

**BUSINESS PLAN TO UTILIZE THE AHJOLA PREMISES LOCATED IN
KAINUU**



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TIIVISTELMÄ

Tämä lopputyö tuotettiin yhteistyössä kainuulaisten kiinteistön omistajien kanssa tavoitteena tutkia yritystoiminnan mahdollisuuksia Ahjolan tilalle. Ahjolan tila on aikaisemmin toiminut kansakouluna, mutta tällä hetkellä sitä ei juuri hyödynnetä. Päämääränä oli valita toimivin yritystoiminta ja tehdä kannattavuustutkimus sekä muodostaa liiketoimintasuunnitelma.

Opinnäytetyön teoriaosuudessa käydään läpi asiakassuhdemarkkinoinnin teoriaa ja artikkeleita yrityksen perustamisesta. SWOT-analyysiä, PESTLE-analyysiä ja laskelmia käytetään valitun liikeidean toteutettavuuden analysointiin. Käytännön tutkimuksessa selvitettiin kuluttajien matkustamistottumuksia ja majoitustarpeita. Tutkimusaineisto kerättiin itse täytettävällä verkkopohjaisella kyselyllä, joka keräsi yhteensä 91 vastausta. Lisäksi kuuden kysymyksen asiantuntijahaastattelussa saatiin todellista kokemusta yrityksen perustamisesta.

Tämän tutkimuksen tulos viittaa siihen, että liikeideaksi valitulla aamiaismajoituksella on potentiaalia olla kannattava. Lisäksi kyselytutkimus osoittaa, että tiloilla on monia ominaisuuksia, joita kuluttajat suosivat. Liikeidean testausta suositellaan ensin pienemmässä mittakaavassa. Huoneiden vuokraus Airbnb:n kautta on helppo, pienimuotoinen tapa testata kysyntää ja kerätä asiakkaiden palautetta. Myöhemmin liiketoimintaa voidaan laajentaa eri aktiviteetteihin.

Avainsanat Liiketoimintasuunnitelma, Kannattavuuslaskelma, PESTLE-analyysi, SWOT-analyysi

Sivut 38 sivua, joista liitteitä 4 sivua

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ABSTRACT

This thesis was made in cooperation with property owners in Kainuu and the purpose of this thesis is to investigate the business possibilities of the Ahjola premises. The Ahjola premises was previously used in the Finnish education system but is now under-utilized. To be more precise, the goal was to find the most suitable business option for the premises and do a feasibility study and compose a business plan.

The theoretical framework consists of customer relationship marketing theory and articles about starting a business. Then SWOT analysis, PESTLE analysis and calculations are used to analyse the feasibility of the chosen business idea. Practical research studied consumer travelling habits and accommodation requirements. The research material was collected with a self-completed web-based survey and it collected 91 answers in total. Also, an expert interview with six questions was used to get real life experience about starting a business.

The outcome of this study suggests that the chosen business idea of Bed and Breakfast has potential to be feasible. In addition, the survey indicates that the premises possess many qualities that consumers prefer. The recommendation is to test the business idea first in a smaller scale. Renting the rooms via Airbnb is an easy, small-scale way to test the demand and gather customer feedback. Later, the business can be broadened into different activities.

Keywords Business plan, feasibility study, PESTLE analysis, SWOT analysis

Pages 38 pages including appendices 4 pages

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1 INTRODUCTION

This thesis is in the interest of those that are willing to start a business but may lack ideas or knowledge. This thesis research will provide an actual real live sample of a potential business creation in a case where resources such as the premises were already existing and available, but the utilization know-how was missing.

1.1 Background

This thesis topic was chosen to benefit the author herself. The current situation is that there is an existing property of a large scale, but it serves no significant purpose. The ownership of the property is within the family so the author is interested in the business possibilities the premises could offer. Excluding renting a space for a local gymnastic group, the premises are used only as a summer cottage within the family. As the location of the premises is a few municipalities away from where the owners of the property live, for most of the year the premises are not utilized by the family due to lack of time.

As the premises was originally built to be used in the Finnish education system, there is considerably large space to be reutilized. The buildings have already gone through a massive renovation including renewed roofs, walls and floors as well as adding modern electricity, running water and indoor bathrooms. As the premises are so wide and has heating and electricity around the year, it is costly to keep it only as a summer cottage for a few people.

1.2 Research question

The research question for this thesis is: *How can the Ahjola premises be better utilized to reach its full potential?* This includes research on different possibilities for the business that could be considered executable and proceeds with the best option further on to analysing and possible execution and profitability. The goal is to find the best option to change the premises from being an expense into revenue. Getting the premises to break even or make profit instead of being an expense would be an ideal outcome.

1.3 Methods

At first this thesis introduces the theoretical part of the study. It starts with an introduction to the premises and the surrounding areas which include tourism and the population of the area. Continuing with theoretical part,

Customer Relationship Marketing theory is introduced as well as the theory and framework of starting a business. The analysing tools that are applied later are introduced. This includes PESTLE analysis and SWOT analysis.

The methods used in this thesis besides theoretical study are qualitative interview, quantitative questionnaire and an analysis with the previously introduced tools such as Business Model Canvas, SWOT and PESTLE. Different business idea options are investigated and the most suitable one is chosen. Also, calculation sheets of estimate budget will be formed.

The tools mentioned above are implemented to use with number estimations and then realized calculations. The attempt is to find realistic results considering potential business actions and the relevant costs. As the last part of the thesis, recommendations and a conclusion are formed from the base of all previous chapters.

1.4 Research limitations and reliability

There are some limitations included in this thesis. The fact that there are no specific true numbers to implement the profitability calculations with will provide only an estimated budget calculation. This implies, in these calculations there is some room for error.

Time restraint is present at the process of this thesis. It should be noted that this is only a minor thesis, and this might result in a narrower overlook of the research topic.

This research provides some results answering the chosen research question. These results are as reliable as those can be within the estimated numbers and presumptions. Therefore, further research should be conducted for wider results.

2 THE PREMISES

This chapter will go through information of the premises and the population and tourism of the surrounding area. To gain better understanding of the full potential that the Ahjola premises have to offer, it is required to investigate the subject in closer detail. The most important aspects to be investigated of the premises are the history of the premises as well as the structural information of it.

2.1 History

The premises were built in the late 1920s to serve its purpose as a school that was formerly used in the Finnish education system. It had two classrooms, one downstairs for the younger students and one upstairs for the older students. Shortly after the school building was built there appeared a need for a dormitory and it was built four years later to the same courtyard.

After the education system was renewed and the school building was no longer used for educational purposes, a retirement organization bought the premises in 1975. In addition, they built a dance hall and a kiosk and organized dances and other events on the premises. As the premises were aging and needed renovation, they listed it.

It was bought by its present owners in 2004 to be renovated and used as a summer cottage. At its current state it has modern electricity, running water, indoor bathrooms and renewed rooms. The buildings are renovated from top to bottom by respecting the old and preserving the building's original style and wooden structure.

2.2 Structural information

As the first building operated originally as a school building it has two classrooms of the same size, one on the first floor and another on the second floor. On the first floor there are also two bedrooms and a kitchen on the opposite side of the building. In addition, there is an open kitchen and a toilet in the middle of the first floor. On the second floor there are three bedrooms and a kitchen as well as a toilet. All in all, the school building is nearly 300 square meters. Not included in these measurements, the school building also has a large attic and a cold cellar of few separate rooms.

The second building is a one floor log house with three bedrooms, living room, dining room and a kitchen. All in all, it is 160 square meters plus an attic and a cold cellar. Later, there has been added a dance hall of 130 square meters attached to the main building. In front of the dance hall there is also a kiosk and a bit further in the yard is a detached sauna building.

The area of the buildings includes two hectares of land and there is an additional land of eight hectares where there are building rights of 100 square meters behind the main building and 60 square meters by the strand. This means there could be built a detached house a bit further from the premises and a sauna building to the strand.

All the buildings are located between two lakes alongside a river. The closest towns are Sotkamo and Kajaani with a distance of approximately

sixty kilometres from the village. Kajaani is a bigger town and has an airport as well as a train station.

2.3 Population and tourism

To evaluate the feasibility of a business idea, it is essential to examine the number of possible customers. Customers can be from inside the same region or come as tourists from further away.

Kainuu's nine municipalities and population:	
Sotkamo	10 389
Kajaani	36 973
Kuhmo	8 329
Paltamo	3 336
Vaala	2 869
Ristijärvi	1 288
Hyrnsalmi	2 287
Puolanka	2 597
Suomussalmi	7 862
Total:	75 930

Figure 1. Kainuu's municipalities and population in 2019.

