Apart from that, marketing research was conducted, which is the basis of a marketing plan.

The information was gathered from the literature and Internet sources. Author's experience and knowledge in the field supplemented empirical part, which was mostly done according to in-depth interviews and observation data. In-depth interviews were conducted with General Manager of TUTO Hockey club, two players from Junior Hockey League and a coach from SKA St. Petersburg Academy. Financial plan was designed according to International Ice Hockey Federation guide and the writer's forecasts.

As a result of this thesis, a business plan for ice-hockey center was developed. Business plan is a tool for the author, which represents how the project should be developed during implementation stage. Moreover, this business plan is assumed to be delivered to potential investors.

Keywords: business plan, ice-hockey center, ice-hockey infrastructure, sport marketing

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Glossary

International Ice Hockey Federation (IIHF) – government of international ice-hockey. Defines ice-hockey rules and control transfers of the player from one club to another. Founded in 1908.

Junior Hockey League (MHL) – International junior hockey league, where teams under 20 years old (U-20) from Russia, Latvia and China play against each other and define a champion in play-offs. Founded in 2009.

Kontinental Hockey League (KHL) – International ice-hockey league, which is assumed as second strongest league in the world. Includes teams from Russia, Finland, Slovakia, Belarus, Kazakhstan, Latvia and China. A champion is rewarded with Gagarin Cup trophy. Founded in 2008.

National Football League (NFL) – major American Football league in the US and the strongest in the world. Founded in 1920.

National Hockey League (NHL) – major ice-hockey league in the US and Canada, which is assumed the strongest in the world. Operates independently from IIHF with own set of game rules. A champion is rewarded with Stanley Cup trophy. Founded in 1917.

Preseason training camp - a period, when sport clubs begin their practices to develop endurance and ice-hockey skills to be in good fit conditions to the beginning of an official season.

SM-Liiga - major league in hierarchy of Finnish ice-hockey, where the champion of Finland is to be defined. Founded in 1975.

1 Introduction

Today, sport is associated with business industry sometimes even more than with competitions. An idea of sport as a business relies on qualified management and well-positioned and targeted marketing. However, it is also significant to pay attention to other participators of such a business. Those are professional sport clubs. Special conditions are to be created in order to let them prepare to a new season to perform on an elite level.

The thesis concerns ice-hockey, since the author of the thesis has already played ice-hockey for 14 years. Moreover, he has always been interested in management and marketing features of that sport. From his point of view, this is an attractive activity to build a successful career. Therefore, an idea of specialized ice-hockey facility appeared.

Currently, there is a enormous problem in Russia with ice-hockey infrastructure. The country lacks stadiums, where the players could practice their skills. It also concerns ice rinks, gyms, sport halls, recreational places and such facilities as a restaurant and a hotel. Therefore, many teams are seeking for the best conditions. Due to appropriate infrastructure, nature and location, Finland is one of the most attractive places for preseason camps.

The author is planning to write a business plan, which will serve as a guide to build necessary infrastructure including ice hockey rink, hotel, restaurant and other facilities, which are appropriate to the sport sphere. That will help to solve the problem of organization of ice-hockey camps for clubs as well as allow to create different events which will be aimed to increase ice-hockey popularity as well as place's awareness among people.

The thesis writer supposes that this topic is worth researching, because it will help to understand what the hockey clubs want to see as the camp place. Sport has become a part of business sphere. It brings financial profits to organizations, which build a right model of sport business. Therefore, it is important to find out an appropriate one for sport facilities management. Furthermore, the project will be on an international level, meaning collaboration between Finnish and Russian ice-hockey.

1.1 Ice-hockey from the beginning

To begin with, ice-hockey was created in Canada in mid-1800s. James G. Creighton is a key person due to whom ice-hockey as a game is known. In 1875 the first official match was arranged in Montreal (Canada) - ice-hockey Mecca - between team of McGill and team of Victoria, where James G. Creighton participated as well and was McGill's captain. The game had a wide public spread due to announce. All the players' names as well as game time were recorded. As for the first ever club, it was founded in 1877 by McGill University. Ice-hockey came to Europe in the beginning of 20th century in 1902 in Knightsbridge, England. (IIHF 2017a.)

International Ice Hockey Federation (IIHF) was founded in 1908 in Paris by representatives of four countries: Belgium, France, Great Britain and Switzerland. Bohemia (later Czechoslovakia) joined the organization same year. However, first time the name of federation was Ligue International de Hockey sur Glace (LIHG). The first ever president of LIHG became a Frenchman Louis Magnus. (IIHF 2017b.)

The most desired ice-hockey cup is Stanley Cup, which was founded in 1892. Lord Stanley, who was a Governor of Canada, bought a silver bowl as a prize for winners. The first Stanley Cup competition was held in 1893, which was won by Montreal Amateur Athletic Association hockey club. Over the long history, Stanley Cup has become one of the most important events in sport with own consolidated traditions. Montreal Canadiens has won Stanley Cup 24 times for franchise history - more than any other team. All the winners' names are engraved on the Cup according to tradition and each winner is given one day to spend with the Cup. (Ticketcity 2017.)

1.1.1 History of ice-hockey in Finland and Russia

Ice-hockey has begun to earn popularity in 1930s, when it was the Soviet Union. After Second World War the sport has become national and first titles came. Soviet Union national team won World Championship and Olympics in 1954 and 1956 respectively, when it first appeared on both tournaments. During the whole period until dissolution, the team of Soviet Union was known as "Red Machine" because it was dominant in the world due to constant victories on major

tournaments such as World Championship and Olympics. The most important people, who had enormous impact on ice-hockey in the whole world are coach Anatoly Tarasov and legend Valeri Kharlamov. (Russkiy hockey 2009.) The main rivalry has always been Canada and until now each game between those teams is perceived as the main event of the year in ice-hockey on international level.

As for Finland, ice-hockey was introduced successfully in 1927 by Yrjö Salminen and Walter Jakobsson, who were members of Finnish Skating Association. The first national championship was organized in 1928 as well as national team known as Lions, which was gathered from bandy players to play first international game against Sweden. The first success came to Finland in 1988, when silver of World Championship was won. Seven years later, Finnish Lions could win first gold on the field of the main rivalry - Sweden. The greatest Finnish player is Jari Kurri, who won five Stanley Cups. (Finnish Hockey Hall of Fame 2014.)

Today, ice-hockey is the most popular sport in Russia and Finland. Many people play ice-hockey professionally, while still many of others play just to enjoy. As for numbers, there are more than 400 indoor ice-hockey rinks in Russia and over 260 in Finland (Samokhin 2015). However, if compare the area sizes and population of both countries are being compared, it is seen, that Russia lacks infrastructure to offer to play ice-hockey. Therefore, almost all the professional Russian clubs are willing to travel to other countries for preseason camps. The most popular destination is Finland. Such clubs of KHL as CSKA Moscow, Salavat Yulaev, Traktor, Neftekhimik have practices in different Finnish towns (Hämeenlinna, Vierumäki, Imatra and others) on a permanent basis. It is worth going abroad, since the infrastructure is much better than in Russia. Due to experience of being an ice-hockey player, the author claims that good service and nature are competitive advantages of Finland as a place for preseason camps.

1.1.2 Business nature of sport

The sport of 21st century is associated with business industry, which can generate profit. Famous sportsmen as well as sport clubs sign enormous contracts with such giants as Adidas, Nike and Bauer. The main goal is to promote their brand. Therefore, marketing plays an active role in that process. In order to generate profit, the management team of sport club should learn *sport*

marketing. Chadwick and Beech in their “The marketing of sport” (2007) have defined it as “a process through which contests with an uncertain outcome are staged creating opportunities for the simultaneous fulfilment of direct and indirect objectives amongst sport customers, sport businesses and other related individuals and organizations”. Sport marketing means commercial activity, which should be executed by a sport organization in order to establish relationships between them and supporters or just sport lovers.

Since the thesis concerns ice-hockey, the author uses a case of National Hockey League (NHL), which is the most popular ice-hockey league in the world at the moment. It is an example of how to use marketing tools properly to build a solid brand bringing financial benefits. Total NHL revenues of the season 2015/2016 were US\$4,1 billion dollars (Statista 2017). NHL has strong relationships with fans and engages them by making a show. The league effectively uses social media to promote the brand. According to NHL official accounts in major social networks, where the league posts games’ highlights, updated news and other attractive content, the number of subscribers is 5,97 million in Twitter, 4,14 million in Facebook, 2,6 million in Instagram and 763000 in YouTube, which is almost 13,5 million in total (Twitter 2017; Facebook 2017; Instagram 2017; YouTube 2017). Moreover, NHL arranges such events as NHL Winter Classic. It is a game at outdoor stadium, which is able to seat around 70000 spectators. This game is worth visiting because of great atmosphere, even if people have never been interested in ice-hockey before. Additionally, NHL players deliver season passes to fans. It creates connection between supporters and NHL organization. (Burgess 2015.)

In 2011 NHL signed a contract with NBC Sports Group, which is North America's leading sport TV company. NHL sold TV rights to broadcast its games until 2021. According to the contract, NBC pays 200 million dollars annually. (Condor 2011.)

NHL case describes how marketing works in sport in order to create successful brand in that industry. Effective implementation of marketing tools is a key factor to make stable communication between an organization and spectators.

1.2 Objectives

The objective of the project the author is driven by is to write a professional business plan for practical implementation to create the modern ice hockey infrastructure including ice-rinks, gyms, sport halls, recreational center, restaurant and hotel.

As for sub-purposes, it is important to:

1. Define potential customers needs and wants by conducting the interviews with representatives of ice-hockey clubs to create as comfortable place as possible.
2. Define startup costs to clearly understand financial investments needed. It is done as well in order to search for investors.

The business plan will also serve as a reference for those researchers who would like to create something similar or use for study purposes.

1.3 Delimitations

Defining of the delimitations helps to narrow the project boundaries within which a research is done. The author of the thesis defines the following delimitations for himself:

1.3.1 Focus on Finland and Russia

As it has been already mentioned, international collaboration is a part of the project. Moreover, the writer knows the realities of both Finnish (in lesser extent) and Russian hockey due to profound own experience of being an ice-hockey player of 10 years and monitoring of current situations in the sport development in both countries over the last five years, since the moment it has become interesting for him.

The idea is to build a hockey center in Finland, since it is easier to start the business in that country due to less degree of bureaucracy, than in Russia. For one more reason, Finland is a popular destination for Russian ice hockey teams of all ages. Many teams arrange the camps in Finland to be in shape before the hockey season starts. Moreover, Russian teams, especially elite athletes, prefer

places where all the necessary facilities exist (rink, gym, sport hall and facilities for recovery) and no chances that they will be distracted from the sport practices.

1.3.2 Time

The thesis author sets time boundaries. If the project is relevant, it should be executed within 2-3 years after the business plan is completed.

1.3.3 Research methods

Empirical part of the research consists of interviews with open-ended questions to gather more data. Therefore, interviews with representatives of ice-hockey clubs are held to find out their needs and wants. It is not possible to conduct interviews with all the clubs in Finland and Russia. One manager represented TUTO Hockey club from Turku, while other participants were two players from Junior Hockey League in Russia and a coach from SKA St. Petersburg academy.

In addition, observation method is used as well, since the author monitors the situation every year concerning destinations of ice-hockey clubs of Finland and Russia during preseason practicing period. It will allow making right judgments on preferences of the clubs for camp place.

1.3.4 Theoretical framework

Theoretical part of the thesis is based on searching literature sources in order to make it solid. The author expresses own opinion about certain concepts, which he assumes are suitable or require extended explanation from the point of sport business topic in the context of the thesis.

1.3.5 Business plan

Financial part of business plan will have delimitation, which concerns startup costs. In the empirical part, only startup costs of ice-hockey infrastructure will be counted. The reason is that it is hard to predict how much investments needed in hotel and other objects, until the project is ready. At the same time, there is enough information provided by International Ice Hockey Federation (IIHF) about construction expenses.

1.3.6 Main services

The project will be expanded to three main services for customers:

1. **Camping.** The idea is to invite and host ice-hockey clubs from Russia and Finland to come to the ice-hockey center for a preseason camp. Sportsmen will have all the opportunities for high-level performance as well as for recreational procedures and leisure time including SPA, restaurant, comfortable accommodation etc. Moreover, transportation of the clubs will be on host side's duties.
2. **Tournaments and entertainment events.** It is planned to use ice-hockey center for the arrangement of tournaments. For instance, Christmas tournament between best junior teams from Russia, Finland and Sweden is a way to invite potential clients and promote the place due to high-level servicing. As for entertainment events, ice rink is attractive place to have a birthday party for children or to celebrate another meaningful occasion. Logistics during these tournaments is supposed to be carried out by host side.
3. **Selling of ice-time for amateur teams.** Ice-hockey is the most popular kind of sport in Finland. It is available for people of all the ages. The more places are to play, the more people will do it. Amateur teams will have an opportunity to use the modern infrastructure to play favourite game. Free ice-time will be available for them to rent.

1.4 Limitations

Limitations help to define what the difficulties are to complete the project successfully. There are several limitations in the project, which author defines as following:

1.4.1 Finances

Building of such infrastructure as the business plan assumes is very expensive. Therefore, searching for investors is vital to execute. An investor should be interested in sport sphere not only due to financial perspectives, but due to real support of the project and ice-hockey itself.

Financial forecasting is also a limitation, since it is not possible to estimate exactly the total amount of money required to launch and run a business.

1.4.2 Time

As it has been mentioned, it is important to make the business plan real before it will lose its relevance. Moreover, financial part plays the most significant role, when it is decided to execute a business plan. Therefore, as soon as an investor is found, project execution phase must be begun.

1.4.3 Right essentials

This means concentration on necessary aspects, which any business plan must cover. If not, then a project can be failed. For instance, it is necessary to choose the most appropriate company to build the infrastructure and gather a professional organizational team.

1.5 Research question

The main research question for the whole project is “How to write a successful business plan for a company offering services for sport organizations?”. Sub-questions include matters, which are essential for writing of various parts of the business plan:

1. What are the key conditions for sport managers when they choose a place for a training camp?
2. How to make strategic planning properly?
3. How to make a solid financial plan?
4. What are the potential risks and how to prevent them?

1.6 Research method

Research includes a mix of different methods. Firstly, the interviews with hockey club manager from Finland and players and coach from Russia were conducted.

1. Dani Aavinen, Marketing and Sales Director in TUTO Hockey (Mestis League), Turku.
2. Maxim Anisimov, coach in SKA St. Petersburg Academy and former professional ice-hockey player of SKA St. Petersburg.

