

IMPORTANCE OF BUSINESS PLANNING

Recycled Furniture Concept Business Plan

Shamray Roman

Bachelor's Thesis
School of Business and Culture
Degree Programme in International Business
Bachelor of Business Administration

2018

School of Business and Culture
Degree in International Business
Bachelor of Business Administration

Author	Roman Shamray	Year	2018
Supervisor	Ritva Junna		
Commissioned by			
Title of Thesis	Importance of Business Planning Recycled Furniture Concept Business Plan		
Number of pages	47 + 6		

Recycling is an important element of our daily care of the environment. The business idea represented in this thesis is aiming on popularization of the recycling process and creation of unique furniture items from used materials. The paper describes the business idea and necessary processes that should be conducted for the successful business start and future operation.

Business planning is known as important part of every new business. This work is supporting an idea of importance and helps in theoretical support in favor of business planning by creation of business plan for the Recycled Furniture business idea. Several business analyses are made for the practical support of the future business idea implementation.

As a research outcome a completed business plan can be found. The business plan gives the possibility of the company launch. Practical analysis allows the author to proceed to the execution of the business. The business plan structure and content are developed for various business areas and can be used as a reference for different businesses or industries apart from furniture industry in Finland.

The research outcomes are used for the company launch and the progression in the business planning. In addition to current idea development, the thesis indicates extra experience as well as additional advice and practices.

Key words business plan, entrepreneurship, recycle, furniture, reclaimed material, company development

CONTENTS

FIGURES

1	INTRODUCTION	6
1.1	Background and Motivation	6
1.2	Business Idea Description	6
1.3	Scope and Objectives	7
1.4	Methodology	9
1.5	Structure of Thesis.....	10
2	IMPORTANCE OF BUSINESS PLANNING	11
2.1	Introduction to Business Planning.....	11
2.2	Strategy	12
2.3	Financial Planning	13
2.4	Importance of Small Businesses for Economy	14
3	THE COMPANY AND THE SERVICES.....	16
3.1	Company Organization and Structure.....	16
3.2	Product Description	17
3.3	Furniture as a Service.....	19
4	MARKETING AND MANAGEMENT ANALYSIS.....	21
4.1	Low Budget Marketing Approach.....	21
4.2	Target Market & Customers.....	22
4.2.1	SWOT Analysis	23
4.3	Industry Analysis.....	25
4.3.1	Main Competitors	26
4.3.2	Competition Overview	27
4.3.3	Competitive Strategy & Advantages.....	28
5	FINANCIAL PLAN AND STRATEGY.....	30
5.1	Strategy Pyramid	30
5.1.1	Pricing Strategy.....	31
5.1.2	Sales Strategy.....	32
5.2	Financial Plan	32
5.2.1	Projected Profit and Loss	33
5.2.2	Projected Cash Flow	35
5.2.3	Balance Sheet Projection.....	36
6	IMPLEMENTATION PLAN	38

6.1	Implementation Milestones	38
6.2	Risk Management.....	39
6.3	Project Timing.....	41
6.4	Project Lifecycle.....	43
7	CONCLUSION.....	44

BIBLIOGRAPHY

APPENDICES

FIGURES

Figure 1. RF Concept Draft Project (Mishra 2018).....	18
Figure 2. RF Concept Strategy Pyramid	30
Figure 3. RF Concept Profit and Loss Projection.....	34
Figure 4. RF Concept Cash Flow Projection.....	35
Figure 5. RF Concept Balance Sheet (Assets) Projection	36
Figure 6. RF Concept Balance Sheet (Liabilities) Projection	37
Figure 7. RF Concept First Quarter Schedule.....	42

1 INTRODUCTION

1.1 Background and Motivation

The general research area of the thesis is business planning and development of business idea. The thesis concentrates on the theoretical and practical aspects of business planning. The business idea development process is made through the key aspects of business planning with the connection of theoretical and practical knowledge. Marketing and management aspects of the idea are developed as well as financial and strategic based on the secondary literature review and the data analysis.

The topic of the work is a connection of business planning processes and the Recycled Furniture concept (hereinafter RF concept) business idea development. The idea can be named innovative and has not been implemented before. This uniqueness of the idea raises the importance of the research on the topic.

The thesis can be interesting for the wide audience of professionals from different field and readers in general. Even though the theoretical aspects of business planning cannot be named unique or rare it is important to continue research even on defined topics. On the other hand, RF concept is an innovative idea that is important for the society and can bring a positive impact on the environment. Apart from that, author's personal interest in the development of the business idea increases the interest of the writing process.

1.2 Business Idea Description

The business idea is manufactory of designed furniture that is made from recycled wood. The business concentrates on the recycling process of old furniture and wood to the new items. Afterwards, sales of the furniture on service basis, so the customer pays for the time and for the recycling and has the ability of remanufacture of the furniture, however simpler sale model is implemented on the start. Usage of a reclaimed material for the new products production has been

a live topic for many different businesses. Furniture industry demonstrates high demand of raw material that can be substituted with the reclaimed material (Badiu, Badiu & Dragomir 2015, 225-226).

Taking care of the nature and creation of environmentally friendly projects is a must for our society. The society needs to fight against dumps and factories that damage the nature and people. In this project, the raw material is a waste and already used wood that needs to be recycled so it does not pollute the nature. With that production the wood gets recycled and small input is brought to a common fight.

Apart from environmental problems, current business idea helps in solution of personal problems of customers that arise when apartment changed. The furniture choice and purchase has been always been a time-consuming activity. With that recycling approach there is a possibility in purchasing of almost unique design furniture pieces by the price of furniture. At the same time, arise a solution of old furniture utilization, because it will be possible, for example to remanufacture a customer chair to the new chair that is made from the old one. Raw material pick-up service can be additionally used as a delivery service.

1.3 Scope and Objectives

The thesis focuses on business planning and development of an innovative business idea. The thesis does not represent the brand or the company but concentrates on exploration of theory and development of the recycled furniture concept business idea. Marketing, financial and organizational aspects of the idea are the most important and valuable parts of the thesis.

There are several limitations that affect the research process and the results. As the main limitation impossibility of testing of the business idea is named and pilot launches of the business due to the nature of the research and level of proficiency. Other limitations include lack of funding to spend on secondary sources and university instructions on the process and time frames of the thesis.

The main objective of the thesis is in development of a structured business plan that corresponds to all standards of the modern business planning. In addition to

the business plan, theoretical research is completed to fulfil the knowledge and support the idea development.

How can the business planning process support the RF concept business idea development and implementation with the best possible efficiency and profitability?

This research question guides the thesis work on the theoretical aspects of business planning and discovers the importance of the business plan preparation for the new businesses. Answer to the question can be found in the thesis and helps the reader in understanding the theoretical aims of the work and provides a theoretical knowledge on reviewed aspects. The interview results are included in the work to broaden the on-topic discussion and support the theoretical arguments of the work. The business planning theory is complied with the RF concept business plan to provide a clear example of the process and indicate the actual importance.

The practical aspects of the business idea development and preparation of RF concept business idea launch are described. Through the research there are different business field analysis prepared that cover practical aspects of the business idea implementation process that are progressed for the better comprehension of the business idea implementation. Represented figures and text analysis approve the preliminary success ratings of the business idea and help in the research and business idea development process motivation.

What are the key moves of the company development that should be handled to successfully launch the business in the furniture sale industry?

This research question aims on narrowing the topic of the work to clarify the implementation process and provides a clear view on the steps that should be conducted by the RF concept company for appropriate result achievement. In addition, the question increases the focus on the business planning goals of the author. The outcomes of this question are described as the main implementation steps that can be also transferred to other business ideas within the industry.

1.4 Methodology

During the research several research methods have been used to fulfil the research base and provide necessary information flow. Descriptive and exploratory research methods of the work allowed to fully expose the topic and define all necessary aspects of business planning. Firstly, secondary literature was reviewed to fulfil theoretical knowledge. Secondary literature was studied and adopted for the research purposes. Apart from that, practical modelling and financial planning is made based on theoretical knowledge from the studies and secondary literature.

The qualitative research method was conducted to back up the theoretical knowledge gained from the literature and guide the research to get a practical outcome of the work. Interview and discussion as a research technique were used. There have been several interviews and development discussions conducted during the research process. The thesis topic experts shared the opinion and helped in the research process. There is an interview included in the research as the most important practical opinion about the industry.

In addition, the case study research method must be indicated, because the research was done based on the business idea that has future prospective and can be implemented after the planning. The case study research method practically does not always need to correspond to the standards of research methodology but can represent unclear study object and development process. The case company for current research is the company that gets developed during the research process. (Flyvbjerg 219-245, 2006.)

Apart from those research methods, business events have been participated by the author to obtain more practical knowledge on the business planning practices and improve business understanding. Additionally, the feedback on the idea and the idea development was collected unofficially by the author from people with various backgrounds.

1.5 Structure of Thesis

The thesis work is presented to reader in seven chapters of work, including introduction and conclusion chapters. Additionally, there are abstract, appendix and content sections made for better understanding and navigation. The work is done as a combination of a theoretical and practical knowledge on business plan topic. However, second chapter is focusing on the theoretical only aspects of business planning. In addition, fifth chapter of the work is presenting practical analysis on RF concept business idea and description of prepared models.

Chapters three, four and six presents to the reader main aspects of business planning as well as an adoption of material for the business idea that is developed through all the thesis. In the appendix section, reader can find extra material on financial planning of the idea, that was only partly reviewed in the text. Interview transcripts can also be found in the appendix section to broaden the understanding of provided opinion of experts.

2 IMPORTANCE OF BUSINESS PLANNING

2.1 Introduction to Business Planning

A business plan is a document that describes steps of the company creation and provides a clear picture of the business. Such document includes main aspects of business as marketing, management, financing and strategy. On the other hand, a business plan is also a guide or mind map that helps during the company creation and first development steps. The business plan is divided in several important sections that should be clearly defined and supported by research or development processes. (Entrepreneur Europe 2018.)

As soon as the business idea is defined, the need in structuring thoughts, proceeding to execution, process and strategy creation appear as well. Implementation and creation processes are connected but not interchangeable terms. The four main reasons of necessity of business plan creation for the idea could be identified, apart from numerous hints and indicators of its essentiality. Firstly, the business plan becomes a written representation of the developed business idea that can be used for presenting the business to people from the outside environment. Purposes of presentations may vary from desire to get funds from investors to need in partnership establishment or even recruiting. The business plan helps the readers to understand earnestness of the entrepreneur and develop with the new company. (Messmer 2016.)

