

Internationalization plan for Sneaker Bash to Germany

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<p>In this thesis we will research the different internationalization option for SME-Companies and apply them to my own company Sneaker Bash partnership. The research structure is functional. The research gathered in this thesis is used to create an internationalization plan for Sneaker Bash. The main focus of the first two chapters is theory and to figure out how a Finnish company can internationalize in practise and what decisions a company needs to make for said internationalization. The latter two chapters are applying that theory to the company.</p> <p>The internationalization plan is compiled using previous experience in event management such as, the previous two events held in Finland and feedback from our customers but is based on the theoretical structure. Sneaker Bash may use this internationalization plan when expanding abroad.</p> <p>The thesis discusses the leading factors in the decision making in the empirical section. We will design a working business structure for Sneaker Bash as well as analyse the target market environment and its culture. After which we will look for different entry modes and Organizational models that best fit said entry mode.</p> <p>The main goal is to provide sneaker Bash with an elaborate plan on how to expand abroad and what the best practises.</p>	
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1 Introduction

Sneaker Bash is an annual sneaker convention located in the capital of Finland, Helsinki. The company was founded by three young entrepreneurially minded sneaker collectors who just got tired of traveling abroad for another sneaker convention.

The topic of my thesis is expanding my own event to international markets. The event has found great success since its launch and the concept keeps improving. Our goal is to become the biggest fashion event in Scandinavia by 2020 and the biggest fashion event in Europe by 2024. Thus, Sneaker Bash is planning to expand to Germany by 2021. The financial side of expanding an event is the biggest challenge right now and thus, I want to research the possibilities of growth in this thesis.

I personally speak German and used to live in Germany hence my interest to expand there. Germany also offers a much larger base of potential customers with a population 16 times larger than Finland's (worldometers, 2018). Germany has also four times more dedicated sneakers stores compared to Finland, which enables the possibility for a larger event by having more exhibitors. (Housakicks 2018.)

1.1 Sneaker Bash explained

Sneaker collecting started back in the 1980 and Michael Jordan is seen as the most important influence on this movement. Jordan was still a young, but promising basketball player. He got the opportunity to be signed by Nike and receive his first signature shoe, the Air Jordan 1 black and red, which was later banned by the National Basketball Agency. Later Hip-hop culture and designers got involved with sportswear. Fast forward almost 40 years and you see Nike grossing more than 32 Billion and everyone wanting a piece of the cake. (Mentalfloss 2018)

Sneaker Bash started as an idea by two sneaker collectors, Paavo and Scott who happened to live in Finland. The culture is gravely underrepresented in Finland and so are the collectors. These two wished to raise awareness of the rich culture of sneakers and the enjoyment they share with every release. Each week there is a Nike, Jordan or Adidas release, which doesn't make it to Finland. The only option is to try your luck on the online releases, which is a total mess. They have been flooded by softwares, which create fake user ID's and purchase multiple shoes on behalf of the user.

Every year around spring and summer time there is also a sneaker convention. Whether it is the European Sneakerness, Americas ComplexCon or the Swiss Bread and Butter. However, Finland hasn't had one yet.

Sneaker Bash is just that, but a bit better. A traditional sneaker convention lacks energy and is a mere event for people to buy and sell their footwear. We take it a step further with an important element called fun. Sneaker Bash is the first of its kind. We will be offering the opportunity to buy, sell or trade footwear within the event in an indoor area.

1.2 Definition of the goal

The goal is to create an elaborate internationalization plan which will help us expand the company to foreign markets and bring out everything that is required to internationalize step by step. The thesis discusses the leading factors in the decision making in the empirical section. We will design a working business structure for Sneaker Bash as well as analyse the target market environment and its culture. This thesis will answer the following questions:

- What are the most common reasons for the internationalization of SME companies?
- How do Finnish SME-Companies internationalize?
- How should Sneaker Bash internationalize

1.3 Concepts

Below I'll be going through different concepts that are used in the thesis.

A **reseller** is a person or entity that buys products from other supplier and sells them from his own ecommerce site, public platforms such as Facebook groups or events. This is especially popular in sneaker culture. The concept is the same as with buying stock. You buy low and sell high. There are certain sneakers which have an almost guaranteed increase in value due to low production units and thus sneaker resellers purchase them for the retail price and sell them for up to three times the profit. (Bigcommerce 2018, Sidehustle-nation 2018.)

A **sneakerhead** is simply an individual who collects, trades and admires sneakers as a hobby. Most collectors are very passionate about their hobby and put a lot of hours and effort to improve their collection. Sneaker Heads are no different in this matter. (Powell 2018.)

Special events are non-routine occasions that aim to provide an enrichment in either leisure, culture, personal or within an organization. (Shone & Parry 2013, 6-7.)

Product launches are events or shows that aim to showcase a new product or service to an audience, either to external stakeholders such as the media or consumers or dealers, or internal stakeholders such as staff, management or sales forces. The main goal however is to the same, which is to inform stake holders of a new product or service. (Shone & Parry 2013, 7.)

This stands for Event Management Company. **EMS's** are usually used to increase expertise or experience when planning an event and to improve ideas. EMS's can help panning an event as a whole or parts of the event such as the menu, theme, production or logistics. (Shone & Parry 2013, 58.)

Not all events plan to make profit from their sales. Events in Finland can be registered as associations, which allows them to avoid regular taxation if they do not aim to give dividends and all profit made is planned to be reinvested (Talousverkko. 2018). Therefore, the point when an event **breaks-even** is when the costs of the event(s) equals the received sales from them. (Shone & Parry 2013, 112.)

A **critical path** is the time-limited steps that must be taken in order to archive time-critical activities. This can be referred to as certain steps which must be completed in order for the next ones to start in a limited amount of time. (Shone & Parry 2013, 115.)

The **shozeum** is an octagon shaped construction we have purchased for Sneaker Bash to display limited sneakers in a 'safe way'. The sneakers are behind a class window. The octagon can and has been rented to brands for marketing purposes.

1.4 Methods of research

This thesis will rely heavily on popular **literature** of internationalization such as International Entrepreneurship by Robert D. Hisrich, International business (European edition) by Czinkota, Ronkainen, Moffett, Marinova and Marinov, International Business by Charles W. L. Hill. I will try to implement these tactics and theories into Sneaker Bash's business model with an inconsistent cash flow instead of a traditional product-based business model and create a functional internationalization plan.

Comparing internationally successful events will help me understand what the necessary steps are in order to be just as successful, improve current business practices and pinpoint shortcomings that might not be visible to us. The main goal of **benchmarking** in this thesis is to improve the quality of our event, increase sales and profits, and avoid the expenses of figuring out solutions and best practices that have been already solved. (Small-business, 2018a; Czinkota & al. 2009, 282.)

We will have regular **brainstorming** sessions in order to find best business practices and evaluate previous events, as this is a small business and a fair majority of the decisions are made within the board meetings and by brainstorming with our small team.

We have had brainstorming sessions within our team but failed to document the sessions properly. The sessions stretched for multiple hours and the main focus was the event and not documentation.

I have a fair amount of **experience** in organizing an event by working on two Sneaker Bash events. I have also been a volunteer at Nordic Business Forum in 2016 and Nordic Business Forum Sweden 2017, and a Team Leader at Nordic Business Forum in 2017. This has given me insights on certain aspects that the company does, which is not directly conveyed to the general public, but is very useful while organizing an event.

I will use information gathered from the two previous **Sneaker Bash events** we have organized. This is one of the best indicators of what has created a positive response in customer feedback, in order to amplify those areas and what has created a negative response in customer feedback, in order to remove those areas.

I have created Finland's first sneaker dedicated **Facebook group** in order to improve segmentation of our customers and communicating with them. The group was established in 2015 and has ten thousand members nowadays. The Facebook group was a valuable resource in launching the event and we will use it as a base for customer behavior. While Facebook doesn't seem like a reliable resource, it is definitely a strong resource when it comes to marketing and customer engagement.

2 Internationalizing a Business

International business has grown considerably since globalization became a thing. It has forced a lot of companies to find new partners and new customers from abroad. The calm local markets have been mixed and have created what is now known as an international business environment. This has also forced innovation as the international business environments provide customers with new products considerably faster. (Hill 2009, 488.)

2.1 Basic entry decisions

We can break the decisions a Finnish company needs to make while internationalizing into three. Which international market does the company want to focus on? When should that internationalization happen? What is the scale of the internationalization? In order to minimize risks a company must fully plan out every step. (Hill 2009, 488.)

While choosing the target market a company must take into account the possibilities of long term growth and profit, which are more so often determined by the political and economic factors. The attractiveness of an economy can be based on the size of the market as well as the growth rate. Political factors are such as the political stability of the market since politically stable countries offer a much more stable business environment than politically unstable countries. Especially attractive potential candidates for the internationalization are countries that do not offer the product yet and the product creates value for the customer. This also allows the company to sell the product at a higher price. (Hill 2009, 488-489.)

There are two times when a company can enter a new market. Either first if there are no foreign competitors or late if there are foreign competitors. If a company internationalizes first or among the first, then they gain the first-mover advantage. The advantages are the chance to establish a well-known brand in the market and gain a considerable amount of sales in a short time as they would dominate the market. They are also able to build experience and create switching costs, which would tie customers to a business and make it more difficult for entering companies. However, there are also first-mover disadvantages, such as pioneering costs. (Hill 2009, 489.)

The right scale of entrance is detrimental when it comes to internationalization. A big scale entrance requires swiftness and a lot of resources. This isn't possible for many companies. A large-scale entrance has higher risks as there is more at stake, but it can repay itself in return by gaining the market leadership for a few years. A small-scale entrance has a slower growth rate and uses less resources. Thus, the company familiarizes themselves

with the market and reduces risks. In order to examine the scale of entrance a company must look at its resources and see which one carries the best risk to gain ratio. (Hill 2009, 490-491.)

2.2 Business structure

Currently Sneaker Bash is a Partnership. The closest resembles to international company formats would be a multitude of sole traders in one. This company format has its issues and challenges as responsibility isn't clear and the partners are accountable for everything associated with the company. (Yrittaja 2018.)

2.2.1 Association

Some Finnish events work under the association format. The simple reason for that is that having an association allows an entrepreneur to apply for funding from either, the city the event is held, public funding associations or private foundations as long as they break-even. (Jelli 2018, Vero 2018a.)

Another clear benefit seems to be the taxation of associations. If the event is a non-profit organization or association the taxation would be minimal. The requirement however is that the organization works towards a greater good which can be materialistic, spiritual, ethnical or sociological. Another criteria for it to be a non-profit is that it's not limited to one specific group of people or subject. Finally, the organization must not create any profit for its shareholders, either as dividends, profit, substantial salaries or other benefits. (Vero2018b.)

A clear drawback seems to be the bureaucracy of an association. An association and especially a non-profit one requires a board of directors, who are willing to meet regularly. The board meeting determines the course the association is going, which can cause friction if board members disagree. The final drawback seems to be the fact that no profit can be made, which would hinder growth. If profit is made, it need to be justified and reinvested. (PRH 2018, Vero 2018b.)

2.2.2 Enterprise

Sneaker Bash is currently a Partnership. This has had benefits in taxation, but as previously mentioned it has a high risk for the entrepreneurs as the shareholders are liable for the company and its funds. A partnership format would also slow down the chances of getting funding from a private investor as they don't want to be liable for the company, but only make profit while minimizing risks.

We have looked into the options of opening a limited company or a limited liability company (osaakeyhtiö). A limited company – in Finland at least – makes sense if the gross turnover exceeds 100 000€ annually. This is due to taxation getting stricter with partnerships and sole traders, while limited companies have the exact 20% regardless of the gross turnover. Other benefits are the low risk for shareholders as the company itself works as its own entity and is liable for its debt. (Zervant 2018, Talousplus 2018.)

