

**THE FIRST STEPS FOR STARTING GLOBAL BUSINESSES IN
FINLAND – FROM IDEA UNTIL THE BUSINESS PLAN**

Project: Barisma – The worldwide website for bars, nightclubs and cafes

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<p>The title of your thesis The first steps for starting global businesses in Finland – From idea until the business plan Project: Barisma – the worldwide network for bars, nightclubs and cafes</p>	<p>Number of pages and appendices 65 + 89</p>
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<p>This thesis describes the author's early-stage experience in starting a global business in Finland and explains the challenges, and also opportunities, occurred along the way from the moment the idea came to life until a comprehensive business plan was written.</p> <p>The idea of Barisma came to life in December 2008 and is still under development after writing three business plans, seventeen months of thinking, planning and development, 4000 hours of R&D and 1000 hours of implementation. The results from the project present many achievements and disappointments that the author wishes to share with the readers to help them avoid mistakes, save them money and energy and eventually encourage them when starting global businesses in Finland.</p> <p>This thesis explains the importance of know-how in the earliest of stages. It offers a 'seven-step' recommendation to be followed for a period of twenty four weeks by future entrepreneurs from two different points of view: the eyes and minds of the experts, researchers and experienced in starting global businesses; and the author's experience with Barisma. It states the importance of understanding the actual meaning of entrepreneurship and entrepreneur, acknowledging the characteristics of an entrepreneur, knowing that the idea is a business idea, knowing the benefits of starting a global company in Finland, identifying and working on the success factors of a business and writing a comprehensive business plan. It targets ambitious, talented and hardworking people -Finns and foreigners living in Finland - and serves as a practical guide to encourage them to try acting on ideas and to spot and exploit opportunities. After all, if people do not try, they will neither achieve nor succeed.</p>	
<p>Key words Entrepreneurship, Entrepreneur, Characteristics of Entrepreneur, Business Idea, Reasons to Starting Global Businesses in Finland, Requirements to Success, Business Plan, Barisma</p>	

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1 Introduction

It is far better to be exhausted from success than to be rested from failure, a quote by Mary Kay that should describe every person wishing to start his/her own business (Scott Allen, About.com, 2010). Challenges in life are inevitable and most people tend to be frightened from the idea of starting a business simply because the first most important steps in entrepreneurship which are “To Initiate or Try” and acquire the “Know-How” are still a vague mystery, especially in Finland.

The chapter 1 presents the topic and motivation behind the thesis including background, justification, interest groups, objectives, professional targets, structure and limitations.

1.1 Background

Students, in Finnish universities and institutes, are instructed to “Think Big” and encouraged to develop businesses targeting global markets. However, it is almost impossible to succeed without knowing how to do so. It is a fact that Nokia has been the most successful international business for Finland but it is not the only one. Finns have managed to offer the world amazing products and services especially with excellent technological inventions such as MySQL which was sold for one billion US dollars to the Sun Microsystems and it is currently the most successful Finnish exit. In addition to that, the SMS messaging and GSM invented by Matti Makkonen, the first Xylitol gum invented by Jenkki, the unique designs by Iittala Group, the fashion excellence by Marimekko, the famous Formula 1 drivers and many other products, brands, names and heroes were made in Finland.

Hopefully, this is only the beginning.

This thesis is dedicated to ambitious, hardworking and talented people who are planning to start a global business in Finland. First of all, every challenge is an opportunity, every problem has a solution and every idea will have the required funds, one way or another. Secondly, not everything has been done and even if it already exists, techniques, methods and/or processes can be improved. Finally, it is about choices and actions that are done now, not tomorrow, not next week. The true entrepreneur is a doer, not a dreamer and he/she tends to bite off a little more than he/she can chew hoping to quickly learn how to chew it (Scott Allen, 2010).

The thesis describes the author's early-stage experience in starting a global company in Finland and explains the challenges, and also opportunities, occurred along the way from the moment the idea came to life until a comprehensive business plan was written. Barisma, the worldwide network for bars, nightclubs and cafes which unites people to bars and third parties in the industry, aims at becoming the leader in marketing, consultancy and information. It will have headquarters in Lahti, Finland. Finally, this dissertation will also explain why:

- Starting a global business in Finland is the ideal decision for future entrepreneurs
- Writing a comprehensive business plan is one of the most important steps

1.2 Justification

Some people are afraid to take risks even if they have the best ideas that are worth millions. Despite the countless opportunities and support networks, they take the easy way out, by not trying, giving excuses, thinking negatively, not considering the ideas or even not knowing that they have them. What they don't know is that governments, investors and Venture Capitals (VCs) are constantly and impatiently looking to invest on the next great idea in order to make the next one hundred million euro businesses. The proof of that are the active venture capitalists, publicities to sell loans, the investments in R&D by the public and private sectors and scholarships. In addition to that, the importance of entrepreneurship should be understood especially for its huge role in filling the gaps in the economical defects, a very sensitive issue that has touched millions of people around the world during the last economical crisis.

In Finland, the world of entrepreneurship is young, promising and unpredictably changing and advancing towards becoming a significant worldwide player. It is shown in the incredibly organised society, competitive economy and the significant development of Finland from the land of "Farmers" to the land of "World Class Technology". Unfortunately, most people still avoid the risk of starting a company and think it is impossible to succeed because of the high tax rates, expensive labour costs and the low population density which limits the size of the market. This results in migration of talents to other countries of which one example is the United States and more specifically the Silicon Valley which is the paradise for any start-up. Another trend is the illusion of stability in the employment world when employees prefer the steady incomes and regular pay checks bearing in mind that an economic crisis, bankruptcies or company mergers can end their life-time careers anytime and without justification. Everyday, employees are taking great risks while going to work indifferent of the industry or their

position in the company. Finally, the current problems of entrepreneurs in Finland are the lack of know-how, motivation and funds which stop great ideas from coming to life. Therefore, the main justification of this thesis is to provide and explain the processes of starting a business especially in the earliest of stages that stops most people even from trying. The author wishes to encourage and motivate Finns and foreigners to start global companies in Finland simply to avoid losing the next big thing. Finally, acquiring the motivation and the know-how will facilitate the process of getting funding for the business.

1.3 Interest Groups

This paper aims at reaching ambitious, hard working and talented students, graduates and everyone wanting to start global businesses in Finland. It can also target future researchers to continue this thesis with topics such as “What to do after the business plan is ready?”, “How to acquire public and private funding?”, “How to manage Teams?”, “How to recruit potential managers and employees?”, “How to acquire customers?” and so on.

Finally, the author is seeking feedback, comments and ideas for improvement from professionals, experts and researchers in entrepreneurship and the business world.

1.4 Objectives

The thesis' objective is to ease the process of starting global businesses in Finland from the moment when the idea is born until business plan is written. It seeks to highlight the challenges, and also opportunities, which might occur and to provide recommendation for future entrepreneurs. It will also serve for motivational, encouragement and self-esteem purposes. It will facilitate the planning, decision making, investments and networking processes. Finally, it can be considered as a practical guideline, in addition to the huge database of theoretical resources and material available both online and offline, about starting global businesses and entrepreneurship which will be mentioned in the literature review and Barisma project.

Appendix 1 presents the global success of Finnish brands and the ability to produce top quality products and services. Starting a global business, targeting international growth even for the smallest ideas that seem to be insignificant in the present day, must be the next generation's mission, vision and focus in Finland. The only reasoning behind this encouragement is simply the countless and priceless ideas which are produced in Finland but underestimated and mostly exploited by other nations after being produced in Finland. The only unmentioned

and relevant example, in the Appendix 1, is Matti Makkonen who invented the SMS and GSM for mobile phones while he was an employee at Sonera, a Finnish telecommunication service provider. Matti was rewarded with 300 € sent to his account by Sonera while today billions of messages are sent daily. The “Father of the Text” did not get a cent for developing text messages or his idea for changing phone numbers of the old NMT mobile standard to GSM, even though it helped Sonera acquire a large number of customers for its new digital mobile phone network. “At the turn of the millennium I tried to forget that I could have been a millionaire. Now there is enough distance for me to concede: I am upset that I got such paltry compensation”, Makkonen says. His disappointment is understandable. If he were to get only one tenth of a percent of the financial yield of all of the text messages sent in the world, he would earn 50 million Euros a year. Tuomo Pietiläinen titled the article in Finland’s first newspaper, Helsingin Sanomat, about Makkonen: “Finnish inventions – going cheap” and subtitled it with: “Matti Makkonen, the Father of SMS messaging, didn’t earn a cent for his idea”. Pietiläinen is right, if Makkonen, the employee, did start his own company, introduced the technology and waited for the right time, it would have been a billion euro business idea. (Tuomo Pietiläinen, Helsingin Sanomat, 2006)

1.5 Professional Targets

The professional targets seek to enhance the chances of receiving grants, public funds or even bank loan guarantees especially when the Confederation of Finnish Industries EK is aiming at increasing the number of new established businesses up to 33 000 before the end of 2010 which today is 22 000. (EK:n PK-Ohjelma 2010-2008.) Therefore, it is an attempt to prove the author’s -also founder- consistency, ambition, hard work and talents to accomplish further achievements and successes.

1.6 Structure

The structure of the thesis follows the basic thesis guidelines set by Haaga-Helia University of Applied Sciences for the bachelor degree in Hotel, Restaurant and Tourism Management.

It is divided into eight chapters:

1. Chapter 1 presents the topic and motivation behind the thesis
2. Chapter 2 presents the first literature review: Entrepreneurship Perspective
3. Chapter 3 presents the second literature review: Requirements for Success

4. Chapter 4 presents and describes the processes of Barisma
5. Chapter 5 presents the results and findings i.e. the achievements and disappointments
6. Chapter 6 presents the recommendations for future entrepreneurs
7. Chapter 7 presents the Bibliography
8. Chapter 8 presents the appendices supporting this thesis

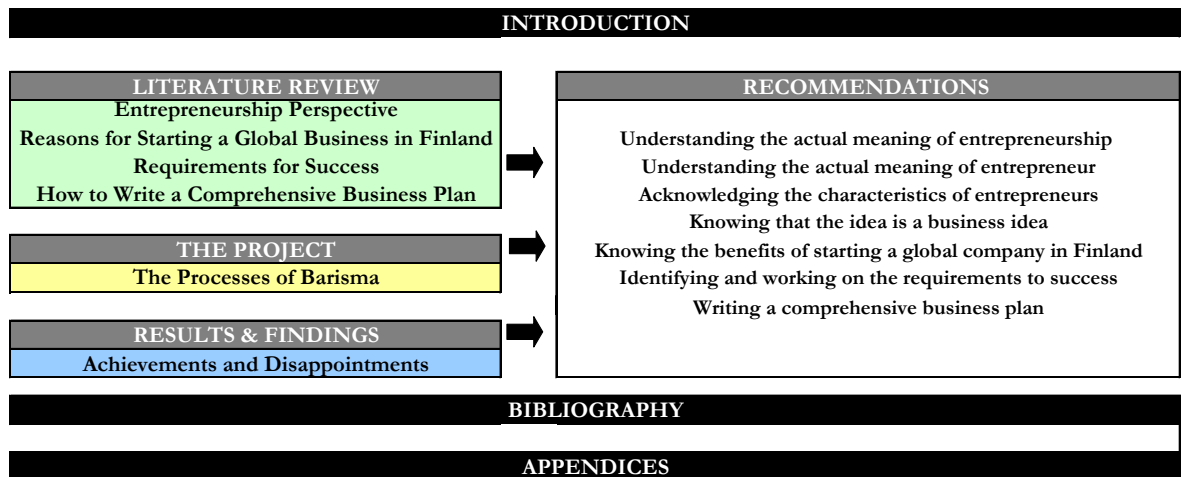


Figure 1: Thesis Structure

1.7 Limitations

There is a huge database of material online and offline about starting a business but it is not focused on the earliest of stages when motivation and know-how is needed. Therefore, the author wishes to limit, summarize and organise the steps for the reader.

The limitation in this thesis is set to present important information about the steps in the earliest of the stages in starting global businesses in Finland and especially:

- The steps from the moment the idea is born until the business plan is written
- The definition, importance and guidelines of writing a comprehensive business plan instead of the detailed description of the content
- Starting private limited liability companies and excluding other types of companies
- Small and Medium-Size companies targeting international growth
- The concept of “Personal Growth” will not be mentioned except in the “List of important definitions” but it will be demonstrated throughout the thesis to the reader to highlight the importance of acting on ideas and trying to initiate the first steps of acquiring know-how

- The content of the literature review seeks to present important topics that will demonstrate to the reader the importance of acting on ideas and trying to initiate the first steps of acquiring know-how
- “Networking” will not be described except in the “List of Important Definitions” (LoID)
- “Globalism” will not be described except in the “LoID”.
- “Venture Capital/Capitalist” will not be described except in the “LoID”.
- “Funding” or acquiring funds for a business will not be described except in the “LoID”

The author’s intention is to highlight and summarize the important concepts and organise them in a chronological order to serve as a guideline for starting global businesses in Finland. In some cases, a business model might consider a specific type of a business environment, strategy or operation and it is not the case of categorising or describing them but to provide useful information for the reader to follow in the earliest stages even before ideas are born.

Finally, the reader must focus on the opportunities he/she might have at present day or the possibilities that he/she is capable to exploit in the near future, while reading this thesis. In other words, it is important to know the ways how to work on ideas even before they are business ideas, in order to spot and exploit their potentials with minimum investment and maximum results.

2 Entrepreneurship Perspective

The chapter 2 presents the first literature review, Entrepreneurship Perspective. It includes four major topics: the meaning of entrepreneurship, the definition of entrepreneur, the characteristics of entrepreneurs and the reasons for starting global businesses in Finland.

2.1 The Meaning of Entrepreneurship

Defining entrepreneurship is difficult because there are many types of entrepreneurial activities and it is a matter of individual perception whether one considers a certain activity entrepreneurial or not. For example a new concept or a new business idea is a classic entrepreneurial feature. One develops a new product or a new idea and concentrates ones business around the concept. This activity requires creativity and ability to foresee trends before the general public (Burns 2007, 12.).

According to the Government of India, entrepreneurship is a theory of evolution of economic activities, a continuous process of economic development, an ingredient to economic development, a risk taking factor which is responsible for an end result, a concept that creates awareness among people about economic activity and generates self-employment and additional employment and the name given to the factor of production, which performs the functions of enterprise. It is essentially a creative activity or an innovative function but usually understood with reference to individual business (Indian Institute of Entrepreneurship, Government of India, 2005)

The Business Dictionary (2010) describes entrepreneurship as “Capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward. In economics, entrepreneurship is regarded as a factor of production together with land, labour, natural resources, and capital. Entrepreneurial spirit is characterized by innovation and risk-taking, and an as essential component of a nation's ability to succeed in an ever changing and more competitive global marketplace.” (BusinessDictionary.com, 2010.)

Many definitions of entrepreneurship can be found in the literature describing business processes. The earliest definition of entrepreneurship, dating from the eighteenth century, used it as an economic term describing the process of bearing the risk of buying at certain prices and selling at uncertain prices. Other, later commentators broadened the definition to include the

concept of bringing together the factors of production. This definition led others to question whether there was any unique entrepreneurial function or whether it was simply a form of management. Early this century, the concept of innovation was added to the definition of entrepreneur-ship. This innovation could be process innovation, market innovation, product innovation, factor innovation, and even organisational innovation. Later definitions described entrepreneurship as involving the creation of new enterprises and that the entrepreneur is the founder. (Paul Di-Masi, 2010.)