3. Nikita Tarletsky, professional ice-hockey player of ice-hockey club Atlantya (Junior Hockey League).
4. Pavel Yelshansky, professional ice-hockey player of Dynamo St. Petersburg (Junior Hockey League).

The purpose of the interviews was to understand potential customers needs and want to create as much comfortable conditions for potential customers as possible. It is worth noticing that face-to-face interview was done with Dani Aavinen only, while responses of other participators were collected by email and audio records.

Interviews consist of open-ended questions. Wide range of data was collected to analyze and help to underline the most important aspects related to the idea of sport center. Moreover, marketing plan is done on the interview basis.

Secondly, observation method was implemented to analyze situations in other ice-hockey clubs and their preferences in training camp places. Observation was done by reading materials and analyzing of the Internet sources. The author's experience of being an ice-hockey player as well played an active role in observation.

1.7 Structure of the thesis

The thesis consists of four major parts. In Introduction chapter, the main information about the project is covered. It makes the idea clear and understandable. Moreover, there are histories of ice-hockey development from the beginning in both Finland and Russia to make a reader familiar with the topic.

Theoretical framework chapter is about basic theory concepts. The exact explanations for each of those is given. Thesis writer describes the concepts relying on literature review and compares explanations between different authors. After literature review of the concepts, thesis author makes conclusion about understanding and explains how a certain concept will be implemented in the business plan.

The third chapter is a business plan, which includes background information, strategic planning, marketing, financial, risk management and organizational plans. Each of the part is important in the business plan and written carefully in

details to make the project reliable and credible for the readers, especially for potential investors.

The last chapter Conclusion consists of the whole summary about the thesis. Thesis author summarizes what was done during the thesis process and results. Moreover, some recommendations are written for further research.

2 Theoretical framework

The theoretical part is done in order to make a reader familiar with the idea presented in the thesis. This chapter's aim is to open a reader's mind on ice-hockey as business as well. Therefore, the author believes that description of key concepts and their interpretation will help to make everyone closer to the topic, even if people have not been familiar with one. The concepts are explained theoretically in the chapter as author perceives them in the business plan.

2.1 Business plan

Business plan has many interpretations, since people see it differently or just write it for different purposes. David H. Bangs in his book "Business Planning Guide: Creating a Winning Plan for Success" (2001) gives a general explanation of what a business plan is and calls it an operating tool, which will help to manage business and work effectively towards its success. The future of any project depends on how professionally a plan was created. It has an impact on marketing plan as well as on financial resources, if the goal is to find an investor. Moreover, a reader can use the business plan to clarify an idea and, if an author is an entrepreneur, it is possible to estimate what the whole project picture is. Lack of planning is one of the reasons why many companies fail in the beginning. (Bangs 2001.)

At the same time, Linda Pinson describes business plan more specifically as a blueprint of a business idea, which provides creators with tools to analyze and implement changes that will make a business more profitable. A business plan can open new international markets as well. It will show the possible options for entry and collaboration with potential partners abroad. (Pinson 2000a.)

There are several reasons for any entrepreneur to write a business plan. First of all, it helps to find an investor, if one is done in details and carefully. Secondly, it is a possibility that a businessman is lost with direction to go further and therefore clearance of what to do is needed. The third reason can be a decision to sell a business and eventually it is written just to start a business. (Finch 2010, pp. 2-3.)

The case study, which was done recently by Sami Saari shows that there can be different groups of financiers, who have different requirements regardless investing in an entrepreneur's project. Those categories are lenders and investors. The researcher claims that lenders are objective and make an emphasis on financial figures, while for investors the most important aspects are a business idea itself and how an entrepreneur is motivated to realize one. (Saari 2014.)

Thesis author has two reasons from mentioned above: to run own business and find an investor for that. Therefore, he states *business plan as a tool, which helps to realize a business idea step-by-step controlling and analyzing the entire process and will make a potential financier motivated to invest in.*

2.2 Outline of business plan

Literature review was managed by the author in order to define the content to be included in the business plan. Plenty of sources were researched. Each source has own nature: one author is a successful businessman in sport facilities sphere, who wanted to share the knowledge. Another source is a video on YouTube, which was created by a businessman, who offers business planning services. Professional books also were reviewed. The thesis author defined a layout, which is the most appropriate for that project. It consists of the following components:

- executive summary
- industry description
- strategic planning
- marketing research
- marketing plan
- financial plan
- risk management plan

- organizational plan.

2.3 Executive summary

Executive summary of a business plan represents the whole overview of business, which is going to be run. It should consist all the written parts together in a shorter form, in order to make the readers understood the main idea. There are some different points to include in for startup and already established companies. For the startups it is vital to convince business angels, investors or banks that a project has reliability and credibility. Therefore, business opportunity should be explained carefully and in interesting manner at the same time. Furthermore, investors are interested in financial analysis to be confident they will return their funds as well as banks will get the credited money back from entrepreneur. Additionally, no one interested in a business person will invest money in any project, if an owner does not understand what his or her idea is. For that reason, market analysis (target markets, competitors and opportunities) and marketing strategy play an active role in a business plan. In the end of the executive summary, it is acceptable to explain in short statement why a business is winning. (Ward 2017.)

2.4 Strategic planning

In their book “Process-based Strategic Planning” (2005) Rudolf Grünig and Richard Kühn state that strategic planning is an essential part to have to succeed in business. They define it as a process of strategies creation by formulation mainly of long-term objectives. Therefore, it is extremely important to involve high levels management of a company and execute detailed analysis. Strategic planning provides with deep insight on future activity and required resources. After strategy is on implementation phase, management controls and monitors how assumptions meet reality to adopt a strategy to changed business environment. (Grünig & Kühn 2005.)

2.4.1 Mission and vision

Mission and vision are essential parts of strategic planning, since these statements lead to objectives and define development vector. The mission statement should be short, express the organization's purpose in a way that

inspires support and ongoing commitment, set the tone of the company and outline concrete goals. A good mission statement shows what a company is associated with for customers and how they see it. (Post 2017.)

On the other hand, a vision statement shows how an entrepreneur sees the company's future, where it will be. It also can motivate employees to perform on the best levels and create fresh ideas for the company's development. (Fernandes 2017.)

2.4.2 Strategic planning tools

Nowadays, organizations are used to develop their strategies on the basis of tools, which have own model to follow. Such tools as SWOT-analysis, PEST analysis, which is known as PESTLE, and Five Porter's forces are solid and have credibility in business industries.

2.4.2.1 PESTLE analysis

The tool is used for analysis of environment a company operates in and to plan a launch of a new product or service. PESTLE is abbreviation, where each letter means one factor influencing industry: P - Political, E - Economic, S - Social, T - Technological, L - Legal and E - Environmental. (PESTLE Analysis 2017.)

a) Political

The main question, companies have to think about is what political situation in a particular country is and how it can influence business. It includes such factors as tax policy, fiscal policy, trade tariffs and others, which can be regulated by government. (PESTLE Analysis 2017.)

b) Economic

Economic factor defines local economy's performance, since it directly affects businesses. For instance, inflation rate will concern pricing policy as well as purchasing power of customers. Foreign exchange rates are important to pay attention to especially if an enterprise operates on international level. (PESTLE Analysis 2017.)

c) Social

It is necessary to analyze culture diversity when to start running business and which the impact they have on local markets. Moreover, it relates to demographics and cultural trends. (PESTLE Analysis 2017.)

d) Technological

It is one of the vital factors in the modern world of rapidly developing technologies. Companies have to obtain the information how latest innovations affect operations in an industry. Research is required in order to be aware of new trends. (PESTLE Analysis 2017.)

e) Legal

Reviewing that aspect, businesses monitor current legislation to understand if there is impact on industry by law. Legal aspect covers labor laws, competition policy and consumer rights. Moreover, those laws may be established by government as well as companies internally. (PESTLE Analysis 2017.)

f) Environmental

Environmental factor is a key, when to decide whether to found business in such as industries as tourism, agriculture, automation and production on fabrics or not, because nowadays eco-friendliness trends exist. Companies in the industries are oriented on reducing of carbon dioxide emissions and make the air clearer. (PESTLE Analysis 2017.)

2.4.2.2 Porter's five forces model

Competition is a process of defending own positions on the market. Companies have to think of strategies and define the risks carefully. The intensity of competition depends on many factors, which relate to businesses themselves, suppliers and even customers. There are many industries to enter, however, not all of them are equally potential in terms of profit. To distinguish those industries, Porter's five forces model is used, which was created by Michael Porter and described in his book "Competitive strategy: Techniques for analyzing industries and competitors" (1980). He emphasized five key dimensions, which determine potential of a certain industry:

1. Intensity of rivalry

The reason competition occurs is that companies are pressured or find new opportunities for growth. Generally, there are two or three major enterprises, which control the market and intensity of competition depends on them. For instance, if one creates new products, other try to reach the same level and make strong efforts. However, some kinds of competition

such as pricing are not stable and there is extent of financial loss for all the market players. At the same time, marketing competition can even attract attention of more people and increase the demand. (Porter 1980.) Foreign companies have always played an active role, since they make investments and catalyze competition. By the contrast, if there is slow industry growth, bigger organizations try to win more market share that makes the industry weak. Therefore, it is hard to avoid tough competition, especially if many companies have the same product and. Furthermore, it is sometimes very hard to exit the industry and such factors as economical and emotional may still keep competitors within it. (Porter 1980.)

2. Threat of substitution

Organizations face with difficulties when a new product with the same functions occurs. Therefore, this dimension examines how easily customers can go to a competitor and buy its product. Buyers examine both alternatives and decide on which product is better according to prices and quality. (Porter 1980.)

3. Threat of new entry

New players on the market come with desire to win market share and bring capacity. The entrance depends on entry barriers, it is hard to join. Moreover, competitors, who know in advance about potentially new company, can think about creation of those barriers. (Porter 1980.)

One of the most important barriers is economies of scale, which means declining cost per unit. Therefore, an entrant has to accept the risks and come at a large scale, or at a small scale, but cost disadvantage afore competitors will be. Another barrier is product differentiation, which means that existing companies have stable brands and customers' loyalty, while new entrant has to spend resources to acquire loyalty. At the same time, new entry requires a solid capital to compete with others and to maintain business first time of being on new market. Advertising as well as research & development costs are major parts of capital, while it is still necessary to think about inventories and production. One more barriers is government. It can limit entries by requesting plenty of licenses and access to raw materials, especially for foreign companies. It is necessary to remember about air and water pollution standards, which are controlled by government as well. (Porter 1980.)

4. Bargaining power of suppliers

Suppliers are able to threaten easily by raising the prices and reducing the quality of raw materials. Practically, if a certain supplier has relationships with market leaders, it can have an impact on the other firms and be more demanding and search for more beneficial conditions. In addition, if suppliers have business with an industry, which is not one of the largest, they are able to exert and request more reasonable prices. Moreover, suppliers may understand the importance of their raw materials for a company producing own product using those materials. In that case, it is hard to negotiate with suppliers about convenient conditions. (Porter 1980.)

5. Bargaining power of buyers

Buyers always wish the prices to get down. They are key components of competition on the markets, since they define the demand. Buyers can be powerful, if there are many companies, which produce the same product. In that case, people define where to buy it and the roles of advertisement and product quality are more significant. If the sellers are facing switching costs, buyer become less price sensitive. Another factor, which may influence consumer's purchasing decision is information about manufacturer's costs, including supply costs. Due to that, buyers are able to analyze situation and choose a product for more favorable prices, than competitors have. In addition, people are more price sensitive, if prices do not correspond to their income, which is not a problem for profitable customers. (Porter 1980.)

2.5 Marketing Research

It is significant to know as much as possible about industry and the markets involved in a sphere a businessman wants to run a business in. The **marketing research** is a way to make entrepreneurs ready to deal with the problems. It can be defined **as systematic, data-based and objective investigation of a specific business problem**, conducted with the purpose of finding problem decisions. The problems solutions can be resulted in data analyzing gathered during research. In addition, data can be primary, which is gathered in-hand by a researcher or secondary, which means data from already existed sources. The

data is divided into qualitative (textual) and quantitative (numbers, figures) as well. (Sekaran & Bougie 2010.)

It is worth mentioning that “problem” does not necessarily mean doing something wrong. A “problem” can be, for instance, a wish of a company to get feedback from customers about a new product. A research problem has to be expressed as a solid and clear statement. (Sekaran & Bougie 2010.)

As soon as the problem are stated, the research objectives are to be defined carefully. Very general purposes are not suitable for marketing research. They have to be specific and lead a researcher to find the solution. (Kotler 1988b.)

2.5.1 Types of marketing research

Researchers emphasize two main types of research: qualitative and quantitative. *Qualitative research* assumes data collection from carefully chosen number of respondents in order to generate information about their attitude, feelings and behaviour to a certain product or issue. The key components of qualitative research are careful sampling process, when certain number of respondents is chosen from the whole population in order to receive more reliable data, lack of statistical insight, less structured and more flexible data collection process. (Wilson 2006.)

There are three distinguished fields in which qualitative research can be undertaken. Firstly, exploratory research helps companies to understand better customers' attitudes and perceptions towards existing products. Moreover, it is possible to analyze how consumers make decision whether to buy a product or service. Secondly, it is significant to observe the opinions from clients what they are satisfied or not by in order to implement the gathered information to new product development. It will help to find mistakes in the concepts of a new product and show its advantages or disadvantages. Thirdly, qualitative research may guide enterprises to create and communicate message to the customers, so that information about product would be interpreted by them in the manner they used to. (Wilson 2006.)

Such methods as in-depth interview, focus group interview, observation and projective techniques imply qualitative research.

a) In-depth interview

It is a data collection method in which an interviewer asks a respondent a set of prepared questions in face-to-face manner or by telephone. The objective of that method is to get deeper insight about what or why a respondent feels, how he behaves or in what he believes in about certain topic. An in-depth interview is assumed to produce wide range of textual data and it is possible to vary the questions during an interview depending on interviewee's answers. As for disadvantages, interviews take a lot of time and even may cost more. Moreover, interviewer may not be skilled enough and possess required knowledge about a topic, which may lead to bias and incorrect interpretation. (LIM 2016.)

b) Focus group interview

This method is conducted of a group of 6-12 people, who have discussion on particular topic guided by a moderator. Focus group has unstructured conversation in order to reveal hidden needs and wants, attitudes and perceptions related to the topic. In addition, a lot of new ideas can come in participants minds, which are used by the companies. It is important to create friendly and comfortable atmosphere for people, in order to generate ideas without hesitations. It is uncomplicated to analyze focus group, since the most interesting topics are intensively discussed with passion and even interruption of each other. At the same time, moderator is responsible for discussion right direction goes and making notes about the ideas and views. (LIM 2016.)

c) Observation

Observation is a method, which can be implemented without direct communication with people and confounding factors are reduced. It is based on analysing physical actions, verbal and nonverbal behaviour and expressiveness. However, it is complicated to make records about seen reactions. Moreover, data lacks generalisability. (LIM 2016.)

d) Projective techniques

It is an indirect method of interview, when projected situation is set and respondents express beliefs and opinions about the topic in question, which plays a role of stimulus for interviewees. The most common techniques are word association (expressing of first thing coming in one's mind about presented list of words or phrases), sentence completion (end

sentence with own words), role-playing interviews (respondent is asked to act with specific behaviour) and thematic apperception test (TAT), which means describing a story about pictures shown. (LIM 2016.)