2.2.3 Combination of an enterprise and association

Apparently, there is a way to utilize the benefits of the association and still being able to make profit of the business. Festivals in particular have something what is called a profit association. The structure is fairly simple. Let's say we have an association or a non-profit organization and also an enterprise. By having both, we can benefit from the grants applicable to the non-profit organization. All the profit that is made would be billed by our enterprise. This is how the Culture association Korjaamo and Korjaamo Group Oy has combined an association with an enterprise:

THIS IS HOW WE FUND KORJAAMO.

“A third of our gross turnover comes from sales generated by the bar and café. Our entrance tickets and rental service accumulate to 15% each of our gross turnover. Funds and aids contribute to 17% of our gross turnover. Finally, partnerships accumulate to 4% of our gross turnover.” (Korjaamo, 2018. Own translation)

This doesn't add up to 100%, but that isn't the main takeaway from this paragraph. Korjaamo says that funds and aids contribute to a larger amount than their ticket sales and rental costs. The article continues as follows:

“The city of Helsinki aids Korjaamos business model with 83 000€ annually. Also, Korjaamo receives a large variety of different funds from the ministry of education and the ministry of culture. On top of this Korjaamo receives project funding for their Stage-festival. Korjaamo Group's gross turnover is 4,5 million euros annually.” (Korjaamo, 2018. Own translation)

This method of combining an association with an enterprise is documented very poorly. The reason might be that making this combination public or raising awareness would raise questions on whether this is taking advantage of funds and aids.

2.2.4 German Business Types

Starting a company in Germany or rather all around the EU is fairly simple. This makes expansion a whole lot easier as we do not have to deal with such matters as tariffs or legislative inconveniences when internationalizing. We can mainly focus on improving our business model.

There are three business types we will focus on, GmbH (Company with limited liability); AG, (Public Joint-Stock Company), and a branch office.

A GmbH is the most widely spread form in Germany. Creating a Company with limited liability requires 25 000€ with 50% being in the bank account while creating the company. Important things to remember when creating a GmbH is that one needs to hire a CEO for the company. This CEO will represent the company while forming legal agreements and lead the company as a whole. The CEO isn't required to own shares of the company or even be a German citizen. (Gtai 2018a.)

An AG is actually the most widely spread company format in Finland. The main difference is that the German version requires a share capital of 50 000€. When registering a joint-stock company, one is able to list its shares to the public stock market. However, that is not mandatory. Another important thing to remember with AG is that it requires a board of directors, who will decide on all matters associated with the operations of the business. While this option would remove vertical differentiation, and thus increase motivation in the German division with it having its own board of directors, it is quite a costly option for an operation which is executed once a year. (Gtai 2018b.)

The previous options discussed were both subsidiaries. The final option would be to open a branch office in Germany. A branch office would be connected to the parent company meaning Sneaker Bash partnership and thus, wouldn't have any assets or even an accounting system of its own which would reduce overhead costs if it's a dependent branch office and not an autonomous. We would still have the same kind of freedom to do business as any other company as long as the type of business is the same as the head offices. The only requirement for a branch office is that it has to register with the local trade office. Some downsides however are that branches might have difficulties to get a German bank account as they do not have representatives living in Germany. A branch would also allow us to fully utilize the benefits of an association, but we would lose local responsiveness. (Gtai 2018c, Lawyersgermany 2018.)

2.3 PESTEL analyses

The PESTEL Analysis focuses on Macro-Environmental factors, meaning external factors that have an impact on the organization. The PESTEL Analysis is used to find threats and weaknesses, which are used in a SWOT Analysis later. (Professionalacademy 2018.)

2.3.1 Political factors

In the PESTEL analysis the P stands for political factors. Political factors include all factors where the government may interfere in your business. Either in a positive or a negative way. These factors may be policies, political stability, instability, labor-, trade or environmental law. (Professionalacademy 2018.)

There are two types of branch offices, dependent and autonomous branch office, of which the former gets tax exemption. The main difference between the two is that the latter has a management with the freedom to act on the companies benefits according to their own judgement, has its own capital resources and its own accounting (Gtai 2018e). While the former acts as a support for the head office. Business transactions must all be made through the head office. (Gtai 2018f.)

2.3.2 Economic Factors

Economic factors have an incredible influence on your business. Especially if you are expanding from abroad. All the customers and local partners are very much dependent on their countries economic situation and even though a recession might not affect you directly, it will affect you inadvertently. (professionalacademy 2018.)

Germany ranks 25th in the worldwide economic freedom score with 74.2 points. The country is doing well, with a four trillion GDP and only a 4,3% unemployment rate. Main concerns are government spending, labor freedom and tax burden. Germany however excels in business freedom and monetary freedom and fiscal health (Heritage 2018.)

2.3.3 Social Factors

Social Factors which are often referred to as socio-cultural factors are social norms among a nation. Those include shared beliefs, population growth, age distribution, health consciousness and career attitude. (professionalacademy 2018.)

The German – as the stereo type would have it – put high emphasis on structure, privacy and punctuality. Things such as time, calendars, schedules and agendas must be respected (Livescience 2018). We will dive deeper into the cultural overview of Germany in chapter 2.8.

2.3.4 Technological factors

Technological factors are referred to as innovations within a country. A country may figure out either; a new way of producing, distributing or communicating, which is more cost efficient. (professionalacademy 2018.)

It is difficult to figure out an implementation of new technology for Sneaker Bash considering this is an event based around a product which we have little to no control of. However, one technological improvement for events in general would augmented- and virtual reality. VR could be implemented into events by allowing participants free virtual reality tours around our event and see the performances through VR glasses (Home 2018). AR could be implemented for our guests at the venue to improve the experience by adding three-dimensional object into the venue that are only visible through our app. This would elevate the experience and open up new ways of engaging with our customers. (Engadget 2017.)

2.3.5 Environmental factors

Environmental factors have been in the spotlight in recent years. Trying to be environmentally friendly is nowadays a norm and not being is considered a big red flag for any customer. (professionalacademy 2018.)

While one might think that an event isn't producing anything and therefore is difficult to be eco-friendlier than it already is, there are a lot of things an event can do in order to sustain eco-friendliness. There aren't any legislative policies that are mandatory for events. However, according to the Environmental Performance Index, Germany ranks 6th which makes it one of the most environmentally friendly countries in Europe (Archive 2018). Thus, in order to avoid controversy and minimize the risk of such it would be preferred to be as eco-friendly as possible.

In order to minimize our effect on the environment we need to take into account a few factors. Firstly, the location must be near public transportation and walking distance to hotels in order to reduce the distance traveled by car by our guests. Another important factor is to go paperless and thus, remove printed tickets and signs all together. As an app can replace anything made out of paper all together. Some obvious factors are recycling everything that is recyclable and avoid using anything plastic. (Socialtables 2018.)

2.3.6 Legal factors

Legal factors are as the name implies legislative components which will affect the sales and distribution of the product. (professionalacademy 2018) In Germany the Act Against Unfair Competition regulates marketing, important parts are section 4:

“Unfairness shall have occurred where a person

1. discredits or denigrates the distinguishing marks, goods, services, activities, or personal or business circumstances of a competitor. (DOT 2018.)

Also important is the section 5: Misleading commercial practices.

“1. Unfairness shall have occurred where a person engages in a misleading commercial practice which is suited to causing the consumer or other market participant to take a transactional decision which he would not have taken otherwise.” (Dot 2018.)

2.4 International entry modes

The various options we will discuss are exporting, licensing, and franchising, establishing joint ventures, setting up a new wholly owned subsidiary in a host country, or acquiring an established enterprise in. (Hill 2009, 493.)

Exporting is mainly aimed at products as it allows a company to avoid establishing manufacturing in the host country. Exporting our service from Finland would be near impossible as it needs to be physically there. The only possible way would be through an EMC. (Hill 2009, 493.)

A **licensing** agreement is a simple arrangement where a licensor – Sneaker Bash – would grant our intangible property to another entity – the licensee – for a limited amount of time in exchange for a fee, royalty or other benefits. Property licensed is usually intangible such as patents, trademarks, copyrights, technologies, technical know-how or specific business skills. (Hill 2009, 496; Czinkota & al. 2009, 228.)

Franchising is basically a special form of licensing with more surveillance of the franchisee, longer commitment and strict rules. Franchising has the same problems as Licensing when it comes to international business but would work locally. (Hill 2009, 498; Czinkota & al. 2009, 230-231.)

A **joint venture** is an entity that is owned by two or more independent entities. A joint venture works well if two entities want to split the risk, combine resources and maximize profit. It is commonly used with a 50/50 split. (Hill 2009, 499; Czinkota & al. 2009, 234-235; Hisrich 2019, 206.)

A **wholly owned subsidiary** is the strongest contestant among the entry mode strategies. Germany isn't too far away and one of the founders speaks German. By opening up a new division in Germany, led by one of the founders, we can maximize profit and local responsiveness, while not losing quality (Czinkota & al. 2009, 237; Hill 2009, 500-501.)

An **acquisition** of a local enterprise from the host country would be fastest. This is what Nordic Business Forum did in order to expand to Norway and this would benefit Sneaker Bash as it doesn't need to build a new division from ground up. This would eliminate processes such as creating logistics, customer service, a local brand and hiring managers and training staff. (Hill 2009, 503.)

2.5 Organizational model

Organizational structure means the formal structure, control system and incentives, processes, organizational culture, and our most viable resource, people (see figure1). (Hill 2009, 450.)

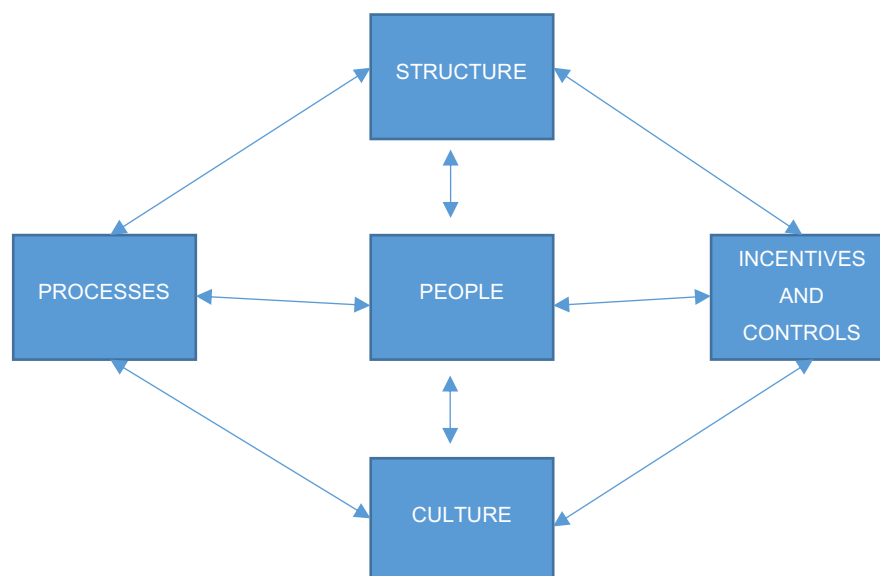


Figure 1: Organizational architecture

2.5.1 Structure

Structure means divisions within an organization. These divisions can be arranged in three different dimensions. Firstly, vertical differentiation, which is the location of fundamentally important decision-making responsibilities within an organization. Secondly, horizontal differentiation, which is the formal division of a company into subunits. Either based on function or based on area. Lastly, integrating mechanism, which refers to means and practices in order to coordinate subunits. We need to carefully plan the structure for Sneaker Bash in order to have a working system or else there might be occur a conflict of interest if divisions don't have the same goal. (Hill 2009, 450-451.)