The Kainuu region itself has nine municipalities and all together 75 930 residents. The premises are located in Sotkamo which has a population of 10 389 according to the Association of Finnish local and regional Authorities. The town of Kajaani is almost as close to the premises as the town of Sotkamo and has a population of 36 973 as well as an airport and a train station. The next biggest municipalities are Kuhmo with population of 8 329 and Suomussalmi with population of 7 862. Paltamo has a population of 3 336, Vaala 2 869, Puolanka 2 597 and Hyrnsalmi 2 287. The smallest municipality of Kainuu region is Ristijärvi with population of 1 288. (Kuntaliitto, 2019)

The town of Kajaani is also located between two significant tourist areas, Vuokatti and Lake Oulujärvi. Vuokatti offers all possible winter activities and plenty of indoor activities for active people. The Lake Oulujärvi has a culture tour that was nominated the Holiday Resort of the Year in 2013. Kajaani itself offers something to everyone from nine-hole golf courses and town theatre to the historic Kajaani castle and Linnanvirta free fishing resort. (Kajaanin kaupunki, 2019)

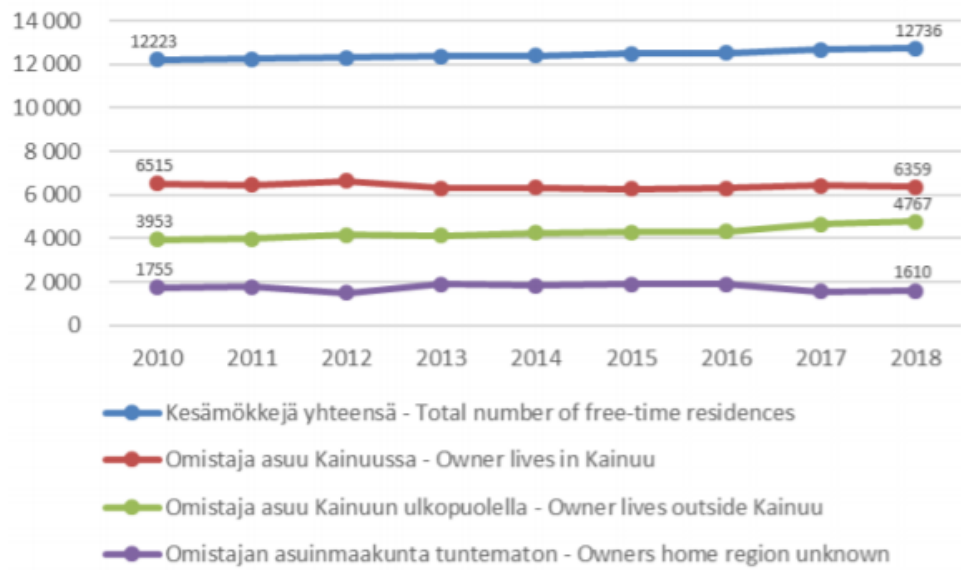


Figure 2. Number of free-time residences in Kainuu 2010-2018.

In addition to the permanent residents there are also summer cottages and other free-time residences in Kainuu. According to the Statistical Yearbook of Tourism in Kainuu 2018, there were total of 12 736 free-time residences in 2018. 6359 of these residences belong to property owners that already live in Kainuu and 4 767 to owners that live outside Kainuu. The remaining 1610 residences belong to owners whose home region is unknown. All in all, the total number of free-time residences in Kainuu has been continuously rising through 2010-2018. (Järviluoma, 2019)

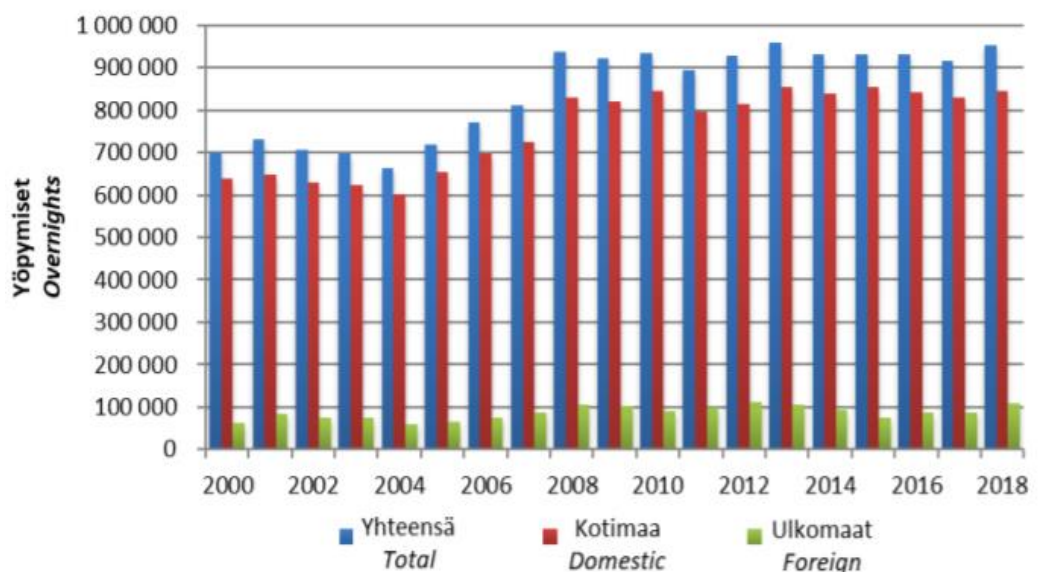


Figure 3. Registered overnights in Kainuu 2000-2018.

Then there are tourists that stay in hotels and other accommodations. In 2018 there were 953 969 registered overnight stays in the Kainuu region. As figure 3 illustrates, a significantly larger number of tourists were domestic and only around 100 000 overnight stays were registered to be foreign tourists. The statistics show only data from accommodations that have at least 20 bed places or caravan pitches provided with electric sockets. This leaves many smaller accommodation accomplishments outside the calculations which means, the total number of overnight stays is even higher than can be seen in the statistics. (Järviluoma, 2019)

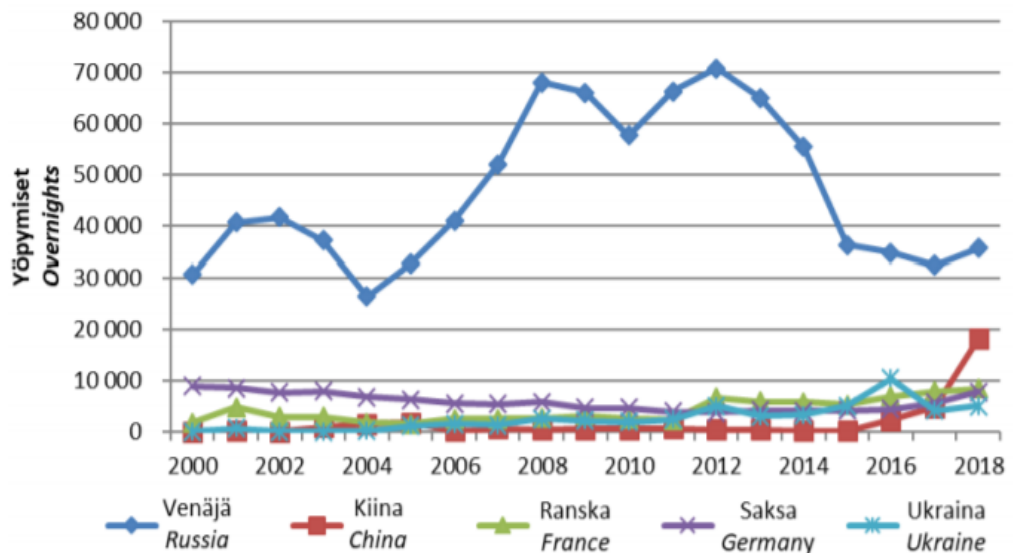


Figure 4. Foreign overnights in Kainuu by country of residence 2000-2018.

From figure 4 can be seen five countries from which comes the most foreign tourists into Kainuu calculated as overnight stays. It also illustrates how the number of foreign tourists is distributed between those countries. Those countries are Russia, China, France, Germany and the Ukraine. Foreign tourists visiting Kainuu are by far mostly from Russia with 35 772 overnight stays in 2018. The next biggest group of foreign tourists come from China with 18 235 overnight stays in 2018. The next biggest foreign groups are from France with 8 463 overnight stays, Germany with 7 765 overnight stays and the Ukraine with 5 085 overnight stays. The total registered overnight stays from these five countries was 75 320 in 2018. As a comparison, tourists from Russia had around 70 000 registered overnight stays at its highest in 2012. (Järviluoma, 2019)

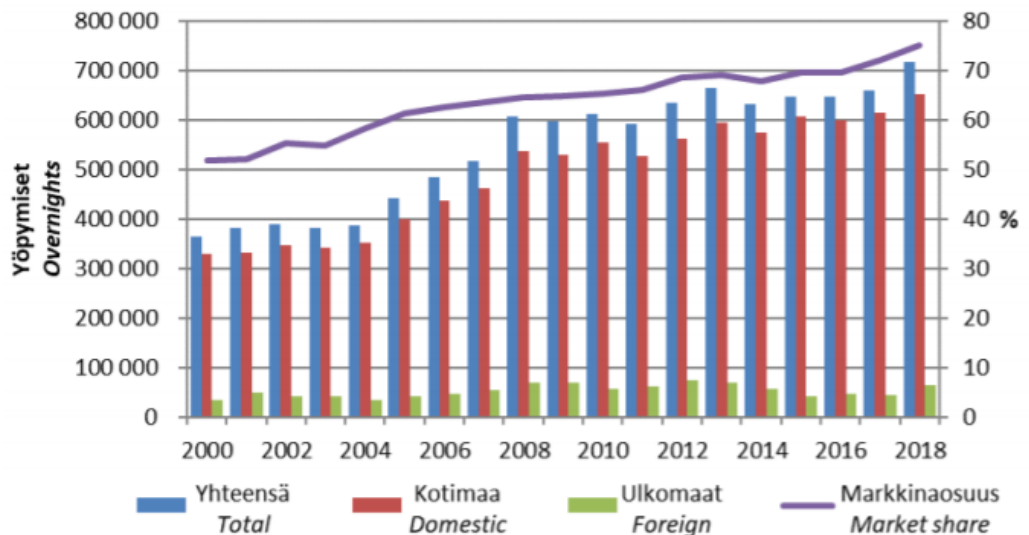


Figure 5. Registered overnights in Sotkamo and market share in the Kainuu region 2000-2018.