Quantitative research is used to generate quantifiable data about people's attitudes and perceptions towards a product in a structured manner based on a sample of the entire population. Sample is a small group, on which judgement is made about target population (LIM 2016). Quantitative research differs from qualitative by structured data and statistical nature. Moreover, it is easier to convert quantitative data into information to receive more precise and generalized results. (Wilson 2006.)

Survey is a structured questionnaire to be answered by respondents. This method is commonly used in research practices in order to collect quantitative data. Generally, researchers emphasize four types of surveys:

a) Person-administered surveys

Such surveys are carried out by trained interviewer and in face-to-face manner. Interview can be in-home asking prepared questions in respondent's place. It is time-consuming, since potential interviewees may not be at home. However, it would be an efficient way for business-to-business relationship, when entrepreneur lacks time and is able to answer the survey only at the office. In that case, interviewer has to be experienced and skilled to stay credible and liquid for surveyed party. As for other options to carry out a questionnaire, street interviews are used. The idea is that people are stopped during their shopping time to ask feedback about the purchase. The length of the survey is an issue to remember about, since respondents are not willing to spend a lot of time on that. (LIM 2016.)

b) Telephone-administered surveys

The major part of interviews is made from a call center by phone. The calls are always monitored and controlled from one location, which is an advantage in terms of organization. Supervisors are able to analyze how interviewers perform and replace them, if process is going incorrectly. Telephone survey can be brief, and it creates flexibility. Nowadays, computer-assisted telephone interviews (CATI) takes place on survey

platform. It functions as computer leads an interview and a respondent is only responsible for pushing the buttons on cell phone to answer. The advantage of such method is that as soon as an interview is finished, a CATI system dials another phone number, which allows executing a larger amount of surveys. It is less time-consuming for respondents to answer the questions by SMS for polling and short surveys. (Wilson 2006; LIM 2016.)

c) Self-administered surveys

These surveys differ from others by the absence of interviewer. Respondents have to complete the questionnaire by themselves. The questions must be clear and motivate respondents to answer all of them. Such surveys may be sent via postal services and will be returned by post as well. In case people agreed in advance to participate in an interview and it is sent by direct mail, it is called a mail panel survey. The main advantage of such method is relatively low cost, while response rate may be low and waiting for answers back may exceed all time boundaries, since usually people are not interested in completion of not agreed surveys. In order to increase the likelihood of receiving survey back, a company should state the purpose and probably benefits for respondents. An interviewer is able to deliver a so-called drop-off survey, which means in-hand. Respondents can complete it later. (Wilson 2006.)

d) Online-administered surveys

This group of surveys includes fax surveys (distributed via fax machines), email surveys (via email services) and Internet surveys (via online forms). As for fax surveys, they are more appropriate for businesses as a faster way to receive the answer back. By the contrast, email survey is suitable for a larger sample, since it is easy to deliver in terms of time and costs. Respondents have to fill in forms in email boxes or open attachment form. Internet questionnaires may be personalised or be anonymous, which is an advantage and may attract people to answer. It is a less time-and-cost-consuming method in the modern world of constantly developing IT-technologies. (Wilson 2016.)

As it has been mentioned, the thesis concerns ice-hockey. The author has to know the trends and understand attitudes of professional ice-hockey clubs

towards infrastructure needed to organize preseason camps. In his opinion, large amount of qualitative information required to claim that marketing research is undertaken successfully. Therefore, the most appropriate methods to collect required data are in-depth interviews with representatives of the clubs, who are experienced in choosing the places for camps, because they know what team members want and need to perform better. Another method to be used is observation, since author monitors the situation every year concerning destinations of ice-hockey clubs of Finland and Russia during preseason practicing period. It will allow making correct judgments on preferences of the clubs for camp place.

2.5.2 Marketing research process

Philip Kotler emphasizes and describes following steps in any marketing research:

a) Developing the research plan

This step assumes creation of a research design. An investigator is supposed to gather data already existing from secondary sources and prepare a plan for primary data collection. There are few methods of data collection to choose the appropriate. Sampling is the vital procedure as well, since it determines who is to be researched and how many people should be surveyed. (Kotler 1988b.)

b) Collecting the information

As it has been already noted, there are several methods such as interviews, questionnaires and observation to collect primary data. Interviewing method is flexible and gives a wide range of qualitative data. However, it is significant to create questions, which are clear and understandable for an interviewee. Interviews can be structured (interviewer has a list of prepared questions), semi-structured (interviewer can ask questions arising from the answers during conversation) and unstructured (no predetermined set of questions). (Sekaran & Bougie 2010.)

Questionnaire is a sequence of questions. It is a popular method among the researchers to gain quantitative data, which can be conveniently analyzed statistically by using of charts and tables. At the same time, it is

extremely important to design the questions well so that to avoid bias (e.g. double-barrelled and answer-leading questions). An advantage of questionnaire method is anonymity for respondents. (Gratton & Jones 2004.)

Observation is a research method without direct contact with the respondents. The main objective is to observe their behavior: emotions, anger, gestures facial expressions and others. (Sekaran & Bougie 2010.) Each of the methods has advantages and disadvantages. Moreover, for some researchers one is more suitable than others and vice versa. As for current project, the author is using both interview and observation methods in order to gain a wide range of data for business plan writing and its implementation.

c) Analyzing the data

In the book written by C.N. Sontakki (2009) it is reported that data analyzing is the process to obtain information from the data in order to convert it into some knowledge about the researched problem. Analyzing helps to prevent making wrong conclusions. Moreover, analyzed data can be reviewed by other researchers and it will make their life easier. (Sontakki 2009.)

d) Presenting the findings

Information gained from collected data is an important source, which gives knowledge about research conducted. Carefully and effectively presented data can be an accelerator for a deal or on the other hand can be a barrier. Therefore, it should be presented in an appropriate way, so that people, who have an interest in the data, could estimate results. Moreover, gathered data can serve as a secondary source for other researches. There are several options to present the final results. Generally, it is shown as graphs, tables or charts, which are perceived visually easily. Results must accept the hypothesis or reject it. If the objective is to find an answer for a question, results have to lead to it, so that decision to be made. (Shubham 2016.)

2.6 Marketing plan

Marketing has been explained in different ways by various authors. For Kotler **marketing** is a social and managerial process by which individuals and groups

obtain what they need and want through creating and exchanging products and value with others. The main goal of any business is to be profitable and develop further. It is possible only if a company satisfies customers' needs and wants which are the starting points of marketing. (Kotler 1988a.)

Therefore, it is vital to create a marketing plan, which consists of steps to complete marketing objectives. The plan helps to execute the actions which are chosen to achieve the positive result. Besides this, any plan is needed to allocate current resources promptly. When each department has clear goals and knowledge what to do, then less extent that ambiguity will exist. (McDonald & Wilson 2011, pp. 33.)

Marketing plan has been structured by the entrepreneurs in various ways. It depends on what business is run and in what sphere. Moreover, different sources give own models. For instance, such basic model is used as Market Analysis, Sales Strategy, Advertising, Public Relations and Customer Service (Pinson 2000b). At the same time, a well-known business website such as Entrepreneur.com (Entrepreneur n.d.) offers to add budget for marketing process.

At the same time, sport marketing is becoming a rapidly growing industry, where the sport clubs are able to gain profits and not only financial ones. For those, who are not so close with sport and marketing, it would be practically useful to clarify the concept of sport marketing. John Beech and Simon Chadwick in their book "The marketing of Sport" (2007) based on their own learning experience and experience of the big sport clubs and leagues such as football club Real Madrid and National Football League (NFL) have stated that sport marketing is the process through which competitions with unknown overall result take place and help sport organizations to achieve the settled goals among sport fans, sport businesses and other related groups.

The writer, due to professional working experience in ice-hockey club and being an ice-hockey player, supports the definition of sport marketing concept. However, it is worth adding that the main goals are to fulfill the needs of customers (fans) and monetize the possible profits in order to develop the brand and increase it awareness.

For his thesis, the author has analyzed the possible models of the marketing plan.

2.6.1 Market analysis

Basically, market analysis represents a business idea and shows its advantages and disadvantages. Moreover, an industry is described to research whether an idea is worth implementing. If market analysis is executed professionally, it will definitely make a potential investor or lender confident about solidity of an industry. (Accion 2014a.)

SWOT-analysis is a tool, which leads a company to identify internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors. These factors define the future direction of an organization. Furthermore, the analysis is used to evaluate, for instance, a project's attractiveness by reviewing internal and external factors. (PESTLE Analysis 2014.)

Knowing customers is vital to run a business successfully. To define *target market*, the organizations have to know which benefits and to whom their products will bring. Basically, there are several target groups on the market for a company. Business development depends on how well a market is analyzed and understood. If it is done correctly, the effectiveness of a product and responsiveness from the customers will grow. (Duermyer 2017.)

Competitors analysis is needed to estimate own opportunities on the market and realize the power of others on the market. It is an essential part of a business plan, which will help an entrepreneur to adopt a business to the market's conditions and develop it properly. Competitor analysis assumes knowing the competitors, their strategies and objectives. Moreover, preparing a SWOT-analysis for competitors can be useful. Additionally, visiting the locations of competitors is an effective way to understand what could be fixed in own project. For example, thesis author bears in mind that point as well. The better competitive organizations are analyzed the clearer own view on running a business will be. (Haden 2015.)

However, a startup may have difficulties with entering a market. There are many possible reasons for that, which are known as *entry barriers*. Usual barriers the companies face on the markets are tough competition, high capital requirements or a legal policy of a government, where a business is set up. Therefore,

businesses must know possible barriers and try to decide the problems or realize that it is not a barrier to enter a market. (Mars 2013.)

2.6.2 Products and services

A product or service offered by an enterprise defines how effective and successful a business will be. The description of a product in marketing plan should be clear, without industry jargon. Potential investors may not be familiar with its specification at all, while this part must make them interested in a product or service. Furthermore, it should be powered by target market analysis as well. Explanation of benefits and its creative presentation is a right way to impress a reader. (Accion 2014b.)

2.6.3 Marketing strategy

Since the thesis concerns sport marketing, the marketing strategy should refer to sport. According to Chadwick and Beech (2007), marketing strategy is a process of planning, implementing and controlling marketing efforts to meet the goals of a company while satisfying consumer needs as well. In terms of marketing sport, the strategic planning is not different with strategic marketing planning.

In their book “Marketing of sport” (2007), Chadwick and Beech offer an adopted version of five-step model of strategic sport marketing created by Shilbury, Quick and Westerbeek (2003).

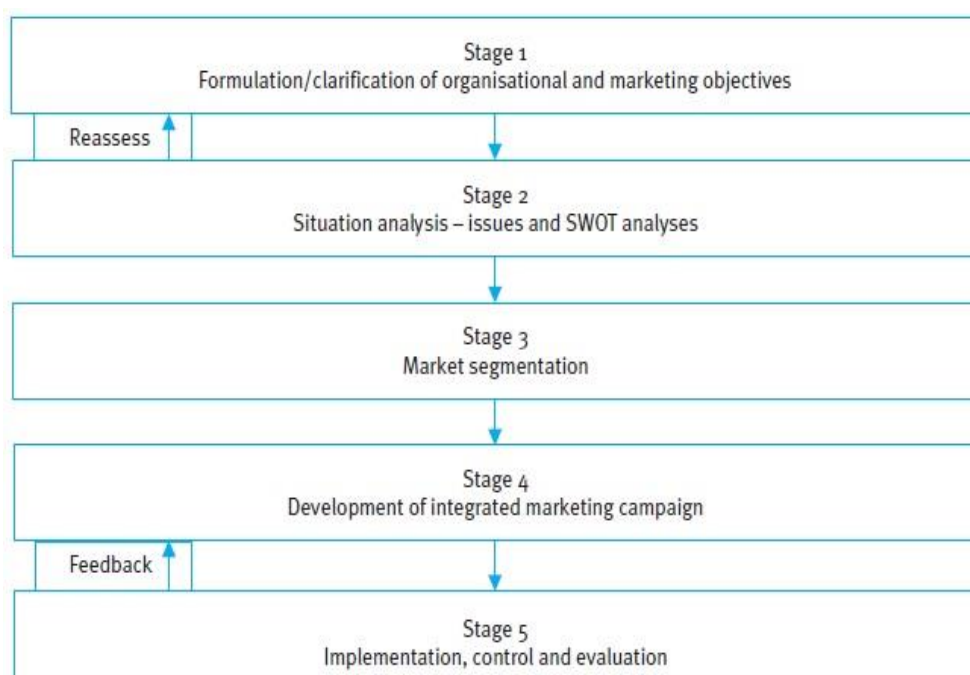


Figure 1. Five-step model of strategic sport marketing. (Chadwick & Beech 2007)

Figure 1 shows the stages of how sport marketing strategy evolves. *Stage 1* assumes setting the objectives which is the most important issue to consider, because the whole strategy is constructed relying on them. At the same time, the decision-makers usually look back on the goals after issue and SWOT analyses are done in *stage 2*. Issue analysis means reviewing the factors, which have an impact on sport marketing environment. For instance, those could be women in sport, technologies and foreign competition. (Chadwick & Beech 2007.) The thesis writer supposes that factors influencing sport marketing environment of his future company are, for example, technology, effective work with customers and area the sport complex will be located.

As for *stage 3*, market segmentation allows a marketer to define which product suits to specific group better than to another. Moreover, prices can vary as well. The whole marketing process can go differently for all segments, because it brings the benefits and satisfy the needs and want of all target markets. That is a competitive advantage. The basic segmentation is done by four factors: demographic, behavioral, geographic and psychographic. (Chadwick & Beech 2007.)

Stage 4 takes continuation from stage 3, since here the marketing campaigns are to be created for each of the segments defined previously. Marketing campaign usually answers to the questions how and what the clients will know about a company. Therefore, such tool as marketing mix is used by marketers on practice. A widely known mix is 4 P's mix: product, price, promotion and place. (Chadwick & Beech 2007.)