2.5.2 Control system and incentives

The control systems at Sneaker Bash are output control in sales and customer feedback from the event. Output of social media is viewed differently. Engagement and growth determines whether social media campaigns are successful or not. In 2018 we are introducing Personal Control. The goal of this new control system is ensuring that the other founders develop new skills and improve performance. (Hill 2009, 451,466 Czinkota & al. 2009, 282-283)

2.5.3 Process

Processes can be seen as flow charts that help employees work in certain kind of situation in a previously agreed way. This is called standardization and is often used to improve efficiency. These processes could include ways to handle difficult customer situations, evaluate new ideas or even formulating strategies. However, it is important to remember that processes rarely transcend across borders or divisions, unless necessary. A company tries to keep all processes within one country and one division. The standardization would aid Sneaker Bash to regulate tasks and ensure quality across the board. (Hill 2009, 470-471.)

2.5.4 Culture

Culture in this context means the norms and values that are shared between people within one organization. Values can be described as the beliefs of what is good, what could be improved and what should be avoided. Norms are what are created naturally by an organization and can be described as social guidelines and rules that determine behavior in a particular situation. Sneaker Bash has a learning culture right now. We are motivated to learn as our founders are fairly young. (Hill 2009, 470-471.)

2.6 Resources

We can divide resources into either tangible and intangible (see table 1) or take it one step further and speak of physical-, financial-, human-, and intellectual capital resources. We will also look into how resources are managed, deployed and utilized. For example, a good reputation & brand image is useless if it's not exploited effectively. (Businessstool 2018, 1.)

Table 1: Resource analysis (Businessstool 2018, 1.)

	Resources	Competencies
Threshold Capabilities	Threshold Resources -Tangible or Intangible	Threshold competencies
Capabilities for competitive advantage	Unique Resources -Tangible or Intangible	Core competencies

2.7 Funding options

While internationalizing it is fairly common that a company needs external funding. This is due to the increased investment and expenses in the process of internationalizing with little to no cash inflow at the beginning. (Suomen yrittajat 2018.)

The amount of funding is dependent on a few factors, such as the industry a company currently works in or is aiming for, the financial situation of the company and the stability of the business. ELY-Centre – Centre for Economic Development, Transport and the Environment – is a great option to apply for funding. ELY-Centre can either offer you a loan, a grant or a combination of both. (Suomen Yrittajat 2018.)

Team Finland is a growth program funded by the work and trade ministry and is designed to assist SME-companies in export and internationalization. Team-Finland is operated by Finpro, which also designed to assist SME-companies to internationalize and attract investors to Finland. (Suomen Yrittajat 2018.)

Other popular Finnish funding options while internationalizing are Finnvera, Tekes and Finnfund. Finnvera is a government owned funding option that is aimed to improve the competitive condition of Finnish companies. Finnvera offers a loan export credit guarantee. (Suomen Yrittajat 2018.)

Tekes is aimed to fund the development, research innovation of Finnish companies. Funding is not granted for ordinary business expenses, but rather bigger development projects. Finnfund on the other hand focuses on the long-term risk investment of profitable projects in developing countries and Russia. (Suomen Yrittajat 2018.)

Banks and private investors are the most common source of funding. We can fund the initial investment of the internationalization through a smaller loan until our assets return to us either through customers or partners. (Suomen Yrittajat 2018.)

2.8 Cultural environment

While culture does work for many as a form of identity or simply an anchoring point, in business it is most prominently known to affect the code of conduct. Culture is often defined to be shared commonalities between groups, societies, regions, and nations. According to Czinkota & al. commonalities are "*learned behavior patterns that are characteristic of the members of any society*". Geert Hofstede calls it '*collective programming of the mind*'. According to Hisrich culture is '*probably the single most important aspect that must be considered in global entrepreneurship*'. This gives us a good look on how important culture actually is and thus, we will continue to analyze German culture. (Czinkota & al. 2009, 54; Hisrich 2010, 44.)

Elements of culture are the specific ways in which a culture can be manifested. These include material elements such as tools or abstract such as attitudes (Czinkota & al. 2009, 57-58). We can further split the element of culture into seven segments such as; language, religion, values and attitudes, manners and customs, material elements, aesthetics, education and social institution. (Hisrich 2010. 44-46.)

Language while in itself multidimensional is often considered the mirror of culture. Language can be divided into verbal (meaning spoken language, tone and certain phrases) and non-verbal (such as posture, body position, hand movements). (Hisrich 2010, 46-47.)

German Verbal language might seem very formal at first glance. Some things are frowned upon and some are disrespectful. For example, in Germany it is common that one uses only "he" or "she", or "Mr" or "Mrs" in order to address a business partner and only once both parties agree is the use of the first name allowed. If one is referring to someone with academic qualifications, one must address them by their title. For example, a person with a Ph.D is addressed as "Mr. Dr" or "Mrs. Dr". A common non-verbal communication trait of Germans is their directness when speaking and the value of eye contact. These are

traits are considered to be indicators for honesty and interest in the discussion. (Classroom 2018.)

Religion is often used in the context of belongingness and being part of a larger group. Defining religion would be too big of a thesis unfortunately. We can however determine the effect religion has on business depending on the dominants it tenets. For example, religion has less of an impact and only has helped shape morals in northern Europe for as Islam has had and still has a profound effect on the fundamental behavior of middle eastern countries. (Czinkota & al. 2009, 60-61.)

Germany with its 1300 years of Christian tradition has still a strong presence of Christianity, which can be seen through the country (Internation 2018). A big part of their strong attitude towards work and success can be credited to the beliefs of Protestants that one must work hard and accumulate wealth for the glory of God. (Czinkota & al. 2009, 61.)

Germans value punctuality. One must respect time tables, schedules, agendas and calendars (livescience 2018). In fact, lateness is seen as rude and disturbing (Academic 2018.)

Some other thing to note is the importance of education in the German society. They show a lot of respect to those with intellectual achievements as we established two chapters ago (6.1.1), but the level of employment an individual is available to archive depends mostly on his or her educations. (Academic 2018)

Manners and customs are truly underappreciated when it comes to negotiating. Far too often I see foreigners walk with our chest buffed up thinking our culture is above all, consider foreign behaviour as rude and all this only because of a lack of acknowledgment in different cultures. While we already addressed what I believe to be the most important manners in German interaction –the use of he and she unless told otherwise and the importance of punctuality–, there are some noteworthy things to be added to this list. (Czinkota & al. 2009, 65.)

There are some common pitfalls for foreigners. One of the most common is the shortness of greetings and goodbyes. While in the English language hello and bye are acceptable they come off as rude, especially if the first person wishes you a good morning. Clothing is also something foreigners often get wrong as they might dress too casually. I myself experienced a situation where the dress code was business casual and my attire didn't make the cut and thus, I wasn't allowed to the event I was invited to. Two other things that are important to note when doing business in Germany, firstly their customs towards closed

doors. Many cultures view closed doors as a sign of creating distance and barriers and a signal of not wanting to see the other person. In Germany however, it is only seen as a mean to improve focus. The other thing is something I also experienced myself. The second war shall not be mentioned, as the topic –for obvious reasons– isn't something they are fond of. While this came to me as a surprise – considering the pride Finland has in its victory of the winter war – it is very rude to mention the war in front of Germans. (Fluentu 2018.)

The result of technology and how a society organizes its economic system is often referred to as material culture. To make it simpler, the material elements are how an organization, such as an economy organizes its basic social, financial, marketing and economic infrastructure. (Czinkota & al. 2009, 67.)

Social infrastructure is referred to as housing, health and educational systems. Financial and marketing infrastructure refers to facilitating agencies for international business, such as banks and research firms. Economic infrastructure refers to the transportation, energy and communication system. (Czinkota & al. 2009, 67.)

According to many news outlets, the economic infrastructure of Germany – mainly transportation– is literally crumbling due to poor quality control. (CNN 2017; CNBC 2016; FT 2017; DW 2017.)

Aesthetics is an important factor in marketing. It determines what is common, acceptable or even with good taste in a culture. Some things such as even colours can be perceived negatively when used wrong such as green being associated to death in Singapore, but eco-friendliness in the EU. (Czinkota & al. 2009, 67-68.)

Marketing in Germany is mainly aimed to inform the customer of the features of the product rather than the benefits customers will have. This is in order to avoid coming off as too much of a sales pitch and let the customer by himself figure out the benefits with an 'Aha' moment. Marketing is crisp and clean with technology-focused messages. (Designit 2017.)

Education can be described as either formal or informal. It is a key aspect in the passing of cultural aspects. Education can also indicate on what a country's values are, such as Japan putting a lot of emphasis in science and engineering. Social institutions on the other hand refer to the level of interaction between relatives. This is an important factor while conducting marketing research. (Czinkota & al. 2009, 69-70.)

Germany as previously mentioned puts a lot of emphasis and respect in education. Your degree determines how high you may climb in your career and you'll eventually get paid. A lot of emphasis is put into business or engineering. Undergraduates and graduates form 59% of the population. (Wenr 2016.)

2.9 Competitive environment

Competitiveness is one of the key drivers in our capitalistic society to motivate improvement between entities. Competitiveness defines indicators that contribute to the performance of a firm such as good implementations, innovations, performance or a cohesive culture. Researching these indicators allows us to create a competitive strategy which works as a guide to find the best competitive position. Fortunately, or unfortunately depending on how you look at it, this is something all firms do and thus, create a competitive environment. (Porter 1985, 1-2.)

A competitive strategy is based on the sophisticated understanding of an industry. The aim of our competitive strategy is to analyse the competitive environment and the competition. There are five factors we can use in order to analyse the competitive field of a market or industry; the threat of substitutes, the threat of new entrances, the bargain power of sellers, the bargain power of buyers and the rivalry among existing competitors. (See figure 2.)

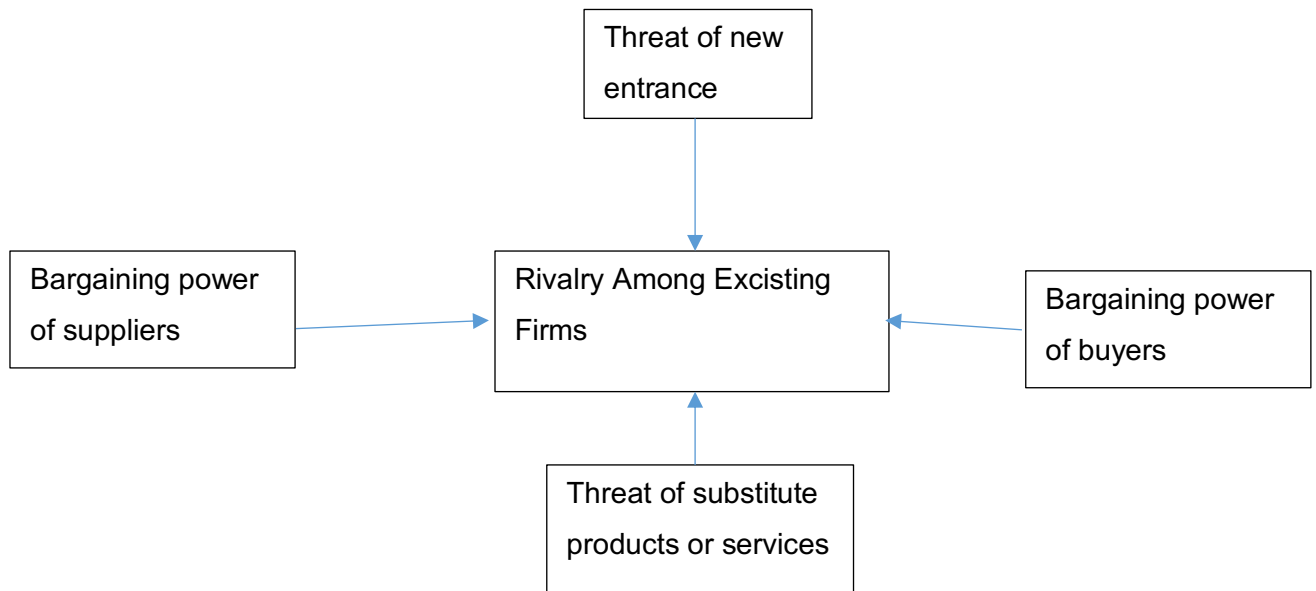


Figure 2: Five competitive forces

2.10 Product analysis

There are five levels of Kotler's customer-perceived value hierarchy, we can determine the exact benefit of Sneaker Bash for the Finnish market and use that in our internationalization. (Kotler, Keller, Brady, Goodman & Hansen, 2009, 506.)