Further more, an Austrian economist Joseph Schumpeter's definition of entrepreneurship placed an emphasis on innovation, such as:

- New products
- New production methods
- New forms of organization
- New markets (Joseph Schumpeter's, 1999-2007)

2.2 The Definition of Entrepreneur

An entrepreneur is a person who engages in the process of entrepreneurship (Mentors, Vendors & Plans, Glossary), an individual who starts his/her own business (SME Finance Data Initiative, Glossary of terms, 2008), a risk taker in the business world (ITS Tutorial School, 2005) and somebody that organizes, manages, and assumes the risk of a business (South Dakota Social Studies, Glossary).

Burns (2007, 9-11) emphasizes in his conclusions the amount of risk that the entrepreneurs need to be able to handle, and besides that the importance of innovativeness and how these two factors correlate. Therefore, he describes an entrepreneur as a person who attempts to profit by risk and initiative. The essential tool for entrepreneurs is innovation and innovations are produced for example through changes in the field of technology, materials, prices or demographics. An entrepreneur creates demand or tries to find ways to exploit existing markets, and all this is focused on change. Change itself causes disequilibrium in the markets, which produces opportunities that entrepreneurs are looking for to exploit. The change can be produced with an innovation or it can be created by an external factor. The ability to manage and deal with change is characteristic for an entrepreneur, because most of the “ordinary people” find change threatening because of the amount of risk involved. Noticeable is that entrepreneurship is not defined by the size of the organization people work within, but by their

actions. Entrepreneurs can equally exist in micro firms as well as within large firms, even in ones they did not set up themselves. Burns would use his own determination for entrepreneurship as follows: “Entrepreneurs use innovation to exploit or create change and opportunity for the purpose of making profit. They do this by shifting economic resources from an area of lower productivity into an area of higher productivity and greater yield, accepting a high degree of risk and uncertainty in doing so.” (Burns, 2007, 9-11.)

In addition, there are also entrepreneurs who start new businesses based on old concepts. A classic example is that if one opens a convenience store, the idea itself is not innovative or new, but the business itself involves risk to the owner and it requires the owner to build something which previously did not exist. Some people do not consider this being entrepreneurial behaviour because it lacks innovation and creativity. However most of the people who base their business on old ideas and concepts, usually add something of their own to the business itself, so that it would stand out somehow and gain success by doing something old and familiar better than others. Finally, even if someone would buy an existing company and would not change anything in its operations, it would still be considered as entrepreneurial behaviour because of the risks that are involved. (Kuehl & Lambing 2000, 14.)

2.3 The Characteristics of Entrepreneurs

An entrepreneur is a person who develops and owns his own enterprise. He is a moderate risk taker who works under uncertainty for achieving the goal, pursues the deviant pursuits, reflects strong urge to be independent and persistently tries to do something better. In addition, he is innovative, dissatisfied with routine activities, prepared to withstand the hard life and determined but patient. Furthermore, he exhibits sense of leadership and competitiveness, takes personal responsibility, tends to persist in the face of adversity, converts a situation into opportunity and he is oriented towards the future. (Indian Institute of Entrepreneurship, Government of India, 2005)

According to Stephenson and Mintzer (2008, 5-17) entrepreneurs have twenty five characteristics presented in Appendix 2 and 3. Most importantly, it is a must to:

- **Take advantages of opportunities** (Stephenson & Mintzer 2008, 5-17; Burns 2007, 35; Hodgetts & Kuratko 2007,120)
- **Be creative** (Stephenson & Mintzer 2008, 5-17; Indian Institute; Burns 2007, 30-36)

- **Be confident** (Stephenson & Mintzer 2008, 5-17; Burns 2007, 37; Hodgetts & Kuratko 2007, 120)
- **Be very motivated** (Stephenson & Mintzer 2008, 5-17; Indian Institute, Burns 2007, 38; Hodgetts & Kuratko 2007, 123)
- **Take risks** (Stephenson and Mintzer 2008, 5-17; Indian Institute, Burns 2007, 39; Hodgetts & Kuratko 2007, 121-123)
- **Want to learn more** (Stephenson and Mintzer 2008, 5-17; Burns 2007, 40)

Entrepreneurs seek opportunities to make money; they are opportunistic to see possibilities in situations where others see problems (Burns 2007, 35). Thus, they are more focused on opportunity than on resources, structure or strategy (Hodgetts & Kuratko 2007, 120). Sometimes the enthusiasm to exploit opportunities backfires, because entrepreneurs tend to get distracted by other opportunities so that it distracts them of following their initial plans (Burns 2007, 35). That is why a good entrepreneur needs to be goal orientated and selective about opportunities. One needs to know which opportunities to follow and which to pass. Being goal orientated helps to define priorities and helps to measure how well they have performed. (Hodgetts & Kuratko 2007, 120.) If an entrepreneur gets distracted it can also turn out as an advantage if they are able to sell the older companies they are bored with and start up a new one. (Burns 2007, 35)

Innovation is the prime tool that entrepreneurs use to create or exploit opportunities to do business. Even though it is hard to define innovation, because it can take many forms, entrepreneurs are always in some form innovative. Timing is everything for an entrepreneur to reach the goals that are set, because an innovation that is introduced before its time results in failure of the business. Also if the innovation is done late, it may result in many copycat products and services in the markets. (Burns 2007, 30-36.)

To start up a business of their own, entrepreneurs need to be confident to make right judgments when facing uncertainty. Therefore many start-up courses focus on building the entrepreneur's self-confidence, and the first step to this is to have a solid business plan. It gives a comfort of certainty against the biggest fear, which is uncertainty about everything. Yet it is possible that people get delusional and exaggerate their competence and become even arrogant. High self-confidence makes entrepreneurs to be in most occasions more proactive than reactive. Therefore they are more decisive than average people. They need to be decisive to be able to exploit opportunities before others do. Because of the striving mentality of finding new opportunities and working constantly, the entrepreneurs usually do not have that much

patience. Making decisions quickly builds their learning curve to follow the term “learn by doing”. They act first and learn whatever the outcome of the action they made is. (Burns 2007, 37) Being reactive in a difficult situation builds up the self-confidence and so they are more active as problem solvers. Problem solving is in fact something that entrepreneurs face all the time, because there are different kinds of obstacles distracting one’s business and the entrepreneur needs to do the right actions that are needed fast. (Hodgetts & Kuratko 2007,120.)

Entrepreneurs have a strong inner need for an achievement, and therefore they are highly self-motivated. One needs to be self motivated, because usually entrepreneurs work long hours alone without anyone encouraging. Then the need for achievement is many times more important than money, and money is only a mark of success that comes within their achievement. (Burns 2007, 38.) To be successful one needs a clear vision of one’s goals and what one needs to reach those goals. Yet in some cases an entrepreneur begins to realize just over time what the business could be and what it can become. (Hodgetts & Kuratko 2007, 123.) This is a core part of one’s motivation, and it also helps marketing oneself to both, inside and outside customers (Burns 2007, 38).

Entrepreneurs need to be willing to take great risks and to be able to live in uncertainty. Many of them are willing to put their own home as collateral, because they believe so strongly in their business idea. If an entrepreneur wants to build his business, he must understand the risks involved. In growth business one needs much more capital to invest in the business, yet growth businesses face rapid changes, which create uncertainty to one’s initial investment. (Burns 2007, 39.) It is good to remember though that successful entrepreneurs are not gamblers, because if they participate in a business action they do it in a calculated, carefully thought out- manner. The goal is to get the odds in their favour for example by sharing the financial risk or by persuading others to get special terms in contracts. In a long run one must face setbacks at some point, and one must be realistic and even expect for the kind of possibility. The key is not to become frustrated or discouraged, but to look for an opportunity to learn from the setbacks. (Hodgetts & Kuratko 2007, 121,123.)

The educational background might provide an entrepreneur the basis for better learning through life, which enables them to cope better with business problems. It also can give them higher earning expectations that will lead one to expand the business. Education can give them the confidence that is needed to deal with customers and other business professionals. (Burns 2007, 40.)

Kawasaki (2004) also points out the importance of pitching. An entrepreneur should be a storyteller that can tell his or her business proposition at any time, precisely, shortly and clearly. This is a skill that can be gained by everyone and it can be rehearsed. (Kawasaki 2004, 4-62.) It is important to remember that entrepreneurs are both born and made. They use their characteristic traits in their favour of which they are born with. Yet, they are also shaped by all the experiences they have had during their lives. This includes their antecedent influences i.e. the social environment they are in and the culture of the society they have grown up in. Situational factors are the ones that influence the person at the moment when one makes a decision to become an entrepreneur. The common situation is that one has lost one's job and has little choice but to start up a business. (Burns 2007, 30.)

Finally, unemployment is a factor that pushes people into self-employment. Yet, those who are driven to entrepreneurship by losing their job tend to be less motivated to expand their business than compared to the ones that leave their original jobs voluntarily to start a business of their own. Therefore it is fair to say that growth does not happen by chance, but the entrepreneur must want it. (Burns 2007, 40.)

2.4 The Meaning of a Business Idea

According to The Free Dictionary, an idea is a thought or conception that potentially or actually exists in the mind, a product of mental activity, a mental representation of something, the characterization of something in general terms, a concept, an opinion, a conviction, a principle, a plan, a scheme, a method, the gist of a specific situation, a significance, a notion, a fancy; a theme, a motif, a philosophy, the belief that something is the case, a purpose and a mental image of something remembered. (TheFreeDictionary.com, 2010)

A business idea is a concept which answers to the questions what, whom, and how? In the concept one must define what the needs of one's clients are. What is the main idea and image of the product or service that is offered? What are the strengths of the product or service and what are the competitive advantages compared to competitors who provide the same product or service. (Sutinen & Viklund 2004, 69.)

A business idea is a concept which can be used for commercial purposes. It typically centres around a commodity or service that can be sold for money, according to a unique model. There are several methods for developing and testing a business idea. The ability to come up with a business idea can be transformed into a viable business, where ideas supported by fea-

sibility and a business plan can then be sold to interested investors, firms, and interested parties for a lump sum or a management contract, or as agreed. Business ideas, if introduced at the right time, when demand for such service or a product introduced by the idea is expected to surge, can lead to a very profitable business. Business ideas are always available through different sources; however, it is the application applied on these ideas, and timing makes all the difference in failure or success. (Answers.com, 2010)

A business idea may become in a form of entrepreneur's new discovery or insight i.e. a new invention, or it can be found with systematical research. A business idea can also be bought by buying patents or licenses. In most occasions a business idea is based on the professional skills and abilities that one has acquired when working for someone else. Therefore the majority of new businesses are developed into the same business branch where the entrepreneur has operated before. (Holopainen & Levonen 2008, 22.)

2.5 The Reasons for Starting Global Businesses in Finland

In Finland, there is a dynamic business environment where everything works. Thanks to its early adoption of information technology, unique co-operation between education, research and industry, as well as a skilled workforce receptive to new technologies, Finland is an ideal test bed for new solutions and technologies. Couple this with a sophisticated infrastructure, highly competitive operating costs and strategic location in Northern Europe, and there will be a market that offers great opportunities for success and solid growth. Non-existent corruption and minimal red tape are additional reasons for establishing a business in Finland. Therefore, the main reasons are:

1. Finland is the business centre of the Northern European market area
2. Finland offers an excellent base for knowledge- and technology-based investments
3. Finland offers a world leading business environment and a competitive economy. (Enterprise Finland, 2008.)

2.5.1 Business Environment - Ease of Doing Business

The business environment in Finland is easy and efficient. Both the public and the private sector are committed to investing in research and development, and the country's highly educated people have a positive can-do attitude towards innovation. Finnish businesses and scientists already have cutting-edge expertise in forestry, chemical and metal industries, ICT, soft-

ware and electronics, new materials, environmental technology, biotechnology and diagnostics, functional foods and knowledge-intensive services (Tekes, 2009a.).

According to The World Bank and the International Finance Corporation (2010,2) Finland is ranked 16 out of 183 economies for Ease of Doing Business presented and described further in Appendix 4 and 5. (The World Bank, 2010, 2)

2.5.2 Starting a Business is Easy, Fast and Inexpensive

Appendix 5, 6, 7 and 8 shows that Finland is ranked 30 of 183 in starting a business which requires 3 procedures, takes 14 days, and costs 0.94 % GNI per capita:

1. Deposit the paid-in share capital in a bank; pay the registration fee and get a receipt
2. Submit a single start-up notification form to the NBPR -National Board of Patents and Registration- and the Tax Administration
3. File at a private insurer for pension insurance, accident insurance, and medical insurance of employees. (The World Bank, Finland 2010, 7.)

The Business Information System (BIS) is jointly maintained by the National Board of Patents and Registration of Finland and the National Board of Taxes. BIS enables businesses to report their company information to both authorities in one single notice. Businesses and corporations no longer need to report the same information on separate forms to both the Trade Register and the registers kept by the tax administration. The Business Information System includes businesses and corporations entered into the: Trade Register, Foundations Register, VAT register, Withholding Tax Register and/or Employer Register. All businesses and corporations to be entered into the Business Information System are given a Business Identity Code “Business ID” or “Y-Tunnus” in Finnish. (ExpatriFinland, 2010)

The required minimum share capital is Euro 2 500 for a private limited liability company and there is no limitation on the maximum share capital (NBPR of Finland, 2010).

The summary of ranks presented in Appendix 5 and 6 shows that Finland is ranked 47/183 for dealing with construction permits, 132/183 for employing workers, 27/183 for registering property, 30/183 for getting credit, 57/183 for protecting investors, 71/183 for paying taxes, 4/183 for trading across borders, 8/183 for enforcing contracts and 5/183 for closing a business. (The World Bank, 2010,2)

2.5.3 A Competitive Economy

Based on ranks from the European Growth and Jobs Monitor, an annual ranking which measures the economic and social performance of 14 European countries according to criteria derived from the original Lisbon Agenda, Finland took the best spot in 2008 and 2009, leading Poland, Netherlands, Greece, Sweden, Spain, United Kingdom, Belgium, Germany, Austria, Denmark, France, Ireland and Italy; more information about the topic is presented in appendix 9 (The European Growth and Job Monitor, 2009, 3,10,11,12,19,23,35).