- Product dimension means what is produced, a physical product. Consumers hope that their needs and wants will be taken in consideration during product development. The purchasing rate then has a possibility to increase, while new customers will pay attention to the products. (Chadwick & Beech 2007.)
- Price is a very sensitive aspect for all the business. Generally speaking, price defines a product's quality. There are such factors as demand, competitors' prices and location, which influence settled prices. (Chadwick & Beech 2007.)

- Promotion means communication about the products and services a business produces. There is a figure, which shows how it works:

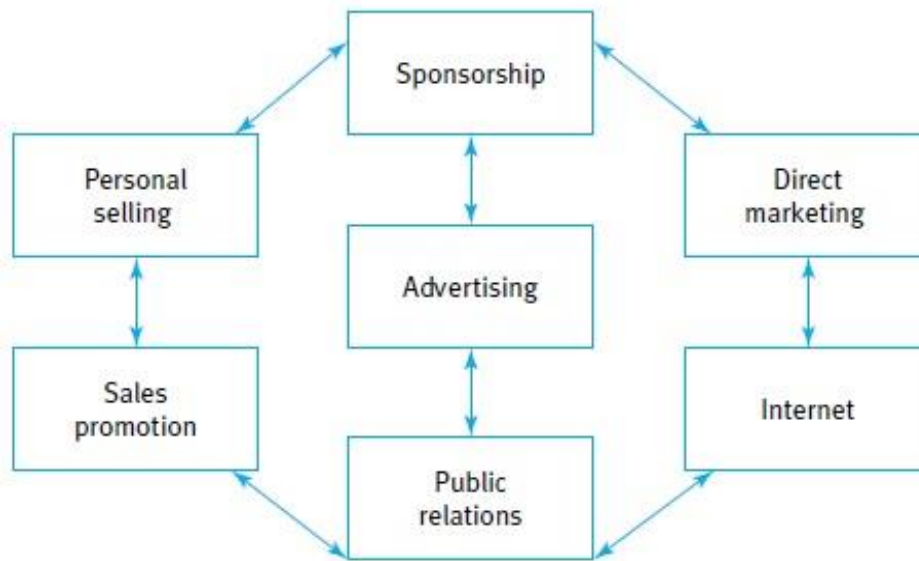


Figure 2. Integrated marketing communications mix. (Chadwick & Beech 2007)

Advertising is the central dimension. Sport clubs use often commercials and advertisements, which are later integrated in TV, newsletters and other media sources. Sales promotion is a way to attract a customer at the moment for an immediate purchase. An organization may offer additional discount for a second product, if first has been purchased. At the same time, personal selling can be a part of sales promotions. Moreover, a direct contact with a potential client disposes him to the sales person. (Chadwick & Beech 2007.)

Sponsorship is one of the ways to increase brand awareness among big masses of people. Moreover, it can bring financial benefits as well. Public relations are important, if a company wants to collaborate with a certain public group, which have a solid position among people. (Chadwick & Beech 2007.)

Direct marketing is used to reach the target customers via emails or TV commercials to stimulate them to make purchases in online-stores, for instance. Moreover, Internet is the modern tool to promote the products, since billions of people use it every day for online shopping as well as for

watching the news about interested companies. (Chadwick & Beech 2007.)

Implementation, control and evaluation (*stage 5*) is an extremely important step in order to succeed. When the strategy is implemented, there is a time for controlling the situation so that the plan would be executed in a right way. Finally, a working team may evaluate the results and receive the feedback from the customers and develop the strategy. (Chadwick & Beech 2007.)

2.6.4 Pricing strategy

Philip Kotler in his “Marketing Management” (2000) claims that price is an element of marketing mix, which brings revenue, while others produce costs only. He mentions as well that nowadays price is used to be different for customers sometimes in era of auction marketplaces such as Ebay. Moreover, he states the main mistakes companies make when setting prices: prices are not analyzed enough to generate revenue, price is settled independently from other aspects of marketing mix and poor price variation for different market segments and product lines. (Kotler 2000, pp.215-232.)

The figure below represents a model offered by Philip Kotler, which consists of six stages to set the prices for a product or service:

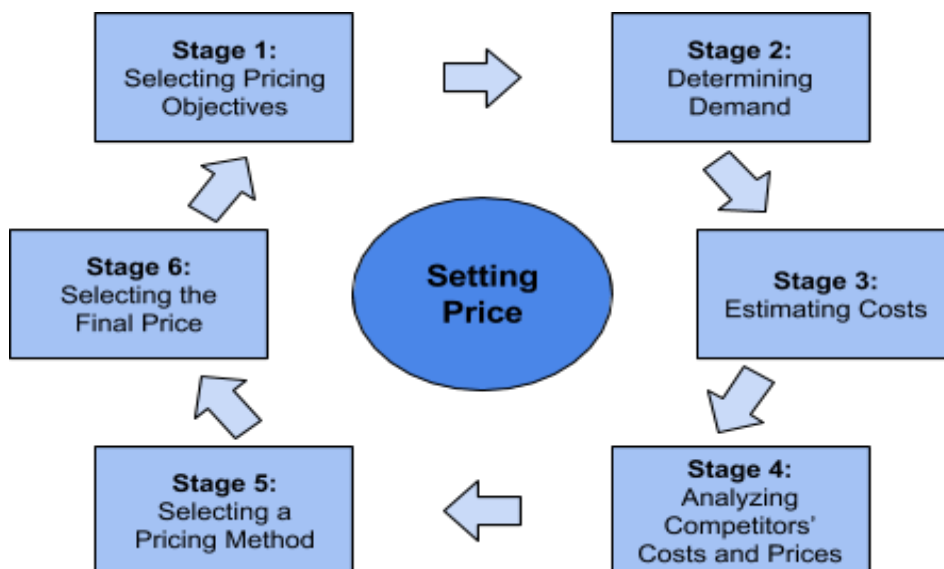


Figure 3. Price Setting Model by Kotler. (Kotler 2000, pp. 215-232)

2.6.4.1 Selecting pricing objective

According to Kotler (2000), companies have five main objectives, which influence the price:

1. *Survival.* For companies with high competition and overcapacity in order to be able to cover variable and fixed costs.
2. *Maximize current profit.* Company makes analysis of demand and current prices and sets a new price to increase current profit and cash flow.
3. *Maximize market share.* When a market is sensitive to level of prices, enterprises may set as lowest prices as possible to raise sales volume.
4. *Maximize market skimming.* High prices are set for new and high-quality products. This requires high demand and quality related to high prices.
5. *Product-quality leadership.* Companies, which produce exclusive products, set double prices, since no alternatives exist. (Kotler 2000, pp. 215-232.)

2.6.4.2 Determining demand

Basically, demand relates to price in the following proportion: the higher the price, the lower the demand. However, if it is an exclusive product such as iPhone, people almost do not care about the prices. First of all, in order to define demand, price sensitivity should be determined. It depends on such factors as quality of product, awareness about alternatives and customers income. Secondly, managers are can conduct an experiment and change prices at the same marketplace and gather information about the effects on sales. Thirdly, customers may be asked directly about the quantity of product they would buy with certain prices. Another aspect to consider is competitors, which also try to take the market share. Companies have to analyze what the competitors' demand is as well. (Kotler 2000, pp. 215-232.)

2.6.4.3 Estimating costs

Estimated costs set the bottom of product price, which should cover costs at least in order to stay in business. Total costs consist of variable (related to production, e.g. raw materials) and fixed costs, which are not related to the production

process (e.g. office rent, electricity). Furthermore, any company has to pay attention to different sides of its production processes. For instance, if production volume is low, cost per unit will be higher because of fixed costs. By the contrast, if product quantity is higher, fixed costs will spread through the whole volume that will lead to lower cost per unit. (Kotler 2000, pp. 215-232.)

2.6.4.4 Analyzing competitors' costs and prices

Competition is an integral part of business. Competitors activity analysis is essential to carry out, especially information about their costs gives an advantage in making pressure on weaknesses. Customers may easily change a supplier, if they see that competitive product is less expensive, while the quality is the same. Situation on market is seldom stable in our modern world, where each global company tries to prove superiority. (Kotler 2000, pp. 215-232.)

2.6.4.5 Selecting a pricing method

Philip Kotler in his "Marketing Management emphasizes six main pricing methods: markup, target-return, perceived value, value, sealed-bid and going-rate pricing (Kotler 2000, pp. 215-232). On the other hand, modern Internet sources, which are specialized on creating business content with constant updating to meet arising trends. Moreover, it can serve as a base for startups. According to Economics Discussion, there are four main pricing methods, which include six methods mentioned by Kotler. The first one is *cost-based pricing*, which means setting the prices based on production costs. This method is divided into markup (certain percentage of production costs is added to product's price) and cost-plus pricing (certain percentage of total costs is added to the total costs to form the final price). (Economics Discussion 2016.)

Demand-based pricing method is based on demand from customers. The more products they buy, the higher price can be settled. However, determining the demand can be a limitation, if it is analyzed with bias. Companies are able to earn revenues a lot by producing a desirable product. At the same time, *competition-based pricing* depends on which prices competitors have. Companies may vary prices by setting it lower, higher or equal comparing with competitors. (Economics Discussion 2016.)

The other methods, which are not under any of mentioned categories, are *value pricing* (low prices for high-quality products to make customers loyal), *target-return pricing* (price is estimated depending on desirable return on investments), *going-rate pricing* (prices level is set up by market leading companies and followed by others) and *transfer pricing* (assumes selling the goods between department of the same company at low prices). (Economics Discussion 2016.)

2.6.4.6 Selecting the final price

Philip Kotler claims that final price depends on other factors. One of them he calls *psychological*. It means that customers sometimes are ready to pay more for a product, because it is made by well-known brand, even though it may cost less. Another example is price of bike, which is 299€, not 300€. Therefore, customers automatically think about price 200€ range that makes allegedly a product cheaper. Companies often manipulate prices by this factor. (Kotler 2000, pp. 215-232.)

Marketing has a great impact on possible price as well. Even if product quality is average, but it is branded, customers are willing to buy this instead of some alternative. Advertising takes a competitive advantage and allows to set higher prices. Moreover, *suppliers* influence pricing decision, because they can raise raw materials prices in case of high product price. It is essential to know and follow local *price formation legislation*. As for *competitors*, they can set lower prices and attract more customers, if company has too high prices. As many scenarios as possible should be predicted by management team before selecting the final price. (Kotler 2000, pp. 215-232.)

2.7 Financial plan

Financial control is an essential part of a business plan. Money is the main source due to which an entrepreneur is able to continue operating in a certain business sphere. Therefore, financial plan is needed. Financial plan is interpreted differently by many sources. For instance, Investopedia defines it as evaluation of company's financial health by using existing data to forecast financial flows (Investopedia 2017a). At the same time, in his "Financial Forecasting, Analysis and Modelling: A Framework for Long-Term Forecasting" (2015) Michael Samonas change traditional term *financial planning* by *financial modelling*,

meaning relation to accounting and creation of specific models in order to make decisions analyse finances. In the context of this thesis, financial plan is defined as a tool, which helps to forecast financial figures such as revenues and expenses to make potential investors confident and interested in project investments.

Financial numbers should be a result of careful executed planning. The figures are not magical and resulted in actions and decisions carried out by a business. For instance, if it was planned to buy a new machine for manufacturing purposes, the respective number would appear in financial statement. (Abrams 2003, pp. 237-282.)

The main objective of a financial plan is to estimate required capital to run business. Moreover, enterprises are able to control cash flow and plan budgets. As for advantages, it may give a hint whether to invest in a certain project or not as well as to stay stable due to market crisis. (Samiksha 2016.) By the contrast, financial plan is made due to forecasting and there are difficulties to change the plan's structure in the future (Ashok 2015). Below, the author describes the structure of a financial plan.

2.7.1 Income statement

This document represents the profitability of an enterprise, which means the amount of cash after all expenses a business has. However, it does not show the current situation. A company may lose money, but at the same time it may possess assets, which bring additional value. Basically, income statement is read from top to bottom with the first line of total sales and then expenses deducted subsequently. As a result, profit or loss will be seen. For new established businesses, it is recommended to project income statement on monthly (first year), quarterly (second and third year) and annual basis. (Abrams 2003, pp. 237-282.)

Table 1 below shows the principle of income statement calculations. All the expenses are subtracted from the budgeted sales. These operations result in net profit or loss.

+ Sales revenue
- Cost of goods sold

Material
Labour
= Gross Profit
- Operating Expenses
Salaries
Office rent
Marketing
= Income from operations (EBIT)
+/- Interest income/interest expense
- Depreciation
= Income before taxes
- Income taxes
= Net Income/loss after taxes

Table 1. Example of Income Statement Components (Samonas 2015)

2.7.2 Cash-flow analysis

Cash-flow statement is about amount of money a company has whether in a bank account or in cash, not about how profitable it is. It is not possible to run any business successfully and for a long period of time, if an organization does not have money to pay its bills, salaries and bonuses to its employees or office rent. It is clearly seen the money in- and outflows in cash-flow assessment. Another advantage of it is that management effectiveness of using the resources of a company can be viewed as well. It should be done monthly in order to determine future strategy in terms of cash outflows and predict different situation in a certain period of time. (Abrams 2003, pp. 237-282.)

Income from sales
+Cash sales
+Collections
+Total cash from sales
Income from financing
+Interest income
+Loan proceeds
Total cash income

Cash payments
+Cost of goods
+Operating expenses
+Loan payments
+Commissions

+Income tax payment
+Owner's draw
+Other expenses
Total cash payments
Opening balance
+Total cash income
-Total cash payments
Ending cash balance

Table 2. Example of Cash-flow projection components. (Abrams 2003)

2.7.3 Balance sheet

Balance sheet gives an overall picture of all assets and liabilities. Investors pay attention to the document, since it shows the factual information property, which can be worth more than business brings the money itself. Assets include current (raw materials, goods in stock, cash balance and accounts receivable) as well as fixed (property, equipment, land) less depreciation of machinery for instance. While liabilities consist of accounts payable, taxes, shareholders' equity and retained earnings. If the numbers are calculated correctly, then assets will be equaled to liabilities. Usually, businesses prepare balance sheet annually, until it will be required monthly or quarterly. (Abrams 2003, pp. 237-282.)

Table 3 represents the parts of a general balance sheet:

Current Assets
Cash
Accounts Receivables
Inventory
Total Current Assets
Fixed Assets
Land
Buildings
Equipment
Total Fixed Assets
Total Assets
Current Liabilities
Accounts payable
Taxes payable
Accured payroll

Total Current Liabilities
Long-term Liabilities
Loan liabilities
Total Long-term Liabilities
Equity
Shareholders' equity
Retained earnings
Total liabilities and equity

Table 3. Example of Balance Sheet components. (Abrams 2003)

2.7.4 Breakeven analysis

The analysis allows to calculate the amount of income to be earned in order to cover just staying in a business and operating expenses. Breakeven is neither making a profit nor losing the money. It is a stage in business operations, when expenses are equaled with income. After breakeven it is possible to start to earn profit. Breakeven may be easily calculated by addition of fixed and variable costs, or, if variable costs are still unknown, by dividing of fixed costs by gross profit margin (= *Total sales - Cost of goods sold*), where the latter is as percentage. (Abrams 2003, pp. 237-282.)