The **core benefit** is what the majority of customer see when deciding to purchase the product. A Red Bull customer is buying energy. The customer of Nordic Business Forum is buying education and inspiration. It is very crucial to determine what the core benefit is and develop your service around it. (Kotler & al. 2009, 506.)

After determining the Core Benefit, one must turn the benefit into a product. Thus, a Red Bull includes the can it comes in. Nordic Business Forum has a speaker, which is detrimental for their service. (Kotler & al. 2009, 506.)

After deciding on the things necessary for the product or service, one must look into what is **expected**. Customers have certain expectation which they require from companies even though they might not be indirectly promised. Red bull cans are sealed and recyclable. Nordic Business Forum offers food, proper lighting, a stage, a venue, chairs and a working sound system. (Kotler & al. 2009, 506.)

The fourth level is products and services that exceed customer expectations. They can be referred to as 'nice to have', but not 'must have' products or services. A can of Red Bull is considerably better from a customer's point of view if it's cold or on ice. Nordic Business Forum's success is largely credited to their **Augmented Products** and Services. Their volunteers are exceptionally well trained in customer service, they fix coats in their cloakroom during the event. There are plenty of success stories online of the hoops Nordic Business Forum jumps through to provide an unforgettable customer experience. (Kotler & al. 2009, 506.)

Potential products incorporate all possible augmented products and inspects their development. This is also the area where companies try to figure out new augmented products that increase perceived customer value. (Kotler & al. 2009, 506.)

2.11 Networking

Proper partnerships have an enormous role in the expansion of a company. They may aid you by providing additional contacts or increase sales. This is especially true for SME-Enterprises and if done right, all parties affiliated benefit from the cooperation. The difficult

part is to find the right partners through networking. Networks can be formed with either competing enterprises, similar enterprises or complementary enterprises that make up for a lack of resources in your company. The Team Finland Network is designed to make it easier to find Finnish partners in an international market. We have also established contacts with a few German sneaker product brands and must fully exploit those contacts in order for everyone to benefit. (Team Finland 2018)

2.12 Risks Analysis

A risk analysis is a simple list that indicates events that may or may not occur and their impact on your business. A risk analysis helps us identify potential risks which makes it easier to manage said risks. A risk analysis is useful especially while planning a business. Certain events or aspects and their impact might get undermined while focusing on other things which seem more important but are just more interesting. (mindtools 2018.)

A risk analysis also aids us to plan in a situation when a risk occurs. Considering the impact, it would be foolish not to prepare. A risk analysis is not about whether something is going to happen, but rather identify what will happen and what we should do in order to prepare to minimize effect (See attachment 4). (Mindtools 2018)

Once we have analyzed the risks there are four ways to deal with those risks; sharing the risk, accepting the risk, controlling the risk and avoiding the risk. Sharing the risk is usually only possible if the potential gain from the business is also shared with a third party. For example, one option to expand to Germany is through a joint-venture with another entity. This would allow us to share the risk of failure and also the potential gain of success. Accepting the risk is usually the last resort. This option is only recommended if there is no way to prevent or mitigate a risk. For example, we might need to accept the risk of postponing the event if we feel like the quality of the event isn't doesn't match our standard even though this might affect our sales and reputation. If one chooses to accept a risk, then it is wise to control it by reducing the impact it might have. There are two ways to control a risk, either through preventative actions or detective actions. The former refers to actions aiming to prevent a high-risk situation such as safety training for example. While the latter identifying points where something might go wrong and then quickly fixing those problems. (Mindtools 2018a)

3 Creating the internationalization plan for Sneaker Bash

Internationalization plan (Attachment 3) was created through intensive meetings between all of Sneaker Bash's shareholders and based on the theory gathered. The internationalization plan was finalized May 2018. The internationalization plan schedule is set for one and a half year starting from 2020. The goal for the end of internationalization is to have a strong customer base which will be measured by the emails gathered and customer ratings.

Internationalizing in a sense is starting from scratch in a market with almost no customer base and building the business and its reputation from the ground up. In order to not waste this opportunity, one must spend a significant amount of time planning the project and every single step. Mike Tyson once said "everyone has a plan, until they get punched in the face". Which means that one must be also prepared for the plan to fail in order to stay agile. (Anthony 2014, 4-5.)

3.1 Choosing the basic entry decision

We have already determined that Germany would be the most profitable market due to its scientifically bigger population and multitude of potential partners. Germany also has the benefit of being very center in Europe, which allows companies from any parts of Europe to travel easier. As for Finland, which always requires flying. This would reduce costs of companies participating in the event and would increase the number of potential customers from countries that share borders with Germany. The only challenge with Germany is that there are a few competitors. (Czinkota & al. 2009, 253.)

We are currently considered late as there are two competitors in the German market. This in turn means that unless we brand ourselves as a different concept we don't have any first-mover advantages. (Hill 2009, 489.)

However, by entering the German market last, we can avoid common first-mover disadvantages. Primarily pioneering costs, which is what we did for the last two years with Sneaker Bash in Finland. The costs are usually common for newcomers to bear that can later be avoided. For example, we had to spend a substantial amount on marketing for our first event, as the concept of a sneaker convention wasn't comparable to anything in Finland. Which in hindsight was a good decision as the strategic commitment allowed us to be seen as a stable event. (Hill 2009, 489-490.)

The most suitable scale of entry would be a combination of both a large-scale entry and a small-scale entry. Sneaker Bash is held annually, which would allow a considerable amount of time to organize smaller events throughout the year. By organizing these small PR-events in various cities around Europe, we can create demand for our main event, learn about the business environment with low-cost-high-engagement marketing events and create a solid customer base. The main event would be large-scale, which would ultimately change the competitive playing field. (Hill 2009, 489-450; Eventbrite 2009.)

3.2 Business type

A branch would be suitable to start a business in Germany, as it doesn't have high establishing formalities, no minimum requirement and is spared from German taxation. The Finnish head office would be turned into a private joint-stock company while working alongside an association.

3.3 Entry mode

We could technically fly all of our staff and inventory to Germany once a year, which would allow us to have decision making centralized, but we'd lose local adaptiveness in return. It would also be more cost efficient to have a team in central Europe instead of flying our staff and inventory back and forth throughout the year. Thus, exporting doesn't seem like the most suitable option.

The main problem with licensing is that Sneaker Bash isn't a household name yet and thus, trademark licensing isn't possible just yet (Czinkota & al. 2009, 229). We don't have worldwide recognition and thus, finding a licensee who would be willing and motivated to invest his own money, time and effort into the intangible property of Sneaker Bash would be very difficult. (Hill 2009, 496-497.)

If Sneaker Bash would find an entity or firm that would be beneficial for Sneaker Bash and the internationalization, then a joint venture would work perfectly. Sneaker Bash would split the risk with a preferably local entity who has marketing expertise, a network and works in the field of fashion or footwear. However, the same problem as with the licensing and franchising arises due to there being little intangible property to offer. (Hill 2009, 498-499.)

While all modes have their advantages and disadvantages, there are certain strategies that work clearly better for us. Exporting, licensing and franchising lack local responsiveness, which is crucial in a trend based competitive market. A subsidiary through a branch office is the most reasonable option as of now.

3.4 Business architecture

Considering all of our staff is located in Finland, it is detrimental to find the proper organizational architecture to successfully lead to markets that have very little in common effectively. As of now our functional structure consists of finance, public relations, R&D, marketing and production. All else is handled mainly by Besnik Konjuhaj with the assistance of Scott Gold and Paavo Jokinen. The decisions are made by us three collectively. This however needs improvement when internationalizing as there have been moments where responsibility wasn't clear.

We are currently working on decentralizing the some of the decision-making process as there are routine tasks which can be handled at subunits, outsourced and by the other founders. A functional structure hasn't worked well due to responsibility areas being not clear enough. A product divisional structure wouldn't work either as the team is too small and there aren't many divisions to divide and thus a lot of managers would cross handle multiple divisions, which in turn would create the same problem as in the functional structure. An international division would be difficult to coordinate as Sneaker Bash has partners which would participate in both countries. Thus, the international manager and domestic manager would negotiate with the same person, which would add confusion. The most reasonable structure is the worldwide area structure. (Hill 2009, 452-453.)

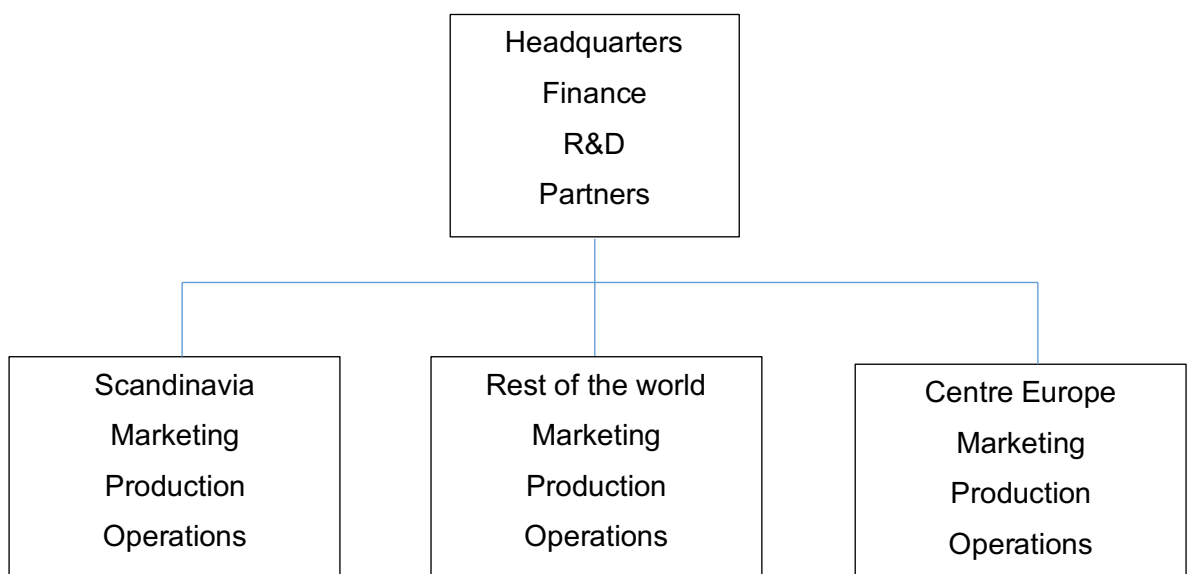


Figure 3: Word Wide area structure goal by 2021

By applying this structure, we can coordinate different areas and create partnerships for those areas from the headquarters (see Figure 3). We also have local responsiveness for unexpected changes or developing trends in each area. In order to improve communication between areas we will implement team meetings according to function once a year to discuss plans and goals and secure a 'common language'. For example, in order to improve marketing and to ensure our marketing is one common language, we will have marketing discussions with all marketing managers. After which they will tailor the marketing for their respective areas. This will improve the outcome of our marketing material and create a sense of community. (Hill 2009, 453-454.)