Table 1: Figures from the Finnish Economy 2009

Currency	GDP	GDP Growth	GDP / Capita	Inflation
Euro	\$ 181.4 billion	- 7.6 %	\$ 34,900	0-1 %
Gini index	Labour Force	Unemployment	Exports	Imports
29.5	2.68 million	9 %	\$ 57.88 billion	\$ 54.1 billion
Gross E. Debt	Public Debt	Revenues	Expenses	Foreign Reserve
\$ 364.9 billion	41.4 % of GDP	\$ 115.7 billion	\$ 122.6 billion	\$ 8.635 billion

(Source: CIA Fact Book 2009)

The table 1 shows that in 2009, Finland's GDP was \$ 181.4 billion, GDP per Capita was \$ 34,900, Revenues were \$ 115.7 billion, Exports were \$ 57.88 billion and Imports were \$ 54.1 billion (CIA Fact Book, 2009). The country has one of the lowest debt ratios in the European Union, with state debt estimated at 29.1 percent of GDP at end-2008 (Sakari Suoninen, Thomson Reuters, 2008). Finland adopts the single currency -the Euro- which replaced the Finnish Markka on January, 1st 1999 (EUbusiness, 2010). The Euro is an increasingly attractive currency for investors compared with its rivals - not only the pound, but also the US dollar. And the European economy, while showing undeniable signs of being gripped by the slow-down, is less burdened by debt than the United States or the United Kingdom. The lower size of government deficits, the lower expectations for inflation, and the higher interest rates paid by the European Central Bank have also made holding the Euro more attractive. (BBC News, Q&A: Strong euro, weak pound, 2008)

2.5.4 The Best Education System in the World

Finnish teenagers top the OECD's PISA assessment in science and come second in mathematics and reading. According to Statistics Europe, as much as 40% of the workforce have graduated from a university-level institution or obtained a doctor's degree. (OECD, 2006, 10)

Finland has one of the most successful education systems in the world, writes Sean Coughlan, the BBC News education reporter in Helsinki (Sean Coughlan, BBC News, 2004). In Finland everyone has the right to free basic education; this means that there are no tuition fees in general and vocational upper secondary education, in polytechnics or in universities. Those studying in post-compulsory education and training can apply for financial aid. There are special support schemes for mature students. The Ministry of Education allocates government grants for basic, upper secondary, vocational, polytechnic and university education, for research, and for continuing vocational and professional education and liberal adult education; more details are presented in appendix 10. (Finland's Ministry of Education, 2010a.)

There are over 200 research libraries in Finland which is known for its comprehensive library network offering free access to cultural and information sources for everyone irrespective of their place of residence and financial standing. No fee is charged for either borrowing or the use of library collections at the library. (Finland's Ministry of Education, Libraries, 2010b.)

2.5.5 Sustainable Environment

Finland is ranked first in ESI 2005 comparison, the Environmental Sustainability Index (ESI) which evaluates the ability of countries to protect the environment, because of its good water and air quality, high level of science and technology and efficiency of environmental governance. Norway, Uruguay, Sweden and Iceland are the other top countries in the comparison of 146 countries. (Tekes 2009a; Yale and Columbia Universities, 2005, 1,4,7,10,23, 26,29). The country includes 338,000 square kilometres, of which 10% is water and 69% forest; 187 888 lakes and Europe's largest archipelago (Tekes 2009b).

2.5.6 Finns and Culture

The population is 5.3 million and about 1.25 million people live in the Helsinki metropolitan area. The Finnish society is orderly, peaceful and functioning. The environmental values, education, equality and honesty are highly valued among people. Finland is officially bilingual: Finnish is the first language of 92%, and Swedish of 5.5% of the population. About 1,700 people in Lapland speak Sami -Lapp- languages. Many Finns speak English, German or some other European language. (Tekes, 2009b.) Finland is an egalitarian society, which is reflected in their language, which employs gender-neutral words. Finns are very modest and downplay their own accomplishments, they view being humble and modest as virtues. (Kwintessential Ltd., 2010)

Finland is ranked number 18 in the Quality of Life Index Article with full marks in Freedom and Risk and Safety, a final score of 75 and the second highest mark in Leisure and Culture with 93/100 (International Living, 2010).

The Finnish cultural policy addresses creativity, status of artists, network of regional cultural services, multiculturalism, international cooperation and cultural exportation. Culture is supported by public funding and the copyright compensation system; more details are presented in appendix 11. (Finland's Ministry of Education, 2010c.)

2.5.7 Encouraging Innovation Environment

Finland has proven an excellent location for testing out new products and services. Businesses benefit from the country's advanced 'Living Lab' environment where users, companies, researchers and public institutions are joining forces to form problem-solving communities (Tekes, 2009c).

Finland is one of the most research-intensive countries in the world. National spending on research and development totals Euro 6.9 billion – or 3.7 percent of the GDP. Businesses account for around 74 percent of R&D expenditure whilst the remaining funding comes from the government budget. (Tekes, 2009d.) Government R&D funding grows by Euro 155 million in 2010 and the total appropriations and outlays for research and development activities amount to Euro 2,055 million; more details are presented in Appendix 12 (Statistics Finland, 2010).

The innovation policy has developed consistently growing investments in R&D - public and private, the dynamic and transparent ecosystem is active, continuous and successful dialogue on all levels and involves companies, research institutes and the public sector and the broad interpretation of innovation includes technology – society, products - services - processes and environment - user - design (Tekes, 2009c).

The Strategic Centres for Science, Technology and Innovation established in Finland are new public-private partnerships. Their main goal is to thoroughly renew industry clusters and to create radical innovations. (Tekes, 2009c.)

Finnish research groups and companies have been successful in the European Union research programmes. Finland is also a member of the European Space Agency (ESA), the European

Southern Observatory (ESO) and the European Organization for Nuclear Research (CERN). The FinNode Innovation Centre network provides a gateway for international research groups and companies wishing to enter the Finnish innovation ecosystem. (Tekes, 2009c.)

Finland is home to Nokia, the European Union's top investor in research and development. Other large companies investing heavily in innovation in Finland include, amongst others, Metso, Ericsson, ABB, Wärtsilä, Orion, Stora Enso, TietoEnator, Amer Sport, Kemira, Kone, Patria Industries, Tellabs, UPM-Kymmene, Metsäliitto, Cargotec, Elektrobit, Ahlstrom, Schering, Rautaruukki, Vaisala, F-Secure and Honeywell. Every year, Tekes finances some 1,500 business research and development projects. In total, 50 - 60 percent of funding for companies is directed at small businesses with ambitious R&D aspirations. (Tekes, 2009e.)

Finnish research personnel represent the highest percentage of employed labour force across all OECD countries. The number of doctorates has nearly doubled in the last ten years. The network of universities and university-level institutions is exceptionally dense and regionally comprehensive in international comparisons. There are also 18 State-owned research institutes and several science parks, business incubators and technology centres. Tekes finances almost 600 public research projects at universities, university-level institutions and research institutes per year. Tekes programmes provide an excellent framework for cooperation for international and Finnish research groups and companies; the list of universities and research institutes are presented in Appendix 13 (Tekes, 2009f.)

2.5.8 The Legal System in Finland

The Legal System in Finland is the civil law system based on Swedish law and the country is part of the European Union since 1995 (CIA Fact Book, 2010)

The Finnish Government is open to direct foreign investment. There are no general regulatory limitations relating to acquisitions. Legislative control of mergers and acquisitions is mainly governed by domestic and EU competition rules. Appendix 14 presents additional information and appendix 26 presents briefly the benefits of the legal system. (EUBusiness, 2009.)

3 Requirements for Success

The chapter 3 presents the second literature review, Requirements for Success. It discusses the importance of acting on ideas, the action plan, the success contribution elements, the importance of understanding the Finnish culture for foreigners, formulating a business strategy and finally writing a comprehensive business plan.

3.1 The Importance of Acting on Ideas

According to Scott Scheper, business ideas without acting on them are worthless. He also writes: “if you just have an idea, you’ll never get funded. If you just have an idea, no customer will ever know about it—VC’s will—but not your customers. If you just have an idea, it will never get market tested. Again, every VC in the world will hear why your product is great, but not your customer. That’s a problem. You don’t need money to make money. You need users (or customers), you need a great product and you need something that makes sense to investors because it’s already either, (i) making money, or (ii) attracting so many users, it would be a sin not to inject capital into the project. Remember this always:

You need to make money to ask for money to make more money

What most people do: ask for money to make more money”. (Scott Scheper, 2010.)

3.2 The Action Plan

Borrowed from Bolton and Thompson (2004, 27-33), the action plan includes the steps and the requirements for success when having a business idea as shown in the figure 2 below.

Step 1 “Motivation to make a difference” is mentioned by Bolton and Thompson (2004,27,32), Hodgetts & Kuratko (2007,123) and Burns (2007, 38-40). In addition, there are many other traits that lead to the success. In researches and literature, several personality traits were found to have a statistically significant relationship with the motivation to grow, skills and growth strategy (Heikkinen 2007, 44). Entrepreneurs are more active, brave, trusting, flexible, calm, determined, confident and issue-oriented than others (Heikkinen 2007, 96; Lehti, Pyykkö and Rope 2007, 58-60).

Step 2 “Creativity and Innovation” is the bridge to a growing enterprise that succeeds, in Bolton and Thompson (2004,28,32) and Burns’ (2007, 30-36) opinions.

Step 3 “Spotting and exploiting an opportunity” is mentioned by Bolton and Thompson (2004, 28, 33,138) Hodgetts & Kuratko (2007, 120) and Burns (2007, 35).

Step 4, 5, 6 and 7 “Finding the required resources”, “Using networked extensively”, “Showing determination in the face of adversity” and “Managing risk”, mentioned by Bolton and Thompson (2004, 3, 29, 30,33) are ways to overcoming obstacles and convert them into opportunities. In Fact, Järnstedt (2005) claims that the most affecting problem in developing the enterprise in the start-up phase is that entrepreneurs don’t have sufficient know-how or resources to commercialize the business idea. This leads to the fact that entrepreneurs choose their strategy based on profitability by reducing costs and the growth strategy is forgotten. (Järnstedt 2005, 14.)

Step 8 and 9 “Controlling the business” and “Putting the customer first”, defines the main focus of a growing enterprise that succeeds. In addition, According to Pennanen and Suuronen (2009,13) the growth can be achieved:

- with the right executable strategy; pursuing and managing alliances, acquisitions and other strategic relationships taking into account the business risks associated
- by having a capability to attract capital; build and sustain customer focus, develop core competencies, capitalize technology solutions as well as design the organization and processes
- by committing to create an exceptional employee culture and transitional leadership (Pennanen & Suuronen, 2009, 13.)

The enterprise can grow in several ways either through:

- Generic growth by getting bigger market share or finding new markets
- Diversification by reaching for wider market area with new product or service and
- Acquisition or merger = buyouts (Pennanen & Suuronen, 2009, 13.)

Finally, founding a start-up company for fast growth with a planned exit is a difficult challenge. Help and support is needed to achieve a high exit value. Right tactics, operations and management in addition to good ideas and clear vision are crucial to the success.

(Pennanen & Suuronen, 2009, 13.)

Step 10 “Financial, social, aesthetic, capital” are the rewards. In the end, the success is measured by all what is done within a company. When business plans, milestones, goals and objectives are well defined and measured, the success is easier achieved. Based on the gathered materials the success of an enterprise can though not be predicted in before hand. There is no basic formula for success in business. That's because no challenge in business is identical to any other. (Measuring Success In small Business and Entrepreneurship 2008; Pennanen & Suuronen, 2009, 14.)

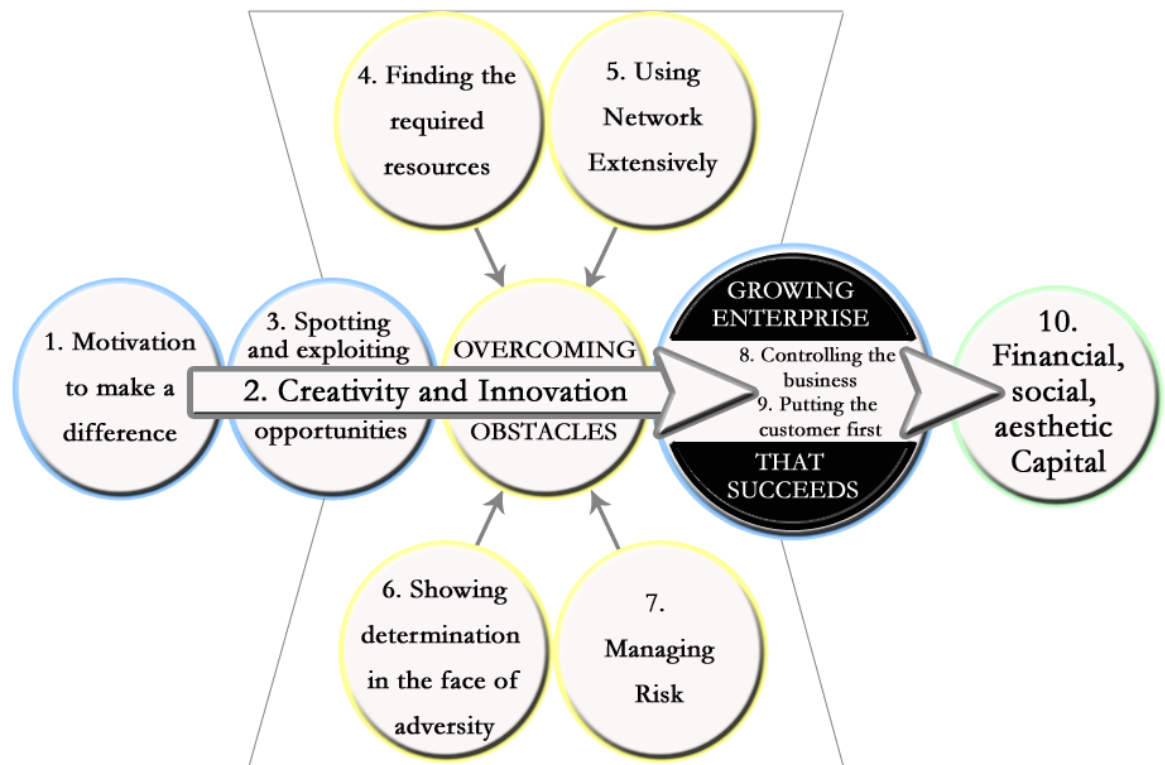


Figure 2: Growing Enterprise that succeeds

3.3 The Success Contribution Elements

From Pennanen & Suuronen (2009, 16), according to Candida Brush's (2008, 51, 21-27) article all the entrepreneurs that have made a success have at least managed to:

- Develop a clear vision of the direction where the company is aiming
- Persuade others to commit to venture using their social skills
- Manage cash creatively, or learn to "bootstrap" (Pennanen & Suuronen, 2009, 13.)

Jim Collins, the author of the Good to Great (2001) explains that the most important things are to see the facts and concentrate to the essential. His research shows that they who developed their enterprises from “Good” to “Great” were in at least some amount hedgehogs,

which means the knowing and perform one thing best. Hedgehog concept is not about objective, strategy or plan to be developed to the best. It's about understanding, what one can and can not be the best at. When developing a hedgehog concept, three circles have to intersect:

1. In what we can be the best in the world?
2. What are the most effective ways to get cash flow and profitability sustain brilliant?
3. What are we truly passionate in/about? (Collins 2001, 141-144.)

In addition, "Building a product roadmap can substantially increase your chances of getting funded, because investors can see the potential applications, without losing sight of the immediate goals", writes Tom Shields, from Woodside Fund, in his article Building a Product Roadmap (2008). Adding to that, according to Swanson and Baird (2003, 77) in their guide for the high-tech entrepreneur, the success-contribution elements are: Team Management, Markets and customers, Products or services, Business plan and Funding.

For the Global Entrepreneurship Institute, six competitive advantages have been successful for professional entrepreneurs leading early stage, aiming at high growth-potential enterprises:

- Branded CEO - brings in expertise and connections
- Code - control over intellectual property
- Connections - relationships with partners, alliances, suppliers, buyers and so on
- Content - information storages
- Commerce - disruptive technology's or innovation's marketing traction
- Cash - attracting investors (What is a Competitive Advantage? 2007.)