Sales Revenue	
Price per unit	
Units per period	
Sales revenue	
Variable Costs	
Raw materials	
Utilities	
VAT tax	
Wages	
Variable costs per unit (VC/unit)	
Variable costs per period	
Contribution margin/unit (CM/unit)	
Fixed costs	
Salaries	
Marketing	
Facilities maintenance	
Total Fixed costs (FC)	
Break-even point (units)	=Total FC/CM per unit
Break-even point (€)	=BEP/unit*Price/unit

Table 4. Example of Breakeven analysis. (Abrams 2003)

2.7.5 Sources and use of funds

Investors and lenders, who can give the money to start or develop a business, are interested in a purpose of spending the money and how it will be executed. Therefore, it could be an advantage to devise such a statement as *sources and use of fund*. Investors will see how much money a company has. Showing, that an organization does not want to spend money rather grow a business up, is necessary to succeed in asking for finances from outside. There should be clear sum of funds seeking for and purpose of use. (Abrams 2003, pp. 237-282.)

2.7.6 Startup costs

If a new company is going to be founded, it is logical to estimate the amount of finances needed to do that. These are startup costs. Firstly, an entrepreneur should think of assets, which are divided in tangible and intangible. Tangible assets are physical items (e.g. machinery, equipment, land, stock and inventory), while intangible assets do not have physical value. Examples of intangible assets are patents, software, copyrights, franchise and sometimes even business secrets. Both tangible and intangible assets are represented in a balance sheet. (Investopedia 2017b.)

The next step is to think about expenses, such as official process of company founding, paying salaries for infrastructure building, advertising and promotion. In addition, it is necessary to have cash to run a business first time after launching to cover expenses on operations and unexpected expenses. This is also counted as startup costs. (Berry 2011.)

2.8 Risk management plan

Risks are integral part of any business. The companies have to keep it in mind to be ready to assess and control them professionally to avoid failure. Risk is a possibility of loss or damage, while management assumes planning, organization and controlling of the resources to achieve the objectives. The whole definition of risk management is identification, assessment and prioritization of risks in order to minimize the probability of its occurring. (Hubbard 2009.)

There are other concept definitions existing and they emphasize not only the process of risk assessment and controlling, but the company's ability to stay powerful on the market and employees' well-being (PK Risk Management 2017). Thus, the writer supports the idea of risk management as a tool to assess and control the risks concerning his sport complex, which might have negative influence on business environment within the market the business will operate.

Any project, business and even people are not saved against risks. Even if work was done carefully, there is still a degree to fail. The main step then is to identify those potential risks and try to control them. There are many categories of risks in business, but the most common are operational, financial, strategic and legal risks (Blackman 2014). Meanwhile, in his "The complete guide to business risk management" (2005) Kit Sadgrove claims that there are two types of risks in business: entrepreneurial, when a company loses money because of wrong estimations, and non-entrepreneurial, such as natural disaster.

In terms of the business plan, which the author is planning to implement, there is additional group of risks to keep in mind - environmental. Building a multi-functional sport complex concerns environmental issues directly like any building and technological process in the modern world, which fights for clean nature and air.

2.8.1 Risk categories

2.8.1.1 Operational risks

This group of risks is directly related to a company's operations such as recruitment, supply chain, logistics, production and others. (Nibusinessinfo 2017). For instance, there is a possibility that raw materials for goods manufacturing will not arrive on time. As a result, there is a risk to fail operational plan in terms of producing. Therefore, a company should think about ways to minimize or even avoid the risk.

2.8.1.2 Financial risks

When finances of a company are working wrongly or transactions in a bank are not accepted, then financial risks exist. These may lead to financial losses for an organization or potential investors. For that reason, it is extremely important to

prepare a solid risk management plan to secure investors' fundings to get the credibility to an entrepreneur's project. Financial risks can be classified as currency, credit, liquidity and equity risks. (Investopedia 2017c.)

2.8.1.3 Strategic risks

Well-prepared business plan is not a guarantee that a startup will grow and become a big company on the market. The reason could be a new strong competitor, changing business conditions or failure in advertising the products. Those are strategic risks. Hence, all entrepreneurs must think of those and make strategies, which would react on changes. (Blackman 2014.)

2.8.1.4 Legal risks

Any company risks by ignoring and failing to follow the laws accepted by the government. The failure may be resulted in financial losses and penalties for an enterprise. Even full complying with the laws is not a guarantee to avoid that risk. It can arise from management processes, low quality production or even corruption practices. (Spacey 2015.)

2.8.1.5 Environmental risks

Undoubtedly, environment has an impact on business operation, since it is changing. High energy consumption or climate change are environmental risks. These may lead decreases in sales, increase costs and loss of suppliers if, for instance, competitors have products, which consume less energy or bad weather will damage property. (Business Queensland 2014.)

At the same time, the author of "The risk management process: business strategy and tactics" (2001) Christopher L. Culp argues that companies may think about risks in a negative way only. Moreover, he explains three wrong statements about the risks. The first one is that risk is always bad. Culp believes that each risk creates an opportunity, while someone can suffer from it. He persuades the readers with an example of a coming hurricane, which could destroy a lot, but someone, such as lumber or sandbag seller, would benefit. The book's writer does not agree as well with the statement, which says to reduce occurring risks at all costs, since sometimes it does not make any sense. The last fallacy the writer calls playing it safe is the safest thing to do. The idea he inserts is that there

is no hundred percent degree that the risk will be eliminated if avoiding them completely. Thesis writer supports Christopher L. Culp and would say that entrepreneurship sometimes requires risks in order to succeed. The conclusion is made relying on practical experience of the student.

2.8.2 Stages of risk management

Risk management plan is a tool, which helps organizations to handle the risks carefully. The plan shows which risks exist and what the steps to solve a problem are. Moreover, it allocates the responsibilities among the employees to do risk management process more effective, since everyone knows the role in a system. There are following stages in risk management process, which are represented in the figure below:

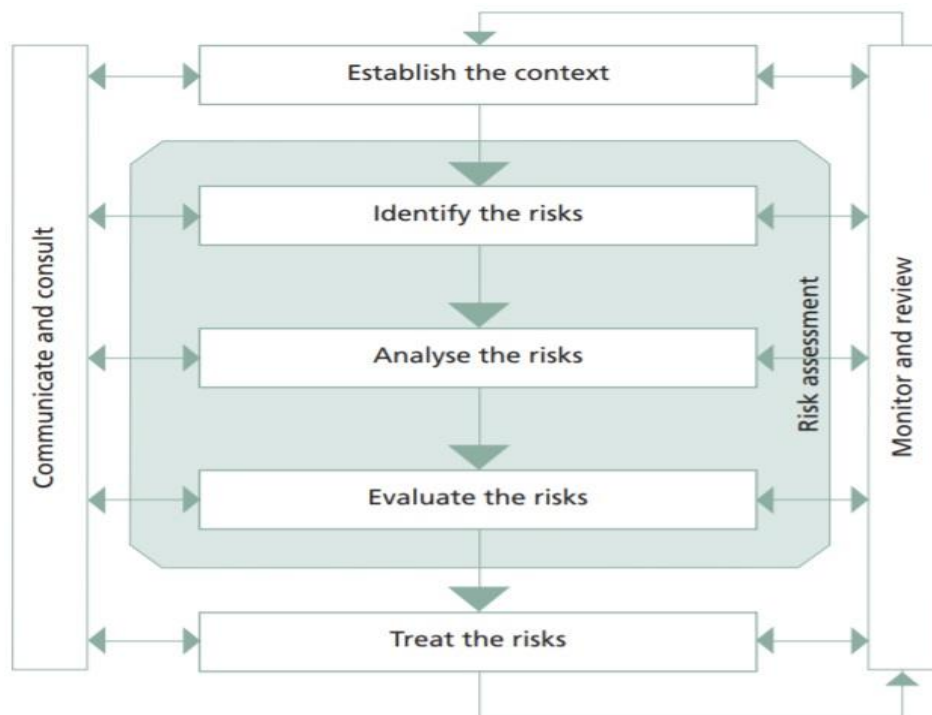


Figure 4. The risk management process. (Global Risk Alliance & Department of State and Regional Development 2005)

2.8.2.1 Communicate and consult

Risk management process is complicated, therefore it is hard for one person to control the whole process. Basically, communication and consultation are needed in order to define the roles for people involved. Communication strategy can be developed and implemented as well to increase efficiency between the departments relevant to a project whether they are responsible for risk identifying

or risk analysis. In addition, business stakeholders may have their own picture of possible risks. The plan requires paying attention to and take into consideration their position in further risk management plan development. (Global Risk Alliance & Department of State and Regional Development 2005.)

2.8.2.2 Establish the context

This stage means setting the boundaries of risk management plan. The context can be internal and external. The first one assumes identifying the objectives of an organization so that risks could be clearly understood. This will provide certainty and long-term sustainability. The latter is about business environment an enterprise operates in. It allows determining of advantages and disadvantages of operating in that environment. With no exception, risk criteria are an issue to think about, since risk monitoring will be based on it. (Global Risk Alliance & Department of State and Regional Development 2005.)

2.8.2.3 Identify the risks

Risks may have a great impact on business operations, therefore any company, which makes efforts to identify possible risks, has an advantage in its mitigation or avoiding. According to Global Risk Alliance and Department of State and Regional Development (2005), there are two ways to differ the risks. The first identifies risks as retrospective ones, which have occurred previously and knowledge about what happened exists. Audit reports, customer complaints or client surveys can serve as a source of retrospective risks. The second way is to determine prospective risks. These are risks, which have not happened, but could occur (e.g. earthquake). Brainstorming, research and execution of the interviews with involved sides are the methods to find those risks. (Global Risk Alliance & Department of State and Regional Development 2005.)

2.8.2.4 Analyse the risks

Analysis of the risks is the next important aspect in the whole process. It carries out the connection between consequences and impact of a risk with its likelihood. Likelihood means probability of risk occurring and it exposure. The formula which is known as “risk analysis equation” and calculates the level of risks is written below:

Risk = Consequence x Likelihood

First of all, it is required to understand how to cope with a crisis situation. For that reason, the control measures are to be determined so that residual risk would be known. Besides this, consequences of a risk can be negative or positive respectively. Therefore, if an enterprise knows what the consequences and their likelihood are, it will be able to prepare for the crisis situation or benefit, if consequence is positive and creates an opportunity. (Global Risk Alliance & Department of State and Regional Development 2005.)

Figure 5 represents relationship between risks likelihood and consequences. For instance, the matrix shows when a risk is most likely to occur, and possible consequences are major or significant, then management has to take the measures and treat the risk intensively. In addition, despite all executed measures, uncertainties still exist, and their identification is vital. (Global Risk Alliance & Department of State and Regional Development 2005.)

Likelihood

		Extensive management essentials	Management effort required	Manage and monitor risks	
Frequent		Extensive management essentials	Management effort required	Manage and monitor risks	
	Possible	Must manage and monitor the risks	Management effort suitable	Accept but monitor risks	
	Rare	Considerable management required	Risks may be worth accepting and monitoring	Accept risks	
		Significant	Major	Minor	Consequence

Figure 5. Example of risk analysis matrix (Hassinen 2015)

2.8.2.5 Evaluate the risks

Risk evaluation comes in order to understand, if identified risks require treatment. That can be done by comparing analysed risks with their criteria determined in the context establishing step. Even if the likelihood of risk occurring is low, it may be worthing intervention. In this case, it is significant to determine the treatment. Otherwise, a risk will be accepted, which does not mean negative issue. It can be accepted either because more opportunities exist rather than threats, the cost of risk treatment is higher than possible benefits or just because there is no treatment to eliminate that risk at all (e.g. death of business owner). (Global Risk Alliance & Department of State and Regional Development 2005.)

2.8.2.6 Treat the risks

Risks treatment is compulsory, when they are not acceptable, and the level is high. A management team has to think of methods to eliminate the consequences or minimize the likelihood of risks occurring. Since treatment can be costly, organizations have to choose the most appropriate strategy according to priorities and objectives. After understanding what the reason of risks is, treatment options are to be chosen. The first one is risk avoidance, which is applicable in case the control is absent or a risk level is acceptable. Otherwise, prospective positive opportunities might be missed. Furthermore, nowadays it is possible to share the risk responsibility by buying insurance or enclosing special options in contracts with partners. By the contrast, if a risk level is acceptable, companies are able to retain it. (Global Risk Alliance & Department of State and Regional Development 2005.)

2.8.2.7 Monitor and review

Monitoring and controlling of the risks is an essential part of risk management strategy. The businesses must take care of plan execution and capture new possible risks to manage them effectively. Generally, companies have to review risk management process every year, in order to keep the situation stable. If it is done, the chances to eliminate the risks or at least minimize them will increase. (Global Risk Alliance & Department of State and Regional Development 2005.)

2.9 Organizational plan

A goal of the organizational plan goal is to define key employees team members, who will work on behalf of a company. The success of any business is determined by the professionalism of management team. Investors often firstly review this part of business plan, since they want to know how skilled and professional employees are to be able to lead an enterprise to further development. Evaluation of workers' talents, strengths and weaknesses is necessary to complete in order to use management team more effectively. The basic structure of management team consists of key employees, board of directors, advisory committee, consultants and key management personnel. (Abrams 2003, pp. 189-210.)

Informal relationships are vital in order to build sufficient communication systems between authority lines. It means who is able to reach a president or CEO (Chief Executive Officer) or who from management personnel has access, for instance, to Board of Directors meeting records of minutes. This aspect should not be included in the business plan, however it requires attention and discussion. Furthermore, all the managers have their own style, even if they do not notice that. The key elements of relationships between leader and team are: clear policies, communication, employee recognition, employee's ability to affect change and fairness.

(Abrams 2003, pp. 189-210.)

2.10 Conclusion to theoretical framework

In the chapter 2 literature has been reviewed in order to complete a solid theoretical framework, which is the structure of business plan. The writer considers the outline, described in this chapter, as groundwork. Such key concepts as marketing research, financial plan and marketing plan are covered. The marketing plan will be executed relying on sport business industry. The structure is edited depending on specifications of sport industry.