The second main reason in support of business planning is a picture observation during the planning and development process. The business plan helps in distinction of parameters that need to be developed. With that approach an entrepreneur will constantly focus on all the aspects of business instead of accidental shift of focus to another aspect. Thirdly, the business plan becomes an analysis tool to identify weaknesses and possible critical moments of the company. The analysis of business plan with experts of the fields can prevent company from losses or unnecessary spending resources. Lastly, the business plan becomes an extra communication tool. The communication tool helps entrepreneurs in communication with stakeholders or other involved individuals or companies. With the help of a business planning an entrepreneur becomes

more convenient during pitches and presentations. The image of the company at the same time becomes more noticeable. (Messmer 2016.)

Apart from above mentioned advantages of business planning there are some extra benefits of obtaining such an approach and some threats that are possible without planning. With business planning an entrepreneur gets the possibility to test an idea before full implementation and prepares better for the launch. Without business planning, there is a possibility of financial and logical mistakes that can lead to troubles in the very beginning of the business. On the other hand, being overprepared with the excellent business plan does not save an entrepreneur from challenges during physical implementation of the idea. Longer theoretical preparation of the business plan in the same way can contribute to waste of time and miss the competition positioning or innovative handicap. (Peterson, Jaret & Schenck 2016.)

2.2 Strategy

The company strategy preparation is another important part of the business plan. Companies without defined strategy or poor strategy have no chances to grow or raise revenue and profit. Firstly, it is important to clearly understand the goals, objectives and mission of the company. Such preparations connected with the necessity of understanding of what to do and how to do it and motivation increase. Secondly, the movement forward approach is applied to the companies that desire to reach their goals. The company should become better, explore new possibilities, innovate and move forward. By such thinking goals could be reached. Thirdly, it is important to become an excellent seller, manufacturer or provider in something before expanding to other possibly profitable business models. The business must be concentrated on the only one outcome at first to avoid spread and loss of the company power. (Tracy 2015, 12-14.)

Fourthly, there should always be possibilities of action and situation change with the change of the company. The company should stay flexible and be able to react on internal and external issues to overcome challenges. Fifthly, team and team members are units that create the revenue and without established cooperation, trust and motivation it is impossible to reach the goals. Sixthly,

modern companies cannot stay calm after goal achievement, because some other goals appear, competitors develop their products, crisis starts, or some other possible influences let businesses know that the movement forward is a constant happening. That were six important aspects of strategy preparation that influence all the companies through the time. (Tracy 2015, 14-16.)

Some of the main tools and methods used during the company strategy planning are presented. However, it is important to comprehend that the strategy is a unique reflection of the business and cannot be copied but can be adopted with necessary modifications. During the strategy planning it is common to use famous models such as Porter's five P model, McKinsey seven S model, SWOT analysis, Kaplan and Norton balanced scorecards, life cycle/ growth curve, Collins hedgehog model, Full Project Management Professionals model and Certified Management Accountant model. These are some main models that are used for the strategy preparation. Combination of several models can give necessary understanding of the business and help during the planning. In the thesis SWOT analysis on a RF concept will be presented to the reader and some of other segments of common strategy planning will be used during the business planning process. (Stroh 2014, 143-153.)

2.3 Financial Planning

Financial planning takes one of the key roles in any business. Business planning includes several different approaches of estimation of financial well-being of the company. An accounting system needs to be created from the first steps of the company planning. Without an established accounting system there will be no control on the business, that could lead to financial difficulties or even bankruptcy. The accounting system includes a bookkeeping system that delivers data for financial understanding of the business. There are five main documents that function as a financial control element of the business. Documents are: income statement, balance sheet, breakeven analysis, deviation analysis, cash flow analysis. Examples of some of these documents are developed for the RF concept are presented in the Financial Plan and Strategy chapter. (Bangs 2001, 69.)

The bookkeeping system should be specifically tailored for every company that is developed. Due to differences and uniqueness's of the businesses there is no general solution that would correspond to all the businesses at once. However, there are common rules and guidelines that are used for system development. The solution for an entrepreneur that has lack of knowledge in financial area or not ready to have an extra employee that would oversee all the financial planning and operation, becomes outsourcing of such financial duties to professional companies. With outsourcing of bookkeeping the company can be sure of accuracy and correctness of records and reports and data analysis by the professional organizations. Systematical approach in financial planning allows organizations to prevent critical situations in operations and make knowledge-based decisions. (Bangs 2001, 70-72.)

2.4 Importance of Small Businesses for Economy

Every business that starts, firstly belongs to a small business by the classification. After some time, the company can grow and develop to a medium or a big business, however most businesses stay as a small company. The amount of small businesses in every country is remarkable and represents an absolute majority. For the countries that would consider, that many products and services are produced by the small companies. Small businesses bring more innovations and growth to the economies than bigger economy participants. Another advantage that comes from small businesses to economy is adaptability. Due to the size of the companies, the small companies are very flexible in operations and easily can adopt to changes of different influential parameters and that is a transport to the economy as well. (Mariah 2017.)

Another importance of small businesses can be seen through the understanding of connection of all the small businesses between each other and ability to naturally build communities inside the economies. Representatives of small businesses prefer to cooperate with other local representatives that make resources stay inside the region and improve wellbeing of the region without external influence. Furthermore, small businesses do not necessarily need to stay small for the rest of the life span. Sometimes such companies grow to the enterprise size and continue positive influences as it would be done without

expansion. An increased amount of small businesses with some representatives of big businesses can be seen as the most successful combination for an overall economy. (Mariah 2017.)

The positive influence of small businesses can be also seen in the quality of the life that employees of such companies get. It is very common that individuals choose to work for smaller companies to get satisfaction and enjoy the work. From the establisher side, creation of a business is a nervous and risky way of professional development, however this way can be more exciting and pleasurable. Most of the working places get created in small companies and that is another positive side of such companies, an example of this event presented in the following chapter. The passion of entrepreneurs and individuals that run businesses transports to the employees that are involved in the business that raises overall satisfaction in local society. (Gartenstein 2018.)

As an example of the small businesses' positive influence the report on USA small business is reviewed. American economy is one of the most developed in the world and could be a great example of developed countries situation. According to the report, two out of three new work places created are from small business. Apart from that, past years an increase in amount of loans and return rates can be seen through the financial sector of the economy. Moreover, turnovers and the profitability ratios have been showing positive tendencies through the past years that indicates successful work in creation of convenient and comfortable competition and overall environment for such businesses. Another optimistic detail is in the number of organizations that support and help small businesses in development and operation. (U.S. SMB 2017.)

3 THE COMPANY AND THE SERVICES

3.1 Company Organization and Structure

There are six main enterprise forms available for establishment in Finland: private trader, general partnership, co-operative, limited partnership, branch of a foreign enterprise, limited liability company (hereinafter Ltd). All these company types have their own advantage and specialization that suits a different business. The choice of the company form is a serious movement in the business creation process and should be properly reviewed. Sometimes individuals even ask for help with the company form choice and registration process from the agencies that help with such concerns. Main factors affecting the choice of the form include the amount of people establishing the business; responsibility on business and share of capital, continuity and taxation specifications and some other factors. (Enterprise Agency 2018, 44.)

For the RF concept at the very first registration the simplest private trader or an entrepreneur company form is chosen to simplify the registration process and start the company operation within a short period of time. With that company form an individual becomes connected with the firm that is registered. The entrepreneur gets full responsibility and liability on all the operations of the company. This type of company is perfectly suited for the very beginning of the business operations and can be changed after some time to any other type of company. The main disadvantage of such form is the only one possible owner of the company, but that does not apply in the case of RF concept. (Enterprise Agency 2018, 45.)

During the entrepreneur stage of the company all the possible work and duties will be outsourced or freelanced to lower the operational costs of the company and exclude unnecessary payments. There will be several contract agreements made with the key people as designer and manufacture specialist that will be offered company shares and partnership as soon as company form shift is conducted.

After some operation time and basic growing of the company the company form of RF concept will be changed to Ltd company to open new possibilities in

operations and strategical growth of the company. Companies with such form of registrations release shares and have possibilities to have more responsible people from the board of directors and upper management. Registration process in that case increases in time as well as paper value and add some necessary annual audition and regular meetings with full documentation. (Enterprise Agency 2018 ,46-47.)

As soon as the company grow to Ltd that will allow to implement properly structured growing strategies, employ necessary people and continue development. The business will shift from unstable start-up to fully functioning company. However, the growth will increase the risks and employment is one of the biggest risks that threatens the company by HarMonilla representative opinion (Kukkala 2018).

3.2 Product Description

Pollution of the environment has never been so important issue as now. The humanity must start taking care of the environment much more to prolong planet life and secure life from the pollution effectation. According to the research, remanufacture of used materials and recycling is one of the main tools that can successfully help humans in the fight against pollution. In our fast-changing environment, even new small companies that are entering markets should represent the ecofriendly businesses. Moreover, ecofriendly business is an important part of social thinking, that claims that small steps lead to the great changes. (Adithiyan 2018.)

Recycled Furniture concept business idea concentrates around the idea of environment help with the possibility of making profit. The furniture that is made from recycled wood gets a second life, instead of being stored on dumps or increase amount of rubbish in the environment. The furniture apart of being made from old wood must represent something unique, that is why designer solutions are involved in the product. Finland is well known for Scandinavian design and eco-friendly brands are likely to become popular with appropriate build.

Draft furniture item project can be seen on the Figure 1 below. These are the first developments of the furniture items. However, the basic conceptuality can be understood.