3.4 The Importance of Understanding the Finnish Culture for Foreigners

In addition to the business idea, the actual work and the required traits a foreign entrepreneur must consider the business culture in Finland as Brooks (2003, 264) states that a great deal of companies have gradually realized that culture as one of the most important factors that affects the organizational success. Brooks (2003, 271-274) refers to Hofstede (1980, 1984, 1991.) claiming the four of cultural dimensions to recognize national culture as well as individual and organizational behaviours which must be considered but won't be described in this paper:

1. Power Distance represents the social distance between people of different class/position
2. Individualism: reflects the extent to which an individual relies on a group or takes individual initiative in decision making, problem solving and effective activity performing

3. Uncertainty avoidance: reflects people's attitude to ambiguity in a society or country
4. Long-term orientation: it is very useful for explaining the different behaviour
5. Masculinity reflects values which are widely regarded as more "masculine", for example, assertiveness, competitiveness and results orientation, whereas "feminine" values can be seen as cooperative, aware of feelings and equal opportunities Brooks (2003, 271-274)

In addition, Wickham (2006, 167-169) suggests that national culture can be applied to explain entrepreneurial inclination from perspectives in terms of language, religious beliefs, personal relationships and attitude towards innovation and networks (Wickham, 2006, 167-169).

3.5 Formulating a Business Strategy

Finally, it is important to formulate a business strategy as Zimmerer and Scarborough (2008, 107), suggest that a strategy is an action plan that a venture applies to achieve its goals. A successful strategy is comprehensive and concentrating on establishing the key success factors. Furthermore, Zimmerer and Scarborough (2008, 107) refers to Porter in his book of Competitive Strategies defining three main strategies that ventures apply to gain competitive advantages in the market, either domestically or globally:

1. Cost leadership: a company strives to be the one that offers lowest cost products or service relative to its competitors in the industry
2. Differentiation: a company seeks to build customer loyalty by positioning its products or services in a unique way
3. Focus: the essential of this strategy is to define one or more market segments and its special needs, wants and interests (Zimmerer and Scarborough, 2008, 107)

3.6 Writing a Comprehensive Business Plan

The first step each entrepreneur needs to take to make their idea or vision to become reality is to write a proper business plan. The business plan evaluates the feasibility of the business idea. (Kinkki & Lehtisalo 2002, 71.)

3.6.1 The Definition and Purpose of a Business Plan

In a nutshell, the business plan should clearly explain the what, why, when, who and how of the project. It should be a comprehensive explanation of the opportunity, the people involved,

the money required to implement the plan, where it will come from and what financial results the opportunity is likely to produce. (Government of Alberta, 2010)

A business plan has three main purposes:

1. A communicational tool: the business plan functions to attract possible investors, strategic partner and secure bank loans. Through a well designed business plan a person can see whether the idea has potential to make a profit. It is important to mention the problems and threats that the company might confront
2. A planning tool: the business plan gives the guidelines for all the phases of the business
3. A management tool: the plan helps the company establisher to track, monitor and evaluate the progress. As it must comprise the schedule and objective, the company can pursue the written documents, evaluate the progress and compare the projections to actual accomplishments. (Jemery Reis, 2007)

Linda Pinson (2008, 2) writes in her book “Anatomy of a Business Plan” the reasons why entrepreneurs should write a business plan are to serve as a guide for a business and as the documentation for financing and to work in foreign markets (Pinson, 2008, 2)

A formal business plan is just as important for an established business, irrespective of its size, as it is for a start- up. It serves four critical functions as follows:

- A business plan helps management or an entrepreneur to clarify, focus and research their business or project’s development and prospects
- A business plan provides a considered and logical framework within which a business can develop and pursue business strategies over the next three to five years
- It offers a benchmark against which actual performance can be measured and reviewed.
- It serves as a basis for discussion with third parties such as shareholders, agencies, banks, investors and others (PlanWare, 2009)

The ultimate purpose of developing a business plan is to have a successful business. The success factors, according to Abrams and Barrow (2008,1), the author of “The Successful Business Plan”, are:

- The Business Concept
- Understanding the Market
- Industry Health and Trends

- Consistent Business Focus and Clear Strategic Position
- Capable Management
- Ability to Attract, Motivate and Retain Employees
- Financial Control
- Anticipating and Adapting to Change
- Business Values and Integrity (Abrams & Barrow, 2008,1)

3.6.2 The Importance of a Business Plan

According to Burns (2007, 373), the process of building a business plan enables the entrepreneur to clarify his/her business idea and to think through possible problems that he/she might needs to face and ways to avoid these problems. It might also contain aims and objectives for a certain period of time, which helps to monitor one's success. (Burns, 2007, 373.)

A Business plan helps the entrepreneur to analyze the market and plan future actions accordingly. The plan is also an essential tool to obtain any kind of funding. A well written business plan proves that the entrepreneur has the required ability to plan and manage a company. (Kuehl & Lambing 2000, 131).

The preparation of a written business plan is not the end-result of the planning process. The "realization" of that plan is the ultimate goal. However, the writing of the plan is an important intermediate stage - fail to plan can mean plan to fail. For an established business it demonstrates that careful consideration has been given to the business's development, and for a start-up it shows that the entrepreneur has done his or her homework. (PlanWare, 2009)

Preparing a satisfactory business plan is a painful but essential exercise. The planning process forces managers or entrepreneurs to understand more clearly what they want to achieve, and how and when they can do it. Even if no external support is needed, a business plan can play a vital role in helping to avoid mistakes or recognize hidden opportunities. It is much easier to fold a sheet of paper than a business. For many, many entrepreneurs and planners, the process of planning (thinking, discussing, researching and analyzing) is just as, or even more, useful than the final plan. (PlanWare, 2009)

3.6.3 The Preparatory Business Planning Issues

Before any detailed work commences on writing a business plan, an entrepreneurs should:

- Define clearly the target audience
- Determine its requirements in relation to the contents and levels of detail
- Map out the plan's structure (contents page)
- Decide on the likely length of the plan
- Identify all the main issues to be addressed. (PlanWare, 2009)

According to Blackwell (2004, 4-5), a business plan must be clear, brief, logical and truthful and must be backed up with figures wherever possible (Blackwell 2004,4-5).

Shortcomings in the concept and gaps in supporting evidence and proposals need to be clearly identified. This will facilitate an assessment of research to be undertaken before any drafting commences. Bear in mind that a business plan should be the end result of a careful and extensive research and development project which must be completed before any serious writing of a plan should be started. (PlanWare, 2009)

Length and time-scale for business planning, whilst the sheer length of a business plan may bear no relation to the underlying prospects of a business; it is likely that a well-developed plan would be at least twenty pages long plus appendices. The elapsed time needed to produce a detailed plan might be between twenty and one hundred days. This would be determined not only by the complexity and scale of the venture, but also by the scale and maturity of the business and relevant experience and skills of the management team. (PlanWare, 2009)

According to Pinson (2008, 6) the average length seems to be 30 to 40 pages, including the supporting documents section. In addition, Pinson advises entrepreneurs to break the plan down into sections and set up blocks of time for work with target dates for completion. Finally, it takes discipline, time and privacy to write an effective business plan. (Pinson, 2008, 6.)

Once the plan's structure has been defined, it can be used as a checklist and basis for a work program and timetable to complete the plan. This work program will often entail extensive research and thought prior to the commencement of writing. For example, formal market research may be needed before sales volumes and prices can be determined. The work pro-

gram could correspond to key sections of the proposed plan and could include timetables, resource allocations and cost estimates as indicated in the following chart: (PlanWare, 2009)

Table 2: Business Planning Work Program Sample

Section of Plan	Researched by	Written by	Elapsed time	Cost (\$)	Priority	Key Actions

3.6.4 The key to Effective Writing

Starting with a Business Strategy or a short strategic plan (2-3 pages) can provide a very useful foundation on which to base a much more detailed and comprehensive business plan. If an entrepreneur doesn't have a sensible strategic plan, how can he/she realistically write a sensible business plan? A short strategic plan is the foundation for a more comprehensive business plan. As the prelude to developing a strategic plan, it is desirable to clearly identify the current status, objectives and strategies of an existing business or the latest thinking in respect of a new venture. Correctly defined, these can be used as the basis for a critical examination to probe existing or perceived strengths, weaknesses, threats and opportunities. (PlanWare, 2009)

According to Pinson (2008,5), the text of the business plan must be concise and yet contain as much information answering these questions:

Who? ***When?*** ***How Much?***
What? ***Why?*** ***Unique?***
Where? ***How?*** ***Benefits to the Customer?*** (Pinson, 2008,5.)

A typical business plan comprises the following main elements:

1. Brief Introduction: setting out the background and structure of the plan
 2. Summary: of a few pages which highlights the main issues and proposals
 3. Main Body: containing chapters broken into numbered sections and subsections
 4. Appendices: containing tables, detailed information, exhibits, etc. referred to in the text.
- (PlanWare, 2009)

In the Anatomy of a Business Plan, Pinson (2008, 6), lists the business plan outline to include the Cover Sheet, Table of Contents, Executive Summary, Organisations Plan, Marketing Plan and Financial Documents (Pinson, 2008,6.)

A functional business is based on different sectors which support one another. The functions are illustrated in the Figure 3 below. The figure shows that success is achieved when the entrepreneur concentrates on developing the functions at the inner circle. In short, a good business plan basically explains how one is going to manage the internal operations in the business in a variable operational environment. (Johnsson, Karjalainen & Ruuska 2001, 5)

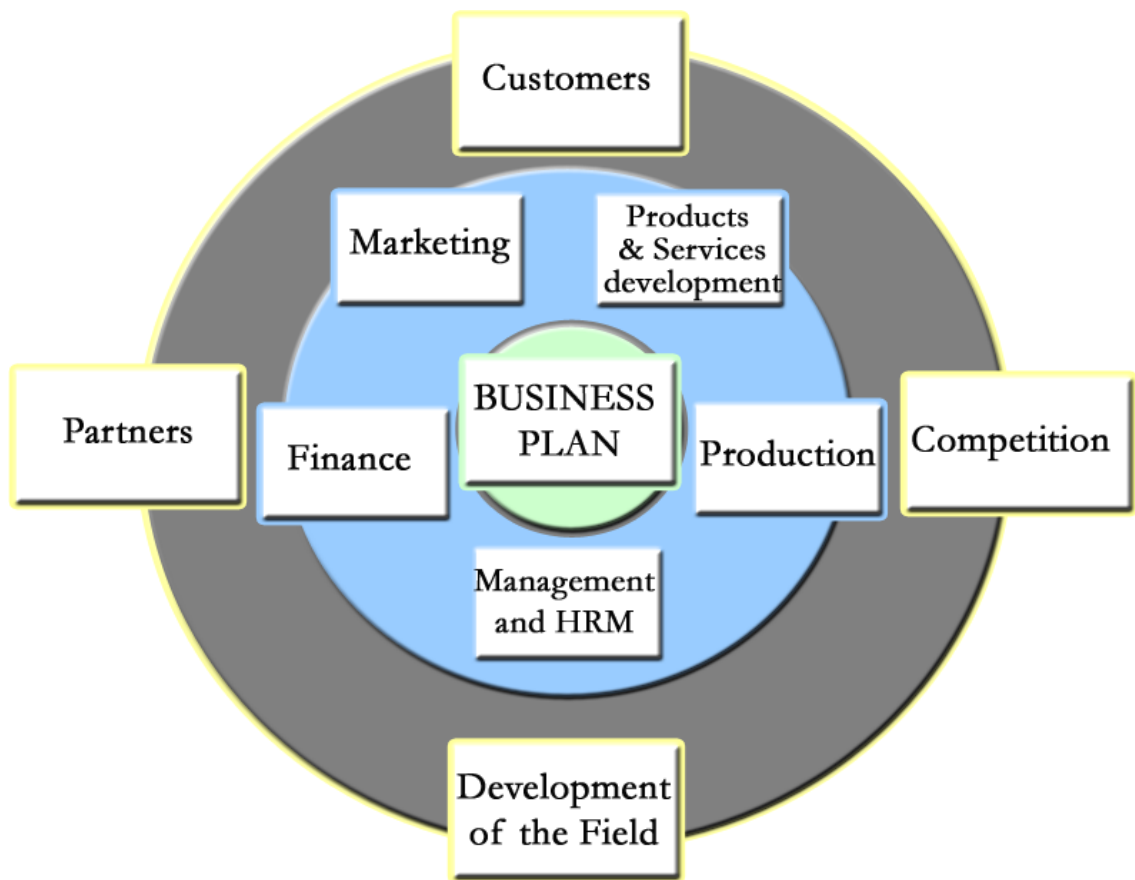


Figure 3: Content of a Business Plan (Johnsson, Karjalainen & Ruuska 2001, 5)

4 The Processes of Barisma

The idea of Barisma was born in Finland on December, 12th 2008. It was the day when I decided to find a new challenging employment opportunity in a bar, nightclub or café in the area where I lived. Unfortunately, the contacts I had gathered during the three years of working in over thirty different bars, nightclubs and cafes in Helsinki, Vantaa, Espoo and other cities in Finland, could not serve the purpose. Therefore, I was forced to use other means of job search and began by surfing online, contacting employment offices and even exploring the area where I lived. The results and facts of these searches are presented below:

1. Google and similar websites can not find a specific bar type or category in a specific area
2. Local directory websites did not present all bars available in the area
3. Employment offices have their own networks of which they supply regularly
4. Manager who did not know me did not want to take the risk of hiring an employee who is not fluent in speaking Finnish despite my competence and good recommendations
5. The same results apply to most countries in the world from the point of view searching for a specific bar type in a specific area.

Therefore, I decided to increase my personal network by creating a Microsoft Excel file including the name of the bar, location, name of the manager and owner, contacts and speciality for employment and networking purposes. Two months later, Barisma acquired the idea of developing a website for Finland. At this stage, I was looking forward to creating a unique and non-commercial concept. After one month of researching international websites, I acknowledged the global potential of Barisma and decided to give it a try. Table 3 below summarizes Barisma's development and progress, from December 2008 until April 2010.