3 Business plan

3.1 Executive summary

Ice-hockey center is a place in Finland, where professional ice-hockey clubs will be able to possess all needed infrastructure to train and perform on elite level. At the same time amateurs and usual visitors will access to the center as well. The managing company is to be established, which will carry out management of ice-hockey center. A legal form of the company will be Limited Company (osakeyhtiö – Oy). The reasoning of that choice is described in company description section on page 52.

3.1.1 Marketing research

Marketing research has identified training camp place preferences of ice-hockey clubs. General manager from Finland, two players and a coach from Russia were interviewed. All the respondents from Russia told that Finland is one of the best places for a camp. The country's competitive advantages are nature and approach to camp organization. Players would prefer to be in countryside near to lake and forest to stay concentrated on training process. Generally, all the respondents suppose that all sport objects at the ice-hockey center have to be close to each other to reach them faster. Players are used to spend their free time on recovery procedures such as massage and sauna.

3.1.2 Marketing strategy

Ice-hockey center will provide three main services: camping, tournaments and entertaining events and selling of ice time. As SWOT-analysis on page 61 shows, the project has strengths such as location and understanding of ice-hockey specifics. Moreover, opportunities for international ice-hockey collaboration between Finland and Russia are seen. At the same time, economic situation in both countries may have a negative influence on business opportunities.

As for marketing, the objective has been defined, which is a core of the whole strategy: *promote ice-hockey center as a place, where customers will be provided with modern infrastructure to perform on elite level or arrange events on the ice.* Marketing will be carried out by social websites and TV commercials. Marketing messages will be delivered to ice-hockey clubs via email, which should consist of

description of the place and explanation of advantages to come for a training camp there. On the other hand, amateur teams will be searched via Internet to invite them to play ice-hockey for a fair price.

3.1.3 Financials

Startup costs are high and almost five million euros to construct the ice rink with required equipment. The reason of high costs is the complicated project, which requires modern equipment and construction technologies. The plan is to borrow all the costs from investors.

3.1.4 Risk management

There are three main group of risks were defined: financial, strategic and environmental. The extent of its occurring varies from low to medium depending on situation. The most probable risk is financial, because the project is complicated and requires large amount of funds. However, it is possible to control the risk probability by carrying out constant control of operations due to audit outsourcing or searching for new target segments to offer the services and generate more revenues.

3.2 Business idea description

Business plan writer is the former ice-hockey player, who is still interested in the creation of business in sport industry. The idea lies in building of modern ice-hockey center with other relevant infrastructure such as recreational center, sport halls and gyms, accommodation and restaurant, where ice-hockey teams (professional, junior or amateur) could arrange their preseason training camps. KHL clubs choose the most appropriate places, so that their players and staff could feel comfortable and concentrate on training process, without paying attention to organizational details.

Moreover, it is always interesting to organize tournaments between the best junior and youth teams at least from Russia and Finland. It will give more engine for hockey development and collaboration. For instance, Christmas tournament would gather such junior teams as Jokerit, HIFK, JYP, TPS, SKA, CSKA, Ak Bars and Avangard, which are the best hockey academies in each of the countries.

Another opportunity to develop business is to attract such customers as amateur teams, which play ice-hockey to have fun and relax. There are plenty of amateur teams in Finland and they are fond of playing the favorite game at any time at the perfect place.

3.3 Industry description

The sport industry in general is very specific all over the world, because it is divided on two main segments: sport as a business and sport as competition environment. Nowadays, organizations try to combine both of them to build a successful brand. In order to be precise within the thesis, author defines industry as ice-hockey infrastructure. It concerns ice-hockey centers and surrounding objects such as recreational center, sport halls and gyms, hotel, restaurant and existence of activities (e.g. sauna, lake and golf).

As for Finland, that industry in the context of the thesis is developed on high level. Government takes care of ice-hockey and helps to build many rinks and olympic training centers, since it is the most popular sport in Finland. Such olympic complexes are built in Vierumäki, Pajulahti, Kuortane and Rovaniemi. Moreover, private sport centers are worth mentioning. Moreover, great places such as Saimaa Holiday Club in Lappeenranta and Kisakallio in Lohja are attractive to arrange training camps there, because of existence of all required infrastructure including nature and facilities to relax.

Russia is the biggest country in the world in terms of territory. However, it does not lead ice-hockey industry. There is the lack of rinks and modern arenas per team in Russia with some exclusions such as sport center in Kurganovo (Sverdlovsk region) and Izhora (Leningrad region). These are similar with Finnish centers; however, it is not enough for such a big country. Therefore, there is a necessity to search for better places like Finland, which is the closest neighbor with needed infrastructure.

3.3.1 Company description

The plan is to establish a company which will own and manage the ice-hockey center. The organization's legal form will be Limited Company (osakeyhtiö - Oy), which requires 2500€ as minimal beginning capital. Before operations will start,

it is necessary to submit information about a company to Trade Register as well as to Tax Register. The management responsibilities will be executed by chosen board, which should consist of at least one Head of the Board and one board member. In addition, it is necessary to open a bank account to transfer starting capital and maintain financial operation via that bank account.

The reason of choosing Limited Company legal form is the ease of its opening. Even one person, who has a permanent residence in Finland, can be a founder. Moreover, Limited Company assumes to have less liabilities comparing with individual entrepreneurs and other forms of businesses. It means that an owner will be responsible for the company's debts only in direct relation to the funds invested in a company, without confiscation of private assets, as it is possible for instance with self-employed individual. The legal form allows to separate private life and business operations, which is an advantage for a beginning entrepreneur. Furthermore, such conditions of limited liabilities may be attractive to get potential investments. The company's shareholders will not be taking high extent risks related to personal wealth.

3.4 Strategic planning

3.4.1 Mission and vision

Mission of future ice-hockey center is to provide elite athletes as well as junior clubs and ice-hockey amateurs with best services and infrastructure in order to let them enjoy the playing process. It is important to pay attention to infrastructure, since it is a cornerstone for the whole project. If clubs are satisfied, they will come to the same place again and it will be a promotion in hockey world.

The writer sets the vision statement as: ice-hockey center is the modern and popular place among professional clubs from Russia, Finland and other countries with all the necessary infrastructure to help the clubs perform and practice their skills. Thesis author believes in success and such a position on the market, because he is motivated and knows how to build relationships with customers.

3.4.2 PESTLE analysis

PESTLE analysis is one of the best tools to review the industry's environment a company will operate in. As it has been stated, ice-hockey center is planned to

be built in Finland. Therefore, it is important to review conditions and estimate to which extent the project is relevant at all in the context of Finland.

a) Political

To begin with, political factor is one of the significant in any business. Existence of freedom in business sphere is vital in order to develop an entrepreneur idea. As for Finland, it is a member of European Union (EU), which makes it easier to run businesses even on international levels and reduces majority of trade barriers. The government allows to establish all forms of business, which are not prohibited by law, and motivates people to become entrepreneurs. As for international entering the Finnish markets, government does not create obstacles, on the contrary searches for investments.

On the other hand, taxation system is not the simplest one. The common corporate income tax rate is 20%. Moreover, the taxable income is divided into capital-income, which is charged with 30%, if income is 30000€ or less (34% if more, than 30000€), and earned-income, which is charged according to progressive scale. (Vero 2017a.) In addition, EU members have strict regulations concerning employees' rights and their insurance issues, which are companies' responsibilities. It means calculating insurance contribution, signing pension insurance contract and withholding of employees' income and pay to Tax administration (Vero 2017b.)

b) Economic

Finnish economy has a positive trend. First of all, economic growth rate is represented in increase of Gross Domestic Product and it was 1,9% in 2016 comparing with 2015 (Statistics Finland 2017). At the same time, GDP per capita in 2016 was 39049€ (Focus Economics 2017). Currently, inflation rate in Finland has a slow growth trend and results in 0,8% in September 2017. In addition, unemployment rate was 7,5% in August, which is the smallest number in 2017.

As for export, it is one of the supporters of Finnish economy. Manufacturing industries such as wood and high-tech are one of the main accelerators of growth. Mobile phones by Nokia are used to be popular all

over the world. It goes without saying that tourism is one of the most important source of income. Finland is famous for Lapland, sauna and lakes. Therefore, it makes a mix of perfect holidays, which people tend to spend in Finland. Many tourists come from Russia, especially to the border towns (Lappeenranta, Imatra, Kouvola) as well as to the capital area for shopping and, therefore, rising budget of Finland.

c) Social

Social factor is a cornerstone of communication while doing a business. Finland has solid cultural history and traditions, which influence business activity to some extent. Moreover, Finnish government strongly supports education system, which is one of the best in Europe. Emphasis on education creates new talents, especially in business. Therefore, it is vital to follow local cultural traditions and social rules. The author relying on his experience of living in Finland over three years claims that Finnish people are patient and intelligent. They can properly set priorities and it leads to success in business. Time management is one of the advantages as well.

In the context of business plan, it is important to follow social rules of behavior and business culture during the negotiations and implementation with all the parties involved in the project. It means respect of other opinions, patience and being open concerning business issues. Furthermore, Finnish business people are used to be punctual and open-minded, which catalyze negotiations effectively. By the contrast, there is no humor restrictions to make business environment more comfortable.

d) Technological

Wide range of resources is invested in Research & Development (R&D). Technology companies conduct about 70% of total R&D in Finland. Technological aspect has influenced a lot in country's development as independent state. Finland already has own industrial traditions as well as innovative technologies, which become even better year by year. Electronics, mechanical engineering, metal, consulting engineering and information technology are the key sectors, which accelerate rapid development. (Technology industries of Finland 2017.)

Furthermore, engineering is one of many aspects during the business plan implementation. There are plenty of issues to construct properly according to modern technologies, since ice-rink construction and control processes have been changed for years. Nowadays, it is possible to install electronic technologies, which will allow to monitor sport center conditions. Therefore, the writer claims that Finland is one of the best places to forward business to the new level in terms of technologies.

e) Legal

Legal acts in Finland are strict and mandatory to be followed. As for business industry, there is no restrictions on foreign investments. Any business activity permitted, which is not under legal law prohibitions. One of the most common of company's legal forms is limited company (osakeyhtiö - Oy), which requires starting capital as 2500€ and board, which conducts management of a company. In addition, before business operations begin, an organization must be registered in Trade Register. (Company Formation Finland 2013.)

f) Environmental

Finland is well-known as country of thousands lakes. The country is rich for forests as well. First of all, Finland is eco-friendly place, where all the business industries must follow environmental policies accepted by the government. It concerns reducing of carbon dioxide emissions (CO₂) to make the air clean, taking care of forests and lakes and other issues. Moreover, it is time of global warming, which has advantages as well as disadvantages for businesses.

As for sport business, many of sport centers are located in forests and near the lakes. Therefore, it is significant to know and learn innovative technologies how to protect the nature, even if the risk is not as high as it could be. In addition, a hockey center depends less on climate change, because of indoor rinks, gyms and sport halls, which allow arranging of trainings at any time of the year. On the other hand, other objects such as restaurant and hotel require control of waste utilization. In that case, it will be necessary to create the most appropriate system to cope with emissions.

3.5 Marketing research

Marketing research was conducted in order to define preferences of professional ice-hockey clubs concerning the places for preseason camps. Interviews are the basis of the research within which four representatives of different ice-hockey clubs from Russia and Finland were interviewed. Those people are members of management or coach teams and active professional ice-hockey players from Junior Hockey League (MHL, minor league in KHL hierarchy):

1. Dani Aavinen, Marketing and Sales Director in TUTO Hockey (Mestis League), Turku
2. Maxim Anisimov, coach in SKA St. Petersburg Academy and former professional ice-hockey player of SKA St. Petersburg
3. Nikita Tarletsky, professional ice-hockey player of ice-hockey club Atlantyt (Junior Hockey League)
4. Pavel Yelshansky, professional ice-hockey player of Dynamo St. Petersburg (Junior Hockey League)

The data gathered from the interviews is solid and relevant, since Russian interviewees have experience of being in Finland during preseason camps. Therefore, they are able to provide the researcher with reliable information. Dani Aavinen is a professional, who knows specifics of Finnish ice-hockey management, and that fact adds credibility to the received results.

Apart from that, observation was done as well. Indeed, many Russian clubs come to Finland for training camps. Such clubs as SKA, Sibir, Sochi and Salavat Yulaev have been in Finland during the summer 2017, and it was not for the first time. The total amount of clubs from KHL in Finland last summer is nine clubs. Moreover, many clubs from Junior Hockey League visited Finland with the training purposes as well. The fact that such popular and rich clubs as SKA and Salavat Yulaev come to Finland, shows wishes of Russian clubs to arrange camps there. Finnish and Russian clubs often play friendly games against each other. It makes the training camps more interesting for the clubs, because they can compare their own level with teams from other international leagues.

3.5.1 Results for Finnish ice-hockey clubs

To begin with, the trends related to preseason camps of Finnish ice-hockey clubs are described below. First of all, according to Aavinen, Finnish professional ice-hockey clubs do not have preseason camp as it is used to be understood under that term. The main reason for that is approach in Finland, which concludes in trust to the players, who have to train individually in the summer and be already “in shape” to the beginning of the official games. While in Russia, players often come to the first season practice in poor physical condition. Therefore, preseason camps are a part of hockey approach in Russia. Indeed, due to own observation, the researcher has found that Finnish teams may have preseason practices outside their local city only for 3-5 days to participate in friendly games or tournaments with international teams, not to practise hard.

Another trend concerns leisure time. Dani Aavinen claims that Finnish players are strongly interested sauna and outside activities such as golf and hiking, because these common activities unite a team. Moreover, he would prefer to stay at the quiet place, where players could concentrate on performance in gym and on the ice. Nature and lake is appropriate background to do so.

As for logistics, General Manager told that TUTO Hockey uses the local bus provider to travel, but he noticed as well that it would be perfect, if transportation could be arranged by host party. Aavinen noticed that price is sensitive topic, especially for Finnish clubs from Mestis. He claims that price should be fair and correspond to provided services and conditions.

3.5.2 Results for Russian ice-hockey clubs

Russia has stable approach of preseason camps, which is an integral part of hockey there. The main principle of camp is to spend time by training hard at a place, which will allow to pay attention to ice-hockey only. All the respondents from Russia as well as the researcher, while being a player, have been in Pajulahti Olympic Training Center, which offers a wide range of facilities including ice rink, gym, sport hall and comfortable accommodation.

The main trend is that both players and coach like Finland as a place for trainings, especially centers, which locate in the countryside close to the lake and forest. These conditions play an active role in physical development (e.g. running

sessions in forest) and recovery after hard practices. Therefore, it is necessary to find a place which will meet nature factor to succeed with business plan writer project.