Focusing more on the tourism of Sotkamo itself, there were over 700 000 registered overnight stays in 2018, which equals to 75% of the total overnight stays in Kainuu region. As can be seen from figure 5, the number of overnight stays in Sotkamo has been steadily growing from 2000 to 2018. (Järviluoma, 2019)

All in all, the tourism development of Kainuu region was mainly positive in 2018. There were 953 969 registered overnight stays in total. Comparing to previous year there was 4.1 per cent increase in the overnight stays. Foreign overnights increased all together by 23.4% but particularly in Chinese tourism there was a significant rise. Also, domestic overnight stays increased by 2.1%. (Järviluoma, 2019)

The positive tourism development of Kainuu and particularly Sotkamo area supports the idea that a successful business could be established in the Ahjola premises. In addition to the domestic tourists the emphasis should also be placed on tourists coming from abroad when the business idea is formed.

3 CUSTOMER RELATIONSHIP MARKETING

In Customer Relationship Marketing the needs and the wants of the customer is always the starting point in all activities and the products and services are adopted to the needs of the customers. (Lahtinen & Isoviita, 1994, 19)

The basic objective of customer relationship marketing is an integrated customer-orientated operation so that every customer receives the best service. That way customers become regulars who commit themselves to the relationship. With this customer loyalty the company stays profitable in the long run. In plain the objectives are comprehensiveness, customer loyalty and profitability. (Lahtinen & Isoviita, 1994, 22)

With customer relationship marketing, it is possible to be able to shift customers to the category of regular loyal customers. The customers will then become active spokespeople in the marketing of the products and the whole company. (Lahtinen & Isoviita, 1994, 24)

Also, the relationships that have already been made have to be cherished, since there are competitors continuously trying to break up the relationship. When a company has enough loyal customers it can decrease traditional mass marketing since the loyal customers that they have, focus all possible purchases on the relationship company. (Lahtinen & Isoviita, 1994, 25)

Customer service is an important part of customer relationship marketing and is worthy of mentioned on its own. Customer service personnel plays an important role in the first impression given to the customer that has decided to enter the store. Customer service has an immense effect on establishing and maintaining customer loyalty. (Lahtinen & Isoviita, 1994, 35)

4 STARTING A BUSINESS

Starting a business for the first time is a huge decision. The idea of starting a business can be intimidating and one might not have a clue where to even begin. It is easier when you first find out what you need to do and divide the work into steps or stages which allows you to have small wins during the process. There are multiple instruction web pages and books found on the topic. Mostly the instructions cover about the same steps but some of the steps that go deeper depend on which country you are in and on what field of business you are operating in. Following the steps makes the planning process easier and is making sure you take all the important aspects into consideration and do the necessary preparations.

4.1 Starting a business in Finland

These steps are the guidelines for starting a business in Finland. These steps can also be applied in starting business in general when the steps considering Finnish legislation and start-up grant are excluded.

The basic stages of starting a business

- Come up with a good business idea
- Make a business plan
- Organise financing
- Select your company form
- Find out which permits you will need
- Notify the Trade Register and the tax authorities of your company
- Make sure you have the necessary insurance
- Organise your accounting

After coming up with new product or service idea, the first thing to do is find out if there is demand for it. This can be done with a market research. If you have multiple business ideas, you may want to test them all on a smaller scale and interpret the results. When estimating if the business idea is good you also must consider whether you have the professional skills and experience to execute the idea. Now should be established what are you selling to who and how. (Info Finland, 2020)

Careful planning is essential. Making a business plan is clarifying the business idea and making sure you have taken all aspects into consideration. Analysing the strengths and weaknesses of the idea as well as selecting customer segment and considering what they want is included in the planning. The required assets such as workforce and equipment need to be taken into consideration. Also, the advertising channels should be listed in the business plan. All this can be overwhelming alone but there are ready made business plan templates and free business counselling available to everyone in Finland. Finnish Enterprise Agency as well as Centres for Economic Development, Transport and the Environment (ELY centres) are offering advising. Other place to go for help is Employment and Economic Development Offices (TE Offices) and through phone and website Enterprise Finland. (Info Finland, 2020)

When the business plan is established, you need to organize financing of the company so that there is enough capital at the outset. Financing of the company can be partly in the form of donations and loans. In addition to banks you can also get a loan from Finnvera which is a financing company owned by the state of Finland. After becoming an entrepreneur, you can also apply for start-up grant from local Employment and Economic Office. It is designed to ensure the livelihood of entrepreneurs for maximum of eighteen months in the beginning of the business operation. (Info Finland, 2020)

Next is selecting your company form. The possible company forms in Finland are proprietorship, partnership, limited partnership, limited company and cooperative association. When choosing the right company form the number of founders, capital requirements, decision-making and division of responsibility as well as financing and taxation among other things should be considered carefully. When in doubt, contacting an

establishment offering business advice is recommended. During this step, the company name and choice of field of activity should be also decided. (Info Finland, 2020)

When the business idea has formed into a clear vision, the next step is to find out if there are permits that you will need. Permits are needed at least for the dispensing of alcohol and the distribution of medicines. Any permits for the company can only be granted when the company is registered and has a business ID. (Uusyritys keskus, n.d.)

Then it is time to register your company. Notify the Trade Register and the tax authorities of your company. Trade Register includes declaration of incorporation, personal information form and founding documents. The tax administration register includes the advance payment register, the VAT register and, where applicable, the employer register. Also prepare the joint founding notification form of the Finnish Patent and Registration Office and the Tax Administration, with attachments of founding documents and a personal information form. (Uusyritys keskus, n.d.)

Making sure you have the necessary business insurances is the next step. Some insurance policies are mandatory, but most of them are voluntary. Each company has its own risks, that the company must prepare for and choosing the right insurances is one part of doing so. Liability and non-life insurance are ones that concern almost every business. Other insurances that might be important for a company include, for example, interruption insurance, real estate insurance, legal expenses insurance and entrepreneur's accident insurance. (Bisnes, n.d.)

Organising your accounting is something you also must do since every company in Finland is accountable. For a private trader it is easier to do accounting themselves when they are often required only single-entry bookkeeping. Large companies have more complex accounting with accounts such as inventory, accounts payable and accounts receivable that must be recorded as well. In this case the company is required double-entry bookkeeping. (Bisnes, n.d.)

Steps not mentioned to continue from here are hiring employees if needed and advertising the company. At the beginning one can do most tasks by themselves but as the business gets bigger employees are needed for different jobs. For example, invoicing in something that can be outsourced, or an employee can do that. (Bisnes, n.d.)

4.2 Business Model Canvas

When setting up a company there are frameworks that help in making the best possible business plan. One way to do this is the Business Model Canvas, which is a visual, straightforward way to form a business plan. In

addition, it allows you to develop already existing business models. (Onnistu yrittäjänä, n.d.)

Business Model Canvas is usually presented as a table with nine different blocks. These blocks are customer segments, value proposition, revenue streams, channels, customer relationships, key activities, key resources, key partners and cost structure. In other words, everything that would also be included in a regular business plan. (Business Models Inc., n.d.)

In customer segments you should list top three customer segments that provide the most revenue. Value proposition includes your products and services, meaning what is it that you get done for the customer. In revenue streams you should list top three revenue streams. Channels should explain how you communicate with customers and through what do you deliver the product or service. Customer relationship describes how you maintain the relationship with customers. Key activities include the actions you do in order to run your business model. Key resources in the other hand includes the people, means, knowledge and money necessary to keep the business up and running. Key partners block is a list of partners that you cannot do business without. Cost structure includes the top costs needed to run the business. (Business Models Inc., n.d.)

5 ANALYSING TOOLS

5.1 SWOT

SWOT is a useful tool that helps one identify factors affecting the company. Some factors are internal and those can be controlled by working on maintaining the company strong points or attempting to improve the weak ones. External factors are created by uncontrollable variables. Those factors one may have no control over, but they still have an impact on the company. The internal factors include strengths and weaknesses, and the external ones include opportunities and threats. (Mindtools, n.d.)



Figure 6. SWOT analysis.

Looking into your strengths you can see where you stand out in comparison to the competitors and can create opportunities. By listing your weaknesses, you can see where you could develop and prepare for some threats that might arise from these weaknesses. Often one thing can be both an opportunity and a threat. For example, evolving technology or digitalization creates both opportunities and threats depending on how you react to them. (Mindtools, n.d.)

When listing your strengths, you should think about *what do you do well?* Or *what advantages you have in comparison to the competitors?* To find your weaknesses you should pay attention on what needs improving or is still lacking. Opportunities can be your goals, or some changes is trends that you can take advantage of. Threats consists of obstacles or anything that can have negative effects on your business. It is vital to investigate them at advance, so that you do not fell behind when change happens. (Mindtools, n.d.)

5.2 PESTLE

PESTLE stands for Political, Economic, Social, Technology, Legal and Environment and it is used to map the macro-environmental factors that may impact the performance of the organization. This tool is especially useful in starting a new business and is often used in cooperation with SWOT analysis. (Business to you, 2016)



Figure 7. PESTLE Analysis.