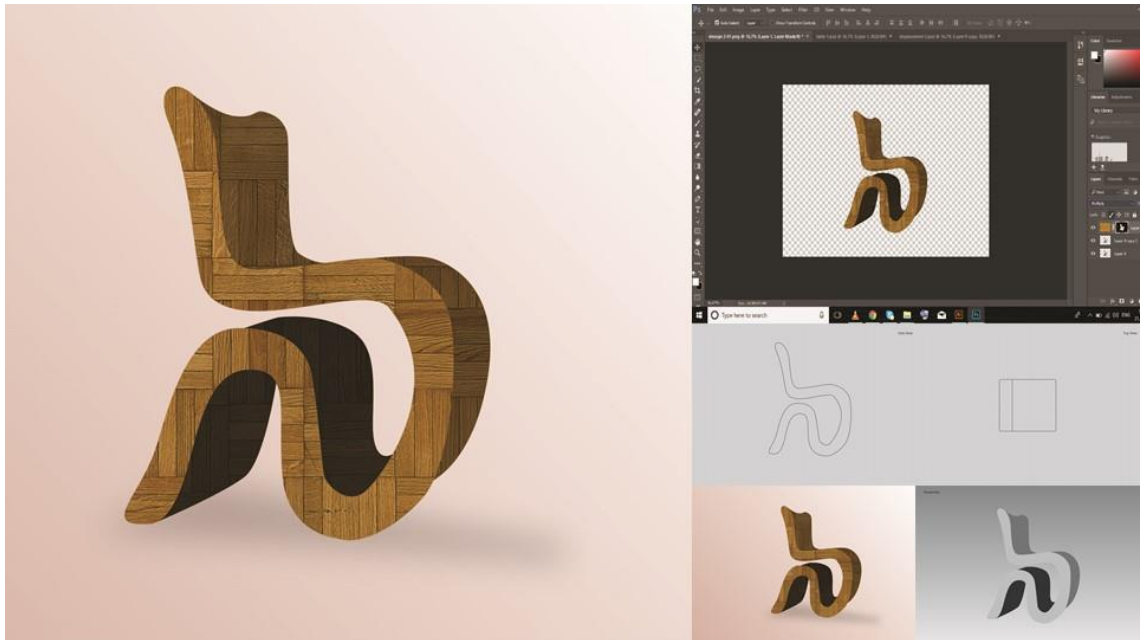


Figure 1. RF Concept Draft Project (Mishra 2018).

The furniture items will represent unique looking and comfortable pieces of interior that will present modern design and be a reminder of the importance of environmental care. The ability to create unusual forms with the material that can correspond to all possible thoughts of a designer, almost without any limitation on material physical shape or form. Such an unusual and modern style make it difficult for a designer to create a selling furniture piece, however thorough an established marketing strategy the trend message is delivered to a potential customer that is being not only a piece of recycled wood, but a logic and idea of the brand.

RF concept product represents very changeable and flexible modelling that can suit any type of customer with different requirement. Personalization level of the product can be very high due to the flexibility in manufacturing and small size of operation, especially in the beginning. All the catalogue items will be possibly created in different sizes to fit to the exact interior and in different shapes and colors. Such care of every customer can help the company build loyalty and keep

customers with the brand. That approach is more successful than simple mass production. As a final step, in the company service development shift from simple sales model to a subscription or as a service model can be made to fully connect customers and the company.

3.3 Furniture as a Service

As a Service approach classified as a popular and efficient way of business modeling. Such approach is applied in many different areas, however the most popular still stays Software as a Service. World economy has already shifted towards such models and that brings the possibility of expanding traditional businesses as furniture sale to something unique and different.

Financial unsuccessfulness of the as a service model in some scenarios can be explained by an increase in operations for the similar amount of funding. However, many other cases and with the strong financial planning as a service approach can become unique competitive advantage for the company implementor. In addition, such business model can be more profitable than the simple sales model due to the possibility of service and product combination and decrease of costs. With appropriate service packaging it is likely to achieve an increase in customer satisfaction that could not been achieved in simple sales model. With as a service model, product personalization mechanisms can be developed easier and more attractive. (Buntz 2017.)

The shift of traditional business to a service model business contains the challenges that covers most of the business operation and control areas. In other words, the businesses must be ready for dramatical changes in their structure and processes. Finally, becomes the data collection and monitoring processes that are an important part of any service-oriented business. The reason for that is in an increase of information flows of the company and development of the IT infrastructure. Through the collection and analysis of product and customer data the company gets an opportunity of improvement of the business and conduction of adjustments for a service, packaging or even operation. (Buntz 2017.)

Furniture as a Service approach is a future development prospective for the RF concept company. After the start of the business and successful operational

process the company will be moving towards innovation approaches of business management. The idea of the RF concept company is unique, and the business provision line should correspond to uniqueness of the idea. There are many more testing and analysis should be done to define the actual service model of the future company, however some preliminary service ideas or options are presented in the following paragraphs. The decision on actual service can be made only after the business launch and extra tests.

As a package the whole apartment furniture rental package can be discussed. There are customer groups that would consider renting of the furniture possibilities for certain amount of time. Students or seasonal worker that spend only limited time in the area and moving after the period would like the possibility of only renting the furniture package that would cost much less than purchase with inclusion of transportation. The model can be possible due to low costs of the remanufacture of the damaged furniture pieces. In addition, Scandinavian rental apartments are mostly provided without furniture that raises described service necessity.

Another service opportunity can be seen in the ability of subscription on the service of the furniture permanent care and the substitution on the timing bases. The whole interior design can be changed occasionally in the apartments that are subscribed to the service. The furniture package gets substituted with the fresh designed furniture according to the new interior design project. The apartment can get different look in a short time. Such a service will be mostly suitable for the small hotels that would use that for the customer attraction and for places that host events and meetings. Individual customers will have access to the same programs, however they will not be so popular. The main service for individuals will be in remanufacture of personal old furniture pieces into the modern designed items with extra changes.

4 MARKETING AND MANAGEMENT ANALYSIS

4.1 Low Budget Marketing Approach

Marketing is a very important part of any business and it is better not to save money on marketing activities to ensure company operational sales and manufacture load. However, on a start-up status of the business it is common to spend as less money as possible, because of low income and possible debts. There are possibilities of marketing that can be efficient and do not cost much money. Possible low-cost marketing strategy is described below by the example of RF concept and can be suitable for some other start-up companies with similar business models.

Firstly, it is important to focus on the marketing activities. There is no need of spending resources on the activities that are not working for the company or working poorly. The target market and target customers need to be studied in advance to have the idea of possible marketing action implementation. For RF concept such focus is online and social media areas that are used mostly by the target audience of the company. Secondly, it is essential to create not only advertising during the marketing activities, but also useful content that will be appreciated by the audience. Targeted and personalized emails are more efficient than mass dispatch of the copies and offers. Apart from that, content on the web page and in all the social media need to be useful and helpful for the target audience. For RF concept the mechanisms of creation of furniture will be described as well as ecological news and articles reviewed in digital environment of the company that will be interesting for the target audience of customers. (Tabalba 2017.)

Through the customer experience studies, it became clear that keeping old customers is much cheaper for the companies than getting new ones. Engagement of a customer is another working method of keeping customers connected to the company. For RF concept engagement will be implemented through the social media posting and information that was indicated in the previous paragraph. Apart from that, FaaS approach will help in permanent

connection of customers and the company. In addition, general idea on the clean future and importance of the recycling process will influence on the customer engagement as well. (Tabalba 2017.)

One of the main instruments for RF concept in marketing will be the built online presence that will be reached mostly through developed and maintained social media accounts. Accounts will be controlled and run by employees and partners of the company that will reduce the costs and obtain individuality to all the accounts. Through this, people will feel connected to other people that perform for common goals. Some extra spending is planned on targeted marketing that is inbuilt in social media to get some of the new customers, because the main customer group will be touched through personal work of partners.

Even though there are ways to reduce the marketing prices and make it affordable for any company we cannot fully exclude marketing costs. At the same time, more affordable methods could be less efficient than methods that require financing, based on that it is recommended to move to other marketing strategies with the time the company operations become more stable and profitable. To avoid lack of marketing activities on the company it is common to start investing in the more professional company image built with professional content to correspond to the needs of the followers and audience. Constant marketing research needs to be done to understand the efficiency of used resources and performed activities. Professionals in marketing need to be employed to control all the processes and improve the company marketing actions. (Click 2014.)

4.2 Target Market & Customers

Definition of target market is a very important part of planning that must be done at the very start of the business. If the target market is defined unclear the company will be uncertain of operations, product features and design. The target market represents geographical area where the product will be available, demographical positioning of the potential customers and psychographic states of the customers minds. After definition of all three aspects it is possible to create a product and manufactory process based on the described areas. It is impossible to copy target market from the other company, because it remains

unique for every company that is aiming on personal success independently from financial figures. In addition, customers feel the reality and not reality in business and may leave the company that does not provide uniqueness and trustfulness in operations. (Kaleikini 2009.)

The RF concept company will be launched in Finland, so the main customer group and the starting audience people that live in Finland. Through the company growth it is possible that the distribution will be available outside Finland as well. The main concentration area will be southern Finland due to the higher population, than Lapland. HarMonilla company representative stated that Lapland is more suitable for the cheap furniture market than crafted or designed furniture pieces (Kukkala 2018). Main sales at the beginning will be concentrated around an online shop and digital marketing of the production to lower operational costs. In the future perspective, it is possible to open an exhibition hall with the ability to follow the production process and purchase liked items. That has positively influence on customer engagement in the process and allow to connect offline customers with the company.

The customers of the furniture will be mostly middle-aged people with the ability to pay average market price for high quality items. The people are comfortable users of the internet and can be reached easily through the web and social media marketing. At the same time, the people are educated and understand importance of taking care of the environment. On the other hand, some younger people can be found as potential customers. Employed young people with defined life purposes and plans that aware of pollution problems or belong to communities that take care of the problem can be future customers. Additional type of customers could belong to any age group of people that share an idea of unpolluted environment and taking care of our planet.

4.2.1 SWOT Analysis

The SWOT analysis method helps the company in the planning process, definition of future directions and in preparation for the possible challenges. The method aims on building of the company preparation to the future operation and clarification of business environment. Such method can be implied to all stages

of planning as well as after the operational start of the company for the company analysis. In other words, SWOT analysis is a combination of internal and external factors that can influence the company and lead to the company change. Based on the analysis it is common to conclude the company overall situation or development perspective. In addition, such analysis allows individuals that are not connected with the business to shortly estimate the company overall performance and positivity of the future development. (Fallon 2018.)

- Strengths

The main strength of the RF concept company is in the innovation approach of the furniture production and conceptually new understanding of the environment pollution problematics. Another strength of the company is in people that are starting the company and future employees and partners that will join the company through the strict processes. Positioning can be named strength as well, due to the modern social thinking in Finland and high social responsibility of people on common environmental problems.

- Weaknesses

Resources and manufactory processes are one of the main weak points of the company planning, due to the complicity of the recycling technology. Another weakness is in dependency of the company of the design process. Due to modernity of the concept the furniture design must correspond to modern design concepts and main streams. Another important weakness point is financial dependency of the company at the start of the operations. The project is dependent on the investment flow that makes it financially unstable during the first operational movements.

- Opportunities

The main opportunity for the company is an ubiquitous change in thinking of a big mass of humans towards the importance and necessity of taking care of the environment. With more attention to environmental problems, more people will be interested in participation in the projects that provide recycling solutions. As another opportunity, extra help from the new partners or government can be

possibly predicted, because of importance of the problematics that RF concept is aiming to solve.

