

Daniel Kimutai

DEVELOPMENT OF PRODUCT-BASED BUSINESSES

Case study of Clean Wave hand hygiene enhancer

DEVELOPMENT OF PRODUCT-BASED BUSINESSES

Case study of clean wave hand hygiene enhancer

Daniel Kimutai.
Development of product-based
businesses: Case study of clean wave
hand hygiene enhancer.
Autumn 2019.
Business Information Technology.
Oulu University of Applied Sciences.

ABSTRACT

Oulu University of Applied Sciences
Business Information Technology

Author(s): Daniel Kimutai

Title of Bachelor's thesis: Development of product-based businesses: Case study of clean wave hand hygiene enhancer

Supervisor(s): Jouni Juntunen

Term and year of completion: Winter 2019-2020

Number of pages: 39 + 4 appendices

The orientation of a product plan differs from a service-related plan on certain aspects. The detailed features of a product related plan such as market research, competitor analysis, product development and product rollout, require special emphasis on how they should be considered and implemented. Therefore, for a product plan to meet its requirements, problem statements must have clear solutions, marketing and competition strategies should be well defined and business tools, including other relevant and significant strategies should also be well implemented.

This thesis was inspired by successful completion of Oulu university development lab's concept creation, demo creation and the actual product path within the concept of design thinking (Brown 2009). As a result, a hand hygiene device was developed, and named clean wave hand hygiene enhancer. The author of this thesis was tasked with creating a business case for the device. An experience that influenced the author to seek an understanding into how business models are developed, from a product-based, business plan perspective.

Therefore, the process of understanding business development from the case study, was divided into four approaches: How product-based business plans are written, strategy tools needed to understand the Finnish business environment, the Finnish market entry strategies and the actual writing of a business plan document. The theoretical background of this thesis has been sourced from books, journals, previous thesis completed on the subject matter and online materials on the topic.

The business plan report prepared by the author, indicates that there exists different business plan models, strategies, analysis, and formats on how business plans are documented. In conclusion the outcome of the business plan according to the author proved that production of clean wave hand hygiene enhancer was not a feasible business to engage in. The main factors that support this conclusion, being entry to market barriers already set up by big monopolistic companies and profitability equation that is not attractive to investors.

Keywords: Business development, marketing, testing, branding, validation, PESTLE analysis, SWOT analysis.

CONTENTS

1	INTRODUCTION	6
1.1	Background	6
1.2	Outcomes of the project	9
1.3	Thesis objectives	10
2	WRITING BUSINESS PLANS	11
2.1	Classification of business entities	11
2.2	Components of a business plan	12
2.2.1	Executive summary	12
2.2.2	Marketing strategy	13
2.2.3	Competitor analysis	15
2.2.4	Products or services and their unique selling propositions	16
2.2.5	Pricing plan	16
2.2.6	Sales and distribution plan	17
2.2.7	Business operation plan	17
3	STRATEGY TOOLS USED IN BUSINESS DEVELOPMENT	19
3.1.1	PESTLE analysis model	19
3.1.2	SWOT analysis model	20
3.1.3	Porter's Five Forces	21
3.1.4	Visioning	22
3.1.5	The VRIO Framework	23
4	BUSINESS ENVIRONMENT IN FINLAND	25
4.1	Pestle analysis of the Finnish market	25
4.1.1	Political nature of Finnish environment	25
4.1.2	Economical breakdown of the Finnish environment	26
4.1.3	Social make-up of the Finnish environment	27
4.1.4	Technological and legal requirements	28
4.2	Hand hygiene dispenser and sanitizer market	29
4.3	Competition in the Finnish market	29
4.4	Finnish market entry strategies	30
5	BUSINESS PLAN REPORT	33
5.1.1	Executive summary	33

5.1.2	Business idea and goals	33
5.1.3	As a company	34
5.1.4	Resource analysis.....	34
5.1.5	Business field and environmental analysis.....	35
5.1.6	Customer analysis	35
6	DISCUSSION	37
	REFERENCES	40
	APPENDICES	

1 INTRODUCTION

According to information offered by Business Oulu, more than 100 new companies spring to existence annually (Business Oulu 2019). However, a huge percentage of startup businesses fail due to lack of proper business planning (Bangs 2002; Jeffrey 2008).

1.1 Background

The initial conception of the clean wave hand hygiene enhancer product was as a result of participation in the Oulu university of applied sciences development lab studies in autumn of 2018 at Kotkantie Campus. Clean wave hygiene enhancer is a device that uses blinking light as a mechanism to attract attention of health care professionals once they enter patient environment. Their movement towards the patient triggers a motion sensor in the device which sets off the blinking light hence acting as a reminder for the health care personnel to clean their hands before interacting with the patient.

The decision to tackle health hygiene was as a result of a task given by Oulu university hospital on how to stop secondary infections due to poor hand hygiene. The summary below explains how we arrived at the clean wave hand hygiene enhancer.

Oulu DevLab brings together students and professionals from different educational backgrounds and see to it that an interdisciplinary team is created to develop a concept, create a demo, build a prototype, test the prototype and possibly proceed to product path if interested. Channels towards starting up businesses are also available (OAMK labs 2019).

Our team comprised two Finnish students, a Kenyan, a Vietnamese, and a Dutch, with background studies in business information technology, information technology, physics, and occupational therapy. The team was allocated an office space in OAMK lab office spaces at Kotkantie, Oulu. Our daily routine involved morning status meetings, to see how far everyone had done in line with given tasks. Followed by discussion on findings, and a couple of hours doing group task and planning next tasks. The afternoon was occupied with interviews, visiting tests sites, and presentations to fellow students in the labs.

As a team we organized ourselves according to our professional backgrounds and allocated tasks in line with program objective, which was towards solving poor hand hygiene causing secondary infections in Oulu university hospital. We went ahead to tackle the problem statement using the following phases of the design thinking process (Siang 2018, cited 25.09.2019) as shown in figure 1.

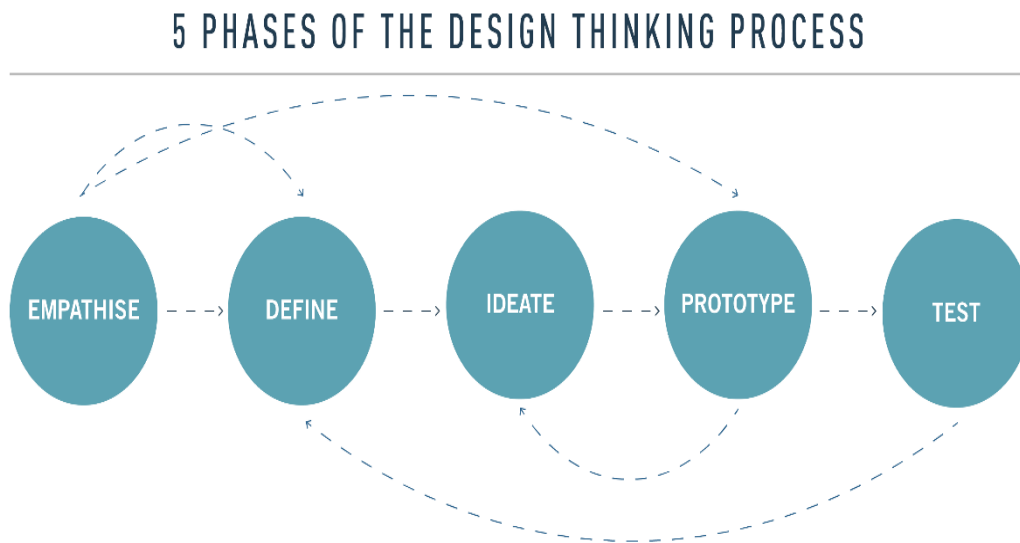


Figure 1. Design Thinking (Siang 2002).

In the lab, we conducted interviews in Oulu University Hospital, The Hiiosenkoti Elderly care, to understand the ground issues better. Our aim being to get insight as to why, health care professionals had issues with hand hygiene. We used questionnaires and interviews as data gathering tools. The outcomes indicated concerns on secondary infections.

We later drew assumptions on probable problems from the analysis of interviews and questionnaires. Main problems were documented and discussed, with reasons, we narrowed down to one core problem. In summary the hypothesis created was that, "Health care personnel were aware of the concerns, and understood that proper hand hygiene should be practiced around patient environment. However, they did not guarantee that it happened all the time."

Armed with information and focus, we were able to come up with as much as 20 different ideas using brainstorming technique. Each member of the team was responsible in explaining why and

how the problem would be solved. This process took longer than we expected, as we went back and forth with the ideas and terminated a lot that we thought did not hold any water.

Once we were confident, we voted three solutions that we believed were going to solve the problem. These solutions were; raising awareness in future doctors in their education and practice, so that it carries out in the long run, nudging posters at the hand cleaning sinks, and patient environment making it feel like hand hygiene is an important part of treatment and recovery, and lastly catching attention of health care personnel to remember to clean their hands immediately they step into patient environment. We proceeded to prototype the solutions and test them. We were able to come up with several paper and cardboard prototypes, the prototypes were named into model numbers, from the first to the last.