Table 3: Barisma Current Status – Idea Progress

Barisma Current Status	
Period	Idea Progress
Date	
Dec-08	Idea was born for non-commercial networking and employment purposes
Jan-09	Surfing online, contacting employment offices and visiting bars, nightclubs and café
Feb-09	Barisma acquired the idea of developing a website for Finland
Mar-09	Acknowledging the global potential of Barisma and deciding to give it a try
Apr-09	Launching the Honorary Membership and the Cooperation Concept
May-09	Registering BSP Sole Trade company to test and operate Barisma in Finland
May-09	Selling the First Membership even before the prototype website was ready
Jun-09	Launching Barisma Prototype website and trademarking the name and the logo
Jun-09	Acquiring Barisma's first Bar Cooperation Contract
Aug-09	Acquiring the idea to include the products, people, events and statistics
Sep-09	Cooperating with 19 bars, 1 restaurant, 1 hairdresser and 1 tattoo shop
Oct-09	Acquiring 65 Honorary Members in three different cities
Nov-09	Receiving the Best Business Plan Award at Innoplaza IV (www.innoplaza.fi)
Dec-09	Launching the Free Membership and acquires 400 Members in 20 days
Jan-10	Announcing Barisma Team Entrepreneurship for ambitious and talented students
Feb-10	Combining the search engine logic for Bars, Products, People, Events and News
Mar-10	Participating in Venture Cup Business Plan Competition
Apr-10	Acquiring 20 Members on Barisma Team from 8 different universities in Finland
Soon	Launching the final website with new designs, features and strategies

Four processes and seven major stages can be identified:

1. Preliminary Thoughts - Part of the Thinking Process
2. Purpose of Existing - Part of the Thinking Process
3. Planning to Start - Part of the Planning Process
4. Research and Development - Part of the Planning Process
5. Barisma Business Idea - Part of the Development Process
6. Challenges - Part of the Implementation Process
7. Execution - Part of the Implementation Process

4.1 Preliminary Thoughts - Part of the Thinking Process

The Preliminary Thoughts shows my state of mind during this essential phase of brainstorming and spotting the opportunities. In reality, I acknowledged the entrepreneurship concept but I did not really know what it meant. Even before Barisma, I dreamed of having my own business, being my own boss and working whenever and wherever. At that time, I acknowledged my multi-talents, skills, passion for many things, motivation to make a difference, consistency and desire to become self-employed but these personal traits were not enough to perceive the business concept of Barisma. In addition to that, I was working as a bar supervisor at

Friday Bar and studying for the bachelor degree in Hotel, Restaurant and Tourism Management at Haaga-Helia University of Applied Sciences. However, I was exploring vaguely opportunities and looking unknowingly for answers to develop a meaning for a business idea, even if I did not know what I was doing at that time.

Table 4: Preliminary Thoughts - Part of the Thinking Process

STAGE	DESCRIPTION	ACTION
Preliminary Thoughts	Acknowledgment of the entrepreneurship concept without really knowing what it means	Thinking to start a business someday
	Acknowledgment of the ability of becoming an entrepreneur without knowing facts	Wanting to learn more
	Acknowledgement of the potential behind business ideas and not knowing what to do	Exploring options & looking for answers

As an overall conclusion, I assessed myself in the business world without a business idea, which was exciting but scary in the same time.

4.2 Purpose of Existing - Part of the Thinking Process

The Purpose of Existing shows my first attempts into the business world by recognizing the first reasons to develop Barisma. It actually happened when a colleague at work asked my help to do a marketing campaign for his website that lists bars in Finland offering 33 % from sales. I tried to negotiate a partnership deal based on my desire to expand the idea into bigger horizons with greater features. Unfortunately, the partnership was refused and I was left thinking about the ignored business idea. Knowing that the initial interests began as a personal and non-commercial tool for networking and employment purposes, Barisma finally reached the potential of becoming a global company following the industry and spotting the opportunity.

Table 5: Purpose of Existing - Part of the Thinking Process

STAGE	DESCRIPTION	ACTION
Purpose of Existing	Initially, to develop a personal contact book in for networking and employment purposes	Networking & Researching
	Eventually, the idea developed to become a potential global business	Developing the products/services

As an overall conclusion, the “Purpose of Existing” was a very important stage to identify and develop the logic and meaning behind the products and services answering the question: “What will Barisma actually offer to people?”

4.3 Planning to Start - Part of the Planning Process

The Planning to Start shows my acknowledgement of the business opportunity. It requires the notion of “Thinking Big” by expanding the horizons of the possibilities. This stage was the enlightening stage or the moment that changed everything such as perception of the potential idea, acknowledging the business potential, analysing the success options, thinking about ways to succeed, calculating the financial rewards, preparing to initiate the first steps of swimming in the pool of entrepreneurship and basically find sense to the non-sense or the unknown.

Table 6: Planning to Start - Part of the Planning Process

STAGE	DESCRIPTION	ACTION
Planning to Start	The first step after acknowledging the business opportunity, the enlightening stage.	Thinking Big, Preparing for action

As an overall conclusion, “Planning to Start” was the stage of the first visions.

4.4 Research and Development - Part of the Planning Process

The Research and Development shows my endless and continuous search and chase for knowledge, answers, opportunities and ways to achieve the success. In reality, I have spent over four thousand hours on:

- Researching the markets in Finland, UK and USA mostly in the bar, nightclub, café and companies in the industry. The process involved online and offline methods such as surfing the internet, searching in yellow pages, visiting companies in different cities and meeting important people in the industry
- SWOT Analysis i.e. preparing the lists of Barisma’s strengths, weaknesses, opportunities and threats and analysing their influence on the feasibility and proof of concept
- Operations i.e. the ways the products and services will be produced and sold
- Trends Evaluation i.e. the observation of recent changes and short/long-term predictions of similar/possible changes in order to create competitive advantages and formulate suitable strategies

- Competitor Analysis of companies operating in the domain of marketing and consultancy of bars, nightclubs and cafes. The conclusion states that Barisma does not have direct competitors but thousands of companies spread out in the world that Barisma will unite in one system

The Products and Services Planning shows the attempts to design and develop products that can be useful and profitable. I searched online and offline for marketing solutions and cheaper promotions for bars, nightclubs and cafes, interviewed people asking their opinion about the existent products and tried to figure out what is present and what was missing in this exciting industry. Most interviews were not documented as they represented daily conversations and discussions with random people; except Barisma’s Survey conducted between June and October 2009. It is presented in Appendix 25 and asks four questions:

1. How often do you go out to a bar, nightclub or a café?
2. What type of places did you visit the last time?
3. How did you make the decision to go to this specific place?
4. What did you do there?

The survey was conducted online via emails and Facebook and offline by directly asking people. The duration of the survey took less than a minute and therefore managed to furnish over 300 answers.

Table 7: Survey Results with ratios on how people decide to go to a bar

TV/Radio	Internet	Posters	Flyers	N/M*	WOM	2 nd Home	Popped in
1 %	1 %	3 %	5 %	0.50 %	65 %	15 %	9.5 %

* Newspaper and Magazine

The table 7 shows that 1 % of people were guided by internet to visit a place. The more surprising result is the online participants did not choose the internet. Flyers are 5 % effective and this traditional channel can be much more effective if it adopts a personal and social approach. The common ways to decide to go to a bar are the Word Of Mouth with 65 %, a regular place or a second home with 15 % and people just popping in with 9.5 %.

The Personal Development shows my genuine desire to improve my knowledge and develop my skills in topics such as entrepreneurship, product designing, human resources management, customer relationship management, financial management, marketing and sales and

finally managing myself. The later one is the hardest task for ambitious, motivated and passionate people to control their emotions, accept rejections and avoid burning out quickly.

The Target Group was the stage to announce the segment of the market which represented Barisma’s website users and customers. The website users are bar customers, workers, owners and third parties who will manage their accounts online and the direct clients are bar owners and third parties who will purchase Barisma products and services for marketing or information purposes. As well, there are secondary groups as well such as professionals and agencies involved in the industry. Knowing the segments of the market is an important step to understanding their needs, plan and execute the company’s operations, prepare a successful marketing campaign, identify the financial requirements and in general to understand the industry.

Table 8: Research and Development - Part of the Planning Process

STAGE	DESCRIPTION	ACTION
Research and Development	Market Research , SWOT Analysis, Operations, Trends Evaluation and Competitors Analysis	Observing, Networking, Reading, Travelling and Visits to Companies
	Product and Services Planning	Researching and Interviewing people
	Personal Development	Reading, Experiencing Observing and Trying
	Target Groups and Segmentation	Announcing them and Planning towards achieving their needs

As an overall conclusion, “Research and Development” was the stage of gathering information, supporting knowledge and acquiring the theoretical potential before the development.

4.5 Business Idea - Part of the Development Process

The Business Idea shows the evolution of the idea from a concept to a product and the changes happened during the fifteen months. That is why I consider it as part of development and not thinking or planning processes simply because I had to work and act on them. It included the development of the Name, Logo, Slogan, Business Idea, Main Focus, Mission, Vision, Business Concept, Business Model, Objective and Strategy

The Name derives from two words: Bar and Charisma. In reality, it took only one day to come up with the name and it depended on the availability of domain names. I knew exactly that the

name must include the word bar and another charismatic word. Few options are worth mentioning such as AboutBars.info, InfoBars.com, ProBars.info, WeLoveBars.info, ExpertBars.info and YellowBars.info.

The Logo is still not final even at this stage of development simply because I am not qualified to achieve this task. It will be a task for Barisma Team or an outsourced design company.

The Slogan developed with the ideas and products starting from “For Bars and Nightclubs Worldwide”, “For Bars and Bar People Worldwide” to “The worldwide network for bars, nightclubs and cafes which unites people, products and companies in the industry”

The Business Idea did not change from the initial stage which is a good sign.

The Main Focus of the company developed from national in Finland to global and from bars only to bars, products, people, events and news.

The Mission and Vision changed only with the national to global orientation.

The Business Concept developed from a search engine for bars to a search engine for bars, products, people, events and news, social media and statistics. The changes occurred after testing the prototype website and analysing user’s interaction on the website.

The Business Model is the part that has been changing a lot during the last fifteen months starting with the non-commercial concept and continuing with the dot-com, membership, direct marketing, loyalty, quality and subscription business models. Barisma intends to operate offline as a consultancy company for the bars, nightclub and café and will cover additional business models including information sales, advisory and product design and development. The possibilities seem to be endless when specialising and focusing on a specific industry.

The Objectives and Strategies changed only with the national to global orientation

Table 9: Business Idea - Part of the Development Process

STAGE	DESCRIPTION	ACTION
Business Idea	Name, Logo, Slogan, Business Idea, Main Focus, Mission, Vision, Business Concept, Business Model, Objective and Strategy	Developing Preliminary thoughts into final products and services

As an overall conclusion, the business idea continues to focus on the industry but the market orientation, the business models and products developed from the national to global orientation. It explains the power of research and development which impacted on results.

4.6 Challenges - Part of the Implementation Process

The Challenges shows my acts to overcome obstacles and convert them into opportunities.

Feasibility Studies and Market Acceptance included approaching and learning from customers, users, members and companies in the industry. I tried several communication styles including formal and informal emails, phone calls, meetings and events.

Resources and Finances included calculating current and future requirements and arranging few proposals for lenders, investors and venture capitalist and writing three business plans. Barisma Team Requirements included networking, analysing, identifying and recruiting the missing skills and talents. Currently, Barisma has twenty members and more or less members are expected to join or leave the team after the development of the new website. Along the way, many people joined and left the team without clear focus, orientation or goals. Most of them spotted the potential behind the project and only few of them wanted to exploit the opportunity. In reality, I am still looking for the ideal team even if I already have a potential project manager, artificial intelligent engineer, event manager, marketing and sales manager, finance analyser, web and graphic designers and programmers.

Management and Administration included deciding which management structure to apply for the company. In reality, I am still insisting on working closely with managers to combine the hospitality, management, operations and information technology concepts into the project.

Customer Needs included researching, studying, interviewing, planning and adopting personal approaches to deliver a quality service and acquire loyal customers. In fact, the whole concept of Barisma aims at helping people have safer and happier experience offering basic and professional information to public. It also focuses on customer satisfaction and loyalty as part of the business model and strategy especially when people are offered the chance to share their favourite bars, nightclubs and cafes around the world. People's needs and happiness is in fact a must for achieving the success of the project.

Products and Services Development included outsourcing the development of the prototype, testing the products and services, improving the logic, creating complimentary features, improving design ideas, working on the funds and recruiting Barisma Team.

Pricing included analysing competitors, identifying the competitive advantages and launching products that can generate micro revenues on macro markets. The whole concept of Barisma is based on creating and providing products and service that can be sold cheaper than the current market prices and better or similar results as the competitors.

Competitors included analysing the competition, launching cost-leadership, differentiated, innovative and unique products, training agents, cooperating with companies and merging several business models into one. In fact, there are thousands of companies operating in a the domain of marketing bars, nightclubs and cafes, online and offline, and Barisma aims at uniting them in one place for the whole world.

Information Technology Web 2.0 included studying and learning as much as possible the technology and trends related to the development of Barisma's website. Without it, the whole concept does not make sense. In fact, this is my main weakness as a Founder, the online operation or the web design and programming. I am looking at outsourcing the web development or partnering with potential individuals or company to fill this gap.

Table 10: Challenges - Part of the Implementation Process

STAGE	DESCRIPTION	ACTION
Challenges	Feasibility Studies and Market Acceptance	Studying, Analysing and looking for the answers
	Resources and Finances	Calculating current and needed resources/funds
	Barisma Team Requirements	Analysing, Identifying and recruiting skills and talents
	Management and Administration	Deciding which management structure to adopt
	Customer Needs	Studying, Identifying and Planning to deliver needs
	Products and Services Development	Finding methods to produce and launch them
	Pricing	Studying and Calculating the cost/pricing strategies
	Competitors	Analysing and Developing competitive advantages
	Information Technology Web 2.0	Studying, Learning and Acquiring information about the subject

As an overall conclusion, I acknowledged the fact that challenges are inevitable and I am dedicated to find solutions to problems, fortify my weaknesses and overcome problems.

4.7 Execution - Part of the Implementation Process

The Execution shows the practical actions towards achieving my goals.

Innoplaza IV included applying and participating for nine months in the entrepreneurship course at Haaga-Helia. It is a new way of studying, of developing business ideas and innovations. Innoplaza is a forum, a meeting place where polytechnic students from different programs gather to develop their innovative business ideas into realistic business plans. The purpose is to develop joint knowledge capital by supporting entrepreneurship and quality in business. Innoplaza is supported by the six polytechnics in the Helsinki metropolitan region. They have hand-picked their foremost experts as teachers and mentors to support the program. (Innoplaza, 2010)

Tuli Project included filling and sending the application online to acquire the first round grant. Tuli is a program funded by Tekes, the Finnish Funding Agency for Technology and Innovation, that helps researchers and research communities to evaluate the commercial potential of

a research-based inventions or ideas and aids in the process of their commercialization. Tuli aims to give birth to new research-based business with the aid of license agreements, know-how transfers and new companies. In other words, Tuli aims to commercialize research results in Finnish universities and research institutes (Tuli, 2010). The second round was rejected due to the lack of marketing research and the content of the Business Plan # 1.

Business Plan # 1 included writing and presenting it to First Round Oy, on May 2009.

The Prototype Website included outsourcing the development and launching the website. In reality the whole process was painful when the developers were inexperienced, did not speak English fluently and did not have clue about the hospitality factors. I spent over two hundred hours online with the developer explaining in details what each features means and why they should be placed in that specific order. I also had to update all the content pages knowing almost nothing about SEO Strategies and to manage the banners. I managed by improvising, searching online for information and asking the developers.

Website Operations included collecting the database, studying user interactions and acquiring the domain name for the website, www.barisma.com.

Company Operations included conducting a market research, developing a marketing plan, operating the company, management, invoicing, website operations, customer relationship management operations, human resources management, financial reporting and credit collecting.

HRM Operations included networking and recruiting partners and Barisma Team.

CRM Operations included arranging methods to gather information and categorize users.

Finance Operations included bookkeeping, VAT deductions, VAT payments, pricing, revenue management, invoicing, credit collection networking and searching for investors, lenders and grants. In reality, I had to do all after registering the sole trader company.

Business Plan # 2 included writing and presenting it to Innoplaza IV, on November 2009.