- Threats

One of the threats for the RF concept company is fashion tendencies. The fashion is a fast-changing industry that can influence customer choice. However, this threat can be easily overcome with the design change, because it can be an easy process. Another threat for the company can be the possibility of aggressive competition and new entries in the market. In addition, the technology of recycling can be a difficult process and hard in performance that could increase the time or costs of manufactory.

The analysis indicated important parts that need to be reviewed in more detailed approach, however preliminary presentation of the company shows positive opportunities of the business. In addition, there are positive aspects of the company that can be developed more or influence the progression of the company growth. The SWOT analysis helped in an understanding of the future movements of the company towards aims.

4.3 Industry Analysis

The industry analysis is performed by the companies for comprehension of the business model and the place of the company among other companies. The placement of the company helps in preparation of an effective business strategy and successful implementation of the resources. One of the most effective tools in industry analysis is Porters five forces model. However, in this paper that model will not be applied to RF concept. The industry is analyzed through three main directions of analysis that are represented in the next paragraphs and separately the main competitors and their relations are described as well as a competition strategy in the separate sub sections. (Finkel 2014.)

The first direction of the analysis is in understanding of the forces that has main impact on the industry changes. For the RF concept the industry can be named furniture industry of Finland. The industry mostly depends on regulations of the government and furniture design tendencies. However, this influence cannot be

defined as a main force that shapes the industry. Main impact on the industry can be seen from the competition of the companies and new improved furniture models representations.

As a second analysis direction overall attractiveness of reviewed industry can be named. On the one hand, furniture industry of Finland is the perspective area with many customers and big turnovers. Different groups of potential customers are ready to spend money on high quality products. On the other hand, the industry has small and big participants that fulfill all the market needs that makes the competition stricter. After all, the industry can be named attractive for the new entries.

As a third direction, critical factors that are necessary for the company success within the industry must be reviewed. These are the factors that the company needs to create by itself to reach the success level in the industry. For RF concept one of such factors would be creation of a positive and trusted image of the business that fully represents the clean recycling idea of the company. Another factor is the outstanding quality of the products and the services provided by the company. High quality is an essential factor that needs to be followed to build a trusted and a long last relationship between customers and the company. Additional mechanism that the RF concept company will implement to obtain better positioning in the industry are described in Competition Strategy sub section.

4.3.1 Main Competitors

The main competitors in the industry are presented by the furniture shops that conduct retail sale in the Scandinavian region. In addition to simple retail stores, the second-hand market can be named as a competitor to the RF concept company. Companies, like Harmonilla that focus on furniture restoration cannot be named competitors, but more as a parallel business with different customer focus and operation in another market segment (Kukkala 2018).

Second hand segment in the industry is represented by the online markets as Tori and Facebook, as well as numerous second-hand shops that can be found in almost any city. The main description of these shops is in undefined quality of

the provided furniture. Customers of such furniture cannot be sure of the quality of a provided item, however there is a big advantage in the pricing of an item. In addition, some very special customer needs can be fulfilled with a big variety of provided items in the second-hand segment of the market.

Affordable new furniture is represented by the companies Ikea and Sotka that are fulfilling the segment of the market. These companies have a long history and has acquired many competitive advantages. Apart from competitive pricing models these companies are ready to provide high quality items with great functionality that makes it hard to compete with them. In addition to these two companies there are many small businesses that do retail sale of the furniture by affordable and premium prices. Such companies in Helsinki region are represented by Armas Design, KooPernu and other similar companies that are fulfilling all the market independently from the segment.

The next segment of the market is covered by the companies Isku and Jusk that are more focused on designed and quality furniture than the previously mentioned companies. These two companies represent more expensive furniture; however, they are not focusing on the premium segment of the market. Premium segment of the market is represented by the small companies that are not reviewed, due to different main customer focuses.

4.3.2 Competition Overview

To sum up, the competition in the industry is fierce. There are various size and focus companies that aim on growth and improvement of the market positioning. The companies represent different customer approach that makes it harder to compete with all at the same time. That raises an importance of the company focus and direction development. Apart from presented competitors there are some micro companies that cover local markets and additional external participants from the outside of the market. These makes it very important to prepare the RF concept company for the exact targeted competition and positioning.

Although, even if the market looks fulfilled there are places for new entries with developed strategies. An existing customer base gives an opportunity for new

companies to enter. Competitive advantage of the new companies in the market should be visible for customers to overcome existing offers.

4.3.3 Competitive Strategy & Advantages

Competitive strategy is defined as a company plan on establishment of long-term actions that will improve the company positioning in comparison with other industry participants. The competitive strategies help in increasing of the company financial measurements, customer attraction and improvement of processes. Through the strategy companies achieve indicated competitive advantages that lead to the improvement of an overall company performance. At the same time, competitive strategy helps the company to resist the outside influences and correspond to the market changes. (Martin 2014.)

The main strategy development model was introduced by Michael Porter, named Porter's Generic model. The model includes four different company strategies that focus on different possible company development processes. The strategies are: cost leadership, differentiation, cost focus and differentiation focus. These strategies cover different directions that can be possibly chosen by the company in the goal achievement. Nowadays, Porter's Generic model remains trustful, but there have been changes made in implementation processes. In addition, companies prefer to implement hybrid strategies or mix of strategies, depending on the situation. (Porter 2007, 14-30; Kuijk 2018)

For the RF concept company, the most applied strategy would be the mix of differentiation and focus on differentiation strategies. On the one hand, the market that the company is entering is rather big and competitive that makes it highly important to develop a unique product that would be different from the ones that are already offered in the industry. Defined marketing in that case is important to bring the understanding of the uniqueness of the product to potential customers. On the other hand, the company is entering a segment of the market that is not touched much by the competitors. The segment of the recycled furniture is new for the industry, so it can be possibly called niche. In that case, the domination in the niche can be reached through the strong brand building and provision of outstanding quality products with all necessary functionalities.

Customer experience becomes important for the company to keep the customers with the company. (Kuijk 2018.)

The customer experience with the right execution and correct approach will lead to an emotional connection of the customer with the brand. According to the last researches, an emotional connection is more important and later profitable for the company than customer satisfaction. An execution of such an approach can be difficult for the company due to sometimes unexpected reaction of the customers on the measurements and actions that the company can undertake to improve the situation. Trusted brand and emotional connection of the company and customers prepares the ground for the future company development. (Zorfas & Leemon 2016.)

5 FINANCIAL PLAN AND STRATEGY

5.1 Strategy Pyramid

This section represents the strategy pyramid of the RF concept company. This approach of the strategy planning is chosen for the future company, because of the simplicity in presentation of development directions and simplicity in the strategy understanding through the diagram. Based on the trend line expansions presented on the pyramid diagram other parts of the business plan were advanced. Left side of the diagram below indicates the focus area and the right side gives actual strategy direction.

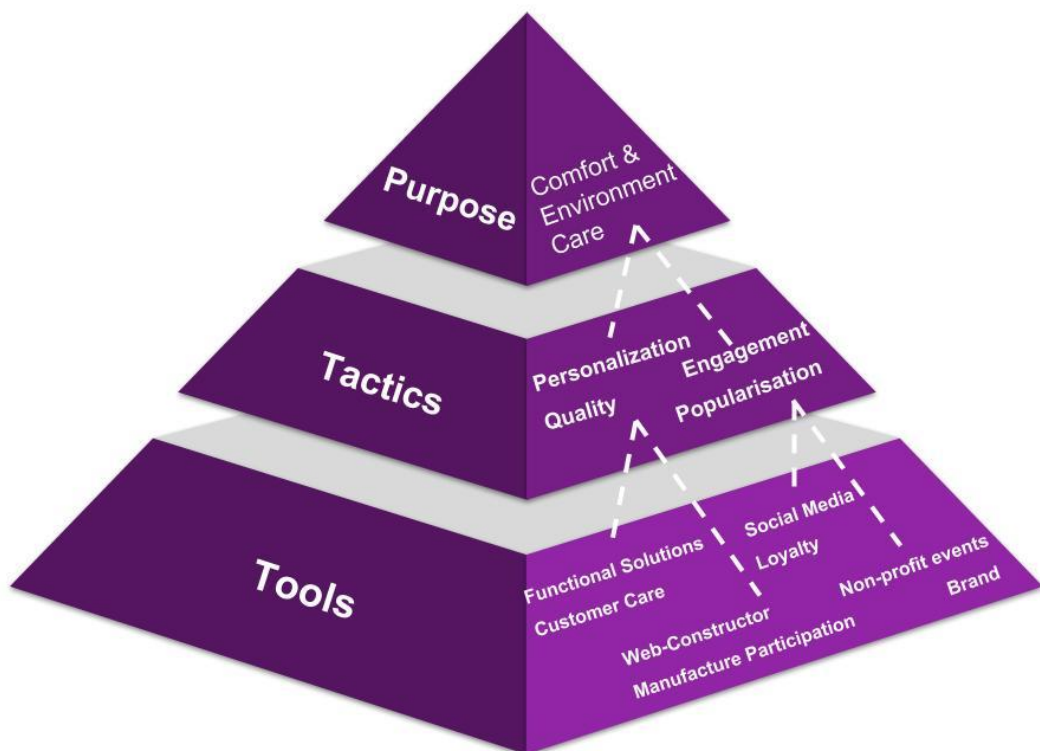


Figure 2. RF Concept Strategy Pyramid

From the diagram above, three major layers of the company development can be defined. These layers are connected with each other and have vertical dependency from the implementation process. Top level of the strategy represents the purpose of the company that is the main reason for the company

to exist, apart from the financial earnings. For the RF concept company, the purpose can be defined in provision of the comfort for people and in the environmental care. The company is aiming on the solution of the human in house comfort and style necessity as well as on the care about the environment.

To correspond to these purposes the company implements tactics for the achievement. To achieve the customer comfort the company will be offering personalized solutions that can fill every customer need. In addition, the quality of the furniture will be strictly controlled to allow people to enjoy every item. The environmental care will not be only a marketing promotion of the company and the source of a raw material, but the sense for the presence and the mission. The company will engage people to the additional events and the popularization of the recycling and environmental care.

Lastly, the tools that will allow the company to reach the purposes that have been described. The tools are listed on the bottom layer of the pyramid in the Figure 2. As can be seen from the tools list, the company digital area is very important business area of the company. Apart from that, the marketing approach will have critical influence on the company success.