Political factors describe how much the government intervenes with the economy of different industries. Government policy, political stability or

instability and corruption are political factors as well as foreign trade policy, tax policy, labour law, environmental law and trade restrictions. All these factors must be taken into consideration when analysing the attractiveness of a potential market. An organization needs to be ready to respond to current and upcoming legislation and adjust their policies accordingly. (Business to you, 2016)

Economic factors include economic growth, exchange rates and inflation rates as well as interest rates, unemployment rates and disposable income of consumers. All these factors are determinants of an economy's performance. These factors affect indirectly how companies price their products since the purchasing power of customers vary due to changes in the above-mentioned factors. (Business to you, 2016)

Social factors describe the norms, values and customs of the population. Population trends like population growth rate, income distribution and age distribution as well as career attitudes, health consciousness, lifestyle and cultural barriers are included in these factors. These are specifically important factors when company targets a certain customer segment or wishes to hire employees under certain working conditions. (Business to you, 2016)

Technological factors are technological innovations that may affect the market and the operations of the industry. This includes technology incentives, level of innovation and automation as well as research and development activity, the amount of technological awareness and technological change. These might affect a company's decision to enter certain industry, launch a certain type of product or outsource production activities elsewhere. By staying up to date with technology, companies can prevent developing a product that will soon become outdated. (Business to you, 2016)

Legal factors somewhat overlap with political factors but include more specific laws. This includes employment laws, discrimination laws and antitrust laws as well as consumer protection laws, copyright laws and health and safety laws. These legal factors need to be monitored in order to operate business in a successful and ethical way especially when business trades globally. (Business to you, 2016)

Environmental factors include weather, environmental offsets, climate and climate change. These factors have recently become important due to shortage of raw material and pollution targets as well as carbon footprint targets presented by the governments. These factors affect tourism, agriculture and farming industries the most and has led to many companies getting more involved with corporate social responsibility as well as sustainability. (Business to you, 2016)

6 PRACTICAL RESEARCH

To compare with the theories, practical research methods were needed. The research needs to measure such factors that are useful considering the research question. Successful research requires a precise issue that you then focus on. (Vilkka, 2007).

During the research it is important to make sure that the research is done in an ethical way. The researcher is responsible for making sure that answerer's personal information will be secured. (Mäntyneva, Heinonen & Wrangle, 2008).

The research was chosen to be done by using both qualitative and quantitative methods. The chapter begins with an interview including qualitative questions about starting a business. Then suitable business idea options for the premises are investigated. Finally, an anonymous survey with quantitative questions was chosen to examine what do the customers seek when travelling.

6.1 Interview

Discussing the business idea with a professional might give new insights and direction to person interested in starting their own business, especially if it is their first time becoming an entrepreneur. This interview was carried out with Hannu Juhola, the CEO of Pirkanmaan Finanssi Oy, who helps entrepreneurs in business planning and offers accounting services. Altogether six questions concerning starting a business were presented.

The interview questions are

1. What is the first thing to do when considering starting a business?
2. How do I determine whether I am suitable of being an entrepreneur?
3. What are key factors to success?
4. Why is a business plan important and who should write it?
5. What should be taken into consideration when forming budget?
6. How do I determine my start-up costs and other expenses?

According to Hannu Juhola the first thing to do when considering starting a business, is to form a business idea and investigate if your business idea is good. This includes investigating if the business idea has a place in the market and if it has potential of being profitable. Calculating the amount of needed initial funding is important so that operating the company does not cease immediately due to lack of working capital. This is because the expenses start running right from the beginning and it takes time before the income starts arriving depending on the field of industry for how long. He also recommends that expert help is used in this point, for example, Ensimetri can help you with questions about starting your own business.

When asked how to determine if one is suitable of being an entrepreneur, he states first that anyone can be an entrepreneur. There just needs to be passion towards the field of business you are operating in and willingness to make it a profession for oneself. It just depends on the skillset one has, how much they need help with the business idea. There are entrepreneurship courses organized, which provide basic information about entrepreneurship. These can also help you make self-assessment of whether you are suitable for entrepreneurship.

When discussed the key factors to success he states that doing a covering business plan and calculating the budget properly along with a good business idea builds a solid foundation for a successful business. Also, monitoring the development of your industry and the readiness to transform are important factors. He adds that success can be measured in different ways. Success is often measured with money but it can also be the satisfaction you get from what you do. Success can be that you do not consider your work so much as a job and enjoy doing it even if you do not accumulate an awful lot of extra money. Financial success to be mentioned, requires up-to-date economic monitoring.

When asked why the business plan is important and who should write it, he states that everyone should write a business plan when they are planning to start a business. Business plan gives the business a goal and as the saying goes, "well begun is half done". Business plan also guides the future actions and clarifies the hopes of any kind of growth. Plans change along the way and so it should be, and being an entrepreneur means constant development of your business.

When forming the budget one should take in consideration everything possible, expenses, income and schedule to be mentioned first Hannu Juhola states. Preparing for uncertainties such as sick pay as an employer and rainy summers as an ice cream vendor. Leaving room for these variables and calculating so that even with poor success, the operation is profitable. For example, the ski resorts budget so that during winter there will be enough returns for the summer as well. Also, the budget cannot be calculated based on one realization but both a good budget at its best and a budget where everything that can go wrong is taken into consideration.

When asked about determining the start-up costs and other costs, he says that first there are initial investments like official expenses, premises expenses, equipment, machinery, software licenses and expert expenses that must be added together before starting a business. In addition to this, there must be sufficient initial capital at least for the first three months as there may not yet be any income in the beginning. This includes rent, salary and other variable costs that are recommended to calculate together with an expert "account by account". This means expenses are broken down into own categories, such as telephone expenses, travel expenses, small purchases and so on.

6.2 Business idea options

In this chapter variety of suitable business ideas will be introduced, and then best option is chosen. As the premises are suitable for many different business options, it is important to choose something that is also suitable for the entrepreneur. It is easier to start a business in a field you already have skills and experience or something you are passionate about and are able to learn fast. (USA Today, n.d.)

The business options considered are

- Renting premises for festive occasions
- Fishing tours
- Bed & Breakfast
- Snowmobile renting
- Husky rides & Kennel

Renting the premises for festive occasions would be plausible idea since there is a dance hall of 130 square meters attached to the main building as well as a wide space for parking in the yard. There is a kitchen for the use of catering and the main building can be used during the occasions as well. Minus side is that the inside toilets are in the school building and closer to the dance hall there are only dry toilets which are not fancied by many. During wintertime, the dance hall is also cold since it has no heating at the moment. As it is currently working as a storage, the contents should be removed elsewhere.

As there is a fishy river right next to the property and numerous other good rivers close by, fishing tours could be also suitable business idea. Having a guide that is familiar with the rivers saves time of fishing tourists eager to find the best spots. Minus sides are that the business is quite seasonal and there are already some tour companies. In addition, the river requires some work done to revitalize the fish stock.

One thing the premises is especially suitable for is accommodation. The indoor space is very wide with many empty bedrooms and if wanted there are apartment complexes with own kitchen as well. Breakfast can be provided by the house or cooked in the apartment when wanted. A café can be kept open during the day to anyone passing by. There is a lean-to shelter near by the river which is free to use by anyone but there are no indoor accommodations to be rented near the premises. The minus side is that there is not much population in the village, so the Bed & Breakfast customers need to find the place from further away. The café on the other hand could attract the villagers to spend time together daily.

Snowmobile renting is also a good business idea since there are acres of forest surrounding the premises. There is also many marked snowmobile routes all around the village and in Kainuu the period of time with snow in the ground is much longer than in the south of Finland. The minus side of

this is that it is seasonal winter hobby and the idea also requires investing into the snowmobiles first since there are not any yet.

Another similar idea is organizing husky rides combined with a kennel to breed dogs. Husky rides are popular activity in the Northern Finland and attracts tourist from around the world. Husky rides are usually operated during winter with a sleigh but during spring, summer and autumn a special cart with wheels can be used. Minus side is that when the weather is warm, huskies tend to get too hot so during this time at least long rides cannot be pulled if at all. Another minus side is that there is existing competition closer to the bigger cities.

When evaluating the options and selecting the best business idea to continue with, each option must be examined to see if it fits the pre set objectives and to assess if it is feasible provide the resources that are needed. (Atrill, 2006)

Activity based options require acquisitions like sleigh, dogs and snowmobiles and fishing tours requires some work done on the river. They are also mostly seasonal which implies that the cashflow will also be irregular. Renting the premises requires resources as well but the income could be more stable. Taking in consideration that there are no other Bed & Breakfast businesses in the village but there are possible activities, Bed & Breakfast would be the most sensible business idea to start with. Cooperation with other activity offering businesses can be applied at first and later, the business could be expanded to offering activities based on customer needs.

6.3 Survey

The third part of practical research is studying the travelling habits and desires of consumers since the needs and wants of possible customers are important information when forming the company. Survey was chosen since it enables efficient data gathering from multiple, geographically separate respondents at the same time. Therefore, a web-based survey was chosen to be the most efficient way to collect the data. The data was also collected anonymously to protect personal data of the respondents. (Dorner, Gorman & Calvert, 2015, p.141)

6.3.1 Execution of the survey

The survey presented is a self-completed, web-based survey for group of people from ages 16 to over 65. The target group is people living and travelling in Finland. There were altogether six questions concerning respondents' travelling habits. Since the survey was made anonymous, it included few background questions where the respondents had to inform their age, gender and how often they travel inside Finland.

The survey was done in Finnish, but the translated questions are: What do you consider important when choosing a domestic travel destination, What kind of activities do you normally desire when travelling in Finland and How much are you willing to pay for accommodation.

The survey was shared as a link into few Facebook groups such as *Puskaradio Kainuu* and *Perhematkailu* as well as to the circle of acquaintances of the author via email and messages. Within the five-day period there were 91 answerers collected all together from male and female consumers of age 16 to over 65. The total number of answers was less than was aspired, but the survey served its purpose in this thesis. Afterwards the data was collected and analysed using SurveyMonkey and Excel.

6.3.2 Results of the survey

Results of the survey are presented in bar charts as it is vital to present data in an easy-to-understand way. Charts as a visual format are more immediately clear to the audience instead of reading the numbers from a text and calculating by oneself. (Lakin, 2011, p.18)

The first question concerned the age of the respondents to give insight on how the age affects the choices they make. The ages were divided into six groups: from 16 to 25 year olds, from 26 to 35 year olds, from 36 to 45 year olds, from 46 to 55 year olds, from 56 to 65 year olds and the last option is over 65-year olds.