As for other services, Yelshansky and Anisimov emphasize the importance of cuisine, so that it would be healthy and rich of nutrition to cover calories consumption. At the same time, Tarletsky adds that short distance between all the sport objects (gym, ice rink, sport hall) should be as short as possible to spend less energy to reach them.

Another significant question was about logistics issues. Generally, clubs in Russia take care of travelling by themselves. Bus transportations are ordered to bring the teams to a camp place. Players do not mind, who is responsible for transport. The main condition is that it would be comfortable. In opinion of all the interviewees, it is better to have a bus, for instance, if to go to sightseeing.

Leisure activities is one of the ways to spend free of practices time. The coach relying on experience of being a player and now coach is sure that browsing Internet and sleeping are the best tools to recover faster, since professional sport requires proper approach. During the weekends, it is possible to visit aquapark or swimming pool. Sauna and spa-procedures are the most appropriate leisure activities for JHL players.

Furthermore, an ideal place for preseason camp for all three Russian respondents is similar and includes required infrastructure (ice rink, gym, sport halls and accommodation), healthy food and ability to relax and spend free time by doing other activities. Supermarket near the ice-hockey center would be an advantage as well, because sometimes players feel necessary to consume more food.

3.6 Marketing plan

Marketing plan is created relying on the knowledge received from marketing research. Its results have a significant impact on the future project development concerning infrastructure and services, which will be offered for sport clubs and other customers. All the respondents contributed to the project and their answers may be viewed as representation of other athletes and sport managers' opinions.

Business plan author's own experience of being involved in ice-hockey sphere already for 14 years has an evidence in marketing plan creation process.

3.6.1 Market analysis

Market analysis was executed to create marketing strategy more effectively. It has generated wide range of information, which will be useful during implementation stage of the business plan. Market analysis includes SWOT-analysis, target market analysis, competitors' analysis and entry barriers analysis.

3.6.1.1 SWOT-analysis

It is seen from the figure 6 below that the project has many strengths, which are important, if to make ice-hockey center a successful business. According to executed marketing research, location will play an active role, if to find a place near to lake and forest, because athletes feel more comfortable and it will give them opportunity to recover faster. Another important strength is understanding by author of ice-hockey specifics due to experience of being a player. He knows how to arrange camps and tournament properly to satisfy customers. By the contrast, weaknesses may have influence on internal business activity. Such weakness is infrastructure construction process, which basically takes a long period of time. In addition, the place can be not popular among clubs and usual visitors. This factor reflects sales revenue volume negatively.

At the same time, business is always under pressure in external environment. However, opportunities are opened for further development. One of the opportunities is knowing competitors and their strategies. It is vital, if business owner wants to perform better. Observation was conducted during which the most important training centers in Finland were analyzed. Moreover, one of the essentials is ice-hockey development in both Finland and Russia due to international tournaments and camps.

<p>Strengths S</p> <ul style="list-style-type: none"> • Location • Reasonable prices • Quality of services • Modern infrastructure • Extra services (e.g. logistics) • Knowing of needs and wants • Understanding of ice-hockey specifics 	<p>Weaknesses W</p> <ul style="list-style-type: none"> • Infrastructure building process • Lack of experience • Not popular place in the beginning • Environmental risks
<p>Opportunities O</p> <ul style="list-style-type: none"> • International collaboration • Knowing of competitors • Ice-hockey development in Finland • Extended market • More facilities for ice-hockey 	<p>Threats T</p> <ul style="list-style-type: none"> • Competitors • Low clubs' interest • Economic situation in Finland and Russia • High tax rates in Finland

Figure 6. SWOT-analysis of ice-hockey center in Finland

On the other hand, there are threats which will be able to create unstable situation for business. Despite competitors' analysis, they still are able to invite and host popular Russian and Finnish clubs because of long previous collaboration. To continue, it is worth noticing that clubs may have low interest to Finland and choose another country to arrange preseason camp. However, it is only assumption, because Finland remains to be known as one of the best places for doing sport due to sport infrastructure, especially ice-hockey.

3.6.1.2 Target markets

In order to succeed, it is vital to establish target segments on ice-hockey market in Finland, which is key for current project. First of all, the main segment is professional ice-hockey clubs generally from Russia and Finland, which participate in KHL and SM-Liiga competitions as well as junior teams. The idea is to provide clubs with the best conditions for their preseason camps to perform on elite level.

Secondly, ice-hockey center will serve as a place for tournaments (local and international), which will gather together the best clubs from Finland, Russia and neighboring countries. They will be provided with an ability to use all the infrastructure created on the center area including accommodation, restaurant and sport halls. In addition, the place will be attractive for those people, who are fond of entertainment, since it is possible to arrange the events on ice. All the infrastructure will serve as a resort for visitors.

The third segment is amateur teams, which play ice-hockey as a hobby. The more places exist to play ice-hockey, the more people will be desiring to do it. Especially in Finland, where people are used to play ice-hockey. Free ice-time will be offered for them to rent ice-hockey rink.

3.6.1.3 Competitors

In order to be competitive and offer better services, competitor analysis was carried out. The main competitors are Olympic Training Centers such as Rovaniemi, Pajulahti and Vierumäki, which are the most popular among KHL clubs. Since all mentioned before are under one brand of Olympic Training Centers, it means that they are similar to each other. Indeed, all of the places are well-organized in terms of infrastructure, which allows to do sports during the whole year.

Accommodation is strength of those centers. For instance, Vierumäki offers different types of accommodation, which is classified according to the needs of visitors: cottages, apartments, double- and one-bedrooms and holiday apartments. As a result, visitors are able to choose any appropriate type. As for ice-hockey clubs, accommodation is affordable and comfortable to stay in for a period of camp time. Moreover, training centers provide customers with additional

services such as TV, Internet, recreational facilities (sauna, spa) and leisure time activities (swimming pool, bowling, tennis and golf). Moreover, their competitive advantage is location. Generally, majority of such centers are located in the countryside, near to forests and lake. It attracts customers, who have an opportunity to enjoy nature as well and recover during tough training periods.

On the other side, there are competitors such as resorts, which do not provide facilities for professional sport, however attract tourists by availability of chilling activity. One of the well-known resorts is Saimaa Holiday Club, which has own ice-rink. It is constructed inside the main building and is used as a place also for camps. Furthermore, other places, which have infrastructure corresponded to the camp standards, are competitors as well.

Additionally, training centers outside Finland are competitors to some extent as well, since ice-hockey clubs may be interested in other places rather than Finland. Therefore, it is important to develop the project attentively and promote among sport organizations.

3.6.1.4 Entry barriers

Sport facilities market in Finland is not the easiest one to enter. Therefore, a list of possible entry barriers was determined:

1. Competition

Finland has plenty of places to play ice-hockey. However, there is a certain number of centers, which are able to host professional clubs for the purpose of training camp arrangement. Those competitors are Olympic Training Centers and other places, which meet minimal requirements to provide clubs with camping facilities. On the other hand, there is a big market, because Finland is one of the most popular destinations for foreign sport clubs to come for practices, especially from Russia. Additionally, during observation process, it was found that Finnish clubs, mostly from SM-Liiga, have at least 3-5 days camps at local training centers in the summertime, including playing games against international teams. Still, competition is one of the key barriers for entry, but not the biggest.

2. Capital requirements

Financial issue is a vital part of that project, since building of such infrastructure is quite expensive. Moreover, financial resources are required for running business for the first time and maintaining of the area in the future. Therefore, it is vital to find a sponsor, who will be interested in such a business project.

3. Taxes in Finland

Finland has developed progressive scale of tax payments. It makes many entrepreneurs to struggle with keeping the businesses alive and reduces opportunities to hire, for instance, new staff. However, it is still possible to earn profits, since purchasing power in Finland is not low. Furthermore, despite of economic downturn in Russia, its ice-hockey clubs visit Finland on the annual basis to practise at least two weeks at local training centers.

4. Location

Location defines attractiveness of a place. It is important in the context of ice-hockey camps and especially rent of free ice-time for amateur teams, because they have to possess the opportunity to reach the place to play ice-hockey at least 1,5 hours. Moreover, it is preferably to build the center in the countryside close to the forest and lake. Moreover, all the environment laws and regulations must be followed in order to meet Finnish government requirements.

3.6.2 Products and services

Ice-hockey center will have three main services:

1. Camping

The idea is to invite and host ice-hockey clubs from Russia and Finland to come to the ice-hockey center for a preseason camp. Relying on the results of marketing research, athletes would like to have all the opportunities for high-level performance as well as for recreational procedures and leisure time including spa, swimming pool, golf, restaurant and comfortable accommodation. Location of the center will allow to enjoy nature and arrange running sessions in the forest.

Moreover, it is planned to provide clubs with transport services in case of a wish to travel around. Culture program will be included conditionally in the range of services to make visitors familiar with local traditions and

sights, since during marketing research was defined that this activity is an appropriate alternative for players to spend their leisure time.

2. Tournaments and entertainment events

It is planned to use ice-hockey center for the arrangement of tournaments. For instance, Christmas tournament between best junior teams from Russia, Finland and Sweden is a way to invite potential clients and promote the place because of high-level servicing. As for entertainment events, ice rink is an attractive place to have a birthday party for children or to celebrate another meaningful occasion. Accommodation can be booked by visitors as well. Logistics during these tournaments will be carried out by host side.

- 3. Selling of ice-time for amateur teams.** Ice-hockey is the most popular sport in Finland. It is available for people of all ages. The more places there are to play, the more people will do it. Amateur teams will have an opportunity to use the modern infrastructure to play the favorite game. Free ice-time will be available for them to rent.

3.6.3 Marketing strategy

The following marketing objective has been defined, which is a core of the whole strategy: *promote ice-hockey center as a place, where customers will be provided with modern infrastructure to perform on elite level or arrange events on the ice.*

Sport marketing environment is unpredictable and at the same time creates opportunities for further brand development. Marketing success will depend on proper campaign to attract people to the venue. Therefore, the author has defined target segments to direct marketing activity. As it has been already mentioned, there are three main segments such as camping, tournaments and entertaining events and amateur ice-hockey.

1. Camping

Camping services will be offered to professional ice-hockey clubs. In order to reach potential customer, it is planned to create direct communication channels via email and website. Management staff will be responsible for searching for clubs interested in preseason camp in Finland and sending offers. After a few successful arrangements, word-of-mouth marketing will play an active role, since other clubs will know that a certain ice-hockey

center exist. Moreover, there is a trend to have webpages on the social websites such as Facebook, Instagram and Vkontakte (mostly for Russian audience). That will allow to show the center, so that potential customers could see the level of services. As for indirect marketing channels, advertising place on other websites related to ice-hockey is to be bought.

The text of the marketing message must be effective to attract customers. Based on opinions of marketing research participants, the main advantages of the services should be described properly. These are location close to the lake and forest, quality of services and price, which correspond to the quality. The higher quality, the more clubs will desire to come to the ice-hockey center. In addition, it makes sense to create outside advertising such as banners in the neighborhood towns or villages, so that visual effect would exist.

2. Tournaments and entertaining events

Generally, junior ice-hockey teams are willing to participate in professionally organized tournaments, where the best teams come. It is a sort of promotion already, because games between those best teams create strong interest for players themselves. Furthermore, all infrastructure will be provided to participants and their parents. In order to promote it, ice-hockey forums in the Internet will be used.

As for entertaining events, the main advantage will be organizational issues, because visitors will be guided in terms of arrangement of an event and given best services to make it successful. If it is not one-day event, there will be opportunity to book accommodation at the hotel of ice-hockey center. Marketing will be carried out via Internet sources and outdoor banners as well. Another effective tool is to post photo galleries of the previous events to present how extraordinary and creatively it could be done at that place.

3. Amateur ice-hockey

According to the popularity of ice-hockey in Finland, people are always willing to search for free ice-time. Therefore, amateur teams most likely will find the ice-hockey center by themselves in the Internet. However, it is necessary to help them, and responsible staff will be sending emails with

an offer to visit the center and play ice-hockey. The contact information will be searched through forums and other relative webpages. Besides this, TV commercials will be able to reach audience via monitors. Commercials will be made with creative ideas, which will show why that ice-hockey center is better than other places.

People definitely like promotions and competitions with the prizes, which will be discounts for organization of an event or free ice-hockey session for amateur teams. Objective of the promotion is to increase customer loyalty, so that they would like to return and promote the place to others. These promotions conclude in making of the best photo in Instagram or telling a story “Why should you get a free trip on weekend to the sport center?” and an author of the most creative one will be a winner.

3.6.4 Pricing strategy

The author’s confidential information.

3.7 Financial plan

3.7.1 Startup costs

This is the largest part of expenses related to building required infrastructure. According to estimates, approximate sum of ice rink construction is almost five million euro, because it is complicated engineering project and requires a lot of expensive technical equipment. The model of IIHF was used, since the organization provides access to information about ice rink projects. The costs are adopted to Europe, which makes the amount of money needed close to reality. All startup costs are divided into six main groups and shown in the tables below.

Table 5 shows the amount of funds needed to provide ice-hockey arena with modern technologies, which are the basis of qualitative ice.

1 ICE RINK EQUIPMENTS			
	Quantity	Price/unit	Final price
Dashboards 60x30	1	141 135,00 €	141 135,00 €
Pro Hockey Goals	4	1 200,00 €	4 800,00 €
Players/Judges Benches Set	1	5 645,00 €	5 645,00 €
Ice Resurfacing Machine	1	84 681,00 €	84 681,00 €
Ice Edger	1	5 175,00 €	5 175,00 €
Ice Maintenance Tools	1	2 635,00 €	2 635,00 €

Hockey Scoreboard Timing System	1	9 409,00 €	9 409,00 €
Protective Netting Systems	2	3 764,00 €	7 528,00 €
Protective Box Backing	2	1 176,00 €	2 352,00 €
Goal Light Systems	2	705,00 €	1 410,00 €
Ice surface concrete base 60x30 with plumbing	1500	245,00 €	367 500,00 €
Ice rink painting	1300	3,25 €	4 225,00 €
Rental Skates Pairs	200	83,00 €	16 600,00 €
Rentals Helmets	50	47,00 €	2 350,00 €
Skate Sharpener Machine	2	2 352,00 €	4 704,00 €
Refrigeration Plant Unit	1	310 498,00 €	310 498,00 €
Shipping costs		16 412,00 €	16 412,00 €
TOTAL			987 059,00 €

Table 5. Ice rink equipment costs (IIHF 2017c)

Construction costs are estimated in detail in table 6. These are the biggest expenditures in that project and equaled to more than two million euro. It includes creation of facade and the frames of the arena as well as projecting design and inside free area for relevant premises such as dressing rooms and storages. (IIHF 2017c.)