Pricing and sales strategies that are based on the presented diagram described more precise in the following sections of the work. These two strategies are important parts of the business planning process that makes it acceptable to review them in the separate sub sections.

5.1.1 Pricing Strategy

The company pricing strategy is made according to the market prices to avoid unnecessary economical influence on the market and the market participants. In addition, pricing of RF concept items is made based on the pricing zone elasticity differentiation model by the professor Jill Avery. The main idea of the model is that the market participants are aiming on implementation of the strategy that way that the price change will not influence sales. In other words, the company product should become relatively inelastic to the price change. In addition to elasticity there is a concept of the sensitivity of the price depending on the demand of the product that should be decreased. (Gallo 2015.)

Concerning the RF concept items actual price, the price will be marginally higher than average level prices in the market. The customer will be paying additional costs for the idea and the involvement into the recycling movement. Another increase in price comes from the customization and advance design possibilities of the furniture that can be interpreted as an additional service. Based on that pricing model, it is very essential to create and follow strong marketing strategy that will fully load the customer need of the company.

5.1.2 Sales Strategy

The sales strategy of the RF concept concentrates on the online sales and around online environment. The web shop and web constructor will allow customers to personalize and buy furniture items. Digital sales model affords the business to save funds on the establishment of the business and shorten the pay-back time. The business profitability will be reached faster. According to the RF concept planning, after the full pay-back and extra development the physical sales will be started.

According to the numerous sources, the traditional business now is shifting towards an online sales models to perform more efficient sales and correspond to customer needs. The company launch with digital sales approach will allow the company to build the necessary customer base that will cover main expenses and build the group of first loyal customers. Concerning the sales methods, not only will the web site be used as the only channel, but Instagram and email channels will be additional leads generators. Lastly, other digital sales channels will be tested gradually to find best matching combination of most efficient sales methods for the RF concept company products. (Robinson 2015.)

5.2 Financial Plan

Financial part of the business plan is named as most important by some of the sources. Without an appropriate financial plan, the company is likely to have operational troubles that are obtained because of the wrong financial approach of the company. On the other hand, a prepared financial plan helps the business from the very start till the stabile operational existence. The financial plan for the company can help in balancing of spending and in avoiding of bankruptcy

situation. In addition, it is impossible to get any loan or funding without clear representation of the financial direction of the company. (Clark 2013.)

For the RF concept company, the financial part consists of the main financial planning instruments: Profit and Loss; Cash Flow; Balance Sheet and Break-Even Analysis. The planning is made according to the investment of 30000 euro from the owners of the company. The owners will also perform necessary duties as a company employee throughout the launching. In addition, there will be no company office at the beginning, because of the online sales model, only the manufactory space will be rented to lower operational costs. The company will take a loan of 60000 euro from the bank. The analysis and some parts of the calculations can be seen in the following sections. Full financial papers of the RF concept company can be found in the Appendix section of the work.

5.2.1 Projected Profit and Loss

Profit and Loss projection or Income Statement is one of core documents that is needed to be prepared for the company start. There is a Profit and Loss Projection calculated for the RF concept company for a one-year period. The financial year starts in May 2019, however there is a second quarter of the year presented in the Figure 3 below. The reader can be familiarized with the complete financial statement in the Appendix 1.

The Profit and Loss projection represents the ability of the business to generate profit and have positive tendency in development. According to this statement, the company and possible investors can estimate future expenses as well as profits or loss for financial periods of planning. Apart from that general gains and losses of the business recorded in the same statement to provide more detail picture. The total income is calculated from the difference of sums of revenue and gains minus expenses and losses. The number represents the ability of the business for development and keep on the operational margin. However, there cannot be any decisions made based only on the analysis of that number, but from overall statement and additional inputs. (Investopedia 2018.)

	Sep-19	%	Oct-19	%	Nov-19	%	Dec-19	YEARLY	%
Revenue (Sales)									
Furniture Sales	15,000	71.4	20,000	76.9	25,000	80.6	25,000	230,000	76.2
Design Projects	1,000	4.8	1,000	3.8	1,000	3.2	1,000	12,000	4.0
Government Support	5,000	23.8	5,000	19.2	5,000	16.1	5,000	60,000	19.9
Total Revenue (Sales)	21,000	100.0	26,000	100.0	31,000	100.0	31,000	302,000	100.0
Cost of Sales									
Raw Materials	600	4.0	800	4.0	1,000	4.0	1,000	9,200	4.0
Manufactory Cost	150	15.0	200	20.0	250	25.0	250	2,300	19.2
Total Cost of Sales	750	3.6	1,000	3.8	1,250	4.0	1,250	11,500	3.8
Gross Profit	20,250	96.4	25,000	96.2	29,750	96.0	29,750	290,500	96.2
Expenses									
Salary Expenses	2,000	9.5	2,000	7.7	2,000	6.5	2,000	24,000	7.9
Research & Development	2,000	9.5	2,000	7.7	2,000	6.5	2,000	19,000	6.3
Supplies	8,000	38.1	8,000	30.8	8,000	25.8	8,000	104,000	34.4
Repairs and Maintenance	200	1.0	200	0.8	200	0.6	200	3,200	1.1
Marketing	500	2.4	100	0.4	100	0.3	100	2,400	0.8
Accounting and Legal	120	0.6	120	0.5	120	0.4	120	1,440	0.5
Rent	2,000	9.5	2,000	7.7	2,000	6.5	2,000	24,000	7.9
Connectivity (incl. digital expenses)	150	0.7	150	0.6	150	0.5	150	1,800	0.6
Insurance	250	1.2	250	1.0	250	0.8	250	3,000	1.0
Transportation	3,000	14.3	3,000	11.5	3,000	9.7	3,000	36,000	11.9
Interest Expenses	50	0.2	50	0.2	50	0.2	50	600	0.2
Total Expenses	18,270	87.0	17,870	68.7	17,870	57.6	17,870	219,440	72.7
Net Income	1,980	9.4	7,130	27.4	11,880	38.3	11,880	71,060	23.5

Figure 3. RF Concept Profit and Loss Projection

In the statement, represented above in the Figure 3 there is gradual increase in expenses and revenues amounts due to the company development and increase of operational power. The statement represents only projection, that cannot be reliable, however it gives the company financial line. The income is a positive number and it increases with the time and indicates the valuable number by the end of the financial year. The income growth has dependency from the sales growth and the sales growth is an essential part of the new business. The growth will be continued till the company gets the market share of the size that is natural for the company and the market. Afterwards, the growth can be continued to other markets or segments, but with the necessary company development processes.

5.2.2 Projected Cash Flow

The second important statement that is prepared while company financial planning is a Cash Flow Projection. For RF concept company there is a one-year Cash Flow Projection that is prepared with a financial year start on May 2019. The full version of the statement can be reviewed in Appendix 2. Figure 4 below shows the second quarter of the financial year and the year sums are presented to the reader to give the understanding of the company financial resource movements.

	Sep-19	Oct-19	Nov-19	Dec-19	Total Item EST
Cash on Hand (beginning of month)	5,520	5,500	10,630	20,510	232,330
CASH RECEIPTS					
Total revenues	16,000	21,000	26,000	26,000	242,000
Collections from CR accounts	0	0	0	0	0
Loan/ other cash injected	5,000	5,000	5,000	5,000	60,000
TOTAL CASH RECEIPTS	21,000	26,000	31,000	31,000	302,000
Total Cash Available (before cash out)	26,520	31,500	41,630	51,510	534,330
CASH PAID OUT					
Purchases Materials	600	800	1,000	1,000	9,200
Purchases Development	2,000	2,000	2,000	2,000	19,000
Gross wages	2,000	2,000	2,000	2,000	24,000
Outside services	1,000	1,000	1,000	1,000	12,000
Supplies (office & oper.)	2,000	2,000	2,000	2,000	24,000
Repairs & maintenance	200	200	200	200	3,200
Marketing	500	100	100	100	2,400
Car, delivery & travel	3,000	3,000	3,000	3,000	36,000
Accounting & legal	120	120	120	120	1,440
Rent	2,000	2,000	2,000	2,000	24,000
Connectivity (incl. digital expenses)	150	150	150	150	1,800
Insurance	250	250	250	250	3,000
Interest	50	50	50	50	600
SUBTOTAL	13,870	13,670	13,870	13,870	160,640
Loan principal payment	1,000	1,000	1,000	1,000	12,000
Capital purchase (specify)	0	0	0	0	0
Other startup costs	0	0	0	0	0
Owners' Withdrawal	6,150	6,200	6,250	6,250	82,300
TOTAL CASH PAID OUT	21,020	20,870	21,120	21,120	254,940
Cash Position (end of month)	5,500	10,630	20,510	30,390	279,390

Figure 4. RF Concept Cash Flow Projection

The projection indicates the amounts of funds available and the separation of funds by the categories. Even though the amount of available cash by the end of financial year is a big number that will be hold through the actual operation. However, the receipts numbers are kept as goals of financial operations. The situation on the cash flow projection is very similar to income statement projection.

This statement allows to understand the ability of the company in short term loans capabilities or in fast spending's. By positive tendencies in cash flow outside estimators could believe into the company stability and see the good credit risk of the company. For the inside management cash flow helps in decision making and strategy adjustment. For RF concept rather tight on spending's cash flow is presented, that gives the opportunity to plan the additional development spending's to release extra resources or spend on human resource encouragement and promotion. (Ward 2018.)

5.2.3 Balance Sheet Projection

This projection is the last important financial document that must be prepared while the company planning process. The projection is made based on income and cash flow projections as well as on some extra inputs. The full-sized statement can be found from Appendix 3, but the summary of it is presented in the Figure 5 and Figure 6 below.

ASSETS				
NON-CURRENT ASSETS				
Total tangible assets			€	33,000.00
Total investments			€	30,000.00
Total non-current assets			€	63,500.00
CURRENT ASSETS				
Total inventory			€	64,200.00
Total short-term receivables			€	302,000.00
Total current assets			€	426,200.00
TOTAL ASSETS			€	489,700.00

Figure 5. RF Concept Balance Sheet (Assets) Projection

In the Figure 5 above RF company assets are presented. The assets are grouped by current and non-current and represented by the sums of the listings. The total number is the sum of all the company assets through the financial year time.

Liabilities and own equity of RF company through the financial year are presented on the Figure 6 below. More detailed these indicators can be checked from the full version of the statement. However, the sum of liabilities and equity is equal to the total assets number, that's shows the appropriate financial balance of the company.