Validation and testing were conducted for each of the model, results collected, analyzed and used to improve the next model. This was done throughout the process until the completion of the Oulu university development lab program. In summary the prototyping phase intertwined with validation and testing, due to limited time to complete the project. The interviews, observations and feedback from, the test centers, the lab coaches and fellow students in other teams lay basis for the model's improvement to the later.

The photos shown on figure 2, summarize the prototypes as it evolved from the beginning of the project. Showing images of the prototype from a cardboard and paper to a 3D printed version.

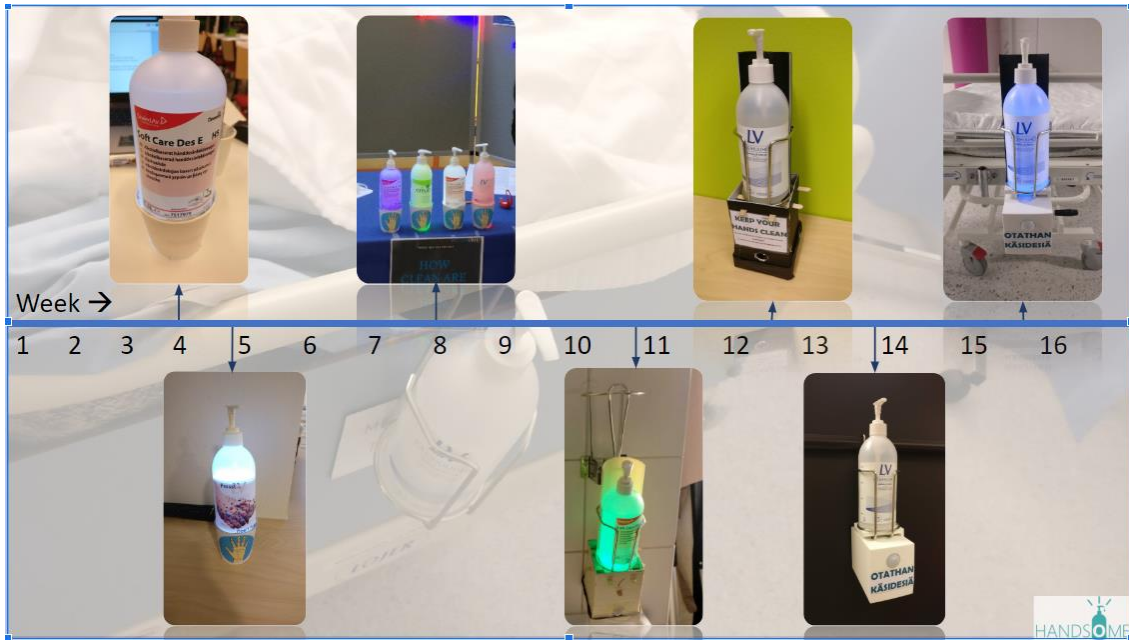


Figure 2. The prototype evolution throughout the Lab Program.

1.2 Outcomes of the project

A functional prototype was developed and is currently on testing process in the Oulu University Hospital test lab. Where the brightness of the light is being tested and the effects it has on health care professionals working around the patient environment.

The completed version shown in figure 3 of the clean wave hand hygiene prototype got attention of Kielo growth business incubator representative, who was sent to visit the labs and offer professional coaching on matters of product development. Kielo growth is an Oulu business incubator responsible for organizing funding, nurturing, coaching, and helping start-up companies and business ideas that are product based. They mostly work with companies and businesses that have hardware prototypes requirements (Kielo Growth 2019, Cited 10.10.2019).



Figure 3. Final Clean Wave Hand hygiene Enhancer Final Prototype.

1.3 Thesis objectives

The main objective is to broaden my knowledge of entrepreneurship and business development by the end of my degree programme. This has been my guiding goal towards establishing myself in the entrepreneurship field in future.

I would also like to develop an understanding of product-based business plans upon successful completion of this thesis. This will aid in extensive understanding of the hand hygiene project and creating an authentic business case out of it.

It is important to also find out the main components that product-based business plans should have, research more in-depth into the structure and format. This will act as the basis of tailoring my business plan to funding and partnership proposals if the need arises.

2 WRITING BUSINESS PLANS

It is been a traditional thing that, if one wants to start a business of any kind, he/she should have a plan. Business plan is not just a document rather as a set of management decisions about what a company should do and not do to ensure it gets successful (Crego, Cup & Scchiffin 1995).

2.1 Classification of business entities

Businesses take different angles, namely service businesses, merchandising businesses, and manufacturing businesses. Service businesses provide intangible products, ranging from skills, expertise, experiences to emotional help and advice, examples include restaurant and tourism, hair dressing, bookkeeping, and rehabilitations (Accountingverse 2019, cited 20.10.2019).

Merchandising businesses are “buy and sell” businesses, where products are bought at some wholesale prices and sold at some higher price (retail), some examples include distributors, resellers like car bazars and supermarkets (Accountingverse 2019, cited 20.10.2019).

Manufacturing businesses basically deal in transformation of raw materials to ready usable products, often involving production processes. Examples include iron manufacturing, which ends up in other types of business who process it, either to finished products or by-products of other companies who process it to finished products. The cycle a product goes through is huge and wide and depends on its application as a finished product (Accountingverse 2019, cited 20.10.2019).

Hybrid businesses on the other hand are classified to contain more than one type of business. For example, this kind of business include hotels and restaurants where ingredients are prepared to a fine meal, served with a cold beer, and provision of room services in one package (Accountingverse 2019, cited 20.10.2019).

It is with this diversity that more effort should be put in research and development of business plans, with increasing rise in frequent change to their forms. Most of the concepts guiding this thesis are borrowed from the lean series a book that teaches entrepreneurs about running lean, a systematic

process from plan A to a customized plan, favorable to the business, before running out of resources (Accountingverse 2019, cited 20.10.2019).

2.2 Components of a business plan

A business plan document is an interwoven sub-plans of different business disciplines. These sub-plans can be marketing, operations, human resource management, finance and so forth. It helps the readers of the document understand the business better (Siegel, Ford & Bornstein 1993). Its common components include: Executive summary, marketing strategy, competitor analysis, products or services and their unique selling propositions, pricing plan, sales, and distribution (Appendices 1 & 2).

2.2.1 Executive summary

Given the argument by business bloggers and enthusiast such as Susan Ward, businesses are described as highly autonomous. Business plan often look different amongst each entrepreneur, but this component has remained resistant to change, it appears first in most business plans and describes what a company intends to accomplish. In simpler terms it is a description of a business entity overview (Ward 2019).

This summary describes who you are, what your business name is, where are you located and how can interested parties reach you, either through email or by phone number. Secondly a brief description of the product or services one is offering, and the problem being solved. This offers the need to exist in the market (Ward 2019).

It is also vital to include mission and vision statements in this section. In addition, a good executive summary should also describe who the target market is(are). It is also in this part that one should state if they are seeking investment or securing a bank loan (Ward 2019.)

2.2.2 Marketing strategy

This is the part of the business plan that explains how an entrepreneur is going to attract customers to purchase its products or services. The contents are explained in six major focal points (Ward, cited 25.7.2019.)

Market research is the art of collecting information about customers an entrepreneur wants to target. This information is used by the entrepreneur to make critical decision concerning where to focus resources, and what products or services are worth investing in. In most cases market research enables the entrepreneur to understand the market he/she is entering and whether there is future for the business (McQuarrie 2005).

Main factors as described by Drucker (1974) that can be investigated include: Target Marketing where products and services are arguably perceived as diverse entities in all perspectives, and as described by Ward (2019), entrepreneurs come up with products or services they intend to sell, the choices of their selling environments do not dictate that they will sell to everyone living in that area.

This natural situation pushes entrepreneurs to know exactly what kind of people residing in that environment might be interested to purchase their products and services, with this vital information an entrepreneur goes ahead to segment its potential customers according to preferential strengths, and shared characteristics, ranging from those who prefer most to those who might change their mind given a chance (Bhasin 2019, cited 11.10.2019).

Market segmentation is the general subdivision of a given population based on certain variables. Based on the arguments of Bhasin, there are several categories of market segments such as: demographic segmentation, geographic segmentation, and psychographic segmentation (Bhasin 2019, cited 11.10.2019).

Demographic segmentation several variables of classifications such as age, religion, nationality, and race. Age is the most common variable in customer target marketing, what young customers want, and need is in most cases different from what older customers go for. This is so common as younger generation prefer sleek and stylish as compared to older generation who prefer basic in terms of style (Wedel & Kamakura 2010.)

Other factors that go together with the age variable are income and life cycle stage, older generation normally have high income compared to younger generation due to the fact that some are still earning professionals or in on pension as compared to younger generation whom are just starting to earn income or are still being sponsored. These factors have a huge impact when entrepreneurs are trying to segment their customers (Wedel & Kamakura 2010).