By decentralizing the decision making we can motivate teams and improve quality of work. Another benefit of decentralizing some of the decision-making processes when expanding to Germany will also add local responsiveness. A German employee will understand and tailor things such as marketing and operation for the German market. (Hill 2009, 453-454.)

The only incentive right now is verbal as the company doesn't have the means for a proper reward system (Czinkota & al. 2009, 282-286). New incentives will be introduced in early 2019. (Hill 2009, 451, 467; Sun Tzu 2005, 128-130.)

The decision-making process at Sneaker Bash is centralized. We make the decisions as founders collectively mostly at our meetings. Some decisions may be made if any founder has the authority to do so. Authority is given by the CEO and may be removed by such. (Hill 2009, 451-452.)

3.5 Resources

In order to strategically develop a competitive advantage over our competitors we need to look into our capabilities, which consist of our resources and our competencies. (BusinessTool 2018, 1.)

This will allow us to realize what are the *resources* necessary for survival also known as threshold resources and what are the resources needed to prosper and gain a competitive advantage also known as unique resources. After which we will look into the required *competencies* in order to survive, also known as threshold competencies. This will give us a clear understanding of what skills we have and what skills or core competencies are needed. For example; a powerful computer is a necessary resource for video editing. However, it is useless if one does not have the competencies to edit videos. It is important to distinguish these resources with competences. (Businessstool 2018, 1.)

3.5.1 Threshold resources

Currently we do not have many physical threshold resources as we sell an annual service and experience. However, there is one product, which has proven to be of great use and which wouldn't allow us to get partners. We have four L shaped walls used for tradeshows and fairs. Our partners are small boutiques from Finland and therefore, don't have the means or interest to invest a substantial amount in tradeshow equipment. By purchasing the walls ourselves and later renting them, we created a new source of income, improved the visual image of our event and increased the likeliness to get new partners when internationalizing by offering booths as package deals.

Our Financial threshold resource is mainly our loan, which enabled us to enter the Finnish market on a large entry scale.

Our threshold human resources are our volunteers for each event and the founders. The founders prepare everything for the event and the volunteers execute the plan. Without either one, the event wouldn't be possible. An important human resource is the current CEO as he is the only one with the knowledge on how the website works and an educational background in business. The two other partners are also important to complete a long list of tasks, which need to be taken care of in order for the event to work.

Intellectual Capital is the brand image we have created. Sneaker Bash is becoming a stable event in the Finnish Sneaker Culture. We have over 900 emails in our client database, which can and will be used for marketing purposes.

3.5.2 Threshold competences

While the majority of our tasks don't require prior education, there are some crucial skills needed for Sneaker Bash to run smoothly. One of which is basic knowledge of how to use a WordPress based website. Other crucial skills are graphic design-, budgeting, negotiation and leadership skills. We need graphic design as most of our marketing material is created by us in order to save expenses. We need proper budgeting to avoid any pit falls that might occur from the impression that there is more money without considering the fact that most of our income is generated during one week of the year. Negotiating with small boutiques has been a reoccurring challenge as they are looking to get our service as cheap as possible, while getting the most benefit. Simply giving in wouldn't work. We also lack a number of proper leaders as all of our founders are very young.

3.5.3 Unique resources

Our unique resources are those, we need to prosper in an internationally competitive field. Our threshold resources only enable us to survive in Finland. They don't offer any growth yet.

Our unique physical resource are those same walls that have helped us in Finland so Well. By offering stores and boutiques our trade show walls while expanding, we reduce their costs and can charge more in exchange. This will aid us considerably in creating a stable event abroad as we can get up to 8 stores by splitting our four L shaped walls into two straight walls. Another unique physical resource is our Shoezeum (see picture 1). We can rent out the Shoezeum to Sneaker Brands and fill it with collectibles. This would add a source of income and increase our reputation.

Unique financial resources are grants and aids which would assist us greatly in expanding the company abroad.

In order to expand we would need one person that would work in Germany for us. This would enable local responsiveness and give us access to local volunteers. A business angel or a partner for a joint venture with contacts in Germany would reduce costs, split risk and increase competence. The best-case scenario would be a partner for a joint venture, who would work from Germany, has experience in event management and marketing, graphic design and is interested in sneakers.

Intellectual capital would be an internationally recognized brand name and a client database for the German market. This can be achieved by holding small PR-event around Germany to increase brand awareness. In order to increase our database, we'd need a product to be launched at our website with the main goal being sales volume. Thus, we would get a considerable amount of emails and customer information. This is how we started creating a database for the Finnish market.

3.5.4 Core Competencies

In order to expand, there are a number of skills needed. These skills are mainly aimed to properly utilize our unique resources and exploit them as well as possible. In order for us to prosper in the German market we need a German speaking representative as this will make all negotiations easier. Both would be speaking the same language and there would be little room for misunderstandings due to translation or friction caused by cultural differences. Another vital competence would be someone with a proper education in graphic

design. This would increase the quality output of our marketing material. Furthermore, we need to properly utilize our website and the data base it creates. Thus, an IT expert with experience in User Interface would benefit, not only the website, but the whole process of internationalizing.

3.6 Competitive environment

Our main competitor seems to be Sneakerness due to their well-established brand, cheaper price point and over 20 events annually around Europe. One option would be to increase the perceived value of our event and sell it as a premium. Thus, we could differentiate ourselves from Sneakerness, charge more and still hold it annually.

Fortunately, our suppliers do not have a lot of bargaining power as their service or product is not unique. Our main requirement is a venue and there are plenty to choose from. We haven't been in a situation where we felt that we are stuck with a certain supplier.

Our buyers on the other hand are very limited. We do not have the luxury to choose between buyers as there are only a handful of sneaker stores in Finland. Terms are usually tailored to their needs as we do not have the option to leave even one buyer out of the event. In centre Europe buyers have plenty of events to choose from.

There is a low threat of substitution as our event is based in a very niche market. Thus, the only substitution would be our buyers holding own events. There is in general a low threat of substitution for events as we sell the experience and unless you participate to another event which is at scheduled at the same day, there isn't a threat worthy substitution.

The sneaker market isn't tightly regulated nor are the costs high to enter it. The threat of new entries is thus very high. Well established events outside of Germany such as Crepe City, Sneaker Banquet and Complex Con could enter the market with ease.

While launching Sneaker Bash in Finland, we used Facebook as a way to determine the potential customer segment. The growth SneakerMarket-Finland, a sneaker buy, sell and trade group, was a good indicator of the exponential growth of demand. (See Figure5.)

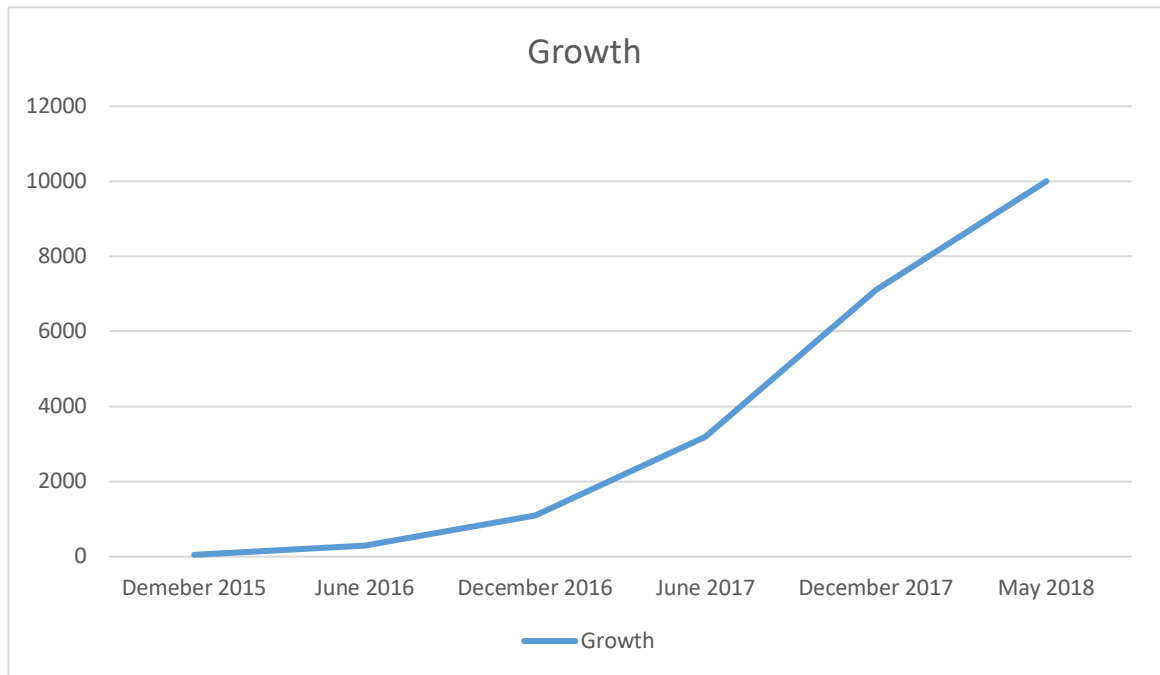


Figure 4 Growth of SneakerMarket Members

Of these members we got 11% at each of our event depending on the total amount at that given time. Using this as a reference to compare to Germany's biggest sneaker group we can calculate the approximate customer segment for the first event. Germany's biggest sneaker group is called Association of Botanical Gardeners for some odd reason. It is a sneaker dedicated group however. The total member count is near 25 000, which means that we can expect 2 750 at our first event just through Facebook marketing.

3.7 Product analysis

The core benefit of Sneaker Bash is offering people an experience. This is achieved through a place where they can find sneakers. These sneakers range from common sneakers to limited sneakers. This can be further discussed between ticket classes as we have had VIP tickets and regular tickets. However, the core product is the same for both.

The basic products of Sneaker Bash are the sneakers it offers. Without them it would be just an event with no clear purpose.

The VIP Tickets offer the feeling of being above average and getting special treatment at the event.

The expected product or service of Sneaker Bash are the venue itself, discounts during the event and companies with booths selling sneakers.

The VIP Ticket holders also offer some special discounts, early access and other special treatment.

We can divide Sneaker Bash's augmented products into four sub categories. Free products or services, exclusive products or services, activities and benefits. Some services or products overlap, such as the free bags for VIP's which is a benefit of buying the VIP ticket and a free product. Other overlapping services are the gaming machine, which is an activity that offers free products randomly.

Free products include snacks and beverages, usually offered by larger companies free of charge for promotional purposes. We incorporate a large number of giveaways for promotion purpose of the event and at the event itself. These promotions consist of online giveaways and competitive giveaways. We also offer all of our customers a complimentary sneaker cleaning at Sneaker Bash. This is usually outsourced and has received positive feedback. (Sneaker Bash 2017; Sneaker Bash 2018)

In 2017 VIP ticket holders have gotten complimentary products from our partners for promotional reasons(Sneaker Bash 2017). In 2018 our VIP Customers received complimentary drinks served from a dedicated fridge in a dedicated area. (Sneaker Bash 2018)

Exclusive products include sneakers which usually sell out instantly. We offer stores that save a few pairs a discount on the booth and in return get limited sneakers at our event. Some other exclusive products are sneakers releasing at our event before the official release and our own products we sell at the venue. We also have a range of resellers who came to the venue to sell their products. (Sneaker Bash 2017, Sneaker Bash 2018)

Activities are designed to increase value perceived by the customer and to hold them at the venue for as long as possible. These activities include a gaming machine which is free to play, a variety of giveaways and games throughout the event and a complimentary sneaker cleaning. The VIP's are also offers two dedicated PlayStations for the VIP's to use throughout the event. (Sneaker Bash 2018)

The main idea of benefits is justifying the purchase of the Sneaker Bash ticket. Such benefits include discounts on the products sold at Sneaker Bash. This is especially considering our event is just before summer, when sneaker sales are at their highest. Another benefit a customer sees is the exclusive sneakers we offer at our event, which aren't available elsewhere.