LIABILITIES			
Shareholders' equity			
Total shareholders' equity		€	71,060.00
Liabilities			
Total long-term liabilities		€	60,000.00
Total short-term liabilities		€	230,940.00
Total liabilities		€	290,940.00
LIABILITIES, TOTAL		€	362,000.00
EQUITY TOTAL		€	127,700.00
LIABILITIES AND EQUITY		€	489,700.00

Figure 6. RF Concept Balance Sheet (Liabilities) Projection

Balance sheet shows the net worth of the company by the end of the financial year. All the financial data of the company is collected in the same statement and that gives an opportunity of the company size measurement and comparison with the previous financial statements. In case the balance sheet does not have balanced values, the company can consider reviewing own financial documents and figures. In addition, based on the balance sheet there are possibilities of more in-depth financial analysis and planning. (Ward 2018.)

6 IMPLEMENTATION PLAN

6.1 Implementation Milestones

Milestones are representation of a to do list for a new or existing company or a project. Practically, milestones are mostly used for fundraising or self-control of the organization. Milestones are represented with the time scheduling depending on the happenings, to aim the company and the employees. Milestones set up is influencing company risk minimalization and appropriate risk management. After time period has passed a completing of the milestones can indicate trustworthiness of the company and will cause positive or negative impact from the internal and external company influencers. Milestones set up is a strong planning tool that can give positive results, even after not completing the timing appropriately. The team can be more motivated after not reaching the goal than after successful plan implementation. However, that is an advance motivation technique that should be applied only after careful consideration. (Espinal 2013.)

In this section of the work, milestones of RF concept company are presented. Firstly, one-year plan is described, after some long-term milestones are listed as well. The company planning is started much before the actual start of the business. The actual start can be named by the start of year 2019, however the financial year starts in the beginning of May 2019. The first milestone is set by the first three months and indicates the finalization in preparation of the company launch. Including the financial, legal, IT and human aspects of business launch. The second milestone is in the end of April 2019 and represents the results of all the planning and actual start of operations by the 1st of May. The next milestone is set by the end of first financial year quarter. By this milestone timing, the company should test the production and be ready to the first operational changes. In addition, by that time the company will expand and hire extra workers to prepare for full size operational load.

After the second financial quarter the milestone indicates the readiness of the business for maximum operation. The company will review all the production line and possibly change some products according to customer feedback. The profitability period should be reached by that milestone. By the end of 2019 there

is an additional milestone that emphasize overall business performance and possible cardinal changes needed. Additionally, core business processes inside the company should already be tested and automated. The marketing, sales and production mechanisms should be all brought to standardized and working actions.

Apart from short-term milestones there are some long-term milestones that are already stated. Firstly, after five year the company should get out of financial depths and increase self-investment. The company will aim on development and launch of physical shop or showroom establishment in Southern Finland. In seven year, the milestone indicates the service business model adoption and the service development. In addition, the company will be aiming on expansion to other markets and services that are compliable with furniture but presents different products to provide stable growth without mass production and quality loss.

Milestones in planning process are also used for a better communication inside the team. The team members are more careful with deadlines as soon as the outcome is clear and intermediate steps are defined. Apart from that, milestones help in the reporting process of the work conducted. To sum up, milestones are essential and a useful tool of any starting business that can bring positive influence in the work flow and the company development. Without milestones in the planning process it is very possible that the company will conduct planning activities slower and decrease the successful rate of the development activities. (Harrin 2018.)

6.2 Risk Management

Risk assessment can help a company to avoid extra challenges and secure the business from viral problems. The risk management section is a continuation of an analysis of threats that was made in SWOT analysis section. Although, the risk management is a more detailed approach of risk definition and preliminary structuring of the risk avoidance actions.

The risk as a prediction of negative happening in the future is studied carefully by the company to adjust the company strategy. Preparation of the action to avoid

negative impacts on the business is made by the company. The risk definition and understanding leads towards the decision-making process that can differ from knowledge to value and fact -based processes. The decision-making person depends on accuracy of evaluation and judgment of presented facts and evidence. All that brings great value on the correct decisions that are made in the situations that requires some advance analytical skills and extra knowledge. Additionally, conceptual justification of believed truths and actions performed by the company to obtain the knowledge on the risk management practices. Strategy correctness actions are performed based on preliminary risk lists that vary depending on the company. (Aven 2016, 3-8.)

As one of the great examples of risk definition and understanding of risk management, Fiskars group risk management statement is reviewed. Fiskars defines the risk according to the stated goals and current business situation of the company. The company actions are aiming on protection of the business of external and internal threats. One of the main aims of the risk management team is in securing financial stability of the company with gradual company development. Apart from that, the team concentrates on in time regulations and guidelines development to secure the company working process. In addition, an information analysis and IT infrastructure adoption are necessary risk management team procedures performed for the company development. (Fiskars 2018.)

RF concept company is influenced by many different risks with different probabilities of happening. However, there are some key risks that have not been mentioned yet. The company takes care of that risks by more careful planning and implementation. Economical risk that represents mistakes in the company financial planning, that can influence all the company starting process or increase debts of the company. Secondly, the innovation risk that threatens the company because the products are not tested, yet. There is always a possibility of unsuccessful product launch when the customers are not ready for that, even if the analysis said that customers are ready. Lastly, technological risks can be mentioned, because the manufactory technology is also unique and there could be difficulties in technology use and development.

Risk management helps in the company operation choice and in future company development direction to improve the situation. Risk-reduction and risk-avoidance methods are functional tools that must be used for the overall company success. Systematical analysis and actions of the company directed to the risk management actions are essential company operation processes that are documented and followed. Without risk management practices there is a high probability of the company destruction. Following of recommendations and application of measures developed as a result of risk management must be implied by any serious organization. (Aven 2016, 8-13.)

6.3 Project Timing

This section represents the overall RF concept project scheduling and timing. The scheduling is presented in a form of Gantt chart that can be used as a work planning tool. The start time of the project is set in the beginning of 2019, after this research work is completed. The timing of the project start is chosen according to the market and industry analysis. The timing is correct due to the possibility of market fulfillment and innovative nature of the idea. The service model of the project cannot be implemented yet, however this is not the short-term project goal.

Figure 7. RF Concept First Quarter ScheduleFigure 7 below, the first quarter of the year is presented in the planned activities. The preliminary project is made in form of Gantt chart and the activities list in MS Project. The dependency of the activities is shown by the connected arrows. The activities are listed in short and summarized names. Every activity represents the set of actions that should be performed for successful idea implementation. Only the first quarter of the year planed in detail to avoid double planning. Additionally, there will be some changes made to the project while the implementation process due to external factors and changes in the business environment.

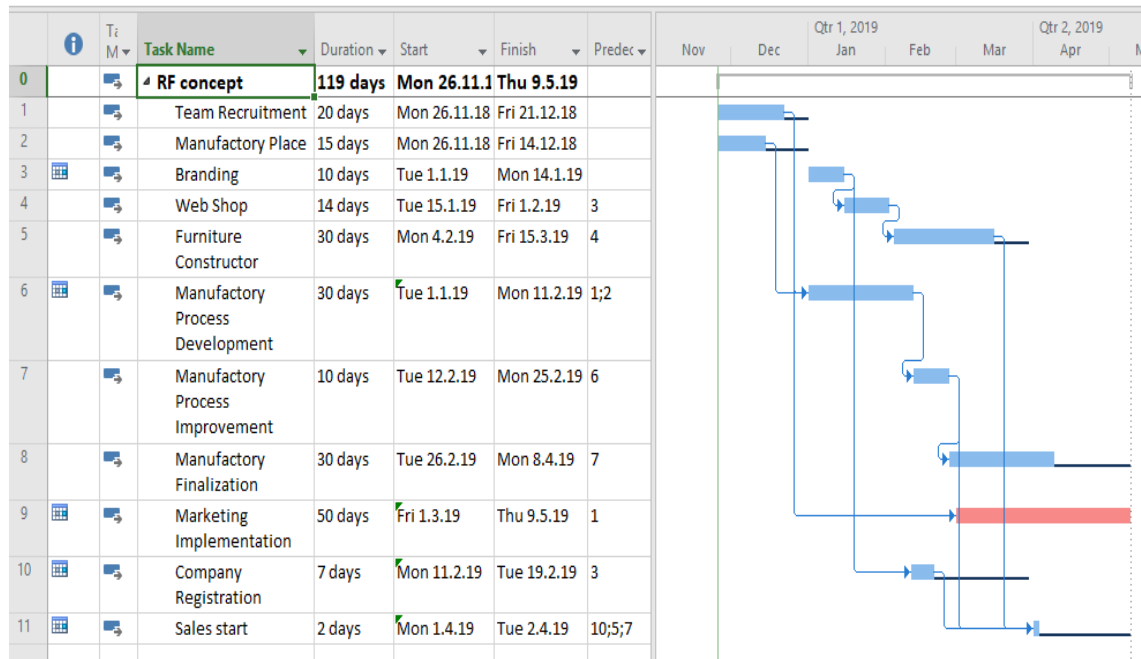


Figure 7. RF Concept First Quarter Schedule

Full company operation will be started on first of April and carried out after that. Before that time, all preparation and setting will be conducted by the company and the team that gets recruited. From the diagram, marketing implementation activity is seen as critical, because it will not be completed by the operation start date. Nevertheless, the company marketing is carried out with different strategies through all the time that company exists. Most of the activities are planned with the time reservation that is more than actually needed to secure the deadlines and reduce the complexity.

During the project implementation Gant chart and the schedule, itself will be constantly changing to achieve more successful and in-time implementation. The work break down is carried out further to justify future tasks and assigned necessary resources. The scheduling allows to adjust the project financial plans. Automatization of scheduling process and education of all the team members on the importance of the process helps the company to optimize resources flows. In the future, the company is aiming on unification of all the plans and processes to the single platform for a better understanding of efficiency and track of resources flow. (Ray 2017.)

6.4 Project Lifecycle

The project lifecycle indicates the phases and stages of the project for more detailed understanding of project implementation process. Structuration of the project arises the project success rate and helps the company to overcome daily challenges. (Cohen 2018.)

The entire project can be divided to three main phases that can be executed as an independent project, however with the dependency and sequence. The phases are as follows:

- RF concept business preparation and establishment.
- Physical demonstration shop and sales.
- Business conversion to the service-oriented business.

This thesis concentrates on the development of the first phase and preparation of the key business launch. The business idea is described and prepared for the execution. Nevertheless, every phase involves several important stages that must be performed for adequate outcomes. Firstly, project initiation is done to mark the following direction of the project and describe aims and goals. The planning stage is done to understand and know the necessary moves and actions. This thesis work is the representation of these two stated stages of the project work.