Religion is also a factor to be considered, entrepreneurs must be very cautious when interacting with people from that have certain beliefs. This beliefs and practices might contradict the ways they want to reach their customers and the products or services they want to offer (Wedel & Kamakura 2010).

Race and nationality also affect how customers are reached, each country has different regulations on content used in advertisement and age limits for certain kinds of services and products. All these factors are things to be considered by an entrepreneur when deciding what to venture into, whom to target and where put more emphasis (Wedel & Kamakura 2010).

Geographic segmentation involves categorization of consumers into physical locations. These physical locations are grouped into different variables, they include region, population density, city or town population and climatic zone (Wedel & Kamakura 2010. 8-9.)

This geographical data is then classified into consumer profiles, in most cases they are combined with demographic data to create more detailed profiles. It is important as it is used to direct marketing campaigns for instance, an entrepreneur will know whether to use personal door to door selling, or letter mailing, or e-mailing. That is if the city has set infrastructure (Kotler & Keller 2006).

In other instances, the climatic zones dictate what products or services an entrepreneur should engage in. Tropical, Mediterranean, and polar zones are diverse in terms of how entrepreneurs provide products and services (Kotler & Keller 2006).

Psychographic segmentation is also referred to as lifestyle segmentation, it involves customers' daily activities, preferences, and likes. Entrepreneurs value this kind of data during branding, figuring out what motivates customers to buy certain products and brands and why they dislike certain products and services. It also helps describe how individual segments spend their leisure time, and what is likely to influence their day to day activities. It is with target marketing that enables

adequate resource allocation, in that more effort at specific customers eases the promotion, pricing, and distribution processes cost effectively (Kotler & Keller 2006.)

2.2.3 Competitor analysis

Competitor analysis is an important part of every business entity, every entrepreneur is in constant investigation how their competitors are doing in the market. The steps involved in writing this section of the business plan include, finding out who are existing competitors in the market, collecting data about the competitors, and Analysis of the data (Ward, cited 25.7.2019.)

This information includes background information which describes, competitors' location, locations of their plants, their stores, and warehouses. Their history is also key, information such ownership, company history, public perceptions of the competitor, and their organizational structure help the readers of the business plan understand what you are dealing with (O'Connor 2010).

Financials information in this section of the business plan include competitors' price to earnings(P-E) ratios, market shares, cash flows, profitability ratios and their growth margin. These aspects enable readers of the business plan to analyze the chances of success for your business entity (O'Connor 2010).

Products or services offered are also vital for a good competitor analysis section, such analysis include a detailed profile of what they offer, what products they plan to release, the success rate of their product or service line, which of their products have patents and licenses and which are still pending. This information is always difficult to acquire and very important in planning how to stay competitive in the market (O'Connor 2010.)

Marketing strategy of the competitor is also another competitor analysis content. It is always good to understand competitors marketing strategies, for example what is their customer base, and market shares. How their advertising and promotional budget looks like, what distributional channels they employ and most importantly how do they price their products and services (O'Connor 2010).

Lastly a good competitor analysis factors in information about human resource. It is also important to consider employee size, the level of skills in their company, the benefits their employees enjoy and what is the employee retention rate as perceived by the public (O'Connor 2010).

2.2.4 Products or services and their unique selling propositions

This marketing concept as coined by Dr. James Blythe, describes the standout benefits a service, a business entity, a brand, or a product is perceived by the competitors and the consumers. This can be statements such as “buy this product for some specific given reason”, Claims about what you offer that competitors do not, Strong brand propositions that move masses and attract new customers (Rosser 1961.)

As described by Reilly and Parkinson, in a competitive space with similar products and services, USP campaign comes in handy in situations where undifferentiated commodities leaves consumers indecisive of what is valuable and not, this causes lowering of prices, which is not healthy for the success of businesses. Therefore unique selling proposition is key in marketing and keeps the competition lively (Reilly& Parkinson 1985).

2.2.5 Pricing plan

According to Susan Ward author of Small Businesses Journal, Pricing plan involves strategies meant to set prices of products and services in a manner that an entrepreneur remains competitive in the market and rakes in decent profits. The process of setting prices is quite traditional, in that entrepreneurs, calculate prices by surveying their competitors' prices, weighing benefits to its customers, factoring in costs of production and operations and setting values that uniquely attract customers (Ward, cited 10. 10.2019.)

Tools such as the Break-even Analysis helps entrepreneurs in setting up prices of their products. This is done by calculating the point in which the expenses are equal to the revenue in any given business entity at a given point in time. (Ward, cited 10.10.2019.)

2.2.6 Sales and distribution plan

Sales is a process where title of ownership of the product or service package is transferred to a new owner in this case the purchaser upon reaching a price agreement. (Sale of Goods Act 1979/5 of effects of the contract 5/1971.3 §). Sales can take two main forms, Business-to-Business (“B2B”) or Business-to-Consumer (“B2C”). These forms can be direct, involving person to person contact or indirect, where the business sale’s person does not get in contact with the consumers. The complexity of the operations differs from one business to another, with factors such as size and revenue offering the differences (Kotler 1980).

Some of the examples include enterprise sales, this is a form of trading whereby large contracts for goods or services involving customers takes control of the transactions by issuing (RFP). Request for proposals, normally in this case there is a lot of decision making involved, and that is why the cycle takes long period to end. Consignment sales on the other hand involves transferring goods or service charge to another party or agent. It is important to note that ownership rights are kept until the item or goods are sold (Kotler 1980).

Retailing involves selling goods or services directly to customers through multiple channels. In simpler terms the goods or services are sold directly without third parties involved. Telesales, being another example involves a mode of trade whereby salesperson look for potential customers. Potential customers in this scenario are reached by offering goods and services through phone calls, video calls, recorded messages, or face to face through web conferencing (Kotler 1980).

2.2.7 Business operation plan

Business operations involve day to day activities in each business entity towards delivery of services or products to the customers. It describes how a company’s action plan towards achievement of its mission and goals. In most cases there ought to be short term processes and long-term processes described in this chapter that will ensure business is running toward a successful path (Profitable Venture Magazine Ltd. 2019. cited 1.10.19). This section covers the following areas; human resource management plan, number of employees needed to complete a task, qualifications these employees, detailed duties written down before hand, hiring procedures

and salary remuneration of each employee pre-defined in the same package (Profitable Venture Magazine Ltd 2019, cited 1.10.2019).

Raw materials or by products in cases of production companies. Readers will want to know the processes involved in production of each product and what competitive advantage makes the processes better and different from other companies producing the same product. Details such as: Time taken to produce a single unit, testing phase processes from prototyping, piloting, validation and feedback from customers, and demand and supply management. Mostly visible in cases where demand outweighs supply (Profitable Venture Magazine Ltd 2019, cited 1.10.2019).

Equipment will refer to the things needed to run the business from office furniture, computers, to stationary. Facilities will stem down to warehouses if needed, offices, land, retail stores, and online stores, where operations will be conducted. Additional processes that are very vital include customer support processes. It should be noted that success of a business entity is geared towards how customer requests are managed, handling customer complaints, purchasing process plan, return policy plans, and feedback collection and handling processes (Profitable Venture Magazine Ltd 2019, cited 1.10.2019).

3 STRATEGY TOOLS USED IN BUSINESS DEVELOPMENT

Business development involves tasks and processes that lead towards the growth of business entity or an organization. This tasks and processes are categorized to different business fields such as marketing and sales, production, administration, and financials. (Sorensen, H. E. 2012).

The following strategic tools comes in handy when analyzing these fields. They include PESTLE analysis model, The SWOT analysis model, Porter's Five Forces, Visioning, and The VRIO Framework.

3.1.1 PESTLE analysis model.

It is important to consider and assess the general environment which the business entity operates. This environment has several conditions and factors that affect the competitive position and entity's success or failure.

PESTLE stands for Political, Economic, Sociocultural, Technological, Legal and Environmental issues and factors affecting business operations. Political factors involve factors such as tax requirements, labor laws, environmental laws, trade policies and restrictions, tariffs, and political atmosphere of region of operations. Governments get involved to restrict unfair competition, protect consumers from certain business malpractices (Warner, A. G. 2010, 30.)

Economic factors also dictate business operations and decision making. It generally tries to focus on trends and changes on the general economic environment, issues under discussion include issues such as inflation rates, employment rates and commodity price fluctuation, just but to mention a few. Economic indicators that are industry related such as prices of petroleum, economic crisis and the fall or rise of currency, dictate how business entities approach the market and how they make crucial decisions (Warner, A. G. 2010, 30).

Sociocultural domain address factors such as changes in demographic structure of the society, for instance population increase or decrease, literacy balance in each population, ethnic profiles, and income distribution. Shift in societal beliefs, for instance, some generation might be more politically

engaged than others and more likely to be democrats, portrayal of globalization traits and new working cultures, increased support in immigration and gay marriages than other generations, and the likelihood of increased or decreased importance of wealth and fame as life goals (Warner, A. G. 2010, 30). Social cultural factors might include short term social changes such as fashion shifts, every era has its dominant style and consumption preferences. This shifts in consumption patterns are very crucial and difficult to anticipate (Warner, A. G. 2010, 30).