Starting off with our free products, there are certain staples, which are turning into expected products. Such as the complimentary Sneaker Cleaning at our venue. This is indeed an issue as it is dependent on a separate Sneaker Cleaning brand. In general, we realized that we should give out less free products to customers as they indirectly effect sales. Customers don't buy things that they might get for free.

Exclusive products have had their fair share of the spotlight. Customers however start to get used to the limited sneakers we have offered. We are now considering to do collaborations with brands for products that are only available at Sneaker Bash.

Activities we have had have received the best feedback. The games we had at this year's event have received a great customer response and thus, we want to continue with activities and create new ones. (Sneaker Bash 2018.)

Benefits are one of the most crucial augmented products we can offer customers. It became terribly clear after this year's event that customers desire more benefits. The exclusive sneakers aren't seen as a huge benefit. The only solution is to either increase the variety of exclusive sneakers which certainly would increase the value perceived by customers or remove exclusive sneakers which is difficult considering customers see them as an expected product.

3.8 Traditional entry strategies

We have three options on how we should expand into the German market. first is by cost leadership, second is differentiation and third is focus. A cost leadership in our market would be difficult as the price per ticket is already very low (See table 2) (Czinkota & al. 2009, 252.)

Table 2: Main competitors in Europe

Event	Ticket price per day	VIP Ticket price	Origin country
Complex Con	50 Dollars (41€)	400 Dollars	US
Sneakerness	12 Euros	-	Germany
Sneaker Con	20-30 Dollars (16-25€)	-	US
Bread and Butter	20 Euros	-	Switzerland
Crepe City	50 Pounds (56€)	-	UK
Sneaker Banquet	50 DKK (7€)	100DKK (13€)	Denmark
Sneaker Bash	17,50 Euros	45 Euros	Finland

Cost leadership is difficult in for an event, that is considered a low-cost event. The ticket prices are inexpensive, but customers are looking to get the most bang for their buck. (Czinkota & al. 2009, 252.)

We may be able to reduce costs if we stretch the event for two days. This would distribute the costs of a one day, such as lighting, sound, rental for two days, which would give us a discount. Also, income would increase as there would be ticket types for both days and combined tickets sold. Booths space fees would increase as there would be two days for rent. This would allow us to discount the price of the ticket. (Smallbusiness 2018b.)

There are a few things that could be done in order to get a competitive advantage over the competition such as focused differentiation by **increasing quality**. Complex Con for example offers a premium service as they have the biggest event with the most content. Complex Con hasn't expanded to Germany yet and thus, we could fill that gap of a premium sneaker and fashion convention. This would allow us to charge a premium and elevate the company image from the competitors.

Partnerships are common among sneaker events as we offer a service that is based around the products of sports brands. Certain sport brands are keen to work together with sneaker events in order to elevate their brand image. A good example is Karhu who was one of the partners at this year's Sneaker Bash and released an exclusive sneaker at the event. Karhu also rented out a display to tell their story. (See figure 5)



Figure 5 Shoezeum

Creating more partnerships with other popular Sneaker Brands would allow us to receive exclusive sneakers for our customers, increase gross turnover and improve our reputation. Thus, partnerships are one of the best business practices we can abide in order to create value for our customers. (Smallbusiness 2018b.)

According to Forrester Research, knowing your customer base and providing an exceptional experience are the only sustainable forms of competitive advantage. We briefly mentioned increasing quality to differentiate ourselves from our competitors and creating content through partnerships. Both strategies feed into the increase of **customer experience**. This is detrimental for a business which offers experience as its core product. (Smallbusiness 2018.)

3.9 Schedule

Here our goal is to create a coherent timetable of events that must be completed in order for the expansion to run smoothly (See attachment 3) . This also allows us to look at the whole project from a bird's eye view and not get too invested in minor details. The plan is created in a sequential order. All mandatory tasks are listed in numerical order. Some tasks might overlap due to approximately planning schedules. Many factors affect the timetable and thus, we try to estimate how long certain things take based on experience.

3.10 SWOT analysis of Sneaker Bash

The SWOT-analysis is a well-known way to figure out the strengths, weaknesses, opportunities and threats. It also can show relations between weaknesses and threats, and strengths and opportunities. We can use this tool to figure out how to prevent threats with our strengths and how our weaknesses jeopardize our opportunities.

Table 3: Sneaker Bash SWOT Analysis

Strengths	Weaknesses
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<ul style="list-style-type: none"> • Consistent event and revenue stream from the Finnish event • Low cost event • Finnish association system aid • Volunteers • Last mover benefit 	<ul style="list-style-type: none"> • No first mover benefit • Similar events exist • Mid-Low skilled team • Bargaining power of buyers • Expensive ticket=low perceived customer benefit. • Repetitive
Opportunities	Threats
<ul style="list-style-type: none"> • Leading fashion related event • Successfully launch • Create other revenue streams such as clothing and web store around the event • VR Adaptation • Sneakers become mainstream • Differentiate ourself as a premium event 	<ul style="list-style-type: none"> • Similar events with an established fan base around Europe • Events that are held 2-5 times a year • Not being able to provide anything new to customers

3.11 Risk evaluation

We discussed risk analysis in chapter 2.12 and have to evaluate said risks. There are many ways to evaluate the effects of a risk to your business. We will divide the risks into four categories; low impact and low probability, low impact/high probability, High impact/low probability and High impact and high probability. (Mindtools 2018b)

The graph indicates where a risk falls with the horizontal line being probability and the vertical line being impact (see attachment 5). Low Impact and low probability risks are in the bottom left corner. These are low level risks and can often be managed easily or ignored all together. Low Impact and high probability risks are in the bottom right corner and have moderate importance. If these risks happen it is usually easy to manage them and move on. However, we shouldn't ignore them all together only because they have a low impact. We must lower the probability through preventative actions. High impact and low probability risks are in the top left corner and are of very important to take into account. Even

though they are unlikely to occur they have a high impact on the business. Thus, it is important to lower the impact of these risks with detective actions. Finally, high impact and high probability risks are in the top right corner. They are of critical importance. They are our top priorities and we must do everything possible to lower the impact and probability of these risks. (Mindtools 2018b)

4 Discussion

The internationalization plan covers most of Sneaker Bash's operation when expanding. The expansion plan is tailored very well to the needs of Sneaker Bash. This kind of internationalization plan would work for other SME-companies depending on their resources and goals. The strong desire to expand is visible through the set goals and the determination of the targeted market. However, it is also very realistic as the internationalization plan is heavily based on the theory provided.

It is important for Sneaker Bash to plan the internationalization thoroughly. Important things to remember are the organizational structure and the entry mode. Sneaker Bash needs to keep their expenses as low as possible in order for the event to succeed. The internationalization plan gives us a holistic approach on certain aspects that need to be taken into account. Marketing and sales aren't covered heavily as they aren't relevant for the next two years.

Sneaker Bash has established the fact that Germany would be the most attractive country to expand to. However, Germany has also a wide range of competitors. In order for Sneaker Bash to prosper among those competitors they must differentiate themselves from the competitors. In order to stand out Sneaker Bash will brand itself as a premium event. This allows an increase of prices and content for the event. In order to have local responsiveness Sneaker Bash must find a local entrepreneur or employee. This partner will also enable variety of small pop up events that will further strengthen the brand.

The organizational architecture will be area based to ensure local responsiveness and avoid overlapping in responsibility areas. All of the unit must abide by the common guidelines which will ensure standardization and same quality. Sneaker Bash has decided for the entry model to be a dependent branch-office in order to avoid large investments at the beginning and test the market. If Sneaker Bash's service has no clear demand, they can cut losses and cancel the event. However, if the demand is unexpectedly high then the dependent branch-office can be easily turned into a GmbH subsidiary.

4.1 Areas of improvement

Revisiting the internationalization plan during the process is detrimental. Sneaker Bash must check in on certain aspects they update, such as time tables or strategies. This will allow the whole team to be on the same page throughout the process. Updating the file falls on the responsibility of the now Chief Executive Officer Besnik Konjuhaj.

After the first steps I would recommend for Sneaker Bash to have a discussion with their current stake holders and partners on whether they want to be a part of this internationalization. Due to the lack of resources – mainly staff – Sneaker Bash needs to consider outsourcing, offshoring or getting more shareholders. This is especially important in order for the operations in Finland to succeed. Hiring new employees does not seem like a reasonable option in the nearby future due to the irregular cash flow focusing on one fifth of the year prior to the event.

While expanding to Germany and pitching the event to potential partners, it is important for Sneaker Bash to have the concept thoroughly planned out. This allows them to stick to the plan and focus on creating more value for customers.

4.2 Own reflection

The making of this thesis started a bit later than what I would have liked for. This was due the extraordinary large number of tasks prior to this year's event which was in the beginning of May. In hindsight it was a good decision as the information of the thesis is up to date and is not based only on one pilot event we've done last year. After the event I planned to finish up the thesis in a few weeks as I am working on it full time. This has been very pleasant, and I enjoyed the writing quite a lot to be frank. My biggest challenge while writing the thesis was the prioritization of tasks. I found myself more than often jumping between chapters and tasks and has found it difficult to focus on one subject.

The subject of the thesis was and is very near and dear to me. I always wanted to be an entrepreneur and I have now been able to do so. The event doesn't create any salary for me currently as it is in such a small scale executed and I have to work part-time in order to make a living. However, I do it with great pleasure and pride, and hope to one day do it full-time.

Expanding to Germany was initially my idea as I used to live in Germany and speak the language fluently. After pitching the idea to my team, we were struggling between Germany, Sweden and Denmark. All had their benefits and challenges, but we decided on Germany due to its abundance of potential customers.

My own expectation was different than what it turned out to be. I anticipated the thesis to be much easier than what it turned out to be. I was always good at writing and consider myself an efficient person. This thesis really showed the difficulty it comes in. Gathering

the theory proved to be the hardest task as none of the really elaborates on a business model that has an inconsistent cash flow. Thus, a lot of the theory is general internationalization theory. The project as a whole turned out great and I myself am really satisfied of the product. This thesis will be revisited, refined and expanded during our internationalization.

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Attachments

Attachment 1. Sneaker Bash 2017

Attachment 2. Sneaker Bash 2018

Attachment 3. Internationalization plan

Attachment 4. Risk analysis

Attachment 5. Risk evaluation

Attachment 6. Budget

Attachment 1: Sneaker Bash 2017

Venue: Konepajan Bruno

Date: 16.9.2017

Attendees: 1000

VIP: 100

Sneaker Stores: Beyond Store, Ballzy, Beamhill, MyFavoriteThings,

Sneaker Brands: none

Fashion Brands: none

Media Partner: Liekki Media

Other Brands: Solemate, Olvi, IDE House Of Brands, Gimme A Break,

Performers: Dj Krispy(DJ), Peti Peti (DJ), Pastori (Host), Cledos (Artist), Deezy David (Artist), Töölön Ketterä (Artist), Noah Kin (Artist)

Activities: Q&A with Bradi, resellers, sneaker cleaning

Time: 12:00-19:00

The event was successful. We got a lot of news coverage throughout the event. The event was perceived to be a good experience with a 92% customer satisfaction rate. Performers such as Cledos and Dj Krispy were perceived very well and thus they were rehired for 2018.

We've gotten constructive feedback for the event being too long. The duration was seven hours and the program didn't cover those 7 hours.