Valitse ikäjakaumasi:

Vastattu: 91 Ohitettu: 0

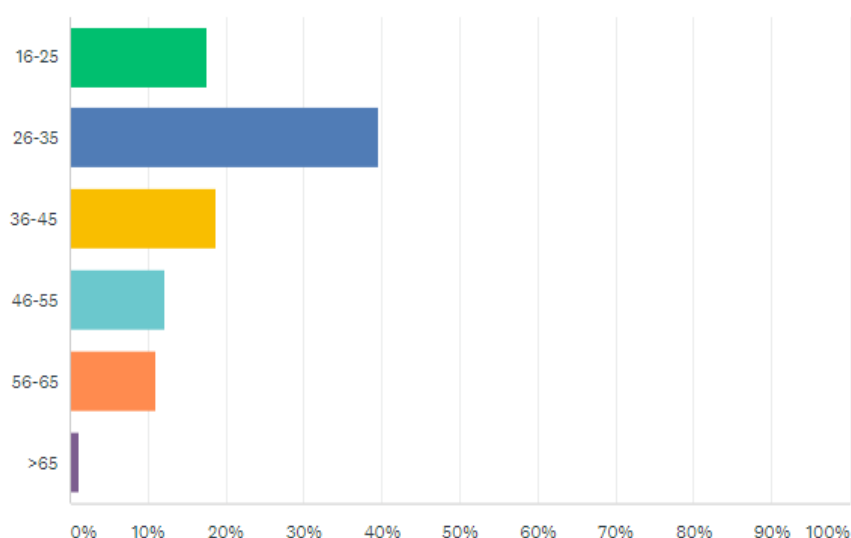


Figure 8. Age distribution of the respondents.

Almost each age group collected answers quite sufficiently. Out of the 91 respondents 16 were from the age group 16 to 25. Majority of 40 percent were between years 26 to 35 with 36 answers. Next biggest group was between years 36 to 45 with 17 answers. Eleven answered that they are 46 to 55 years old and ten answered that they are 56 to 65 years old. Unfortunately, only one answer was collected from the years over 65.

VASTAUSVAIHTOEHDOT	VASTAUKSET	
▼ Mies	34,07 %	31
▼ Nainen	65,93 %	60
▼ Muu	0,00 %	0
Vastaajat yhteensä: 91		

Figure 9. Gender distribution of the respondents.

The next question was about the gender of the respondents to see if there is difference in the answers between genders. Out of the 91 respondents, a majority of 66 percent were women with 60 answers collected. The remaining 31 respondents were men totalling to 34 percent out of all the respondents. None of the respondents chose the third gender option other than that was also provided.

Kuinka usein matkustat Suomen sisällä vapaa ajalla?

Vastattu: 91 Ohitettu: 0

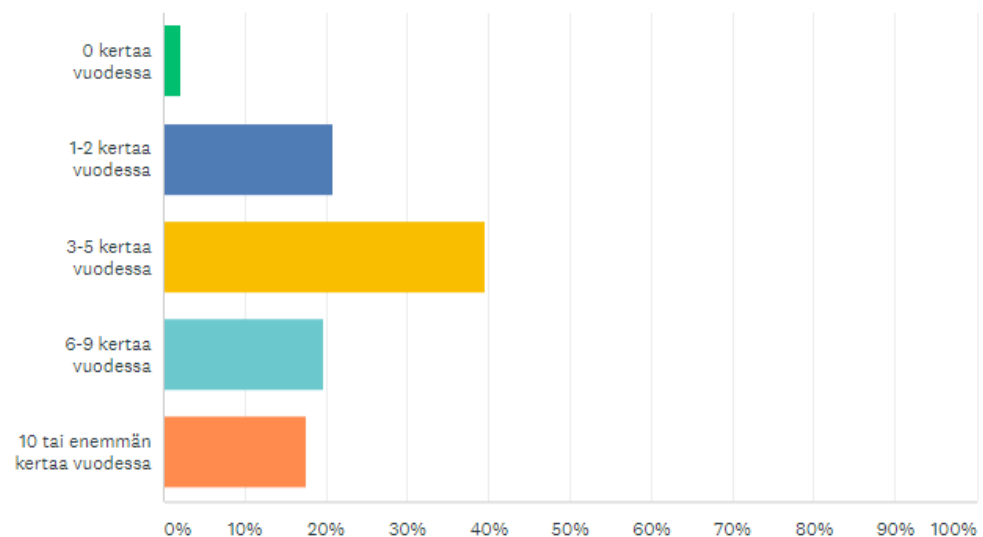


Figure 10. Travelling frequency of the respondents.

When investigating the frequency of travelling only two of the 91 responders answered that they travel zero times a year. Other answering options are ones or twice a year, three to five times a year, six to nine times

a year and ten or more times a year. The second biggest group was on ones or twice with 19 answers. Biggest group with 40 percent of the total travels three to five times a year since that option collected 36 answers. Twenty percent of the respondents travel six to nine times a year when the option collected 18 answers. Remaining sixteen respondents answered ten or more times a year.

Mitä pidät tärkeänä valitessasi kotimaan matkakohdetta?

Vastattu: 90 Ohitettu: 1

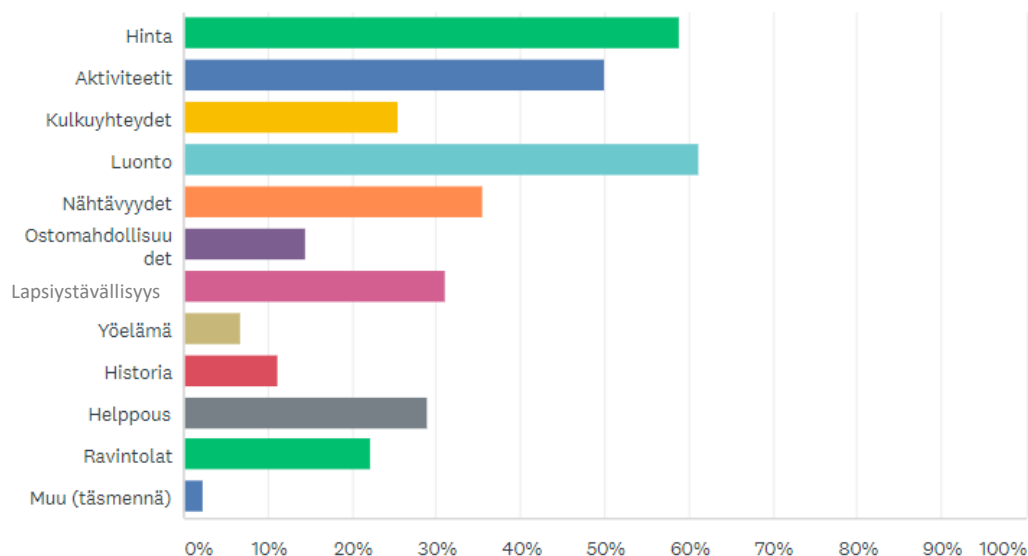


Figure 11. Important factors when choosing destination.

The respondents were asked to choose which of the presented factors do they consider important when choosing a domestic travel destination. The given options shown also in figure 11 are from top to bottom price, activities, transport connections, nature, sights, shopping possibilities, child friendliness, nightlife, history, easiness, restaurants and the last option was other (specify) which required a written answer. The number of selections was not restricted.

Nature collected most votes with 55 answers equalling up to 61 percent of the respondents choosing it. Price collected the next biggest number of votes with 53 answers equalling up to 59 percent of the respondents choosing it. Activities was the third most popular option with 45 respondents choosing it. Sights were chosen 32 times and child friendliness 28 times. The easiness was important to 26 of the respondents and transportation connections to 23 respondents. Next was restaurants with 20 answers and shopping possibilities with 13 answers. History collected only 10 votes and nightlife was the least important among the respondents with 6 votes. Two of the respondents chose the option other and specifications were cleanliness and animal friendliness, since they travel with a dog. One respondent had skipped the question.

Millaisia aktiviteetteja normaalisti kaipaavat Suomimatkoilla?

Vastattu: 90 Ohitettu: 1

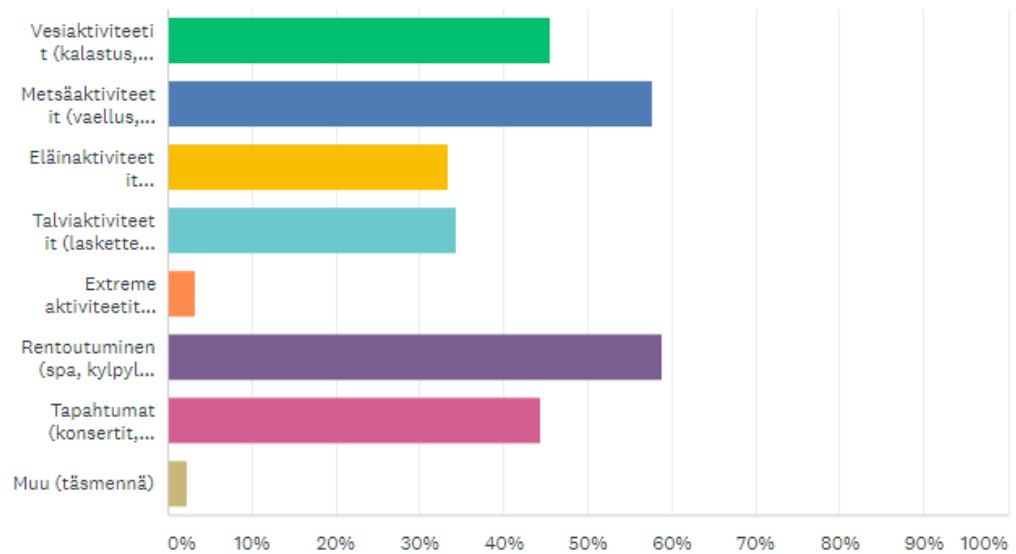


Figure 12. Desired activities when travelling Finland.