Changes in technology may also affect an economy. Technological factors include, for example, research and development activities, technology incentives, and the rate of technological change. These factors are used by entrepreneurs to determine barriers to entry in each market. Technological shifts might also affect costs and quality (Goodman & Hawkins 2015).

Legal factors on the other hand, include aspects such as anti-competition law, employment law and health and safety law. These aspects affect company's operational behavior as well as its financial obligations. Environmental factors include environmental aspects, such as climate change. Climate change dictates consumer consumption patterns as well as how companies behave towards these shifts (Goodman & Hawkins 2015.)

3.1.2 SWOT analysis model.

SWOT is an acronym standing for the strengths, weaknesses, opportunities, and threats. Strengths and weaknesses being internal factors of any given business entity, often these factors are used in situational audits as well as re-evaluation of business entity's goals and visions (Gandellini et al. 2012). Strengths and weaknesses are analyzed based on marketing, financials, administration, for instance, company's image, pricing and quality standard of products, financials such as capital stretch, cashflows, to aspects such as employee satisfaction and retention rates of a given company (Kotler 1997).

On the other hand, opportunities and threats are viewed as external forces towards a business entity. In this case they are categorized to macroenvironment as discussed in the PESTLE model, the political, economic, social, technological, legal, and environmental factors and microenvironment that encompass factors such as competitors, customers, suppliers, sale, and

distribution channels. The assessment of this factors allows business entities to scale up on opportunities and to manage threats at their disposal (Kotler 1997)

3.1.3 Porter's Five Forces

Porter's Five Forces Framework is a tool for analyzing and evaluating competition of a business entity. The five forces have been derived from industrial economy a field that theoretically examines structure of firms and markets, their competitive strengths, attractiveness, or unattractiveness in terms of profitability (Porter 1979).

Porter's five forces have been structured in that two forces provide "Horizontal" competition, that is the threat of substitute product or service, and the threat of new entrants, whereas, two other forces form a "vertical" competition, including the bargaining power of suppliers and the customers. At the epicenter, is the threat of established rivals.

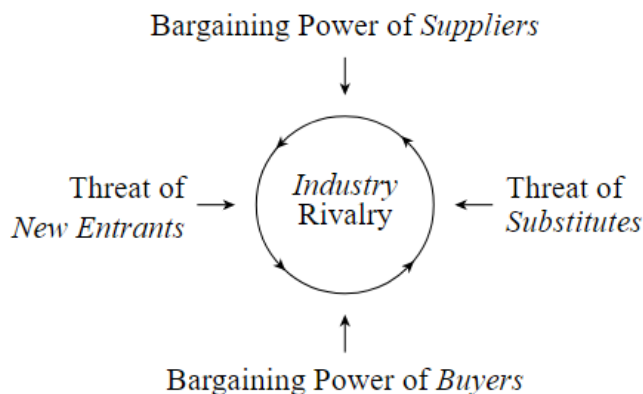


Figure 4. Michael Porter's five forces (Fadeev 2014, cited 3.12.2019).

Threat of new entrants, according to Porter's arguments, describe profitable industries that yield high demands as always attracting new entities, this thus results in a decrease in profitability, as the pie must be shared by all actors in the sector. Sometimes the incumbents make it difficult for new entrants to cope up with these forces (Magretta 2011; Porter 1998).

On the other hand, new entrants can enter the market cheaply and swiftly, selling their viable products with satisfactory features to pull in early consumers, by covering production costs and

making enough income. This scenario threatens competition and can shake incumbents' position in the market (Magretta 2011; Porter 1998).

Power of suppliers and competitors in each market dictates entity's price control powers, for instance when there are few suppliers or competitors in each market, they hold strong bargaining power, in that each dictates what price they offer their products since they can easily find a customer who wants to buy their products. On the other hand, if there are a lot of competitors and suppliers in each market the bargaining power diminishes. Customers have a wide variety of options to choose from based on their own price (Magretta 2011; Porter 1998).

The power of customers is also a vital force in the competition ring, it's argued that the number of customers in a given market directly influences entity's price control powers, for instance if there are few customers in a given industry, they do dictate price control of the commodities they purchase. This means that customers can decide to engage those suppliers who are willing to bend down to their price demands. But if there are more customers in each market, they hold less power, as suppliers can fix prices and sell only to those customers who can afford (Magretta 2011; Porter 1998).

Substitutes are products that consumers can use in place of another, threats of substitute products are a constant factor in competition, as one must compete with both players in the same industry as well as other entities in other industries. Market dominance dictates that products must be of superior quality to foster constant profits and avoid unnecessary competition from cheaper and less superior substitutes (Magretta 2011; Porter 1998).

3.1.4 Visioning

Visioning is a process of shedding light on values, clarifying missions and expanding visions. These elements revolve how teams, businesses and organizations plan their future (Scott, Jaffe & Tobe 1993).

Environmental scan of current situation entails the review of organization's present situation in terms of services, products, or programs they offer, organizational history, and revisiting the core reasons of why founders decided to start it. Having got a glimpse of current identity, the organization

goes further to assess its current opportunities and threats, strength and weaknesses, current customer base and competitors in the market and their current situations, as well as critical issues or choices that an organization or business entity is facing regarding its future (Scott, Jaffe & Tobe 1993, 47).

Redefining mission statements is important, this is because missions are directly linked to a wide analysis of customers and entity's surroundings. A scan of the past is linked towards a clear imagination of what the future might be for an organization. It is important to redefine missions to fit current situation to foster a clearly plot to its future (Scott, Jaffe & Tobe 1993, 67).

The creation of a clear vision acts as a compass towards the future, it includes the basic strategic plan towards achievement of an entity's mission. A vision is a clear image of where a company sees itself some years from now. The process of clarification of future visions enables business entities to develop and redesign schemes towards the desired goals (Scott, Jaffe & Tobe 1993, 81).

Communication of the visioning process to other parties that were not involved is important in the implementation phase. This creates a sense of a common ownership of the shared vision, improved cooperation, and spirited teamwork towards the perceived bright future of any given company (Scott, Jaffe & Tobe 1993, 93).

3.1.5 The VRIO Framework

This tool is used in pinpointing the competitive advantage of the products and services offered by a business entity. The components of the framework include value, rarity, imitability, and organization (Barney 1991).

Barney argued that a resource is valuable when it is flexible to cost reduction or have potential of neutralizing threats existing in its competitive environment (Barney 1991). The rarity and imitability of the resource builds an advantageous position, this reduces the number of competitors in the market thus preventing perfect competition. However, this component is not permanently drove towards long term competitive position, as valuable resources could still be copied and reproduced, the difference being easiness and time taken to copy and reproduce it (Barney 1991).

The three components value, rarity and imitability constitute resources, inclusive of both tangible and intangible ones, whereas capabilities and skills are means to management of this resources. Organizational capabilities allow for a systematic use of this resources, thriving to stay on the competitive edge always (Sanchez 2001).

4 BUSINESS ENVIRONMENT IN FINLAND

According to the recommendations of business development by (Wisconsin, 2004), it is advisable to analyze the environment extensively before committing funds into an entity (Cooper, 2000). This study is important because of the dynamic nature of personality and the constantly changing business environment (Johnson, G. & Scholes, K. 2002; Thompson & Martin 2010, 86).

4.1 Pestle analysis of the Finnish market.

An analysis of the Finnish market requires a review of its political, economic, social, technological, legal, and environmental makeup in relation to hand hygiene dispensers. Its unique in its own make-up and differs from other countries of the world.

4.1.1 Political nature of Finnish environment.

Finland is a democratic republic, and a multi-party state that parties form a coalition government from left-right influences. It is also a member of the European union, as well as member to OECD, Schengen Convention, WTO, UN, UNCTAD, EEA (Website Central intelligence Agency 2018).

Finland has two officially spoken languages, Finnish and Swedish. 90% of the population under 30 years of age, speak English. It is considered the second language of the business community (Business Finland 2020, cited 14.1.2020).

Finnish tax policy is relatively high due to high standards of living, all generated income is taxable, so is goods and services. Finland has both direct and indirect taxes, direct taxes include state income tax, wealth tax, inheritance tax, gift tax, and asset transfer taxes. All this tax levied by the state, the municipalities, and the church, state tax varies according to scale with flat rates on both municipal taxes (usually 18% -19%) and church tax (between 1% - 2%) (Tax handbook 2020, cited 17.1.2020).

Corporate taxation is at 20%, while business income from partnership and private traders is divided to earned income and capital income, earned income includes salary or wages and pension

whereas capital income include profits, returns, earnings , owned assets, dividends, rental income, proceeds from life insurance, and share profits from investment fund. In 2018 capital income stood at 30% for income up to €30,000 and 34% for more than €30,000 (Tax handbook 2020, cited 17.1.2020).