Attachment 2: Sneaker Bash 2018

Venue: Kattilahalli

Date: 5.5.2018

Attendees: 1100+

VIP: 40

Sneaker Stores: Beyond Store, Ballzy, Beamhill, MyFavoriteThings, The Athlete's Foot

Sneaker Brands: Karhu

Fashion Brands: Fila

Media Partner: Loop

Other Brands: Hypend, Jason Markk, Olvi, Treffi Pubi, Estrella, IDE House Of Brands, Gimme A Break, Viihdepelit,

Performers: GasGas(DJ), D.R.E.A.M (DJ), Pastori Pike (Artist), Cledos (Artist)

Activities: Sneaker Guessing Game, tattoo shop, sneaker customization, resellers, sneaker cleaning

Time: 13:00-22:00

The event was received well. Customer satisfaction went down to 85% which is still a great number. Activities such as the Sneaker Guessing Game got the best feedback while the tattoo shops ratings were really poor. Event duration was again too long.

Attachment 3: Internationalization plan

Goal and execution

The goal of this internationalization plan is to develop a foundation for Sneaker Bash's process in going abroad. The Foundation should have concrete tips and practices as well as strategic decisions in order to expanding the business. The plan is scheduled for a one-and-a-half-year window starting on January 2020 and ending on May 2021 when the actual event will be held in Germany.

The internationalization will be executed solely with no joint venture partners as of now due to lack of established contacts to Germany. We are looking to get approximately two thousand visitors on our first event with a gross turnover of 40 thousand euros. We expect to increase the amount of business partners from 12 to 23. The goal of our first event is to break-even.

Expanding to Germany was suggested by the CEO Besnik Konjuhaj and the idea went through intensive brainstorming sessions with other stake holders. The target market Germany was held against other markets in Europe and determined to be the most profitable.

Other goals alongside the expansion plan are individual goals. Our three founders are constantly looking to develop themselves and gain new skills. This is crucial when it comes to this day and age where everything is available within a few mouse clicks. Our Chief Executive Officer Besnik Konjuhaj wishes to delegate more. This is due to the overall abundance of minor tasks which take unnecessary resource and could honestly be handled by anyone. We also spoke about threshold competences in chapter 3.5.2 and listed graphic design as one. Our head of public relations is looking to improve in graphic design and is scheduled to handle all of the graphic design content in one year. Our third founder and head of partners Scott Gold wishes to improve in content creation and marketing. The same time scale has been set for him.

Business structure in Finland

The Finnish head office will be changed into a limited stock company and combined with an association. This is due to the benefits of associations in Finland as well as the decreased risk for stake holders. The limited stock company will be the head quarter and the

association will handle areas such as the Finnish market. We will also open a branch office in Germany with one representative. The terms of said representative aren't determined yet as they depend on his objectives.

International entry modes

While all modes have their advantages and disadvantages, there are certain strategies that work clearly better for us. Exporting, licensing and franchising lack local responsiveness, which is crucial in a trend based competitive market. A subsidiary through a branch office is the most reasonable option as of now. This allows us to enter the market with low risk and improves our local responsiveness.

Organizational architecture

We are currently working on decentralizing some of the decision-making process as there are routine tasks which can be handled at subunits, outsourced and by the other founders. A functional structure hasn't worked well due to responsibility areas being not clear enough. A product divisional structure wouldn't work either as the team is too small and there aren't many divisions to divide and thus a lot of managers would cross handle multiple divisions, which in turn would create the same problem as in the functional structure. An international division would be difficult to coordinate as Sneaker Bash has partners which would participate in both countries. Thus, the international managers and domestic managers would negotiate with the same person, which would add confusion. The most reasonable structure is the worldwide area structure.

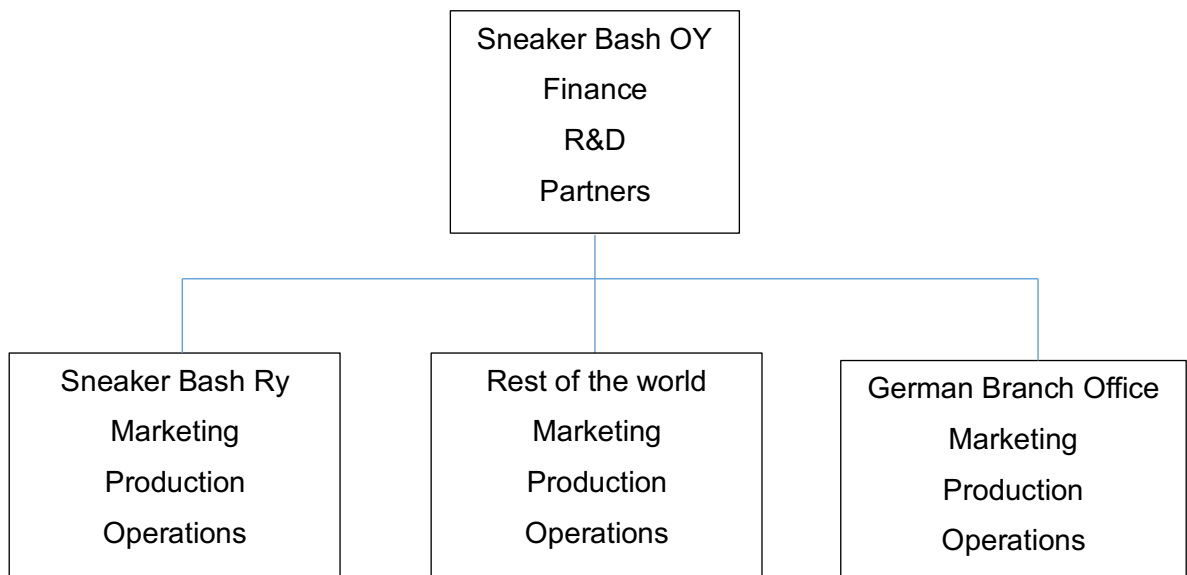


Figure 1 Worldwide area structure goal by 2021

By applying this structure, we can coordinate different areas and create partnerships for those areas from the headquarters (see Figure 6). We also have local responsiveness for unexpected changes or developing trends in each area. In order to improve communication between areas we will implement teams within function to discuss plans and goals and secure a 'common language'. For example; in order to improve marketing and to ensure our marketing is one common language, we will have marketing discussions with all marketing managers. After which they will tailor the marketing for their respective areas. This will improve the outcome of our marketing material and create a sense of community.

This is also in order to motivate the team and improve quality of work. Another benefit of decentralizing some of the decision-making processes when expanding to Germany is local responsiveness. A German employee will understand and tailor things such as marketing and operation for the German market.

Funding

Due to the lack of resources right now we have chosen to apply for various public funding and grants options through the association. This will improve our financial situation as well as increase our staff, which is probably our most viable resource (see attachment 6).

After stabilizing our financial situation, we will apply for Tekes, Finnvera funding options as well as a bank loan. We will try to create a suitable combination of all three in order to maximize gain and minimize risks.

Risks

Legal risks are one biggest threat at the beginning. Even if everything is planned to the decimal, we can still fail if we don't take proper care of the legislation. Nothing is above the law and thus, we must practice caution when expanding as the laws may differ. In order to minimize risk and maximize outcome, without learning the German advertising law by heart, we will outsource the creation of marketing concepts to an advertising agency and then execute them ourselves. This will improve our output, while still being able to focus on the content of the event.

Low impact and low probability risks (see attachment 5) are all the risks with a score lower than 5. These include; sharp edges, interest rates, changes in government policies, foreign influence, falling boxes and stock market fluctuation. We will accept and ignore the following: Foreign influence, stock market fluctuation, changes in government policies and

interest rates as these are mainly external and thus we have little to no influence to change them. In order to avoid staff or customers getting hurt we will supervise construction and have the site construction outsourced to professionals. This will allow us to minimize the probability of falling boxes and sharp edges as it is in the hand of professionals.

Low impact and high probability risks are all risks with a probability of five or higher, but an impact of lower than five. These include; Weather, volunteer gets injured and changes in taxes. We will implement preventive action by holding the event indoors, thus the weather has a lower impact than outdoor. We will provide the volunteers with proper safety instructions in order to avoid injuries. Unfortunately, we cannot affect any changes in the taxation system. The probability that taxation within the EU is going to change is very low. However, Brexit might have an effect on the business across borders within the EU.

High impact and low probability risks are all risks with a probability of lower than five and an impact of five or higher. These include: Natural disaster, dangerous chemicals, loss of customer confidence, poor lighting, damage of reputation, loss of essential assets, control system fails, founders get sick and business failure. We can ignore natural disaster as we have no control of it. Dangerous chemicals refer to the sneaker care products our partners sell. They can be dangerous if they are accessed by an unsupervised child. Thus, we will instruct our partners to not lose sight the products and have them someone watch them. Damage to our reputation will lead to loss of customer confidence. The impact of these risks will be minimized through preventative actions by creating a good reputation through excellent customer service and -experience. Poor lighting is something we have been struggling since our first event. The price of the lighting makes it near impossible to get it properly lit. By choosing venues with large windows we can save money on artificial lighting and have a well-lit venue. Our essential assets include our L shaped walls and our shoezeum. The shoezeum is made of wood and might fall apart if it gets moist. In order to avoid such, we have them stored properly at a central location. We have also split the risks with an insurance company, and thus will have money to replace them if they break or get lost. Control systems refer to the detective actions we take in order to minimize the impact of risks. In order to make sure that the control system itself doesn't become a risk in itself we will have a plan b and c for each detective action on the control system. We will also regularly evaluate whether the decisions made have been the most logical ones. Recently one of our founders has been sick for an extensive period of time. This has rendered his efficiency lower than usual which directly reflects onto the business. The health of the founders is something only they can take care of. Thus, we must only accept this

risk. Finally, failure of business refers to the event not being a success. In order to minimize the impact, we have the option to cancel the event and refund ticket sales, thus our only loss will be the venue cost. This will lower the impact considerably but will also affect the confidence customers have in our business. This is something we have to accept nevertheless. If the business is not profitable in Germany, then it makes no sense to continue making a loss in Germany.

Finally, High impact and high probability risks are all risks with a probability of 5 and higher and an impact of 5 and higher. These include; issues with service quality, inefficiency, liquidity problems and our website. These are the most crucial and thus, must not be taken lightly. Issues with the service quality refers to our event itself. Due to a low budget we have noticed some dissatisfaction among our customers. In order to improve our quality, we must increase our budget. The best way to do so it through the combination of an association and enterprise (see chapter 2.2). Inefficiency is something we have had our fair amount of struggle since we started the event. We find ourselves either waiting for answers from partners or being in a rush to get everything done in time. In order to be more efficient, we apply a detective actions through a time table for the expansion. The time table allows us to check up on whether we are doing what we should do. Another problem that caused inefficiency by giving our partners no deadlines and always allowing them to be part at Sneaker Bash. This was due to us wanting to provide the best experience to customers. We need to be much stricter when expanding to Germany. Liquidity problems are self-explanatory. The problem is simple but must be planned carefully. We are now going to apply for grants and public funding one year before the internationalization starts in order to gain financial balance. After this we will apply for Tekes and Finvera funding. Last but not least our website. The issue with the website is that only one person knows how to run it and it is built poorly. This is due to the CEO not knowing how to build a proper website. In order to make the customer experience as smooth as possible, we will outsource the development of our website offshore.

Sales and marketing strategy

Sneaker Bash needs to establish a core customer base of sneaker heads or 'true-fans' in Germany before expanding in order to minimize the risks. These true fans would allow us creative freedom by always supporting our business decisions as long as they get a benefit from it as well. We obviously need to offer them something in order for them to become true fans, but the idea stays the same. Focusing on the core customers to create a foothold before investing large amounts into a project with high risks. (Kelly 2008.)