The question concerning the activities respondents desire when travelling Finland gathered answers considerably evenly. The given answering options also shown in figure 12 are from top to bottom water activities (fishing, swimming, boating etc.), Forest activities (hiking, hunting, picking etc.), animal activities (husky sledding, zoos, horseback riding etc.), winter activities (downhill skiing, snowmobiling, skiing etc.), extreme activities (Benji-jumping, mountain climbing, helicopter flights etc.), relaxation (spa, yoga etc.), events (concerts, markets, tournaments etc.) and other(specify) which required a written answer. Respondents were able to choose multiple options.

Relaxation was the most voted option with 53 answers equalling to 59 percent of the respondents choosing it. With only one vote less than relaxation, forest activities were the second most voted with 58 percent voting rate. Water activities collected the third biggest number of votes with 41 answers. Events were the fourth most popular option with 40 votes. Winter activities collected 31 votes and animal activities 30 votes. Only three respondents voted for extreme activities. Two of the respondents chose the other option and specified that amusement park and exercise activities in general were in their interests.

Kuinka paljon olet valmis maksamaan majoituksesta?

Vastattu: 91 Ohitettu: 0

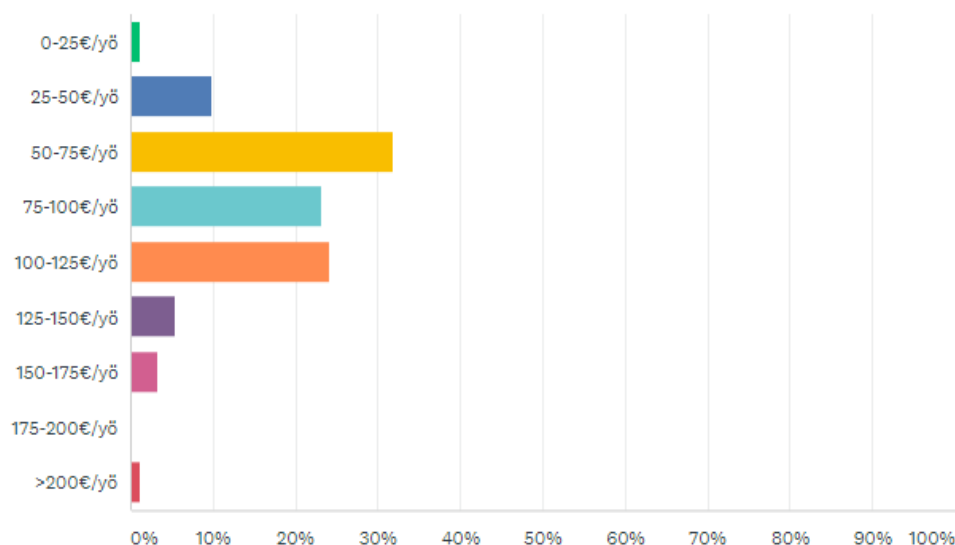


Figure 13. The desired price level of the accommodation.

The last question investigated how much consumers are willing to pay for accommodation. There were nine possible answers given and one had to be chosen. Answering options were cost per night and the options were from zero to 25 euros, from 25 to 50 euros, from 50 to 75 euros, from 75 to 100 euros, from 100 to 125 euros, from 125 to 150 euros, from 150 to 175 euros, from 175 to 200 euros and last option was over 200 euros.

The most popular option was from 50 to 75 euros, which was chosen by 29 out of the 91 respondents. Price range from 100 to 125 euros was the second most popular answer with 22 votes and third most popular price range was from 75 to 100 euros with 21 votes. With only nine votes the price range from 25 to 50 euros was fourth most popular answer. Price range from 125 to 150 euros collected five answers and price range 150 to 175 euros collected three answers. The highest and lowest price ranges of zero to 25 euros and over 200 euros collected both just one answer. None of the respondents chose the option from 175 to 200 euros.

7 ANALYSIS

7.1 Analysing the survey results

The survey collected altogether 91 answers which is lower number than was anticipated. This means that the answers are from quite a narrow part of the customer segment and can be deceiving. The survey was aimed for people that live and travel inside Finland. Therefore, it was shared into Facebook groups about travelling such as *Perhematkailu* which includes

people travelling with family. For local insights, the survey was also shared into Facebook group named *Puskaradio Kainuu* which handles all matters concerning Kainuu area. The survey was also passed on as emails and messages. As the survey was anonymous there is no data of through what channel came what amount of answers. This means that most of the answers could have come from people travelling with kids or people who live in Kainuu for example.

Most of the respondents were female which might affect the results of the survey. Most of the answers came also from people of age 26 to 35 years old. In this analysis part the results of the survey will be investigated in more depth including the distribution of answers amongst the respondents.

The biggest difference in the answers between male and female respondents could be seen in the activities the respondents desire when travelling Finland. Most popular activity category desired by male respondents was water activities with 19 out of the 31 male respondents choosing it. Forest activities came in second with 14 votes. Relaxation and events collected equal amount of 13 votes. Winter activities collected ten votes among male respondents. Animal activities collected two answers and extreme activities only one answer. With female respondents the order of activity categories from most popular to least popular was relaxation, forest activities, animal activities, events, water activities, winter activities and extreme activities. This suggests that females appreciate relaxation more and males appreciate water activities more. With both genders forest activities collected second most votes. Animal activities were valued by female respondents much more than male respondents. Events, winter activities and extreme activities collected votes quite similarly between genders. Since the male respondents were a minority with 31 respondents out of 91, the overall results could be different if there was equal amount of male and female respondents.

When comparing the age of respondents into the desires and activities, the answers were quite evenly distributed among different age groups, but certain cohesion could be found in how much the respondents are willing to pay. Age group that was willing to pay the most was people from ages 46 to 55 years. There were eleven respondents from this age group and four of them answered that they are willing to pay from 100 to 125 euros for one-night stay. One answered price range of 125 to 150 euros and one answered price range of 150 to 175 euros. The price range from 75 to 100 euros collected four answers. The last respondent chose the price range from 25 to 50 euros for one-night stay. Among respondents from age group of 36 to 45 years, nobody chose options higher than the price range of 100 to 125 euros. It was chosen by five out of the 17 respondents and price range of 75 to 100 euros was also chosen five times. All remaining seven respondents chose the option 50 to 75 euros, which was also the most popular option among all 91 respondents. The most dispersion

between answers could be seen in age group of 26 to 35-year olds. The price range from 25 to 50 euros was chosen four times, price range from 50 to 75 euros was chosen 13 times and price range from 75 to 100 euros was chosen five times. The price range from 100 to 125 euros was chosen nine times, price range from 125 to 150 euros was chosen four times and one respondent also chose option over 200 euros. Remarkably similar results were gathered from respondents over 56 years old and the answers stayed between 25 to 175 euros. The age group of 16 to 25-year-old respondents in the other hand was the group that was willing to pay the least amount. One respondent answered the option zero to 25 euros and three answered price range of 25 to 50 euros. Price range from 50 to 75 euros collected four votes. Most votes collected answer 75 to 100 euros with five votes and price range from 100 to 125 euros collected three answers. There was no significant different between genders in the amount they were willing to pay. This suggests that people from ages 46 to 55 would be the most profitable target market.

New survey in a wider scale should be conducted with additional questions as where the respondents usually stay the night and giving precise activity options to choose from. Also, where in Finland they travel can infect the results. The survey should also gather larger number of responses to be more reliable.

All in all, the results show that Finns value the nature of Finland with its forests and lakes. Relaxation is important, but what is relaxation to others is a walk in a forest and for others it might be a day in a spa. The results of this survey do not specify what kind of relaxation the respondents mean. Price is also considered especially important and most respondents were willing to pay quite evenly between price range of 50 to 125 euros for overnight accommodation.

7.2 Calculations

To evaluate the profitability of the accommodation business idea there are calculations that must be carried out. To calculate this, some estimate numbers must be made. From the base of how much the respondents of the survey were willing to pay for accommodation, 75 euros was chosen to be the estimate cost of overnight stay.

Calculating according to the full capacity so that 20 customers can have a reservation at the same time and one-night stay costs 75 euros per person, the highest net sales of the accommodation business would be 45000 euros in a month. Calculating with a comfortably high reservation rate of 70 percent, income would be 31500 euros in a month.

	Net sales / month				
Rate	Number of customers		Price for one		Monthly revenue
100 %	20		75 €		45 000 €
70 %	14		75 €		31 500 €

Figure 14. Net sales calculation.

From this needs to be reduced the materials and supplies used estimate of around 10 percent which amounts to 3000 euros. From this needs to be reduced the personnel expenses for one employee which is estimation of 3500 euros. Then needs to be reduced other operating expenses including for example bookkeeping and possible renovations. This was estimated to be 60 percent of the net sales which amounts to 18900 euros.

Expences			
Materials and supplies			3 000 €
Personnel expenses			3 500 €
Other operating expenses			18 900 €
Operating result		=	6 100 €
Direct taxes		20 %	1 220 €
Net profit		=	4 880 €

Figure 15. Net profit calculation.

After reducing all these expenses from the total operating income, it gives an operating result of 6100 euros in a month. From this needs to be reduced direct taxes of 20 percent which amounts to 1220 euros. This gives a net profit of 4880 euros in a month.