Finnish VAT (value-added tax) is subject to all sales of goods and services, with standard VAT rate at 24%, reduced rate of 14% for food, restaurant and catering services, and 10% for passenger transport, books, certain services related to sporting and accommodation. Zero related sales for goods and services to other EU states. some services such as social, healthcare, and medical services, public education, and financial and insurance services are exempted from VAT. Moreover, all companies with VAT liable operations whose turnover exceeds €10,000 from sale of goods or services per accounting period need to register for VAT (Tax handbook 2020, cited 17.1.2020).

Finland is governed by European union trade regulations and restriction. All companies planning to establish in Finland must meet basic requirements outlined for specific businesses such as permits and certificates. These services are found online and with office access points in all municipalities in Finland (Suomi.fi 2020, cited 17.1.2020).

According to transparency international, Finland has been among the top counties with low levels of corruption as of 2018, ranked 3/180 and scoring 85/100 on perceived level of public sector corruption, with the scale meaning 0 at highly corrupt and 100 meaning very clean (Transparency International 2020, cited 5.5.2020).

4.1.2 Economical breakdown of the Finnish environment.

Finland is one of the wealthiest countries in the world according to statistics Finland, Finland's GDP as of 2017, is at €224 bn, GDP per capita, at current prices: €40,638 (2017), monthly earnings (average): €3,018 (2017), and unemployment rate: 8.6 % (2018/05). This defines the Finnish high labor costs (Statistics Finland 2020, cited 5.5.2020).

Industry wise agriculture represents 2.3% of its GDP, employing roughly 3.8% of the population (World Bank 2020, cited 5.5.2020). This is due to the unfavorable climatic conditions. Industrial

sector on the other hand rakes in 24% to the GDP, creating employment to 22% of the population, this sector includes forestry which is labeled as traditional, metal production, mechanical engineering and electronic goods. Services sector is huge in Finland, employing 74.1% of its population, and raking in a good 60% to its GDP (World Bank 2020, cited 5.5.2020).

Finland is also at the top in world rankings at growth and development in the economic and technological sectors. Finland enjoys high status with global credit ratings agencies, for instance: Fitch rating, August 2018: AA+, Moody's May 2018: AA1 and S&P Global ratings, September 2019, AA+ (Business Finland 2020, cited 14.1.2020).

4.1.3 Social make-up of the Finnish environment.

Finnish people are highly educated, this is attributed to it being ranked 12th in the world by United nation development programme (UNDP) according to HDI (human development index), a statistics composite index of life expectancy, education, and per capita income. This means that employers have a huge pool of highly- qualified workforce (Business Finland 2020, cited 14.1.2020).

Language wise, most documentation, advertisements, websites, business forms and brochures are often in Finnish. Services are mostly rendered in Finnish and most public servants are reluctant to attend to needs of their clients in other languages (Business Finland 2020, cited 14.1.2020).

Finnish people are hugely tied towards quality of the products, security, and brand image. They often rely on products that follow European standards. Finnish customers frequent shopping centers, with a record of 387 million visits in 2019, with most visits aligned to specialty stores (Santander trade 2020, cited 2.2.2020).

Most Finnish people also do quick purchases online, with online purchases accounting for 7 to 10% according to retailers' information. According to Santander trade analysis, data protection and security is a big pillar while dealing with online purchases. Finnish people often prefer domestic products, with international products often targeting specific market segments (Santander trade 2020, cited 2.2.2020).

Moreover, customers in Finland are currently environmental and ecological lobbyists, with a shift towards products that are ecologically manufactured or produced, with simple, practical and with minimal packaging. The circular economy is increasing with customers increasingly moving to purchase of secondhand products (Santander trade 2020, cited 1.14.2020).

4.1.4 Technological and legal requirements.

Finland is at the apex of digitalization, health solutions, and smart and clean technologies, with huge government investment in R&D, this has made Finland a business hotspot and testing grounds for international companies seeking testing and validation of their technological solutions (Business Finland 2020, cited 14.1.2020).

Employees and employers should be well versed with the legal requirements that business entities and entrepreneurs should meet during the onset and further into business operations. Employers in Finland must act in accordance with employment legislations and collective agreements, this is to say that, employee vacations and holiday bonuses must follow current legislations, contracts drawn should be up to date and in line with the industry's collective agreement (Tax handbook 2020, cited 17.1.2020).

As an employer, the law requires that one should register into the tax administration's register of employers and are also required to withhold tax, health insurance contributions, and pensions from employee's wages and salaries hence remitting them later to tax administration and pension benefits to insurance companies selected by the employer (Tax handbook 2020, cited 17.1.2020).

Permits, licenses and certificates are mandatory and vary from one business to another, this is shown from an example in (appendix 3). Most municipalities in Finland need to conduct premise inspection by relevant authorities, this is in accordance to the Occupational Safety and Health Act, it's always employee's responsibility to provide a safe working environment for its employees (Info Finland 2020, cited 2.2.2020).

4.2 Hand hygiene dispenser and sanitizer market

Hand hygiene dispenser and sanitizer market is a global phenomenon. Most companies that manufacture this kind of products don't have Finnish background, hence a challenge to analyze the global market. According to the report published by Allied Market Research, titled, "Hand Sanitizer Market by Product, Distribution Channel, and End Use: A Global Opportunity Analysis and Industry Forecast, 2017-2023," the hand sanitizer market size was valued at \$919 million in 2016, and is projected to reach \$1,755 million by 2023, growing at a CAGR of 9.9% from 2017 to 2023. North America was the largest contributor in 2016, accounting for around 35% of the market share (Allied Market Research 2020, cited 2.4.2020).

Factors that driving growth include, change in lifestyle of people and increase in consumer inclination towards health. Moreover, rise in awareness about hand hygiene has significantly influenced the market. However, health hazardous associated with hand sanitizer are expected to hamper the market growth in future (Allied Market Research 2020, cited 2.4.2020).

Hospitals dominated the global hand sanitizer industry with more than two-fifths share in 2016. Increase in demand for sanitization across various end-use industries, particularly food & beverages industry, is anticipated to drive the market growth during the analysis period (Allied Market Research 2020, cited 2.4.2020).

4.3 Competition in the Finnish market

The Finnish hand hygiene dispenser and sanitizer market can be arguably described as being monopolistic, this is because there are few players in the business, with foreign parent companies dominating the production of this products. Business entities are required to understand the nature of its industries and market to facilitate smooth competition (Porter, 2008).

Pure North Oy is official importer of PowAir air deodorants GOJO and Purell hand hygiene products: dispensers, soaps, and other products. They have been importing GOJO and Purell products over 20 years. Pure North Oy is a small company, which moved ownership in 2014 from father to son. After the generational change, net sales have been dropping year by year between 2014 and 2018

from €403,000 to €19,000. Profit has varied a lot, for example 2015 company made profit of €33,000 and 2017 it made loss of €18,000 (Asiakastieto 2020, cited 2.10.2020).

Novakari Oy is Finnish wholesale company for cleaning and massage accessories. It has wide range of products, including soap dispensers. Novakari Oy was founded in the year 1983 and by 2019 it had 8 employees. Financial reports show that this company has been making losses for the past five years. In 2019 its net sales were €1,189,000, apart from making a million average on sales every year since 2016, it has also made consecutive losses, €53,000, €20,000, €50,000, €59,000, €19,000 respectively since 2015 (Asiakastieto 2020, cited 2.10.2020).

Essity, Owner of brand Tork that is listed in Sweden. Has global market selling products and solutions in approximately 150 countries. Leading brands of Essity are Tork and Tena. Brand Tork includes dispensers for soap, hand sanitizer, toilet paper, face tissue and hand paper and accompanying products for them. Also trash bins and air fresheners belong in Tork brands range of products. Essity has had growing net sales at least the past five years and in 2019 company made net sales of €12.2 million and profits totaling close to €1 million (Essity 2020, cited 2.10.2020).

Katrin is a Finnish brand owned by Metsä Tissue. The brand has big variety of dispensers, papers and soaps and other hygiene products for bathrooms, kitchens, and industrial use. Metsä Tissue has production in Finland, Germany, Slovakia Poland, and Sweden. In the year 2017 this forest industry company group had net sales of €207,018,000 and making a profit of €28,074,000, and in 2018 it made sales worth €213,980,000 with profits totaling €21,157,000 (Asiakastieto 2020, cited 2.10.2020).

4.4 Finnish market entry strategies

It is an important strategy for business entities to consider favorable modes of entry into the market. These alternatives are policy oriented and dictated by government, therefore the best alternative weighs more towards the favorable factors in the business environment (Albaum 2008).

In Finland, it is possible to carry out business operations in the following forms of enterprise: private trader, general partnership, limited partnership, co-operative, limited company (private limited company, public limited company, and branch of a foreign enterprise. The following forms of

enterprise are less common: Societas Europaea, European co-operative society and European Economic Interest Grouping (EEIG). Associations and foundations that are established as non-profit organizations may also engage in business activities, and a private limited company may be founded with a non-profit objective (Business Finland 2020, cited 14.1.2020).