Business Plan # 3 included writing and participating in Venture Cup Competition, on March 2010. It is a business plan competition where participating teams go through a demanding

process of education, coaching, and screening. This develops their business ideas into complete business plans with a clear focus (VentureCup, 2010).

Table 11: Execution - Part of the Implementation Process

STAGE	DESCRIPTION	ACTION
Execution	Innoplaza IV at Haaga-Helia UAS	Applying and Joining the entrepreneurial course
	Tuli Project www.tuli.info	Filling and Sending the application
	Business Plan # 1	Presenting and Meeting at FirstRound Oy
	The prototype Website www.barisma.com	Acquiring the domain name, Outsourcing and Launching
	Operations related to the website	Collecting the database and Studying the User Interface and Backend
	Operations related to the company	Analysing and developing Marketing and Sales Strategies
	Operations related to Human Resources	Looking and Recruiting Barisma Team Members
	Operations related to Customer Relations	Searching and Introducing the concept online and in person
	Operations related to Financial Requirements	Networking and Looking for Investors and Lenders
	Business Plan # 2	Presenting at Innoplaza
	Business Plan # 3	Participating in Venture Cup

As an overall conclusion, the “Execution” tested my practical abilities and skills. Despite the rejection from the Tuli Project, VentureCup and Rice business plan competitions and other disappointments, I feel that the experience has shaped me into a better, wiser, stronger and more confident entrepreneur.

5 Summary of Achievements and Disappointments

Fifteen months, four thousand hours of market research, one thousand hours of executing the business idea and three drafts of business plans contributed to a long list of achievements and disappointments. From the literature review presented in this paper, I managed to identify three types of success/failure concepts and factors which I knew, considered or ignored in December 2008. Surprisingly, the results were not only negative even if my initial decisions were based on intuition rather than know-how mentioned by Järnstedt (2005). The overwhelming success factors can be borrowed from Bolton and Thompson's first, second, third and sixth step "motivation to make a difference", "creativity and innovation", "spotting and exploiting opportunities" and "showing determination in the face of adversity". The later receives most of the credit simply because I did not give up even after:

- Financial difficulties during the recession and the move to the United Kingdom
- Fourteen months of waiting to assemble the IT Team
- The rejection from Tuli, VentureCup and Rice Business Plan Competition
- Negative comments and discouragements from people
- Lack of interest from most companies, owners and managers
- Fatigue after long hours of planning, developing and testing Barisma concepts, studying for the graduation and working on my part-time job as a bar supervisor

I always believed that the winning combination is simply "to work hard and make it work". The know-how will be acquired eventually, skills will be developed, achievements will be reached and disappointments will only teach new lessons.

Table 12 shows that Barisma's achievements and disappointments, even at this early stage of starting a global company in Finland, can be categorized into three categories:

1. Business Achievements / Disappointments
2. Product Achievements / Disappointments
3. Personal (Self) Achievements / Disappointments

Table 12: Barisma Summary of Achievements and Disappointments

Barisma Summary of Achievements and Disappointments		
Category	Disappointments	Achievements
Business	Lack of network Lack of Funds Tuli Second Round Recession and Timing Barisma Team Expected Vs Reality	22 500 Impressions on Google AdSense since Jun 09 65 Honorary Memberships and 400 Free Memberships 19 Cooperation with companies including bars, restaurants and services Distributing 60 000 flyers, 2000 business cards and 65 T-Shirts Best Business Plan Award at Innoplaza 20 Team Members including founder, co-founder and project manager
Product	Prototype Website Business Plan # 1 Rice Business Plan Competition Lack of interests from managers and owners	More than 2200 bars, nightclubs and cafes registered on the website Creating a useful, fun and charismatic tool for the whole world 700 contacts database including owners, sponsors and companies 4000 hours of R&D led to the creation of an intelligent system
Self	Author Mistakes Lack of Know-How at initial stages Lack of patience Physical Condition Financial Results	Meeting and Networking with Sami Heikkiniemi from Tekes Meeting and Networking with Potential Future Sponsors Meeting and Networking with Potential Clients Great deal of personal development and knowledge about the industry Industry follow up, strategy development and information gathering
	Sales	Marketing
	65 memberships with 25 € 800 € from Flyers 200 € from Events 700 € from Sponsors 133 clicks resulting in 28,24 € Total sales of 3373,24 €	Website 10 000 Flyers 2000 Business Cards 50 000 Flyers at F1 Water & Rock Seven successful Events Facebook Page with 400 Fans Barisma T-Shirts Festival Stand Posters at cooperating companies Haaga-Helia Stand Direct Marketing WOM Email Marketing Twitter Account
		Expenses
		4,000 € Sponsored by Lahtikopio Sponsored by Lahtikopio Sponsored by Lahtikopio No Expenses No Expenses 1,600 € 900 € No Expenses No Expenses No Expenses No Expenses No Expenses No Expenses No Expenses Total of 6500 €

5.1 Results and Findings vs. Literature Review

This section of the paper will present my knowledge and actions versus the literature review and the opinion of the experts, researchers and experienced in starting global businesses and entrepreneurship.

The results in the tables from Appendix 16 shows that I started thinking, planning, development and implementation processes while:

- Some concepts were acquired “Before in December 2008” and at “Present” day: ‘AA’
- Some concepts were considered “Before in December 2008” and at “Present” day: ‘CC’
- Some concepts were ignored “Before in December 2008” and at “Present” day: ‘NN’
- Some concepts were considered “Before” but acquired at “Present” day: ‘CA’
- Some concepts were ignored “Before” but acquired at “Present” day: ‘NA’
- Some concepts were ignored “Before” but considered at “Present” day: ‘NC’

This means that I was not fully prepared and ready at the initial stage which gives this paper a reason to exist with the aim at pointing future entrepreneurs in the right direction during the initial stages of starting a business. The “BS” column which indicates my level of preparation in December 2008 shows that:

- The characteristics of an entrepreneur explained my confidence, motivation and ability to meet the requirements. I spotted and exploited opportunities based on “Gut-Feeling” and rather than know-how. The final score was 1.3/2.0 or 65 % which lead to many disappointments such as the prototype website and lack of interest from managers
- The meaning of entrepreneurship and entrepreneur and the need to write a comprehensive business plan to start a company scored 1.2/2.0 or 60 % which explains my common sense and understanding of the concepts on basic levels
- The success requirements scored 1.0/2.0 which explains that I had 50 % chance of succeeding due to the lack of preparation and know-how
- The meaning of a business idea scored 0.9/2.0 which explains my lack of perception and knowledge of the subject. After all, how can a person start a business without knowing that the idea is a business idea? What would Matti Makkonen do if he knew that his SMS and GSM ideas will become a billion Euros business ideas?
- The reasons to start a business in Finland scored 0.5/2.0 which explains my lack of business skills in the initial stages. I did not even know about the support and assistance provided to entrepreneurs in Finland. In fact, this seems to be the main reason why people are not encouraged to start businesses in Finland because they do not know about the opportunities, support activities and resources available for start-up entrepreneurs in Finland. This is the second reason for this paper to exist to motivate and encourage those who want to try by telling them that the opportunities are huge and the possibilities are beyond imagination.

At present day, the column “PS”, indicating my level of preparation after fifteen months and five thousands hours of work, shows that I had fully acquired (2.0/2.0) the meaning of the word entrepreneur and business idea, the characteristics of an entrepreneur, the reasons for starting a global company in Finland and the importance of writing a comprehensive business plan, according to many authors, experts, venture capitalists, researchers and the literature presented in this paper. However, I still need to consider and acquire:

- Meeting market demands and management by launching the new version of the website, recruiting agents and developing Barisma Team. In reality, this is not part of the initial steps but part of operational activities which is an irrelevant subject in this thesis
- Spotting and exploiting an opportunity by focusing on current and future strategies
- Finding the required resources by working on submitting many copies of the business plan to different public and private ventures. In reality, this process will be carefully planned and executed after launching the new version of the website
- Using network extensively by managing existing contacts, acquiring new contacts, cooperating with complimentary enterprises and partnering with potential individuals/companies
- Capability to attract capital by working on the weaknesses as an entrepreneur, improving the image of the company and scaling the performance, products and services
- Capability to capitalise technology and solutions by reading, researching and learning about the various issues involved in the process
- Control over intellectual property by registering the new trademarks and patents after launching the new website and expanding to new markets
- Relationships with partners, alliances, suppliers and buyers by improving communication skills and increasing brand awareness
- Information storage by creating a powerful backend and backup systems to the website

5.2 Business Achievements

The 24 500 Impressions on Google AdSense since June 2009 was achieved by combining hard work, ideas and flexibility, acting on the business idea and being active, brave, flexible, calm, determined, confident and issue oriented. In reality, there was not a real marketing campaign but sets of experimental procedures to discover effective and economic ways for promotions.

The 65 Honorary Membership and 400 Free Memberships was achieved by remembering it is all about the customers, being accessible, selling benefits, using network extensively, building and sustaining customer focus. In reality, the first membership was sold even before the prototype website was launched. In December, I announced the Free Honorary Membership as a Christmas Gift for my friends and family and the results were amazing offering 400 members in less than twenty days. It proves that people acknowledge the project and want to receive the benefits of the memberships. Therefore, this concept will remain part of the company's business model i.e. the Free Membership will remain free of charge.

Cooperation with companies including bars, restaurants and services was achieved by creating competitive advantages, projecting a positive business image, becoming known as an expert, doing what I enjoy most and building a rock-solid reputation. In reality, the cooperation is one of the competitive advantages that I developed and mastered acquiring the online and offline network effect by building a long-term win-win-relationship for managers/owners, members and Barisma.

Distributing 60 000 flyers, 2000 business cards and 65 T-Shirts was achieved by being confident, being very motivated, networking and hard work. In reality, the flyer is Barisma's main marketing channel with a unique distribution process offering three-ways benefits for companies, members and Barisma presented in Appendix 24.

The best business plan award at Innoplaza IV was achieved by being innovative, investing on myself, taking the work seriously, having a strong need for achievement, seeking funding, explaining what I want to achieve, developing a comprehensive business plan, being absolutely clear about the primary purpose and audience, allowing enough time to produce a revised drafts of the plan, starting with a clear outline of the business plan with a comprehensive table of contents and finishing with a checklist including preliminary tasks, body and editing/reviewing. In reality, the business plan # 2 took several months to write after the disappointment of the Tuli Second Round rejection.

The 20 Members on Barisma Team including founder, co-founder and project manager was achieved by considering a top-notch business team, persuading others to join and having a potential business idea. In reality, Barisma Team is one of the most difficult issues I had to face during the fifteen months especially when the funds are not available and people tend to burn out quickly or lose interest.

As an overall conclusion, I am very satisfied with the business achievement and I am working on the next opportunity which at the moment is Aaltoes Business BootCamp at the Venture Park of Aalto University and Spinno Enterprise Center.

5.3 Product Achievements

The registration of more than 2200 bars, nightclubs and cafes on the website was achieved by having a new concept, combining hard work, determination and flexibility, becoming a shameless self-promoter, levelling the playing field with technology, being creative and developing a

clear vision of the direction where the company is aiming. In reality, the registration was done manually with Barisma Artificial Intelligent Manager and by offering the possibility for bar owners to register their places like an email or Facebook registration.

The creation and development of a useful, fun and charismatic tool for the whole world was achieved by delivering customers' needs, being active, brave, trusting, flexible, calm, determined, confident and issue-oriented and spotting and exploiting opportunities. In reality, Barisma products and services have been developing during the last fifteen months and it is only in March 2010 that they reached a maturity in a final format.

The collection of 700 entries contacts database including owners, sponsors and companies was achieved by showing determination in the face of adversity, wanting to learn more, developing competencies, wanting to develop Barisma from "Good" to "Great", seeking to become an expert in the industry, taking the work seriously, being consistent, being very motivated and by believing that "Growth does not just happen by chance, entrepreneurs must want it and work for it". In fact, I tried every possible way to reach direct clients even on preliminary basis to learn and become ready for future purposes. My favourite method was to use the yellow pages combined with Google search of over three thousand companies in Finland including bars, restaurants, hotels and accommodation, travel agencies, retail shops, service providers and logistics. I also used various collection methods such as using a notebook, mobile phone or any piece of paper to write the name of an interesting company and search for more information or ask directly from the place. That is how I managed to gather the database of owners, sponsors and companies; and this is only the beginning.

The creation of an intelligent network after four thousand hours of research and development was achieved by following up the trends, working hard on the logic, being creative, active, consistent and patient, interviewing managers, owners, professionals and customers, testing theories and developing innovative solutions and cheaper promotion. In reality, since December 2008, I could not stop thinking of ways to improve processes, products, services and operations, even during a break from work, a romantic walk, a good meal, a movie and anywhere I was. It is like Barisma is part of my life as a little baby that is growing slowly.

As an overall conclusion, I am very happy with the product achievements especially when the features have developed, the business model has improved, the marketing strategies have a clear focus, the packaging has been decided finally and the prices have been set. Therefore, Barisma is ready to make money starting from day one after launching the website.

5.4 Personal Achievements

The meeting and networking with Sami Heikkiniemi from Tekes was achieved by arranging a meeting and attending it. In reality, all the hard work paid off and offered the chance to meet important people in the business life. The meeting is considered the first step into acquiring public funds once the website is launched and the first impressions are reached.

The meeting and networking with potential future sponsors was achieved by attending the Beer Festival 2009 in Helsinki, Wine Expo and contacting the companies via email and phone. In reality, this will be one of the steps after launching the website to acquire few potential sponsors and achieve win-win-relationships.

The meeting and networking with potential future clients was achieved by visiting as many as possible bars, nightclubs and cafes at least once to get to know their business concepts, meet their managers and present Barisma. In reality, I began this project for this specific purpose to get to know the people in the industry.

The great deal of personal development and knowledge about the industry was achieved by being consistent, motivated, creative, hardworking, patient, wanting to learn more and investing on oneself. In reality, I began to specialise in the bar, nightclub and cafe industry and entrepreneurship knowing they will become my life-time career path. Surprisingly, information about this industry is hardly found and my theory is that it does not exist separately from the restaurant or hotel industry; which are two completely different industries.

The industry follow up, strategy development and information gathering was achieved by wanting to learn more, develop strategies and competitive advantages, satisfy customers needs and create something useful for the whole world. I managed to reach a professional position in the bar, nightclub and café industry concerning various topics such as marketing and sales, human resources management, customer relationship management, product and services analysis and development, branding and strategic management.

As an overall conclusion, I consider the personal achievement as the best thing that has ever happened to me simply because I believe all this time was not wasted for nothing. I explored an area of my personal interest and managed to develop, during the last fifteen month, a very interesting and potential concept for the future of the bar, nightclub and café industry. The knowledge and skills acquired will be beneficial for future career opportunities not only in the

bar industry but also in entrepreneurship. It can be a beginning of many success stories which began with a small idea, endured with hard work and consistency and contributed to professional maturity and personal growth. It is important to know that there are lessons and skills that can not be acquired from any school, book or place in the world, even with the advancement of the technology and telecommunication, simply because some knowledge needs to be slowly practised and understood. Reading one thousand books about business will not have the same result as trying to start and do one.