These calculations are simplified and calculated with high reservation rate of 70 percent. Regardless of that, it shows that the business idea could be profitable option. That said, the break-even point is to be calculated next, since the result varies when the number of customers change. Approximate numbers for the calculation are selling price of 75 euros for overnight stay and from that needs to be reduced the variable costs for estimate of 15 euros. Estimation of fixed costs formed out to be 1380 euros per month. Calculating the break-even point from these suggests that 23 customers in a month is a sufficient amount to keep the business running.

7.3 SWOT analysis

Conducting a swot analysis is an easy and low-cost solution for determining company's strengths and weaknesses in addition with defining threats and opportunities. It is a good way to start a business planning process and acknowledging these factors allows a company to put together an effective strategy. (Mindtools, n.d.)

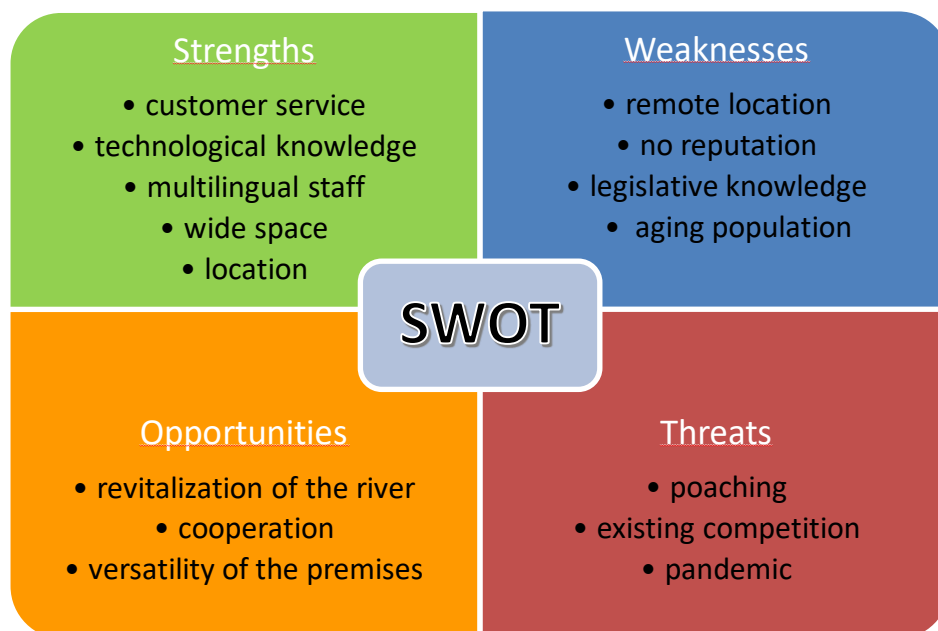


Figure 16. SWOT Analysis for the business idea.

7.3.1 Strengths

First strength is good customer service. Years of working experience in customer service and an open personality are giving an advantage in making the customer feel welcome. Good customer service carries a long way, not only in customer loyalty, but a satisfied customer also works as a promoter over social media and their family.

It is also easier to enter the market as an IT talented person when many competitors do not have the skills to properly advertise their business or built a practical booking system. For example, maximising the sufficiency in booking enables better customer acquisition since customers tend to lose interest on outdated and hard to navigate pages.

It is a great asset to have multilingual staff since large proportion of the tourists come from abroad. Making the businesses webpages in English in addition to Finnish is already more appealing to foreign customers. Getting fluent customer service in English or even as far as your own mother language surely increases the customer satisfactory.

Great strength itself is the existing premises. Location alongside a river and between two lakes, surrounded by nature and still close to big roads. Capacity to accommodate 20 customers and acres of land to organise activities.

7.3.2 Weaknesses

The location of the premises is not only a strength but also a weakness. The premises are located in a village somewhat remote from the bigger towns and has itself an aging population. Also, the fact that the place has no existing reputation is possibly making it a challenge to lure in customers. This means marketing of the business must be extra well executed.

Another weakness is the lack of legislative knowledge on the behalf of the possible entrepreneurs. Setting up a company requires few legislative issues taken care of but fortunately there are authorities that offer guidance.

7.3.3 Opportunities

First opportunity reviving the river and the fish stock in it. Flyfishing is increasingly trendy pastime activity and rivers rich in self-sustaining trout are attracting fishers. Accommodation right next to the river would surely be highly appreciated.

Cooperation with other businesses offering activities is an opportunity to draw customers to the premises. Offering package deals with activities from partners and accommodation from Ahjola premises would be also in the interest of the customers.

Versality of the premises is also offering great opportunities to expand or change the business model according to demand for example into a retirement home.

7.3.4 Threats

First threat is poaching. Many of the elderly residents of the village do not appreciate the catch and release style fishing and take out every fish they get from the river. This is harmful for the natural fish stock and reduces the interest of the fishing tourists. There is also already existing competition offering activities in the areas but in the other hand they do not offer indoor accommodation.

Pandemic must also be taken into consideration since travelling industry was strongly influenced by the COVID-19 virus. There are risks in every business, but proper risk management strategies reduce the risk.

7.4 PESTLE analysis

In this chapter the PESTLE analysis will be used to map the external environment of the business idea. This includes the political, economic, social, technological, legal and environmental factors connected to the accommodation activities. Relevant factors are introduced and then analysed how those factors can be taken into consideration in this bed and breakfast business.

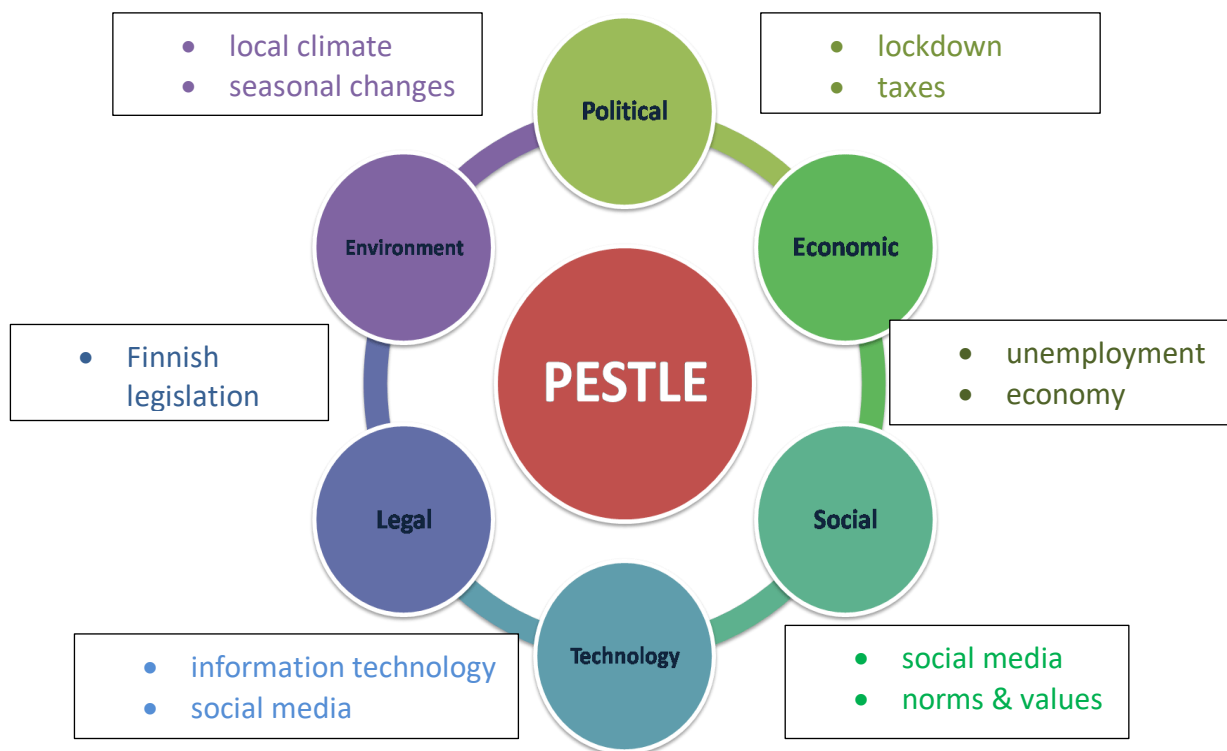


Figure 17. PESTLE Analysis for the business idea.