Licensing mode of business is a legal contractual agreement entered by a business entity with a licensee, concerning rights to manufacture, distribute or use a product or service, or the right to access certain expertise, technological know-how, patents, trademarks, company names, design and methods which are owned by the licensor (Decke, 2014). The licensor's income is generated from fees payed by the licensee, such as annual subscription fee, annual minimum, annual percentage fee, and other costs such as R&D offered on new products by the licensor (Albaum & Duerr 2008, 377).

Franchising is the art of expanding business, distributing goods and services, or selling manufacturing rights, often to third parties who have working capital (Hollensen, 2007). In this kind of licensing relationship, there are two players, the franchisor, who is the license granting party for conducting business activities under their mark, and the franchisee, who is granted the rights to conduct business under trade mark, trade name, or business method (IFA, 2010).

In this case the franchisee pays franchise license, and sets up business with franchise methods, logos, and design, owning equipment and products. Franchisees usually do not sell business ideas on the other hand they make money selling the product. This mode of business has had criticism because it is difficult to work without restrictions, but it is one of the easiest methods than starting own business from scratch (Rekryointi 2020, cited 2.4.2020).

Contractual manufacturing is the approach of a company sourcing manufacture, production or assembly for its products while retaining the responsibility of marketing and distribution (Gerald Albaum, Edwin Duerr, Jesper Strandkov, 2005). Its main advantage towards entry into a market are saving costs and getting expertise and skills outside the company (Schniederjans, Marc J, 2005).

In this scenario, depending on the product, a company can hire the entire production process from beginning to end or just some phase. In most cases in Finland companies' source for raw materials, packaging materials, product testing, shipping, and deliveries from third parties. example company

that offers contract manufacturing is Frescon Oy, a company that carries out contract manufacturing for packaging of detergents and wellness products.

A fully owned subsidiary is where the owners have control of productions, manufacturing, marketing, and sales. In most cases the owners always possess majority shares if they decide to list the entity as a limited company (Daszkiewicz. N & Wach. K, 2012).

In such a case the entity has self-responsibility to rules of establishment, laws, registration requirements, legal requirements, and taxification requirements (Daszkiewicz. N & Wach. K, 2012). This applies to startup companies that have huge investment capital. This kind of entry to Finnish market is not very common, as risks are too high. Companies might not pass the break-even point to realize any profit before they file for bankruptcy.

5 BUSINESS PLAN REPORT

As it has been mentioned among the objectives of this thesis, the author conducted a guided theoretical research on how to develop a product-based business plan for clean wave hand hygiene enhancer. The author went ahead to use the collected information to develop a business case and a business plan for the device. The most important parts discussed in this brief report include, executive summary, business idea, business goals, starting point analysis, business field and environment analysis, market analysis, and resource management.

5.1.1 Executive summary

The author focused on the company profile in this section, since it was a product conceived from a problem solution, it lacked background information, such as company registration details, business registration number, and location. The author in writing this section of the business plan used a guide to establishing business in Finland as shown in (Appendix 4).

On the other hand, it had a well-defined strategy document. This document focused on its primary purpose of solving the increased rate of secondary re-infections in health care facilities in Oulu Finland. It was also agreed by the members that it would start of from partnership form of business and later scale up to be a limited company.

5.1.2 Business idea and goals

The author focused on what the company was doing, that being development of hand hygiene device, which the company plans to produce and market. The device is to contains a motion sensor triggered light, that acts as a reminder for the health care staff to remember to clean their hands before attending to a patient.

This is a solution idea to a researched problem, where only a third of the hospital staff know how to properly take care of their hand hygiene. Because of that, the author found out that 1 to 20 patients get an infection, resulting in 45,000 infections, € 500,000,000 in cost and 750 deaths annually. The findings further states that, 20% of the infections are preventable with better hand

hygiene, resulting in prevention of 9,000 infections, € 100, 000,000 in saved cost and 150 reduced deaths annually, in Finland alone.

Inclusive in the business plan were goals, the author looked at both long term and short-term goals. Among the long-term goals was, “To be the best visible hand hygiene product in the Finnish market.”

5.1.3 As a company

The author described the owners of the company, date it was stated and its current address which as mentioned before has not been registered nor made public. Included in the in company description was vision, mission and what the company stood for, its mission as stated by the author was to reduce re-infection rates in health care centers, through creation of smart hand hygiene devices that catches the attention of health care staff to clean their hands more.

Some values mentioned included quality: that the company strives to provide high quality products with the most minimal price, that add premium value to our customers, Customer commitment: developing an outstanding relationship that bonds both the company and its customers, and one that makes positive differences in our customers endeavors. lastly, respect for humanity was also mentioned by the author: That the company strives to uphold and respect humanity and always strife to provide a better, healthier life. Included in the company description was its slogan: “Clean hands healthier life.”

5.1.4 Resource analysis

The author looked at material resources, such as office, furniture, test lab equipment, as well as immaterial resources such as registration and certification costs. Other resources mentioned included machinery, transport equipment. Included in the plan was human resource, apart from readily available expertise in the group, the company needed software developers, hardware designers and accountants. The organizational structure and personnel responsibilities was also covered and listed in this part of the business plan.

The author went further account for total costs of investments, the sales and variable costs, the fixed costs in order to find companies profitability. The results of break-even analysis were not breath taking and negatively suggested that the entire business was not worth establishing.

5.1.5 Business field and environmental analysis

The business environment has been discussed by the author in the previous chapter with emphasis on the Finnish business environment using the PESTLE analysis model. Included in the plan was also the existing hand hygiene product types in the market, findings mentioned by the author in the plan included: observed market behavior of hand hygiene products, that most companies in the market had their own alcohol refills with a range price of this refills in Finland between 5€ to 9€ including tax for a 500ml bottle. This gives a wide market for refills a more competitive edge to the other companies that do not do refills.

The author also found out that there were mechanically operated dispensers ranging from hand operated, wrist operated, and elbow operated. Some of them also came in different shapes and sizes whereas some of them had visible labels of the alcohol disinfectant. They costed between 15€ to 270€.

It's also from the market research that the author found out that there was also sensor driven dispensers that automated the usage to avoid recontamination of operating the device, this kind of dispensers costed between 150€ to 600€. It is from these findings that a business case was developed to develop something unique, easily affordable, easy to use and most importantly efficient in controlling re-infection in health care centers.

5.1.6 Customer analysis

In this section of the business plan, the author focused on whom the customers were and where they were located. The end-users of the product targeted were Health care staff and day care instructors, whom on daily basis interacted with patients or clients who had low immune system and were vulnerable to bacterial and viral attacks given exposure. That was hospitals, elderly homes, and day care facilities.

A closer analysis of Oulu university hospital found out that the hospital had 857 beds, which had manually operated alcohol dispensers. The data was used hypothetically as a comparison reference control, to measure the clean wave hand hygiene enhancer effects on the behavior of the health care professionals around patient environment.

The author also mentioned channels to get to its customers, both the sales and marketing channels. Some of the sales channels included directly selling to its customers via tendering process and indirectly via retailers and dealers in health care products. The marketing channels discussed were cause marketing, cobranding and affinity marketing, internet marketing and paid media advertising.

6 DISCUSSION

The main objective of writing this thesis, was to explore business development of product related businesses. The author divided the business development into three, creation of a plan. The guiding document, and secondly, implementation strategy, which saw the author focus on tools of analyzing the environment, it is political, economic, social, environmental, technological, legal makeup, competition as well as entry strategies to a target market. Lastly the author focused on writing the business plan for the product.

Environmental analysis is not the only important aspect to look at, when planning a business, it is vital to analyze the market too, the forces of competition in an industry, have to be equal and directly proportional to each other, to create a healthy balance. The bargaining power of suppliers must be parallel and equal to the bargaining power of the customers, as well as the threat of new entrants directly proportional to the threat of substitutes. This condition acts as checks and balances to monopoly driven incumbents as well as ensuring high quality of products and continued respect to customers.

Market penetration must be skillful and tactical. Its arguably true to say most start-ups face similar funding challenges, hence calling for strategies such as contractual manufacturing, licensing, franchising, or self-sponsoring which is always directly proportional to entrepreneur's capital stretch.

It is undoubtedly categorical to argue, that the field of business development is still green, most studies conducted are still in hypotheses form, and need supportive documentation of theory to practice. The case has identified blueprints in the business field, that require further studies and research. This is due to a finding that different businesses take different forms and require different strategies to be successful in a volatile and mutating market.

It is 2020, globalization has transformed how businesses are handled, with products in each market stemming from franchises and international corporations. Local products are facing stiff competitions from these products. Thanks to strict business operation regulations in Finland and European union, small companies still have something to offer.

In concurrence with many business experts, proper business development strategies ought to have insights towards future opportunities, and clear lenses towards threats of failure. Its meaningless to venture into businesses that do not attract funding or investors. Business plans lay down paths, entrepreneurs follow, in most cases the ideas are well organized and planned. In cases where the costs outweigh the benefits, then it is important to pre-meditate exit-strategies (Samuels 2013).