5.5 Business Disappointments

The lack of network was caused by failing to master the art of negotiation, not having the ability to design a successful workspace, not knowing how to get organised in the initial phases, not limiting the number of hats, being over enthusiastic and not knowing that it might backfire, not having a clear direction of the company in the beginning, not having the capability to tell a story, not knowing the support opportunities in Finland and failing to produce a well written, comprehensive and consistent business plan (#1). In reality, it is amazing the importance of that document to venture capitalists and investors and the consequences faced when presenting a poor business plan, even if the business idea is very potential. I rushed into producing whatever document thinking that if I presented the idea rather than presenting the ways to achieve it, it would have done the trick. Unfortunately, it does not work like that speaking from my experience, the literature review presented in this paper and venture capitalists expectations: “Investors are looking for people who can implement ideas, not simply come up with them. Ideas are easy. Implementation is hard--and where the money is”, says Guy Kawasaki in his article “What to Expect From A Venture Capitalist,” posted on 27th of January 2004.

The lack of funds was caused by not meeting the market demands, not mastering the art of negotiation, failing to acquire a strong network group which is mentioned in the previous point, not doing the feasibility in the beginning, not knowing what to do and where to go to acquire public funds and support from the government and not making money to ask for more money. In reality, this step has not been done properly because I did not acknowledge the importance of producing a comprehensive business plan which led to an early rejection of the project. I believed, as most people believe, that telling a venture capitalist or an investor about an idea is simply enough and that is the crucial mistake which occurred.

The Tuli Second Round rejection was caused by not allowing enough time to produce a revised and comprehensive business plan, not knowing the average length of the plan, not doing a proper market research, not considering all the phases of the business, not mastering the art of negotiation and not being a storyteller. In reality, I acknowledged the lack of know-how but I did not know what to do. I rushed into meetings without proper preparation, self-actualisation, planning what to say and researching the important facts to present. My overconfidence, motivation, enthusiasm and expectations convinced me that it is going to be just fine. It was not and the price was paid.

The recession and timing, in reality, the disappointment is the result of the previous point of not having a strong network, not acquiring the necessary funds and being rejected by Tuli Second Round because the timing of the idea was perfect during the recession because the aim of Barisma is to save money, acquire new customers and retain current customers for companies.

The Barisma Team was caused by not finding the required human resources, lack of network and by not considering the cultural differences. In reality and despite my strong commitment to create an exceptional employee culture, the process is still incomplete due to lack of interest, consistency and motivation from some people who joined the team.

The Expected Result vs. Reality describes my desired objectives to achieve during the fifteen months and the real results. Ideally, I would see Barisma acquiring funds or Tuli Second Round grant by now; but in reality, the mistakes and inconsideration of the business plan's importance led to disappointments. I also believed that Barisma had a chance in VentureCup and Rice Business Plan Competitions but both were rejected. In my opinion, Business Plan #3 is comprehensive but judges did not perceive the real potential behind Barisma. Maybe for them, it is just a website for bars and they assume there are plenty of similar projects. They might have not explored or identified the intelligence behind the logic, architecture and objectives. However, if I could put word in a better order and would have planned, prepared and spent more time on researching and developing the ideas, the results would have presented more achievements.

As an overall conclusion, the business disappointments were inevitable especially because I rushed into the implementation processes before the thinking, planning and development. However, a quick recovery indicates a good sign and the future of Barisma looks bright and promising in Finland and internationally.

5.6 Product Disappointments

The Prototype Website was caused by not meeting market demands, not levelling with technology, not mastering the art of negotiation, not having a high tech network and not finding the required resources or funds. In reality, this is my only physical weakness i.e. the IT skills. However, after outsourcing the development of the website, I have gained an extensive experience and knowledge about the technology and I am considering attending further courses to develop this skill. At the moment, Barisma IT Team has begun the development of the new version of the website and more people will join eventually. The real disappointment is the fact that the team has not been assembled earlier in February 2010 which is fourteen months too late.

The Business Plan #1 was caused by reasons mentioned in the Lack of network and know-how. In reality the document was written in eight days, included ninety pages of text and attachments (72 + 18 pages), lacked consistency and was incomprehensive, incomplete and unprofessional, as presented in Appendix 22.

The Rice Business Plan Competition is a the world's richest and largest business plan competition with more than \$ 800,000 in cash and prizes including a Grand Prize worth approximately \$325,000. Each of the 42 teams selected is guaranteed to win at least one cash prize. In reality, Barisma was not perceived from the business plan (# 3) as competitive enough to compete internationally because of the numerous online applications produced daily. However, this impressions is ought to change when the website achieves the first network effect and starts producing considerable traffic.

The Lack of interest from managers and owners was caused by the incompleteness of the products and services, unclear position in the market, absence of support network and group and lack of funds. In reality, I have visited many companies including bars, nightclubs, cafes, restaurants, retail shops, service providers and hotels to negotiate a cooperation or sponsorship deal. The process was painful but educational which contributed to the development of the final designs and features of the website and the company strategies.

As an overall conclusion, the product disappointments are the result of not having a complete and final product to offer. They are not supposed to persist for long especially after acquiring twenty members on Barisma Team.

5.7 Personal Disappointments

The mistakes were caused by the lack of know-how, planning and preparation and led directly to the business and product disappointments. In reality, I acknowledged this fact and it is considered a lesson well learned, even after paying an expensive and hard price.

The lack of know-how was caused by rushing into actions, over enthusiasm which backfired, not mastering the art of negotiation, lack of education, experience and research and not conducting a full feasibility study. In reality, my impatience led to closed doors and many disappointments.

The lack of patience was caused by the over motivation, confidence and enthusiasm and the potential of the business idea. In reality, I could not help myself thinking about the rewards forgetting essential requirements and the need for research and planning.

The physical condition caused by not taking time off, not limited the number of hats and the rush into executing the ideas. In reality, I was burned out in the period between October and November 2009, just before the best business plan award at Innoplaza IV which gave a sense of persistence and achievement. Here, I have realised the expensive price I was paying including the fatigue, stress, depression and the need for optic glasses and I began to plan strategically and wisely. After all, business ideas are worthless if founders do not exist.

The financial results were caused by all the mistakes and lack of know-how. In reality, I have invested directly and indirectly Euro 20 000 (6 500 deductible and 13 500 other costs) from my own pocket on the project for the prototype, T-Shirts, Events, Festival Stand, costs of visiting various companies, reading material, travelling costs between different countries and cities and costs of leaving my previous employment and working full-time on Barisma. I keep reminding myself saying “If I have planned and prepared better, I would have had better results by now”.

As an overall conclusion, the personal disappointments are the hardest to survive especially when self-confidence is damaged. Some mistakes can not be rectified and the pain of letting me down, after long hours of work, is unbearable. However, I managed to survive these consequences and the future looks brighter than ever.

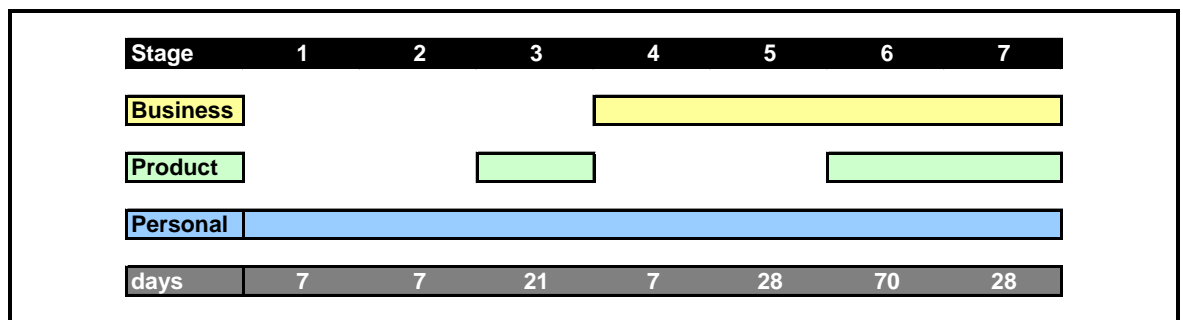
6 Recommendations for future entrepreneurs

This section presents the recommendations for ambitious, hard working and talented future entrepreneurs. The objective is to minimize disappointments, maximize achievements and eventually encourage them to start global businesses in Finland.

The processes require a good perception of oneself, the business environment and market demands, even for the smallest ideas. The table 13 below shows the process of starting a company in relation to the knowledge of business, product and oneself (personal) and time, in the earliest stages until the compilation of the business plan. The seven steps recommendation is designed to be followed for a period of twenty-four weeks and it states the importance of:

1. Understanding the actual meaning of entrepreneurship
2. Understanding the actual meaning of entrepreneur
3. Acknowledging the characteristics of entrepreneurs
4. Knowing that the idea is a business idea
5. Knowing the benefits of starting global businesses in Finland
6. Identifying and working on the requirements to success
7. Writing a comprehensive business plan

Table 13: The Process of Starting a Company in the Earliest Stages



6.1 Understanding the Actual Meaning of Entrepreneurship

The first recommendation is to understand the actual meaning of entrepreneurship in the eyes and minds of the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

Entrepreneurship is part of developing oneself as indicated in table 13 and it has its own rules, language, meanings, numbers, figures, metaphors, achievements and disappointments. It is

important to acknowledge this fact dedicating at least seven days to nurture the mind and open the perceptions about the subject. It should become part of one's personal and professional life as a set of habits to think, walk, talk and behave as other entrepreneurs.

6.2 Understanding the Actual Meaning of Entrepreneur

The second recommendation is to understand the actual meaning of entrepreneur in the eyes and minds of the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

First of all, table 13 shows that entrepreneurs are people and not machines. No one should forget this fact. An idea without an entrepreneur is useless and worthless. Therefore, it is important to manage and predict the possible changes of becoming an entrepreneur before even knowing the characteristics.

Secondly, an entrepreneur is just a title, not a job and it can be applied to everyone and every industry. Meaning, most people learn how to become entrepreneurs and only few are born with the natural talent.

Finally, deciding to become an entrepreneur is easy but remaining one is the real challenge. Therefore, it is encouraged to learn more about the concept for at least seven days even if it is up to the person how long he/she would like to dedicate for this subject. The game is never boring even if some rules are.

6.3 Acknowledging the Characteristics of Entrepreneurs

The third recommendation is to acknowledge the characteristics of entrepreneurs in the eyes and minds of the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

Table 13 shows that the characteristics are part of personal development. They are forever changing due to the fact that people are different and the technological, economical and social aspects of life are developing. It is mistakenly believed that those characteristics are natural talents; and if they were, the biological potential of humans can not possibly keep up with the genetic diversity of human beings. This only means that people need to adapt to the situational factors of the business environment, market demands and other people, in order to

shape their traits and skills accordingly. In simpler words, entrepreneurs must acknowledge what they already have, consider what they need to have and acquire what is necessary for them, within no less than twenty one days. A simple formula always works: “entrepreneurs should pursue their passion and ambition to succeed. Therefore, it is fulfilling to think with the heart before the mind”.

6.4 Knowing that the Idea is a Business Idea

The fourth recommendation is to know that the idea is a business idea as defined by the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

Table 13 shows that a business idea is part of the personal, product and business development which means that it requires the knowledge of all these three concepts. The real challenge is to spot a potential idea, develop it into a product or service and commercialise it.

Ideas are out there and it should take a week to formulate a business idea after mastering the first three steps. It is essential at this stage to focus small to get big and remember that ideas do not change but evolve with the change of the business models, market demand and people.

To get a good idea, get lots of ideas! Sometimes, it is helpful to use a pen and a piece of paper to try to come up with twenty ideas to improve something. This something can be anything related to technology, trade, management, innovative or just another idea that needs to be improved.

Most importantly, it is highly recommended to exploit and perceive the potential behind every idea that pops to the mind to avoid losing them. That is what most people fail to do even if they had the perfect idea first, they did not know it.

6.5 Knowing the Benefits of Starting Global Businesses in Finland

The fifth recommendation is to know the benefits of starting a global company in Finland mentioned by the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

It is not only a recommendation but an invitation to Finns and everyone in the world to start global companies in Finland. First of all, it is easy and quick as proven in the literature and there are no restrictions on foreign investments which means that Finns and foreigners living in the country can use external markets and funding possibilities. After all, how can someone create considerable profits from only 5.2 million people?

For Finns and foreigners living in Finland, there is no other choice to make considerable profits but to start locally and grow internationally

Secondly, the government is focusing on education, research and development and growth entrepreneurship which offers a lot of opportunities and support.

Thirdly, Finland is the safest, the most organised, the most potential and the most rewarding place to start global businesses simply because of the quality of life, education, support and endless possibilities that will open new perspectives. In addition, everything in the country- except the dark, cold and long winter- invites people to start a global business. The duration of acquiring information about this process should take not less than four weeks.

Finally, Appendix 17 presents the lists of support possibilities in Finland which will help entrepreneurs in start-up stages. The best way is to visit and explore the websites. After that, it is good to select the suitable options and contact them via email to arrange a meeting. If email communication fails, prepare yourself to call and try to arrange an appointment or enquire further information. This specific subject needs further development and will not be described further in this thesis as it is important to prepare a structured and efficient strategy to raise private and public funds.

6.6 Identifying and Working on the Requirements to Success

The sixth recommendation is to identify and work on the requirements to success mentioned by the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

This is the longest process of starting a global business which enables entrepreneurs to answer questions about their knowledge, abilities and skills. It is very important to be prepared before acting, seeking investment or even investing own money. Expenses and disappointments will be reduced by simply acquiring the know-how factor emphasized many times in the literature review and the process of Barisma. In reality, it requires at least seventy days of thinking,

planning, developing and implementing the ideas, spotting and exploiting opportunities and grasping an understanding about oneself, the business environment and market demands.

The golden tip is to never start a business assuming to launch concepts immediately and expecting fortunes from the first months. However, starting a business does not mean mastering the concepts of marketing, management, operations, production and finance mentioned in the point 4.4. Furthermore, not knowing something does not mean that the person should not try; it means that the person is not ready to start a business. Trying and acting on ideas is the key to success and the winning combination is consistency, hard work, knowledge, skills and motivation which keep entrepreneurs successful for longer.

A good beginning can facilitate many future achievements and it is only up to the person how much and how long he or she would want to spend on this early stage. Therefore, it is highly recommended not to begin the writing of a business plan before acquiring the six steps mentioned until this part. The consequences might be destructive and irreversible which means that some potential business ideas will not be exploited and both the person and Finland will lose time, energy and money. Instead, it is easier, faster and more convenient for investors and venture capitalists to read a PowerPoint presentation of ten to twelve slides. This point was highlighted in the first day of Aalto University Venture Garage's Business BootCamp which is the first project of its kind in Finland targeting growth entrepreneurship in a practical approach and an extensive preparation of entrepreneurs and their ideas.

Appendix 18 presents a long list of common business concepts and key words to consider which should help the reader in his/her search to acquire the basic know-how and understanding about starting a global business in Finland.

Finally, it is important to acknowledge before writing a business plan that it is not the guarantee for success or funding. In my case, three business plans did not present a considerable result but offered many achievements and the chance to be part of Aaltoes Business Boot-Camp and Spinno Enterprise Center.

6.7 Writing a Comprehensive Business Plan

The seventh recommendation is to learn how to write a comprehensive business plan, understand it is the most important step in starting a business and give it the required time as men-

tioned by the experts, researchers and experienced in starting global businesses and my experience with Barisma project.