The following stage is an execution of previously planned activities. The execution is the main stage of the project due to the practical nature. The execution of the RF concept project starts in the beginning of the year 2019 according to the prepared documentation. During and after the execution there will be two stages that correspond the project overall control and analysis of the project successfulness.

Modified project management techniques are used for RF concept company. The project is not linear and not cycled, so the mix model was used to reach all the quality and quantity goals of the project. (Cohen 2018.)

7 CONCLUSION

In conclusion, the research indicates the importance of business planning and provides the clear structure that can be followed while planning the business. The thesis work focused on Recycled Furniture concept business idea that was described and developed till the implementational moment. By the research flow, the business plan structure can be tracked through the different aspects of business planning and company analysis practices.

RF concept idea is presented as a positive idea that acquired the company status with the research progression. Management and financial analysis demonstrated consistency of the future company and provided clear direction of the development process. Industry and competition analysis prepare the company for the necessity in the development and effective operation to achieve the stable market positioning. Long-term company planning is made to adequately estimate the company development flow. Theoretical and expertise knowledge provided on topic demonstrated challenging business creation process, however in-time planning, and preparation can overcome listed challenges.

Future research is planned after the company start and current short-term plan implementation. There are many more special scenarios that should be studied to exclude all the risks, however the launch could not be delayed due to the specification of business and right current timing of the project. Additionally, separate research on the furniture manufacture process as well as design research must be conducted in compliance with current work to achieve successful company kick off and future operation.

In a modern world it is highly important to take care of the environment and create green and sustainable projects that can have a small influence on ecological situation on the planet. The possibility of creation of profitable business based on the recycling technology within the small business and ability of future development should be supported and studied. RF concept company is a representative of modern small scaled green businesses.

BIBLIOGRAPHY

Adithiyar, R. 2018. Save the environment to save Life. Accessed 18 September 2018 <https://gulfnews.com/your-say/your-view/save-the-environment-to-save-life-1.2171315>.

Aven, T. 2016. Risk assessment and risk management: Review of recent advances on their foundation. *European Journal of Operational Research*, Vol. 253, No 1, 3-13. Accessed 13 November 2018 <https://www.sciencedirect.com/science/article/pii/S0377221715011479>.

Badiu, A., Badiu, I. & Dragomir, M. 2015. Studies Regarding the Use of Reclaimed Wood in the Manufacture of Modern Furniture- Part I. *Acta Technical Napocensis* Vol. 5 Issue II, 225-226.

Bangs, D.H. 2001. *Business Planning Guide: Creating a Winning Plan for Success*.

Buntz, B. 2017. 8 Strategies to Transition to a Product-as-a-Service Business Model. Accessed 8 November 2018 <https://www.iiotworldtoday.com/2017/06/14/8-strategies-transition-product-service-business-model/>.

Christensen, C. M., Raynor, M.E., McDonald, R. 2015. What Is Disruptive Innovation? Accessed 30 September 2018 <https://hbr.org/2015/12/what-is-disruptive-innovation>.

Clark, D. 2013. 10 Reasons Why Financial Planning Is Essential for Small Businesses. Accessed 8 November 2018 <https://www.smallbusinessbonfire.com/small-business-financial-planning/>.

Click, L. 2014. The Problem with Cheap Social Media Marketing. Accessed 23 September 2018 <https://flybluekite.com/cheap-social-media-marketing/>.

Cohen, E. 2018. What is the Project Life Cycle and How to Use It Better? Accessed 28 November 2018 <https://www.workamajig.com/blog/project-life-cycle>.

Enterprise Agency, 2018. Guide. Becoming an Entrepreneur in Finland. Accessed 17 September 2018 https://www.uusyrityskeskus.fi/wp-content/uploads/2018/04/SUK_perustamisopas2018_ENG_verkkoon-1.pdf.

Entrepreneur Europe. Small Business Encyclopaedia. Business Plan. Accessed 12 September 2018 <https://www.entrepreneur.com/encyclopedia/business-plan>.

Espinal, C.E. 2013. Setting Appropriate Milestones in an Early-Stage Startup. Accessed 19 November 2018 <https://seedcamp.com/resources/setting-appropriate-milestones-in-an-early-stage-startup/>.

Fallon, N. 2018. SWOT Analysis: What It Is and When to Use It. Accessed 24 September 2018 <https://www.businessnewsdaily.com/4245-swot-analysis.html>.

Finkel, D. 2014. Industry Analysis. Inc. Accessed 27 September 2018 <https://www.inc.com/encyclopedia/industry-analysis.html>.

Fiskars 2018. Corporate Governance. Risk management. Accessed 16 November 2018 <https://www.fiskarsgroup.com/investors/corporate-governance/risk-management>.

Flyvbjerg, B. 2006. Five misunderstandings about case-study research. *Qualitative Inquiry*, 12, Issue 2, 219-245.

Gartenstein, D. 2018. Reasons Why Small Businesses are Important. *Small Business*. Accessed 11 September 2018 <http://smallbusiness.chron.com/reasons-small-businesses-important-54131.html>.

Harrin, E. 2018. Using Milestones in Project Management. Accessed 19 November 2018 <https://www.thebalancecareers.com/what-is-a-project-milestone-3990338>.

Investopedia, 2018. Income Statement. Accessed 20 November 2018 <https://www.investopedia.com/terms/i/incomestatement.asp>.

Kaleikini, M. 2009. Why is it important to define a target market for your business? Accessed 23 September 2018 <https://www.entrepreneur.com/answer/222022>.

Kuijk, A. 2018. Porter's Generic Strategies. Accessed 30 September 2018 <https://www.toolshero.com/strategy/porters-generic-strategies/>.

Mariah, J. 2017. How Important Are Small Businesses to Local Economies? *Small Business*. Accessed 11 September 2018 <http://smallbusiness.chron.com/important-small-businesses-local-economies-5251.html>.

Martin, 2014. Competitive Strategies. Accessed 30 September 2018 <https://www.cleverism.com/competitive-strategies/>.

Messmer, R. 2016. 4 Reasons Why A Business Plan Is Important. Accessed 12 September 2018 <https://www.iafrikan.com/2016/06/15/4-reasons-why-a-business-plan-is-important/>.

Mishra, A. 2018. Recycle Furniture concept company. Graphic Designer. Item Design Project 1 April 2018.

Peterson, S.D., Jaret, P.E., Schenck, B.F. 2016. Why Is a Business Plan Important? *Business Plan Kit for Dummies*, 4th Edition. Accessed 12 September 2018 <https://www.dummies.com/business/start-a-business/business-plans/why-is-a-business-plan-important/>.

Porter, M. 2007. Porter's generic strategies.

Ray, S. 2017. What Is Project Scheduling? Accessed 28 November 2018 <https://www.projectmanager.com/blog/what-is-project-scheduling>.

Robinson, J. 2015. Digital Sales: Adapt or Die. Accessed 30 October 2018
<http://www.market-bridge.com/2015/05/11/digital-sales-adapt-or-die/>.

Stroh, P.J. 2014. Business Strategy: Plan, Execute, Win!

Tabalbd, M. 2017. 6 Affordable Marketing Strategies for SMBs. Accessed 23 September 2018
<https://www.towerdata.com/blog/affordable-marketing-strategies-for-smbs>.

Tracy, B. 2015. Business Strategy (the Bryan Tracy Success Library).

U.S. SMB 2017. Agency Financial Report. Fiscal Year 2017. Accessed 11 September 2018

https://www.sba.gov/sites/default/files/aboutsbaarticle/SBA_FY_2017_AFR_.pdf

Ward, S. 2018. Writing the Business Plan: The Financial Plan. Accessed 20 November 2018
<https://www.thebalancesmb.com/writing-the-business-plan-section-8-2947026>.

Zorfas, A., Leemon, D. 2016. An Emotional Connection Matters More than Customer Satisfaction. Accessed 30 September 2018
<https://hbr.org/2016/08/an-emotional-connection-matters-more-than-customer-satisfaction>.

APPENDICES

- Appendix 1. RF Concept Profit and Loss Projection
- Appendix 2. RF Concept Cash Flow Projection
- Appendix 3. RF Concept Balance Sheet Projection
- Appendix 4. Interview Transcript HarMonilla; Marita Kukkala

Profit and Loss Projection (12 Months)

RF Concept Company

Fiscal Year Begins

May-19

	May-19	% B/A	Jun-19	%	Jul-19	%	Aug-19	%	Sep-19	%	Oct-19	%
Revenue (Sales)												
Furniture Sales	5,000	45.5	10,000	62.5	10,000	62.5	15,000	71.4	15,000	71.4	20,000	76.9
Design Projects	1,000	9.1	1,000	6.3	1,000	6.3	1,000	4.8	1,000	4.8	1,000	3.8
Government Support	5,000	45.5	5,000	31.3	5,000	31.3	5,000	23.8	5,000	23.8	5,000	19.2
Total Revenue (Sales)	11,000	100.0	16,000	100.0	16,000	100.0	21,000	100.0	21,000	100.0	26,000	100.0
Cost of Sales												
Raw Materials	200	4.0	400	4.0	400	4.0	600	4.0	600	4.0	800	4.0
Manufactory Cost	50	5.0	100	10.0	100	10.0	150	15.0	150	15.0	200	20.0
Total Cost of Sales	250	2.3	500	3.1	500	3.1	750	3.6	750	3.6	1,000	3.8
Gross Profit	10,750	97.7	15,500	96.9	15,500	96.9	20,250	96.4	20,250	96.4	25,000	96.2
Expenses												
Salary Expenses	0	0.0	0	0.0	0	0.0	0	0.0	2,000	9.5	2,000	7.7
Research & Development	0	0.0	0	0.0	0	0.0	0	0.0	2,000	9.5	2,000	7.7
Supplies	10,000	90.9	10,000	62.5	10,000	62.5	10,000	47.6	8,000	38.1	8,000	30.8
Repairs and Maintenance	200	1.8	200	1.3	200	1.3	200	1.0	200	1.0	200	0.8
Marketing	100	0.9	100	0.6	100	0.6	100	0.5	500	2.4	100	0.4
Accounting and Legal	120	1.1	120	0.8	120	0.8	120	0.6	120	0.6	120	0.5
Rent	2,000	18.2	2,000	12.5	2,000	12.5	2,000	9.5	2,000	9.5	2,000	7.7
Connectivity (incl. digital expenses)	150	1.4	150	0.9	150	0.9	150	0.7	150	0.7	150	0.6
Insurance	250	2.3	250	1.6	250	1.6	250	1.2	250	1.2	250	1.0
Transportation	3,000	27.3	3,000	18.8	3,000	18.8	3,000	14.3	3,000	14.3	3,000	11.5
Interest Expenses	50	0.5	50	0.3	50	0.3	50	0.2	50	0.2	50	0.2
Total Expenses	15,870	144.3	15,870	99.2	15,870	99.2	15,870	75.6	18,270	87.0	17,870	68.7
Net Income	-5,120	-46.5	-370	-2.3	-370	-2.3	4,380	20.9	1,980	9.4	7,130	27.4