Political factors, that impact the accommodation business include taxes set by the government, which impacts the revenue of the business. Government can also set travel bans that can kill the hotel and tourism industry. These must be taken into consideration when forming the business plan and budget. When hiring employees labour law needs to be familiarized as well. As for taxes, it is good to go through them with a bookkeeper or other professional before starting the business. (Pestle analysis, 2019)

Economic factors include especially the economy of Finland. Tourism development of Kainuu has been mainly positive in years 2000 to 2018 according to the Statistical Yearbook of Tourism in Kainuu 2018. Unfortunately, during 2020 COVID-19 virus has created uncertainty to the industry. Rise in the unemployment rates means that there are less people with money to spend. During uncertain times even people with money tend to start saving. Tailored offerings are something the company can answer with in addition to lowering prices. (Pestle analysis, 2019)

Social factor that impacts the accommodation business significantly is social media. News, reviews, competitions and photos of the business spreads fast on the internet. A bad review can have a significantly negative impact on the business whereas interesting photos and online competitions can increase the customer base amazingly fast. Tourists can come from Finland or from abroad, which broadens the social factors. According to the survey, Finns value relaxation and the nature but foreign tourists might have different values and norms. Whereas Finns might enjoy ice swimming with sauna, this can sound very strange to some people. This emphasises the importance of determining what the customers seek and start offering such services. (Pestle analysis, 2019)

Technological factors mainly include information technology for example cash and register systems. Automated check in and remote-controlled adjustments such as temperature and lighting are something that could be considered for the Ahjola premises. Online booking is especially important factor now that customers want to book trips as easily and fast as possible. Social media is also part of technological factors and enables for example advertising on Facebook and other social media channels. (Pestle analysis, 2019)

Legal factors include all the legislation related to the accommodation business. For example, according to section 13 of the Health Protection Act, the accommodation establishment must notify the municipal health protection authority before commencing operations. It is important to go through all the legal aspects with a professional. (Valvira, 2017)

Environmental factors include the local climate which is an important factor when customers are choosing destination. Seasonal difference in the climate should be taken in consideration when pricing since there is more demand during other seasons and cheaper prices outside best seasons might attract more customers. Customers also increasingly much appreciate environmental friendliness. Solar panels could be one example for environmentally friendlier option and a profitable investment for the business since transportation of the electricity costs quite a large amount of money because the location of the premises is so remote. (Pestle analysis, 2019)

All in all, readiness to adjust the company policies and actions according to upcoming regulations, trends, economic situation and customer needs is important factor in running a successful business. Otherwise the company can go out of business because someone else is offering cheaper and easier option or the business faces some serious legislative issues. (Pestle analysis, 2019)

8 RECOMMENDATIONS

From all the possible business ideas considered suitable for the premises, the bed and breakfast option is considered the best one to start with. All the other business ideas that were also considered suitable are renting premises for festive occasions, fishing tours, snowmobile renting, and husky rides combined with a kennel. In this bed and breakfast case the customer relationship marketing should be implemented with adjustable package deals from the base of customer's needs. The package deals can be first done in cooperation with other activity offering companies in the area. Activities can be also added to the side of the bed and breakfast service as the customers show interest towards something.

SWOT analysis suggests that marketing should be granted extra attention since the premises do not have existing reputation and the village itself has a rather small population. Revitalizing the river can also greatly impact the gathering of a customer base. PESTLE analysis suggests that the pricing should also depend on the season and paying more attention to environmental friendliness would be feasible.

Calculations together with the survey results suggests that 75 euros for overnight stay would be feasible and attractive to the customers. Calculations also suggest that break-even point requires 23 overnight stays in a month. Therefore, a goal of acquiring at least this amount or more overnight stays in a month should be set. To continue further, wider survey and more precise calculations are recommended. Also getting professional help for example from Ensimetri is a good way to continue the business planning process.

However, starting a bed n breakfast business in a relatively remote place such as Ahjola premises has its risks and takes considerably large amount of resources and effort to start. First the business idea is recommended to be tested in a smaller scale to determine if there is demand. The recommendations to proceed is to test the demand with Airbnb renting. It requires less dedication and resources and offers good insights on the demand. It can also be done on the side of a main job and in addition it enables offering activities at the same time.

9 CONCLUSION

The goal of this thesis was to find the most suitable business option for the Ahjola premises and do a feasibility study as well as compose a business plan for the chosen business idea. The Ahjola premises was previously used in the Finnish educations system and is currently under-utilized. As the

premises withholds two large buildings there are quite some maintenance costs, but it also enables great variety of business idea options.

Investigating the population and tourism of Kainuu supports the fact that it could be profitable to start a business in the Ahjola premises. According to the Statistical Yearbook of Tourism in Kainuu 2018, tourism in Kainuu and its nine municipalities has been mainly positive in years 2000 to 2018. Amount of summer residences also increased and specifically the overnight stays of Sotkamo where the premises are, had been heavily increasing.

The theoretical framework introduced the customer relationship marketing theory and articles about starting a business. The steps of starting a business emphasised the importance of preparation before starting the business and making sure you have taken everything into account. Customer relationship marketing explains that customer needs are the starting point in acquiring and retaining customers. Business Model Canvas was also presented since it is a visual and straightforward way to form a business plan. Analysing tools SWOT and PESTLE were briefly introduced before they are used in the analysis part of the thesis.

Practical research started with interview about starting a business and the answers emphasised the importance of passion and readiness to change along the way. Different business idea options were introduced and after brief analysis the bed and breakfast idea was chosen to be the most suitable and feasible idea to start with. A self-completed web-based survey was executed in order to study consumer travelling habits and accommodation requirements. It collected 91 answers in total from 31 male respondents and 60 female respondents. The data was collected and analysed using SurveyMonkey and Excel. Results suggests that Finns value the nature of Finland with its forests and lakes. Relaxation is important as well as activities when choosing the location. Price was considered especially important and most respondents were willing to pay quite evenly between price range of 50 to 125 euros for overnight accommodation. Age group that was willing to pay the most was people from ages 46 to 55 years whereas the age group of 16 to 25-year-old respondents was the group that was willing to pay the least amount. Analysis also suggests that females appreciate relaxation more and males appreciate water activities more. With both genders forest activities collected second most votes and animal activities were valued by female respondents much more than male respondents. The fact that how reliable the results of this survey are, cannot be stated at this point since the amount of responses was narrow.

Estimate calculations suggests that with high reservation rate of 70 percent, the net profit would amount to 4880 euros in a month. Calculating the break-even point indicated that 23 customers in a month would be enough to keep the business running.

SWOT analysis suggests that marketing should be granted extra attention since the premises do not have existing reputation and the village itself has a rather small population. Revitalizing the river can also have a positive impact in widening the customer base. As for threats, the evolution of the COVID-19 pandemic must be paid attention to. PESTLE analysis suggests that the pricing should also depend on the season and paying more attention to environmental friendliness would be feasible.

The recommendation is to test the business idea first in a smaller scale. Renting the rooms via Airbnb is an easy, small-scale way to test the demand and gather customer feedback. Later, the business can be broadened into different activities. Overall, the outcome of this study suggests that the chosen business idea of Bed and Breakfast has potential of being feasible. It just depends on the fact if the possible entrepreneurs have a passion for it and willingness to make it real.

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BUSINESS MODEL CANVAS

BMI • Business model canvas

<p>● Key partners Who are your most important partners? Which key resources do you acquire from partners? Which key activities do your partners perform?</p>	<p>● Key activities What are the activities you perform every day to create & deliver your value proposition?</p>	<p>● Value propositions What is the value you deliver to your customer? Which of your customer's problems are you helping to solve? What are your customer's most important value propositions? What is your promise to your customer? What are the products and services you create for your customers?</p>	<p>● Customer relationships What relationship does each customer segment expect you to establish and maintain?</p>	<p>● Customer segments For whom are you creating value? What are the customer segments that you are targeting or decide on your value proposition?</p>
<p>● Key resources What are the resources you need to create & deliver your value proposition?</p>			<p>● Channels How does your value proposition reach your customer? Where can your customer buy or use your products or services?</p>	
<p>● Cost structure What are the important costs you make to create & deliver your value proposition?</p>			<p>● Revenue streams How do customers reward you for the value you provide to them? What are the different revenue models?</p>	

SURVEY QUESTIONS AND OPTIONS

1. Valitse ikäjakaumasi:
 - a. 16-25
 - b. 26-35
 - c. 36-45
 - d. 46-55
 - e. 56-65
 - f. >65

2. Valitse sukupuolesi:
 - a. Mies
 - b. Nainen
 - c. Muu

3. Kuinka usein matkustat Suomen sisällä vapaa ajalla?
 - a. 0 kertaa vuodessa
 - b. 1-2 kertaa vuodessa
 - c. 3-5 kertaa vuodessa
 - d. 6-9 kertaa vuodessa
 - e. 10 tai enemmän kertaa vuodessa

4. Mitä pidät tärkeänä valitessasi kotimaan matkakohdetta?
 - a. Hinta
 - b. Aktiviteetit
 - c. Kulkuyhteydet
 - d. Luonto
 - e. Nähtävyydet
 - f. Ostomahdollisuudet
 - g. Lapsiystävällisyys
 - h. Yöelämä
 - i. Historia
 - j. Helppous
 - k. Ravintolat
 - l. Muu (täsmennä)

5. Millaisia aktiviteetteja normaalisti kaipaavat Suomimatkoilla?
 - a. Vesiaktiviteetit (kalastus, uiminen, veneily...)
 - b. Metsäaktiviteetit (vaellus, metsästys, sienestys...)
 - c. Eläinaktiviteetit (valjakkoajelut, eläinpuistot, ratsastus...)
 - d. Talviaktiviteetit (laskettelu, moottorikelkkailu, hiihtäminen...)
 - e. Extreme aktiviteetit (benji-hyppy, vuorikiipeily, helikopterilento...)
 - f. Rentoutuminen (spa, kylpylä, jooga...)
 - g. Tapahtumat (konsertit, markkinat, turnaukset...)
 - h. Muu (täsmennä)

6. Kuinka paljon olet valmis maksamaan majoituksesta?
- a. 0-25€/yö
 - b. 25-50€/yö
 - c. 50-75€/yö
 - d. 75-100€/yö
 - e. 100-125€/yö
 - f. 125-150€/yö
 - g. 150-175€/yö
 - h. 175-200€/yö
 - i. >200€/yö

INTERVIEW QUESTIONS

1. Mitä on ensimmäisenä tehtävä harkittaessa yrityksen perustamista?
2. Kuinka voin selvittää, sovellunko minä yrittäjäksi?
3. Mitkä ovat avaintekijät menestykseen?
4. Miksi liiketoimintasuunnitelma on tärkeä ja kenen pitäisi kirjoittaa se?
5. Mitä tulisi ottaa huomioon budjettia laadittaessa?
6. Kuinka määritän aloituskulut ja muut kulut?