It is also evident from this thesis material that product paths and service paths in business development, take different approaches. Entrepreneurs have the knowledge of its importance but often ignore to follow basic instructions in pre-analysis. Some view business planning as a cumbersome process, which is arguably true. But it is important to validate ideas in paper, than the actual product or service in a real market. In this way entrepreneurs will minimize time wasted, resources dragged down the drain, and the psychological torture of failure.

On discussing entry to market strategies, its arguably true to deduce that it's important for entrepreneurs to document how they are going to enter a certain market and which segment they are going to target. Entry strategies can be in form of a franchises, contractual agreements with already existing companies, to either: market, manufacture, assemble, sell on behalf, or even run the entire production chain. This is very important especially when a company is young and has either one or few products in a competitive market.

According to statistics of business Finland, the ministry of Employment and the Economy estimated that there are around 4000 startup companies beginning operation in Finland every year. Out of these companies, 300-400 will grow significantly over a three-year period (Business Finland 2020, cited 2.6.2020). This is a concerning matter that needs to be addressed, to find out why most of these companies fall off within a short period preceding its genesis.

In the case of clean wave hand hygiene enhancer, it is clear that the market is ripe for its entry, but being a single product, would require employment of a build-to-sell strategy. This is because the dispenser has a narrow target market segment, hospitals, and health care facilities. It is going to be difficult to generate enough income to sustain existing competition of multinational companies that have a wide variety of products and services under their name.

The author collected information used in this from books, online resources (OAMK e-sources databases), published Theses, journals, legal acts, regulations, and decrees. To get concrete

information on the subject matter. The author learnt about development of business from problem-solution approach, the difference between product related business plans verses service-related business plans, and how they differ in format.

The author also learnt about strategies used to develop business cases, and most importantly validation of business ideas, and solutions prior to actual establishment of business ventures. There were few challenges along the way, the data collected about behavior change of health care professional, around patient environment was not conclusive. This is because, the pilot test was time limited, this made it difficult to make deductive conclusion. The author also found it difficult to get scholarly vetted research on product related business plans. Most of the material used on product related businesses were briefly described and lacked proven hypothetical conclusions.

REFERENCES

- Accountingverse. 2019. Types and Forms of business. Cited 20.10.2019, <https://www.accountingverse.com/accounting-basics/types-of-businesses.html>.
- Albaum, G. &. (2008). International marketing and export management (6th ed.). Harlow: Prentice Hall.
- Allied Market Research 2020. Cited 2.4.2020, <https://www.alliedmarketresearch.com/hand-sanitizer-market>.
- Ansoff, I. 1957. Strategies for Diversification. Harvard Business Review.
- Asiakastieto 2020. Cited 2.10.2020, <https://www.asiakastieto.fi/yriytykset/fi/pure-north-oy/22502386/taloustiedot>.
- Asiakastieto 2020. Cited 2.10.2020, <https://www.asiakastieto.fi/yriytykset/fi/novakari-oy/05161890/taloustiedot>.
- Asiakastieto 2020. Cited 2.10.2020, <https://www.asiakastieto.fi/yriytykset/fi/metsa-tissue-oyj/18678311/taloustiedot>.
- Bangs Jr,D.H, 2002,The Business Planning Guide, 9th Ed., Dearbron Trade Publishing.
- Barney, J. B. 1991. Firm resources and sustained competitive advantage. Journal of Management, 17: 99-120.
- Brown, T. 2009. Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation. New York: Harper Business.
- Business Oulu 2019. Cited 10.10.2019, <https://www.businessoulu.com/fi/yriytykset/oulu-alueen-startup.html>.

Business Finland 2020. Business guide for companies planning to establish operations in Finland. Cited 14.1.2020, <https://mediabank.businessfinland.fi//nnCb-MkC6Vz6>.

Business Finland 2020. Finnish business environment. Cited 2.6.2020, <https://www.businessfinland.fi/en/do-business-with-finland/finnish-business-environment/startup-environment/>

Cooper, L. (2000) "Strategic marketing planning for radically new products" *Journal of Marketing*, Vol. 64 Issue 1, pp.1-15

Crego, E. T., Cup, J. C. & Scchiffin, P. D. 1995. *How to Write a Business Plan*. American Management Association.

Daszkiewicz. N & Wach. K. (2012). *Internationalization of SMEs Context, Models and Implementation*. Gdańsk University of Technology.

Doos, L., Uttley, J. & Onyia, I. 2014. Mosaic segmentation, COPD and CHF multimorbidity and hospital admission costs: a clinical linkage study. *Journal of Public Health* 36(2), 317-324.

Drucker, P. F. 1974. *Management: Tasks, Responsibilities, Practices*. Australia: Harper & Row, 64-65.

Essity, 2020. Cited 2.10.2020, <https://www.essity.com/investors/financials/>.

Fadeev, D. 2014. A diagram of Michael Porter's Five Forces based on an image from Porter M. E., *Competitive Advantage: Creating and Sustaining Superior Performance* (New York: Free Press, 1985), page 5. Cited 3.12.2019, https://commons.wikimedia.org/wiki/File:Elements_of_Industry_Structure.svg.

Gandellini, G., Pezzi, A., Venanzi, D. 2012. *Strategy for action – I: The Logic and Context of Strategic Management*. [e-book]. Milan, Springer Milan. 84 p.

Gerald Albaum, Edwin Duerr, Jesper Strandskov. (2005). International Marketing and Export Management (5th Edition). Prentice Hall.

Goodman, E., Hawkins, A. 2015. New Business: Next Steps. The all-in-one guide to managing, marketing and growing your small business. [e-book]. Harlow, Pearson Education Limited. 205 p.

Heikkinen, K-P. & Stevenson, B. 2016. The LAB studio model: enhancing entrepreneurship skills in higher education, Int. J. Innovation and Learning, Vol. 20, No. 2, pp.154–168.

Hubspot. 2019. Cited 12.10.2019, <https://blog.hubspot.com/marketing/porters-five-forces>.

Info Finland 2020. Cited 2.2.2020,
<https://www.infofinland.fi/en/living-in-finland/work-and-enterprise/information-for-entrepreneurs/obligations-of-the-entrepreneur>.

Jeffrey, K. 2008. Inside Drucker's Brain, Portfolio - Penguin Books, p. 163.

Kielo Growth 2019. Cited 10.10.2019, <https://kielo.com/kielo-in-english/>.

Kotler, P. 1997. Marketing Management: Analysis, Planning, Implementation and Control. Upper Saddle River, Prentice Hall International, Inc.

Kotler, P. 1980. Principles of marketing. Prentice Hall International, Inc.

Kotler, P. & Keller, K. L. 2006. Marketing Management. Prentice Hall, ISBN 978-0-13-145757-7.

Magretta, J. 2011. Understanding Michael Porter: The Essential Guide to Competition and Strategy. Harvard Business Review Press; 1st Edition.

McQuarrie, E. 2005. The market research toolbox: A concise guide for beginners. 2nd edition. Sage, ISBN 978-1-4129-1319-5.

O'Connor, T. 2010. Strategic Planning for Distributors: Execution Isn't Everything It's the Only Thing! Natl Assn Wholesale-Distr, 49.

Porter, M. E. 1979. How Competitive Forces Shape Strategy, Harvard Business Review.

Porter, M. E. 1998. Competitive Strategy: Techniques for Analyzing Industries and Competitors. Free Press.

Porter, M. E. (2008), "The five competitive forces that shape strategy" Harvard Business Review, Jan 2008, p80.

Profitable Venture Magazine Ltd 2019. Cited 1.10.19, <https://www.profitableventure.com/business-plan-operations-plan>.

Reilly, M. & Parkinson, T.L. 1985. Individual and Product Correlates of Evoked Set Size for Consumer Package Good; Advances in Consumer Research, Vol. 12, Elizabeth C. Hirschman and Moris B. Holbrook (eds), Provo, UT: Association for Consumer Research, 492-497, <http://acrwebsite.org/volumes/6440/volumes/v12/NA-12>.

Rosser, R. 1961. Reality in Advertising. Macgibbon and Kee, 46-48.

Rekryointi, 2020. Cited 2.4.2020, <https://rekryointi.com/tyonhaku/en/launching-business/become-franchisee/>.

Sale of Goods Act 1979/5/3.

Samuels, D. 2013. Business plans. Cited 1.14.2020, <http://smallbusiness.chron.com/benefits-business-plan-3245.html>.

Sanchez, R. 2001. Managing knowledge into competences: The five learning cycles of competent organization. Oxford university press, Oxford, 3-37.

Santander trade 2020. Cited 1.14.2020, <https://santandertrade.com/en/portal/reach-business-counterparts/finland/identify-suppliers>.

Schniederjans, Marc J. (2005). *Outsourcing and Insourcing in an International Context*. Routledge.

Scott, C. D., Jaffe, D. T., & Tobe, G. R. 1993. *Organizational vision, values and mission*. Von Hoffmann graphics: Crisp publications, Inc.

Siang, T. Y. 2002. *Design Thinking*. Interaction Design Foundation. Cited 10.10.2019, <https://tofasakademi.com/5-stages-in-the-design-thinking-process/#>.