	Nov-19	%	Dec-19	%	Jan-20	%	Feb-20	%	Mar-20	%	Apr-20	%	YEARLY	%
25,000	80.6	25,000	80.6	25,000	80.6	25,000	80.6	25,000	80.6	30,000	83.3	230,000	76.2	
1,000	3.2	1,000	3.2	1,000	3.2	1,000	3.2	1,000	3.2	1,000	2.8	12,000	4.0	
5,000	16.1	5,000	16.1	5,000	16.1	5,000	16.1	5,000	16.1	5,000	13.9	60,000	19.9	
31,000	100.0	31,000	100.0	31,000	100.0	31,000	100.0	31,000	100.0	36,000	100.0	302,000	100.0	
1,000	4.0	1,000	4.0	1,000	4.0	1,000	4.0	1,000	4.0	1,200	4.0	9,200	4.0	
250	25.0	250	25.0	250	25.0	250	25.0	250	25.0	300	30.0	2,300	19.2	
1,250	4.0	1,250	4.0	1,250	4.0	1,250	4.0	1,250	4.0	1,500	4.2	11,500	3.8	
29,750	96.0	29,750	96.0	29,750	96.0	29,750	96.0	29,750	96.0	34,500	95.8	290,500	96.2	
2,000	6.5	2,000	6.5	4,000	12.9	4,000	12.9	4,000	12.9	4,000	11.1	24,000	7.9	
2,000	6.5	2,000	6.5	5,000	16.1	2,000	6.5	2,000	6.5	2,000	5.6	19,000	6.3	
8,000	25.8	8,000	25.8	8,000	25.8	8,000	25.8	8,000	25.8	8,000	22.2	104,000	34.4	
200	0.6	200	0.6	200	0.6	200	0.6	200	0.6	1,000	2.8	3,200	1.1	
100	0.3	100	0.3	100	0.3	500	1.6	500	1.6	100	0.3	2,400	0.8	
120	0.4	120	0.4	120	0.4	120	0.4	120	0.4	120	0.3	1,440	0.5	
2,000	6.5	2,000	6.5	2,000	6.5	2,000	6.5	2,000	6.5	2,000	5.6	24,000	7.9	
150	0.5	150	0.5	150	0.5	150	0.5	150	0.5	150	0.4	1,800	0.6	
250	0.8	250	0.8	250	0.8	250	0.8	250	0.8	250	0.7	3,000	1.0	
3,000	9.7	3,000	9.7	3,000	9.7	3,000	9.7	3,000	9.7	3,000	8.3	36,000	11.9	
50	0.2	50	0.2	50	0.2	50	0.2	50	0.2	50	0.1	600	0.2	
17,870	57.6	17,870	57.6	22,870	73.8	20,270	65.4	20,270	65.4	20,670	57.4	219,440	72.7	
11,880	38.3	11,880	38.3	6,880	22.2	9,480	30.6	9,480	30.6	13,830	38.4	71,060	23.5	

Twelve-Month Cash Flow Projection						
RF Concept Company						
Fiscal Year Begins:	May-19					
	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Cash on Hand (beginning of month)	15,000	7,880	5,510	3,140	5,520	5,500
CASH RECEIPTS						
Total revenues	6,000	11,000	11,000	16,000	16,000	21,000
Collections from CR accounts	0	0	0	0	0	0
Loan/ other cash injected	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL CASH RECEIPTS	11,000	16,000	16,000	21,000	21,000	26,000
Total Cash Available (before cash out)	26,000	23,880	21,510	24,140	26,520	31,500
CASH PAID OUT						
Purchases Materials	200	400	400	600	600	800
Purchases Development	0	0	0	0	2,000	2,000
Gross wages	0	0	0	0	2,000	2,000
Outside services	1,000	1,000	1,000	1,000	1,000	1,000
Supplies (office & oper.)	2,000	2,000	2,000	2,000	2,000	2,000
Repairs & maintenance	200	200	200	200	200	200
Marketing	100	100	100	100	500	100
Car, delivery & travel	3,000	3,000	3,000	3,000	3,000	3,000
Accounting & legal	120	120	120	120	120	120
Rent	2,000	2,000	2,000	2,000	2,000	2,000
Connectivity (incl. digital expenses)	150	150	150	150	150	150
Insurance	250	250	250	250	250	250
Interest	50	50	50	50	50	50
SUBTOTAL	9,070	9,270	9,270	9,470	13,870	13,670
Loan principal payment	1,000	1,000	1,000	1,000	1,000	1,000
Capital purchase (specify)	0	0	0	0	0	0
Other startup costs	0	0	0	0	0	0
Owners' Withdrawal	8,050	8,100	8,100	8,150	6,150	6,200
TOTAL CASH PAID OUT	18,120	18,370	18,370	18,620	21,020	20,870
Cash Position (end of month)	7,880	5,510	3,140	5,520	5,500	10,630

Appendix 2 2(2);

Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	Total Item EST
10,630	20,510	30,390	35,270	42,750	50,230	232,330
26,000	26,000	26,000	26,000	26,000	31,000	242,000
0	0	0	0	0	0	0
5,000	5,000	5,000	5,000	5,000	5,000	60,000
31,000	31,000	31,000	31,000	31,000	36,000	302,000
41,630	51,510	61,390	66,270	73,750	86,230	534,330
1,000	1,000	1,000	1,000	1,000	1,200	9,200
2,000	2,000	5,000	2,000	2,000	2,000	19,000
2,000	2,000	4,000	4,000	4,000	4,000	24,000
1,000	1,000	1,000	1,000	1,000	1,000	12,000
2,000	2,000	2,000	2,000	2,000	2,000	24,000
200	200	200	200	200	1,000	3,200
100	100	100	500	500	100	2,400
3,000	3,000	3,000	3,000	3,000	3,000	36,000
120	120	120	120	120	120	1,440
2,000	2,000	2,000	2,000	2,000	2,000	24,000
150	150	150	150	150	150	1,800
250	250	250	250	250	250	3,000
50	50	50	50	50	50	600
13,870	13,870	18,870	16,270	16,270	16,870	160,640
1,000	1,000	1,000	1,000	1,000	1,000	12,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6,250	6,250	6,250	6,250	6,250	6,300	82,300
21,120	21,120	26,120	23,520	23,520	24,170	254,940
20,510	30,390	35,270	42,750	50,230	62,060	279,390

Balance Sheet Projection		01-05-19	
RF Concept Company			
ASSETS			
NON-CURRENT ASSETS			
Intangible assets		€	500.00
Total intangible assets		€	500.00
Tangible assets			
Machinery and equipment		€	25,000.00
Other tangible assets		€	5,000.00
Prepaid Insurances		€	3,000.00
Total tangible assets		€	33,000.00
Investments			
Other share and similar rights of ownership		€	30,000.00
Total investments		€	30,000.00
Total non-current assets		€	63,500.00
CURRENT ASSETS			
Inventories			
Materials and supplies		€	33,200.00
Unfinished products		€	1,000.00
Finished products		€	30,000.00
Total inventory		€	64,200.00
Receivables			
Short-term receivables			
Accounts receivable		€	230,000.00
Other receivable		€	72,000.00
Total short-term receivables		€	302,000.00
Cash in hand and at banks			
Cash in hand and at banks		€	60,000.00
Total current assets		€	426,200.00
TOTAL ASSETS		€	489,700.00
LIABILITIES			
Shareholders' equity			
Share capital		€	-
Profit for the financial year		€	71,060.00
Total shareholders' equity		€	71,060.00
Liabilities			
Long-term liabilities			
Loans from credit institutions		€	60,000.00
Total long-term liabilities		€	60,000.00
Short-term liabilities			
Accounts payable		€	219,440.00
Other liabilities		€	11,500.00
Total short-term liabilities		€	230,940.00
Total liabilities		€	290,940.00
LIABILITIES, TOTAL		€	362,000.00
EQUITY TOTAL		€	127,700.00
LIABILITIES AND EQUITY		€	489,700.00

Interviewer: Roman Shamray

Interviewee: Marita Kukkala

Subject: HarMonilla company

1. What is the main business model of HarMonilla? Do you re-sell old furniture mainly or you provide service on restoration and renovation of the old furniture?

The first idea was to buy old furniture and renovate them if they need that. Then we met some customers who want to renovate the furniture by themselves, so we decided to not renovate everyone. After some year the solder want to sell more from theirs home and now, we are selling everything what you can have in a home.

2. How would you rate and describe furniture market in Lapland?

The town and the internet are full of places where you can sell cheaply and give free a lot of stuff from homes, included furniture. And the most people do not value high craftsmanship and won't pay so much for it. I think that here in Lapland we have market for cheap furniture.

3. As I know you are a part time entrepreneur. Would you like to become full time? (What are possible limits of becoming full time?)

I have been a full-time entrepreneur, but I can't make it anymore so much because I have become so allergic. Possible to be full time is very hard here because the market is so small. I've got a lot of customers in the south of Finland, but to send a furniture cost so much and few can pay them.

4. Why did you decide to start your own company?

I have always been entrepreneur (big farm 20 years and after that I made work with my business (Y-tunnus) to another entrepreneurs). My hobby was to fix old furniture and I thought I can do it all time.

5. Can you list 2 positive and 2 negative sides of running a business?

Positives sides are that you can decide by yourself how much you want to work and where you want to work (if it possible to work at home and office). Negative sides are that you can be very lonely without work mates. And you don't have so good occupational health services (it is very expensive for entrepreneur and that's why entrepreneurs want to save money here) what you have when you are working like an employee for some company.

6. What would be the main challenge if you would decide to grow your company?

To employ employees. It's a big risk.

7. What would be the main advice from you to people who would like to start a business?

To understand that you are responsible for everything associated with your business. Everything is catching on you and therefore it is also good to remember to take care of yourself and your own well-being.