In order to archive these customers, we must promote our business in Germany. There are four ways of promoting that we must take into account; personal selling, advertising, sales promotions and publicity. It is also important to note that Germans do not prefer a hard-sell (Businessculture 2018). In our case Personal sales would be special events through EMS's or PR-events which are smaller special events, with the main goal being a good experience for potential customers and resellers. Advertising, while self-explanatory, must be done with a soft-sell to avoid coming off too strongly. Our ads need to only showcase sneaker culture rather than promoting a website or a product. Sales promotions in our case are collaborative stores which may offer our tickets after a certain amount is purchased from that store. Publicity is hard to archive and cannot be planned unless we stir controversy. However, we can collaborate with youtubers in order to increase awareness. (Albaum & Duerr, 2011, 777-780.)

Sneaker Bash Product analysis

The core benefit of Sneaker Bash is offering people an experience. This is achieved through a place where they can find sneakers. These sneakers range from common sneakers to limited sneakers. This can be further discussed between ticket classes as we have had VIP tickets and regular tickets. However, the core product is the same for both.

The basic products of Sneaker Bash are the sneakers it offers. Without them it would be just an event with no clear purpose.

The VIP Tickets offer the feeling of being above average and getting special treatment at the event.

The expected product or service of Sneaker Bash are the venue itself, discounts during the event and companies with booths selling sneakers.

The VIP Ticket holders also offer some special discounts, early access and other special treatment.

We can divide Sneaker Bash's augmented products into four sub categories. Free products or services, exclusive products or services, activities and benefits. Some services or products overlap, such as the free bags for VIP's which is a benefit of buying the VIP ticket and a free product. Other overlapping services are the gaming machine, which is an activity that offers free products randomly.

Free products include snacks and beverages, usually offered by larger companies free of charge for promotional purposes. We incorporate a large number of giveaways for promotion purpose of the event and at the event itself. These promotions consist of online giveaways and competitive giveaways. We also offer all of our customers a complimentary sneaker cleaning at Sneaker Bash. This is usually outsourced and has received positive feedback. (Sneaker Bash 2017; Sneaker Bash 2018)

In 2017 VIP ticket holders have gotten complimentary products from our partners for promotional reasons(Sneaker Bash 2017). In 2018 our VIP Customers received complimentary drinks served from a dedicated fridge in a dedicated area. (Sneaker Bash 2018)

Exclusive products include sneakers which usually sell out instantly. We offer stores that save a few pairs a discount on the booth and in return get limited sneakers at our event. Some other exclusive products are sneakers releasing at our event before the official release and our own products we sell at the venue. We also have a range of resellers who came to the venue to sell their products. (Sneaker Bash 2017, Sneaker Bash 2018)

Activities are designed to increase value perceived by the customer and to hold them at the venue for as long as possible. These activities include a gaming machine which is free to play, a variety of giveaways and games throughout the event and a complimentary sneaker cleaning. The VIP's are also offers two dedicated PlayStations for the VIP's to use throughout the event. (Sneaker Bash 2018)

The main idea of benefits is justifying the purchase of the Sneaker Bash ticket. Such benefits include discounts on the products sold at Sneaker Bash. This is especially considering our event is just before summer, when sneaker sales are at their highest. Another benefit a customer sees is the exclusive sneakers we offer at our event, which aren't available elsewhere.

Starting off with our free products, there are certain stables, which are turning into expected products. Such as the complimentary Sneaker Cleaning at our venue. This is indeed an issue as it is dependent on a separate Sneaker Cleaning brand. In general, we realized that we should give out less free products to customers as they indirectly effect sales. Customers don't buy things that they might get for free.

Exclusive products have had their fair share of the spotlight. Customers however start to get used to the limited sneakers we have offered. We are now considering to do collaborations with brands for products that are only available at Sneaker Bash.

Activities we have had have received the best feedback. The games we had at this year's event have received a great customer response and thus, we want to continue with activities and create new ones. (Sneaker Bash 2018.)

Benefits are one of the most crucial augmented products we can offer customers. It became terribly clear after this year's event that customers desire more benefits. The exclusive sneakers aren't seen as a huge benefit. The only solution is to either increase the variety of exclusive sneakers which certainly would increase the value perceived by customers or remove exclusive sneakers which is difficult considering customers see them as an expected product.

SWOT

The SWOT-analysis is a well-known way to figure out the strengths, weaknesses, opportunities and threats. It also can show relations between weaknesses and threats, and strengths and opportunities.

Table 1: Sneaker Bash SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Consistent event and revenue stream from the Finnish event • Low cost event • Finnish association system aid • Volunteers • Last mover benefit 	<ul style="list-style-type: none"> • No first mover benefit • Similar events exist • Mid-Low skilled team • Bargaining power of buyers • Expensive ticket=low perceived customer benefit. • Repetitive
Opportunities	Threats
<ul style="list-style-type: none"> • Leading fashion related event • Successfully launch • Create other revenue streams such as clothing and web store around the event • VR Adaptation • Sneakers become mainstream • Differentiate ourself as a premium event 	<ul style="list-style-type: none"> • Similar events with an established fan base around Europe • Events that are held 2-5 times a year • Not being able to provide anything new to customers

Schedule

1. Schedule the city we want to hold the event in Germany (January 2020)
2. Schedule the date when we want to hold the event in Germany (January 2020)
3. Find the most appropriate venue (February 2020)
4. Contact city authorities regarding any permits or possible aids (February 2020)
5. Plan the event schedule (March-May 2020)
6. Contact performers for Sneaker Bash 2021-Germany (June-July 2020)
7. Contact sneaker stores for Sneaker Bash 2021-Germany (July-September 2020)
8. Contact brands for Sneaker Bash 2021 (July-December 2020)
9. Plan the layout for the venue and finalize schedule (January 2021)
10. Begin marketing Campaign for Sneaker Bash 2021-Germany (January-May 2021)
11. Start ticket sales (January 2020)
12. Execute Sneaker Bash 2021 (May-July)
13. Begin post marketing (June-July)

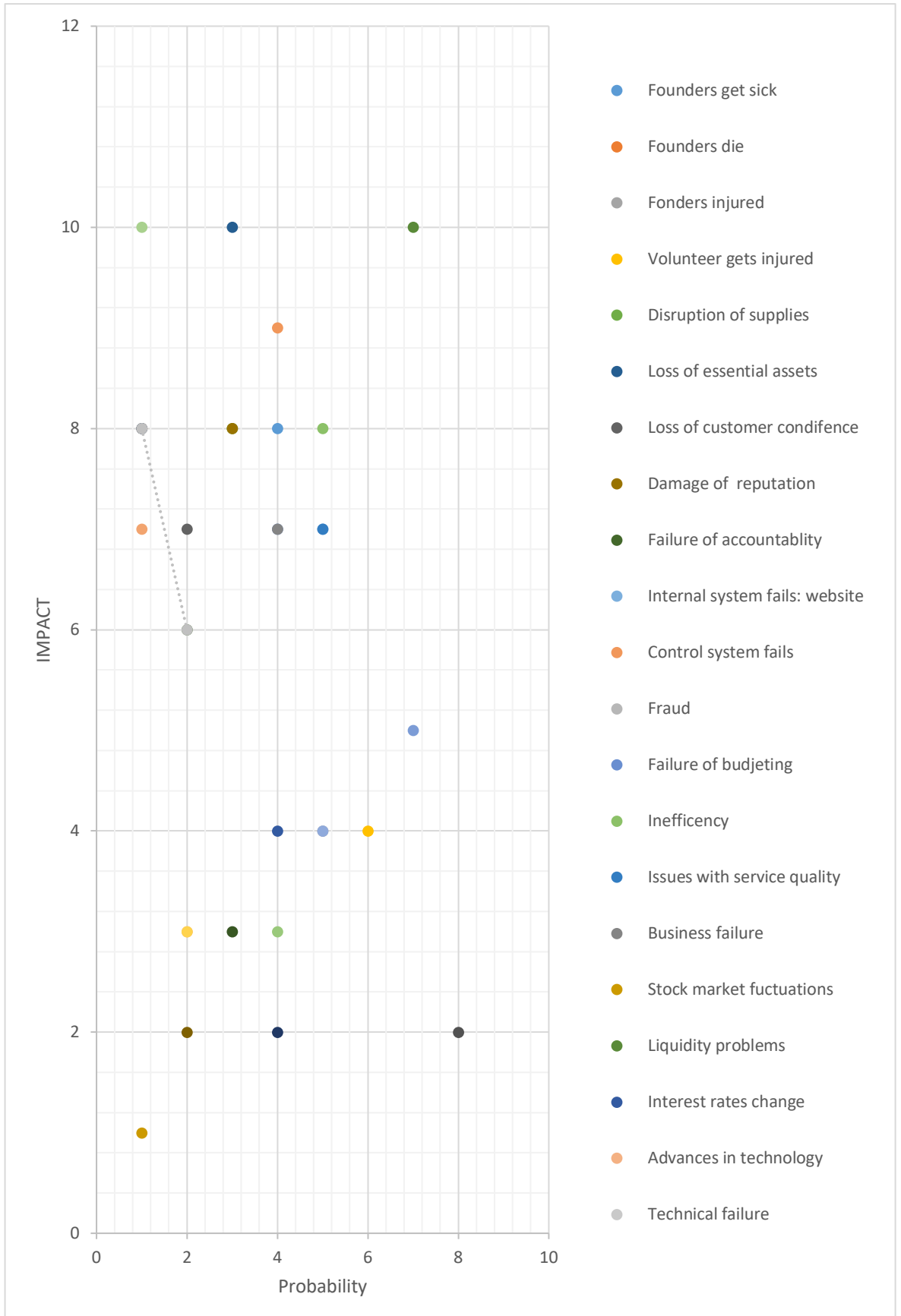
Attachment 4: Risk analysis

Risks	Probability	Impact	Risk Value
Human			
Founders get sick	4	8	32
Founders die	1	8	8
Fonders injured	5	4	20
Volunteer gets injured	6	4	24
Operational			
Disruption of supplies	3	8	24
Loss of essential assets	3	10	30
Reputational			
Loss of customer condifence	2	7	14
Damage of reputation	3	8	24
Procedural			
Failure of accountability	2	6	12
Internal system fails: website	5	7	35
Control system fails	4	6	24
Fraud	1	8	8
Project			
Failure of budgeting	4	7	28
Inefficiency	5	8	40
Issues with service quality	5	7	35
Financial			
Business failure	4	10	40
Stock market fuctuations	1	1	1
Interest rates change	4	4	16

	Liquidity problems	7	10	70
Technical				
	Advances in technology	2	3	6
	Technical failure	3	3	9
Natural				
	Weather	5	4	20
	Natural disaster	1	10	10
	Disease	1	8	8
Political				
	Changes in taxes	8	2	16
	Public Opinion	2	2	4
	Government Policy	4	2	8
	Foreign influence	3	3	9
Structural				
	Dangerous chemicals	1	7	7
	Poor Lighting	8	2	48
	Falling Boxes	2	3	6
	Heavy lifting	7	5	35
	Sharp edges	4	3	12

We found these risks collectively in our brainstorming sessions with our team. Each risk was assigned an impact number and a probability number. This data is implemented into a chart (see attachment: 5).

Attachment 5: Risk evaluation



Attachment 6: Budget

YKSINKERTAINEN VUOSIBUDJETTI

Vuositulot	
Kohde	Määrä
Lippujen Myynti	€25 000,00
merchandise	€3 000,00
Ständit	€8 460,00
Sponsori paketit	€3 600,00

Vuosikulut	
Kohde	Määrä
Vuokra/Lava	€4 000,00
Valaistus ja Äänet	€5 000,00
tiedottaja	€3 100,00
DJ	€350,00
Mainoskulut	€1 000,00
Esintyjen budjetti	€1 700,00
Järjestyksen valvojat	€250,00
Istumapaikat	€3 000,00
Pastori	€300,00

Shozeum	€350,00
Valokuvajat	€1 200,00
videot	€500,00

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