Siegel, S. E., Ford, B. R. & Bornstein, M. J. 1993. *The Ernst & Young Business Plan Guide*. New York: John Wiley and Sons.

Sloan, M. C. 2010. Aristotle's Nicomachean Ethics as the Original Locus for the Septem Circumstantiae. *Classical Philology*, 105: 236-251.

Sorensen, H. E. 2012. *Business Development: A Market-Oriented Perspective*. John Wiley & Sons.

Statistics Finland, 2020. *Finland in figures*. Cited 5.5.2020, https://www.stat.fi/tup/suoluk/index_en.html.

Suomi.fi 2020. *Information and services for your life events*. Cited 17.1.2020, <https://www.suomi.fi/frontpage>.

Transparency international 2020. *Finland*. Cited 5.5.2020, <https://www.transparency.org/country/FIN#>.

Tax handbook 2020. Vero. Cited 17.1.2020 <https://www.vero.fi/contentassets/28d18b06ec9c42a6b9d8437aeb9a8c40/tax-handbook-2019-3.12.2018.pdf>.

Warner, A. G. (2010). Strategic analysis and choice: A structured approach. Retrieved from <http://ebookcentral.proquest.com>. Created from oamk-ebooks on 2019-11-25 05:33:56.

Ward, S. 2019. The balance small business. Competitor Analysis Section of a Business Plan. Updated 22.12.2018. Cited 20.10.2019, <https://www.thebalancesmb.com/how-to-write-the-competitive-analysis-section-of-the-business-plan-2947025>.

Ward, S. 2019. The balance small business. The marketing Part section of The Business Plan. Updated 07/2919. Cited 14.10.2019, <https://www.thebalancesmb.com/writing-the-business-plan-section-5-2947030>.

Wedel, M. & Kamakura, W.A. 2010. Market Segmentation: Conceptual and Methodological Foundations. Springer Science & Business Media, 8-9.

Wisconsin. (2004, May). State Bar of Wisconsin. p. Vol 77.

World Bank 2020. Finland statistics. Cited 5.5.2020, <https://data.worldbank.org/country/finland>.

Table of Contents

1.0 Executive Summary	2
1.1 Objectives	3
1.2 Mission	3
1.3 Keys to Success	4
2.0 Company Summary	4
2.1 Company Ownership	5
2.2 Start-up Summary	5
Table: Start-up	6
3.1 Pricing	8
Table: Pricing	8
4.1 Market Segmentation	10
Table: Market Analysis	11
4.2 Service Business Analysis	11
4.2.1 Competition and Buying Patterns	12
5.0 Strategy and Implementation Summary	13
5.1 Competitive Edge	13
5.2 Marketing Strategy	14
5.3 Sales Strategy	15
5.3.1 Cost of Goods	15
Table: Cost of Goods	16
Table: Sales Forecast	18
Table: Salon Milestones	19
6.0 Management Summary	20
6.1 Personnel Plan	20
Table: Personnel	21
7.0 Financial Plan	22
7.1 Start-up Funding	22
Table: Start-up Funding	23
7.3 Break-even Analysis	24
Table: Break-even Analysis	24
Table: Profit and Loss	27
Table: Cash Flow	29
Table: Balance Sheet	30
7.7 Business Ratios	31
Table: Ratios	33

Figure 5. Sample table of contents

Table of Contents

1.0 Executive Summary	3
1.1 Business Objectives	3
1.2 Mission Statement	3
1.3 Keys to Success	3
2.0 Company Summary	4
2.1 Startup Summary	4
2.2 Location & Facility	5
2.3 Ownership & Management	5
3.0 Food, Products & Services	6
3.1 Product Description	6
3.2 Daily Operations and Production	6
3.3 Pricing and Profitability	7
4.0 Market & Industry Analysis Summary	8
4.1 Market Segmentation	8
4.2 Target Market Segment Strategy	8
4.3 Main Competitors	9
5.0 Marketing Strategy & Implementation Summary	10
5.1 Competitive Advantage	10
5.2 Marketing Strategy & Positioning	10
5.3 Traditional Marketing & Advertising	11
5.4 Online Marketing & Advertising	11
5.5 Sales Strategy & Forecast	12
5.6 Restaurant Milestones	13
6.0 Financial Plan & Projections	14
6.1 Startup Costs	14
6.2 Break-even Analysis	14
6.3 Projected Profit & Loss	14
6.4 Projected Cash Flow	15
6.5 Projected Balance Sheet	15
6.6 Business Ratios	16
7.0 Appendix	17

Figure 6. Example of table of contents (Fitsmallbusiness.com, cited 12.11.2019)

FORM OF PROTECTION	USAGE	VALIDITY
Patent	Protects a product, equipment or method	20 years, in some cases 25 years
Utility model	Protects a product or equipment	10 years (4+4+2)
Trademark	Distinguishability on the market	Perpetual, renewal at 10-year intervals
Design right	Protects the design of a product	25 years (5+5+5+5+5)
Trade name	Protects the name of the business	Perpetual, if business is in operation
Copyright	Protects an intellectual work	Lifetime + 70 years
Trade secret	Protects information of economic significance	Until published

Figure 7: IPR Certificates in Finland (Business Finland, 2020, cited 15.02.2020)

The following image shows the tasks in the process of establishing a company.

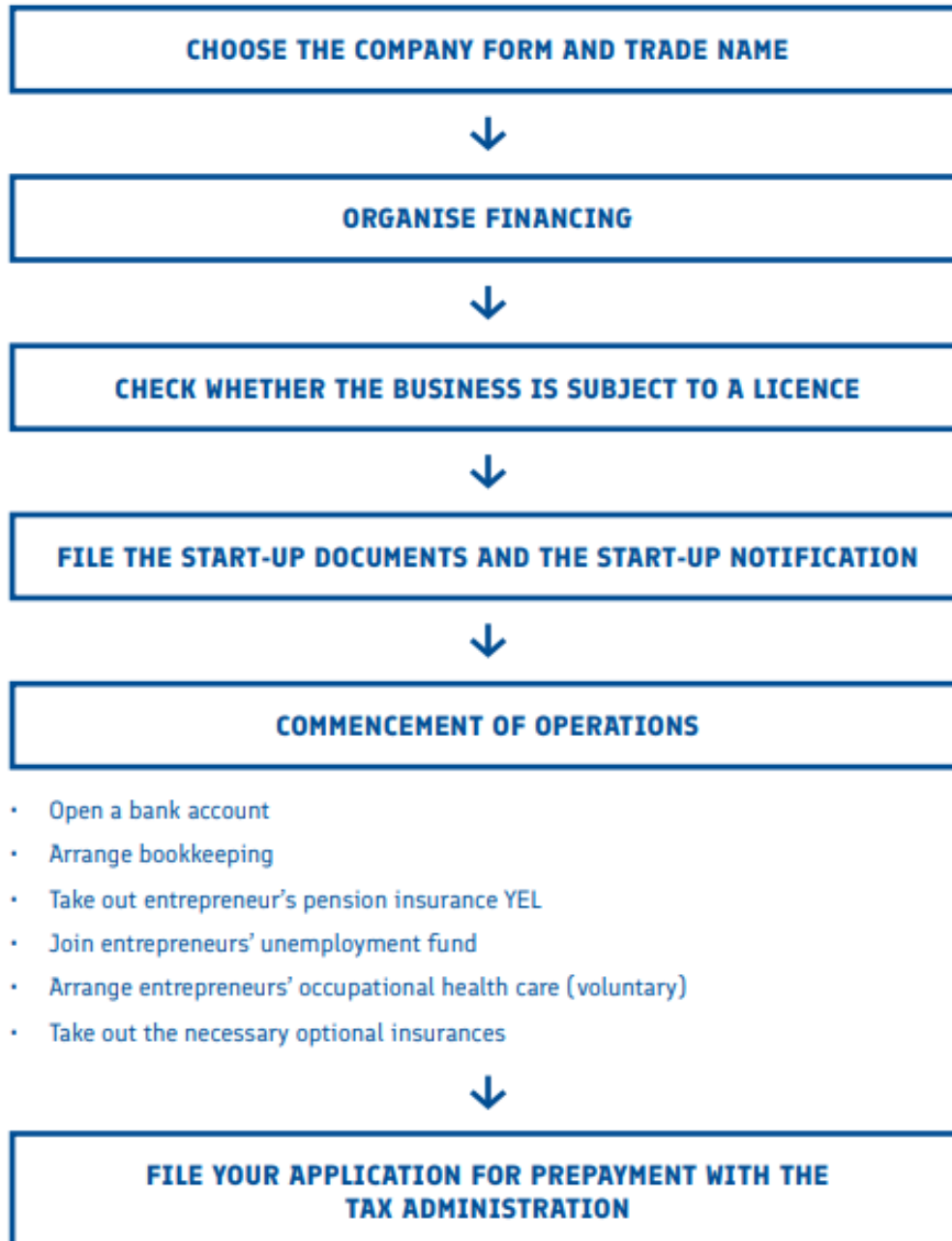


Figure 8. Process of establishing a company in Finland (Business Finland 2020, cited 15.02.2020)