2 CONSTRUCTION COSTS	
	Final price
Sand Rink Base	26 900,00 €
Seating Concrete structure	138 700,00 €
Building Estructure (Steel / Kg)	615 800,00 €
Concrete floor structure	107 300,00 €
Composite Slab	56 000,00 €
Concrete Foundations (m3)	10 400,00 €
Concrete ground floor	184 300,00 €
Light Ceiling with Insulation System	355 300,00 €
Decks	20 800,00 €
Facade (aluminium isolated panel)	212 300,00 €
Lobby / Admission	41 200,00 €
Administrative & Office areas	26 500,00 €
Restaurant	21 200,00 €
Kitchen	7 400,00 €
Gym & Warm-up Areas	19 300,00 €
Dressing Rooms	38 000,00 €
Showers & Lavatory rooms	30 000,00 €
Spectators Area	10 000,00 €
Firts Aid / Medical room	3 000,00 €
Public Lavatories	39 000,00 €
Mechanical rooms	17 600,00 €
Public Common areas	16 200,00 €

Rental Skates areas	17 000,00 €
Corridors	30 000,00 €
Surrounding Ice Pad area	36 800,00 €
Storage Rooms	16 000,00 €
Dryers Rooms	20 000,00 €
Coaches, Staff & Referees Rooms	35 000,00 €
Smoking Zone	2 500,00 €
TOTAL	2 154 500,00 €

Table 6. Construction costs (IIHF 2017c)

Installation costs, which are represented in table 7, relate to internal systems in order to maintain the arena in accordance with modern guidelines and security requirements. Heating and electrical facilities are the most expensive items to implement and have to require standards, since the rink will consume a lot of energy due to constant use. Ice-rink drainage and climate system will be responsible for controlling the ice conditions during its use.

3 FACILITIES / INSTALLATIONS	Quantity	Price/unit	Final price
Computerized Rink Lighting Package	1	16 920,00 €	16 920,00 €
Building Lighting	1	21 620,00 €	21 620,00 €
Ice Rink Lighting units	58	564,00 €	32 712,00 €
Computer System for Ice Making	1	31 960,00 €	31 960,00 €
Process Boilers for Ice Resurfer	1	53 580,00 €	53 580,00 €
Plumbing & Hot Water Systems	1	42 300,00 €	42 300,00 €
Boiler/Heating HVAC System Plant	1	282 000,00 €	282 000,00 €
Radiant Heaters for Bleacher Areas	1	67 680,00 €	67 680,00 €
Electrical Ice Rink System	1	15 040,00 €	15 040,00 €
Electrical Facilities	1	117 500,00 €	117 500,00 €
Computerized Sound System	1	18 800,00 €	18 800,00 €
CCTV Video security system	1	31 960,00 €	31 960,00 €
Communications System	1	23 500,00 €	23 500,00 €
Ice Rink System Dehumidicator	1	56 400,00 €	56 400,00 €
Building Computer System Network	1	28 200,00 €	28 200,00 €
Ventilation system	1	19 750,00 €	19 750,00 €
Fire Protection system	1	37 600,00 €	37 600,00 €
Building Climate system	1	19 750,00 €	19 750,00 €
Ice rink Climate system	1	11 280,00 €	11 280,00 €
Underground Drainage	1	6 110,00 €	6 110,00 €
Sewing System	1	10 340,00 €	10 340,00 €

TOTAL	945 002,00 €

Table 7. Facilities and installation costs (IIHF 2017c)

Equipment needed for setting inside premises such as spectator seats, office furniture and kitchen equipment is listed in table 8. The total amount of funds required for that type of work is about 162000€.

4 Equipment			
	Quantity	Price/unit	Final price
Spectators seating	300	42,00 €	12 600,00 €
Judges sides (4 x 22-unit seats)	4	1 739,00 €	6 956,00 €
Skate Storage Racks (ml)	20	329,00 €	6 580,00 €
Counter Furniture (ml)	8	1 175,00 €	9 400,00 €
Dressing Room Players box	322	71,00 €	22 862,00 €
Operated Lockers	80	52,00 €	4 160,00 €
Office Furniture	1	11 280,00 €	11 280,00 €
Medical Room Equipment	1	1 880,00 €	1 880,00 €
Coach Room furniture	1	1 410,00 €	1 410,00 €
Personal Room furniture	1	1 128,00 €	1 128,00 €
Pro Shop Displays & Fixtures	1	0,00 €	0,00 €
Bar Furniture	1	9 870,00 €	9 870,00 €
Restaurant Furniture	1	3 948,00 €	3 948,00 €
Kitchen Equipment	1	32 900,00 €	32 900,00 €
Laundry room	1	1 504,00 €	1 504,00 €
Decoration	1	9 400,00 €	9 400,00 €
Trash baskets, complements,etc	1	7 050,00 €	7 050,00 €
Gym equipment	1	4 230,00 €	4 230,00 €
Short Track protections	1	15 040,00 €	15 040,00 €
		TOTAL	162 198,00 €

Table 8. Equipment costs (IIHF 2017c)

On the other hand, it is important to pay attention to outside landscape as well. It should look pleasant and be comfortable for visitors. For instance, available parking places will allow people to come with their cars, since probably it is the most suitable transport for them. In the summer, the area can be decorated with flowers or wall paints. Approximate expenses for it can be viewed in Table 9.

At the same time, Table 10 includes costs for utilities implementation such as gas, water and electrical connection, so that the whole ice-hockey center could work without technical troubles.

5 OUTDOORS DEVELOPMENT WORKS			
	Quantity	Price per metric	Final price
Preparing land works (m2)	8000	14,10 €	112 800,00 €
Parking Lot Basement and Pavement (m2)	3700	42,00 €	155 400,00 €
Parking Lot Painting & Stripping (ml)	738	5,00 €	3 690,00 €
Landscaping (ut)	1	15 000,00 €	15 000,00 €
Exterior lighting (ut)	90	140,00 €	12 600,00 €
Sewerage (ml)	305	65,00 €	19 825,00 €
Fences and doors (ml)	372	85,00 €	31 613,20 €
TOTAL			350 928,20 €

Table 9. Outdoor development costs (IIHF 2017c)

6 PROPERTY DEVELOPMENT			
	Quantity	Price per metric	Final price
Electrical connection cost (ml)	150	100,00 €	15 000,00 €
Sewer connection cost (ml)	150	60,00 €	9 000,00 €
Water connection cost (ml)	150	40,00 €	6 000,00 €
Gas connection cost (ml)	150	80,00 €	12 000,00 €
Utilities Cost During Construction (mth)	18	500,00 €	9 000,00 €
Running Cost During Construction (mth)	18	3 000,00 €	54 000,00 €
TOTAL			105 000 €

Table 10. Property development costs (IIHF 2017c)

3.7.2 Income statement

The author's confidential information.

3.7.3 Break-even point analysis

The author's confidential information.

3.7.4 Cash-flow analysis

The author's confidential information.

3.7.5 Balance sheet

The author's confidential information.

3.7.6 Source and use of funds

The author's confidential information.

3.8 Risk Management plan

The writer has attentively analyzed possible risks, which occur in each business. Therefore, potential risks related to the ice-hockey center project were identified and risk management plan was prepared.

3.8.1 Financial risks

The major group of risks, which could occur in the running of the business, is financial. As it has been stated in the financial plan, startup costs require large amount of funds. It is definitely a risk to invest, because money will be lost, if business is not able to operate anymore. Most likely, it will not be possible to avoid financial risks during first operating year. Therefore, there are few ways how to minimize them:

1. Risk transfer is a proper way to mitigate a risk of financial failure. It means to find out consulting company, which will be able to audit financial activity of the company. Constant monitoring is vital, especially for startups, which can allocate finances inefficiently.
2. Careful budget planning is essential, because it forecasts how much will be earned and spent. Insufficient cash flow can be result of inability to pay bills and maintain facilities. For that reason, it is important to plan budget properly. It means risk acceptance and operating under pressure. From one side, it has negative impact on business, however from another side, it increases responsibilities of financial operations.
3. Defining of the new target segments will expand range of services offered by ice-hockey center. Figure skating, short track speed skating and curling are possible additional services, which could bring more customers and earning respectively to increase cash flow.

3.8.2 Strategic risks

Strategic risks of that project may occur because of wrong market segmentation. It means that target groups to which the services of ice-hockey center will be

provided are not defined correctly and business could face problems. The likelihood of that risk is low, because the author has executed marketing research and has had experience in sport industry. He understands the market situation and customers' needs. The decision for that risk is to accept it and monitor. Another option is to expand a range of services and offer customers to arrange figure skating and short track speed skating camps as well as curling practices.

In addition, insufficient marketing is a risk, since less people would know about such an ice-hockey center. There is medium extent of the risk occurrence. While all the tools of social-media marketing will be used to promote the center, there are still channels, which probably could be not covered. To mitigate the risk, marketing will remain one of the most important activities in order to find and attract more sport organizations and usual visitors to come. Marketing campaigns via social-media sources are the most effective to reach potential customers in era of digitalization.

3.8.3 Environmental risks

It is planned to find out a place near to a lake and forest to construct facilities there. Therefore, a risk of pollution exists. Negative effects on nature can be produced, for instance, by wrong waste utilization or possible fire in the forest. The likelihood of that risk is medium, since everything can happen by accident.

Risk avoidance is the best decision. Visitors have to be attentive and not to use dangerous flame substances or make fire, as well as personnel of the center has to follow security and utilization rules. At the same time, it is possible to mitigate environmental risks by making nameplates such as "don't litter" and "don't make fire" along the territory of the center and near the lake in order to warn visitors and prevent accidents. It should make people respectful and attentive to the place they are in.

3.9 Organizational plan

The company will be established as Limited Company (osakeyhtiö - Oy) in Finland. There is an owner, who makes key decisions related to business operations. The company will possess objects at ice-hockey center and execute

management. Business owner will have management team to delegate ice-hockey center maintenance duties.

Management team will include Sales and Marketing Director, who is in charge of communication with customers and marketing activity. That person is responsible for communication with the owner about sales plans and further marketing directions. In addition, the company will hire a Hotel Manager in order to control hotel's activity and create image of comfortable place to stay. Moreover, it is required to have professional Sport Facilities Manager, who is able to execute maintenance of all facilities. It is important to control its conditions to be able to host more professional ice-hockey clubs and other visitors. The last key person is a Restaurant Manager. His main duties will be managing the restaurant activity and control product supply, so that athletes can eat high-quality food.

In addition, it is planned to hire employees, who will execute the main work of facilities maintenance. At the same time outsourcing services will be bought depending of reservation period. There is no necessity to hire many people on permanent basis. When there is period of few tournaments or camps in a row, human resources outsourcing will be done in order to reduce costs.

Apart from what is stated above, corporate etiquette is significant issue in any organization. Therefore, treatment of all the employees will be equal to maintain comfortable conditions within the company.

4 Summary and discussions

The objective of the thesis was to write a business plan for ice-hockey center in Finland. In order to create well-structured plan with wide range of marketing and financial data, thesis author covered plenty of information sources. Books are vital in classic understanding of the key concepts. At the same time, online business resources familiarized the author to present trends in marketing, strategic and financial planning. Empirical study was the most important part of the thesis, since its results had to approve or reject the theory, that project should be further practically implemented. It is worth mentioning that both thesis writer's professional experience in the field of ice-hockey by participating in international tournaments and training camps in different places including Finland played an

active role in the entire thesis process. This factor as well as strong interest in business allowed to connect own view on organization of camps and tournaments from internal environment with scientific side, which was discussed in the theory section. Aforementioned issues were enormous catalysts for developing of required questions for the interviews and execution of observation process properly.

Thinking of the research process, the author planned to interview representatives of professional ice-hockey clubs from Russia and Finland in order to learn their needs and wants related to infrastructure at preseason camp places. The guidelines and methods for the research were analyzed and chosen in the theoretical part of the thesis. During the theory analysis, delimitations were set up for the research. These concerned the number of clubs to be interviewed and questions specifics. Unfortunately, not all representatives of ice-hockey clubs agreed to make an interview because of busy status during the playing season. It was planned to interview clubs from KHL, however the reality did not allow doing that. Another thing to mention is observation process. Author would like to travel to the places, which are supposed as competitors, since real view generates more information than is delivered from the Internet.

The research has investigated the preferences of the players and managers about camp place. Analysis results were significant information, since the project implementation will be developed in accordance with them. Marketing and financial plans creation have been dependent on it as well. Players of Junior Hockey League, Mestis club manager and the coach have described how they see a perfect place to come for a preseason camp. Location will be one of the most attractive factors, because countryside and lake are preferable options to be at the place. Moreover, it is better to locate sport arenas and gyms on a short distance between each other with possibility to arrange recreational procedures for the athletes. It will promote ice-hockey center to the sport clubs and marketing messages will be based on those advantages. Apart from that, pricing is still principal issue for sport organizations according to the research results. Consequently, pricing strategy was analyzed and done in the way to satisfy all the target customers. It is flexible, corresponds to high-quality services, which will be provided and, thus, allows to attract more visitors.

At the same time, availability of such infrastructure requires enormous financial resources. Construction and installation costs are high enough. Furthermore, maintenance is an issue to pay attention to in order to prolong a period of use. By the contrast, demand is promised to be high as well. Anyway, ice-hockey center modernization will depend on trends and necessary equipment, which is defined by customers demand and preferences. Therefore, there is also evidence of influencing of respondents' answers on financial plan.

Furthermore, further research makes sense, since ice-hockey facilities will be always demanded by sport organizations. Today, sport industry is rapidly developing as well as sport technologies. Therefore, it is vital to monitor trends and follow technical modernization in sport, because it will be a competitive advantage and sport clubs will come to a place which is more comfortable and allows to concentrate on the training process. It concerns not only sports facilities, but others, such as accommodation and cuisine.

To summarize, the author would like to conclude, that thesis objectives were achieved, which were important for practical implementation of the project. Writer gained new experience and knowledge in business planning, which will be concrete in the future. As a result of efforts and wish to success, business plan was created.

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- Table 10. Property development costs (IIHF 2017c), p. 71

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Appendices

Appendix1. Questions for in-depth interviews

1. Have you ever had preseason camp in Finland? If yes, what did you like or not?
2. What would you like to see at camp place to come there?
3. Does the location influence your opinion about possible camp place? For instance, town or countryside?
4. Is coach asked for opinion about possible camp place? (Question to Maxim Anisimov)
5. Does the price influence the choice of camp place? How?
6. Who is generally responsible for transportation when you go to camp place? Club or host side? If club, would you like to be provided with transportation services by host side?
7. How do you spend leisure time during the camp?
8. Which additional services would you prefer at camp place? For instance, spa, swimming pool, sightseeing.
9. Describe the perfect place for a training camp?