Before the writing, it is important to read the final tips presented in appendix 15 and to download or purchase a professional and the most suitable business plan guide and template online or from one of the websites mentioned in Appendix 19. Another method is to visit a library or purchase few books online from one of the books mentioned in Appendix 19.

During the writing, it is essential to remember the purpose and importance of the business plan to the future of the company. Four weeks is the ideal time of preparing a business plan after acquiring the previous six steps. In some cases and even if it does not require that long to produce a comprehensive business plan, the time of thinking, planning and developing the plan can open new perspectives and create new ideas. Therefore, even if the plan is ready in less time, do not present it or send it before four weeks of thinking about the content.

Being 100 % convinced and sure of the clarity, brevity, logic, figures, structure, outline and content of the business plan is a must and any doubts should indicate a weakness or incompleteness. Most entrepreneurs are impatient and do mistakes in this specific stage of unawareness about the content and the structure of the business plan even if their ideas are very potential. The business plan's table of content, adopted from PlanWare, is shown in appendix 20.

The final step before submitting the business plan is to do the checklist of writing a business as presented in the Appendix 21. Once it is double-checked, it is the time to prepare a funding plan.

6.8 The Conclusion

The conclusion states that starting global businesses in Finland requires following seven steps to acquire the know-how and write a comprehensive business plan. The duration of the process should be at least twenty four weeks of thinking, planning, development and implementation. In general, it is thought that starting a business is a process of ideas, funding, management and operations, however in my opinion I consider these processes to be part of the implementation rather than thinking, planning and development phases which should be considered before writing a business plan. The material and resources about starting a business are overpopulated and confusing. Therefore, I tried to highlight the importance of know-how

especially before writing the business plan, seeking funding or investing on ideas and I hope this thesis convinces future entrepreneurs to try rather than to make them rich and successful. “To Initiate or Try” is the most important step in starting a business and hard work, motivation, consistency and everything else will follow and lead to achievements. For example, the word entrepreneurship in Finnish language derives from the verb “Yrittää = To Try”, “Yrittäjä = Entrepreneur” and “Yrittäjätoiminta = Entrepreneurship or Entrepreneur Action/Function/Operation” (Sanakirja.org, 2010) and if people don’t try, they don’t achieve.

Being ready facilitates the start-up stage, reduces expenses, minimizes disappointments and maximizes achievements. However, it is important to understand that these seven steps are only the earliest start-up stages until the business plan is compiled which should encourage people to start businesses, give them a boost of self-esteem, offer the necessary know-how and increase the chances of acquiring funding for their ideas.

Personally, I did not follow these steps and I have not yet acquired any public funds except the Tuli First Round worth Euro 5 000 which was spent on First Round Oy’s Feasibility Studies. In addition to that, Barisma was not selected by VentureCup and Rice Business Plan Competitions and I am assuming the business plan is still unattractive. Nevertheless, after all the work and all the efforts, Barisma has been accepted to participate in Aalto University’s BootCamp which can be the second chance to acquire Tuli Second Round’s funds worth of Euro 55 000. In addition, Barisma is a client of Spinno Enterprise Center which has comprehensive advisory services, offering trainings and networking events to support the generation of a significant share of the new growth start-ups in Finland. The future looks bright not only for Barisma but for all my future projects.

A final message to Finns: “Forget the ‘Sisu’ while starting businesses and remember it when most needed, for example in sports. Finland needs new ways of starting and doing business with fearless, shameless and risk-taking entrepreneurial cultures and attitude”.

A final message to foreigners living in Finland: “Don’t let the language or cultural differences stop you from bringing your boiling attitude to the business life in Finland. It will be beneficial and rewarding for you and for all Finns as well.”

A final message for Finns and foreigners living or wanting to start global businesses in Finland: “Follow the seven steps and remember to acquire the know-how and then to try”.

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8 Appendices

Appendix 1: Finnish Brands

Brand	Industry	Main Products	Founded	Revenue	Employees
Nokia (source) (Wikipedia)	Telecommunications Internet Computer software	Mobile Phone and Computers Smart Phones	Nokia 1865	40.99 billion € (2009)	123,171 (2009)
Finnair (LinkedIn)	Airline	Transportation	Helsinki 1923	1 993 million € (2006)	8,500 (2006)
Marimekko (Wikipedia)	Textiles and Fashion	Fabrics, Clothes and different textiles	Helsinki 1951	81 million € (2008)	414 (2008)
Ahlström (Wikipedia)	Fiber Based Materials	nonwovens and specialty papers	Helsinki 1851	1,596.1 million € (2009)	5,800 (2006)
Fiskars (Wikipedia)	Consumer products	Scissors, boats gardening tools, kitchenware etc.	Helsinki 1649	697 million € (2008)	4,119 (2009)
Artek (Wikipedia)	Design	Furniture, Glassware	Helsinki 1935	Not Found	51-200
Jenkki (Wikipedia)	Food Products	Chewing Gum	Turku 1951	Not Found	Not Found
KWH Group (Wikipedia)	Conglomerate	Plastic Pipe Systems, Logistics	Vaasa 1929	169,3 million € (2006)	2,758 (2006)
Horze (Wikipedia)	Retail	Horse Equipments	Lahti 1988	Not Found	Not Found
Nightwish (Wikipedia)	Band	Rock and heavy Music	Kitee 1996	Not Relevant	Not Relevant
Fazer (Wikipedia)	Food Products	Chocolate, Bakery, Café, Restaurants,	Helsinki 1891	1.068 billion € (2006)	+ 12 000 (2010)
Darude (Wikipedia)	Musician Trance Producer	DJ	Hinnerjoki 1995	Not Relevant	Not Relevant
Metso (Wikipedia)	Industrial Machinery	Machinery and services	Helsinki 1999	6.400 billion € (2008)	29,320 (2008)
Lordi Wikipedia)	Heavy Metal Band	2006 Eurovision Song contest winners	Rovaniemi 1996	Not Relevant	Not Relevant
Finlandia (Wikipedia)	Distilled Beverage	Vodka Flavoured Vodka	Finnish Ownership (1970-2004)	Not Relevant	Not Relevant
Finsk (finsk.com)	Fashion	Shoes	Finnish Based in UK	Not Relevant	Not Relevant
Turun Si-nappi (Wikipedia)	Food Products	Mustard	Ownership (1926-2000)	Not Relevant	Not Relevant

Appendix 2: Twenty five characteristics of an entrepreneur

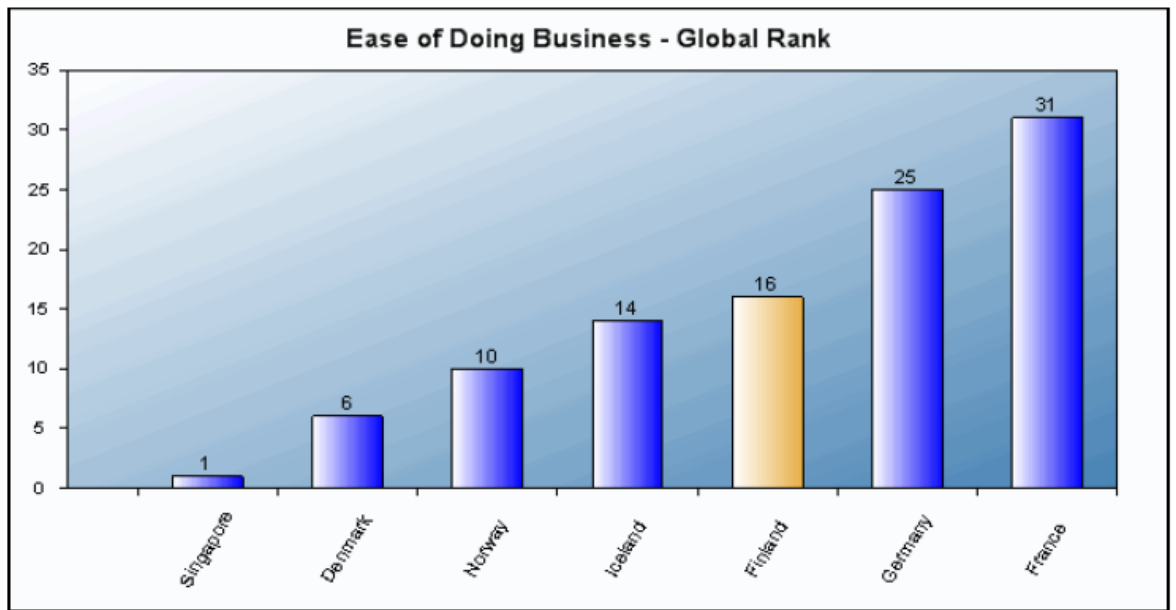
1. **Do what they enjoy** to reach personal satisfaction, financial gain, stability and enjoyment
2. **Take what they do seriously** and truly believe in their business
3. **Plan everything** including every aspect of the business: analysis, research, goals, strategies, scales, models, growth, expansion, contingencies, various factors and trends
4. **Manage money wisely** including income from clients and expenses spent on inventory, supplies, wages, repairs, replacements, equity and other operating costs
5. **Ask for the sale** in every step of the operations and planning such as marketing, advertising, promotional activities and every skill must include a hint of an offer for clients
6. **Remember it is all about the customer** including policies, warranties, payment options, operating hours, presentations, advertising, promotional campaigns and website
7. **Become a shameless self-promoter (without becoming obnoxious)** as self-promotion is one of the most beneficial, yet most underutilized, marketing tool
8. **Project a positive business image** relying on imagination, creativity and attention to the smallest detail when creating and maintaining a professional image for their business.
9. **Get to know their customers** by providing personal attention, genuine desire to learn and support
10. **Level the playing field with technology** in order to take advantage of using it and keeping up with the high-tech world to suit the needs of the business and communications
11. **Build a top-notch business team** as one person can not build a successful business alone without employees, suppliers, customers and other people
12. **Become known as an expert** by gathering and utilising as much as possible information and being known for their expertise and knowledge
13. **Create a competitive advantage** giving people reasons to do business with them
14. **Invest in oneself** by buying business and marketing books, magazines, reports, journals, newsletters, surfing websites and researching about the industry's publications knowing that these resources will improve their understanding of business and marketing skills
15. **Be accessible** by making it easy for people to do business with them anytime
16. **Build a rock-solid reputation** by honouring promises and being consistent
17. **Sell benefits** during the marketing, sales and every interaction with customers
18. **Get involved** in the community, with people and by organising and attending events, meetings and activities even outside the business hours
19. **Grab attention** without wasting time, money and energy on long term strategies or awareness but focusing on every opportunity and minute during the day
20. **Master the art of negotiations** to achieve win-win-situations and build long-term and profitable business relations
21. **Design their workspace for success** such as offices, meeting places and virtual portals to ensure maximum personal performance and productivity
22. **Get and stay organized** by managing oneself and business and having a systems in place to do things in the right order and the right time
23. **Take time off** to avoid burning out very fast or risking an unsuccessful customer service
24. **Limit the number of hats they wear** knowing what they are good at and what tasks to delegate to others
25. **Follow-up constantly** by constant contact, feedback and follow through with customers, prospects, and business alliances. (Stephenson and Mintzer 2008, 5-17.)

Appendix 3: Entrepreneur Characteristics Checklist (Stephenson & Mintzer,2008)

FIGURE 1.1 Entrepreneur Characteristics Checklist

- Successful entrepreneurs have a strong desire to take control and guide their futures.
- Successful entrepreneurs are not afraid to work hard and put in long hours, if necessary, to achieve their personal and business goals.
- Successful entrepreneurs are very optimistic about what the future holds for their businesses and for themselves personally.
- Successful entrepreneurs are very self-confident in their abilities.
- Successful entrepreneurs set goals and develop an action plan to reach their goals and then reward themselves when they have reached and exceeded those goals (big and small).
- Successful entrepreneurs are prepared to handle stress and welcome challenges.
- Successful entrepreneurs are ambitious.
- Successful entrepreneurs are not procrastinators, but proactive in their approach to completing jobs and tasks in full, correctly and on time.
- Successful entrepreneurs have a competitive spirit by nature.
- Successful entrepreneurs are accountable, accepting personal responsibility for their decisions and actions.
- Successful entrepreneurs like to take charge, lead others and delegate.
- Successful entrepreneurs are independent thinkers and workers.
- Successful entrepreneurs will take calculated risks and understand that in the absence of risk, success is seldom if ever achieved.
- Successful entrepreneurs communicate well with other people and respect everyone's right to an opinion even when they disagree.
- Successful entrepreneurs are proficient time managers and use time-saving systems to squeeze the most productivity out of each day.
- Successful entrepreneurs work at maintaining good mental and physical health.
- Successful entrepreneurs are persistent and not easily discouraged.
- Successful entrepreneurs are organized.
- Successful entrepreneurs think and react logically and not emotionally.
- Successful entrepreneurs are knowledge hungry and never stop looking for ways to become better in all areas of business.
- Successful entrepreneurs have realistic expectations.
- Successful entrepreneurs are great planners.
- Successful entrepreneurs are proficient problem solvers and decisive decision makers.
- Successful entrepreneurs keep an open mind, are flexible and are adaptable to change when change is beneficial.
- Successful entrepreneurs know how to listen.

Appendix 4: Ranking of Finland in Ease of Doing Business



Source © 2009 The World Bank and the International Finance Corporation, Doing Business in Finland, 2010, 2

Appendix 5: Finland's rank in Doing Business 2010

Rank	Doing Business 2010
Ease of Doing Business	16
Starting a Business	30
Dealing with Construction Permits	47
Employing Workers	132
Registering Property	27
Getting Credit	30
Protecting Investors	57
Paying Taxes	71
Trading Across Borders	4
Enforcing Contracts	8
Closing a Business	5

Source © 2009 The World Bank and the International Finance Corporation, Doing Business in Finland, 2010, 2

Appendix 6: Finland's Summary of indicators – Doing Business 2010

Starting a Business	Procedures (number)	3
	Time (days)	14
	Cost (% of income per capita)	0.9
	Min. capital (% of income per capita)	7.2
Dealing with Construction Permits	Procedures (number)	18
	Time (days)	38
	Cost (% of income per capita)	119.7
Employing Workers	Difficulty of hiring index (0-100)	44
	Rigidity of hours index (0-100)	40
	Difficulty of redundancy index (0-10)	40
	Rigidity of employment index (0-100)	41
Registering Property	Procedures (number)	3
	Time (days)	14
	Cost (% of property value)	4.1
Getting Credit	Strength of legal rights index (0-10)	7
	Depth of credit information index (0-6)	5
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	14.7
Protecting Investors	Extent of disclosure index (0-10) 6	6
	Extent of director liability index (0-10)	4
	Ease of shareholder suits index (0-10)	7
	Strength of investor protection index (0-10)	5.7
Paying Taxes	Payments (number per year)	8
	Time (hours per year)	243
	Profit tax (%)	17.1
	Labor tax and contributions (%)	29.6
	Other taxes (%)	1.0
	Total tax rate (% profit)	47.7
Trading Across Borders	Documents to export (number)	4
	Time to export (days)	8
	Cost to export (US\$ per container)	540
	Documents to import (number)	5
	Time to import (days)	8
	Cost to import (US\$ per container)	620
Enforcing Contracts	Procedures (number)	32
	Time (days)	375
	Cost (% of claim)	10.4
Closing a Business	Recovery rate (cents on the dollar)	87.3
	Time (years)	0.9
	Cost (% of estate)	4

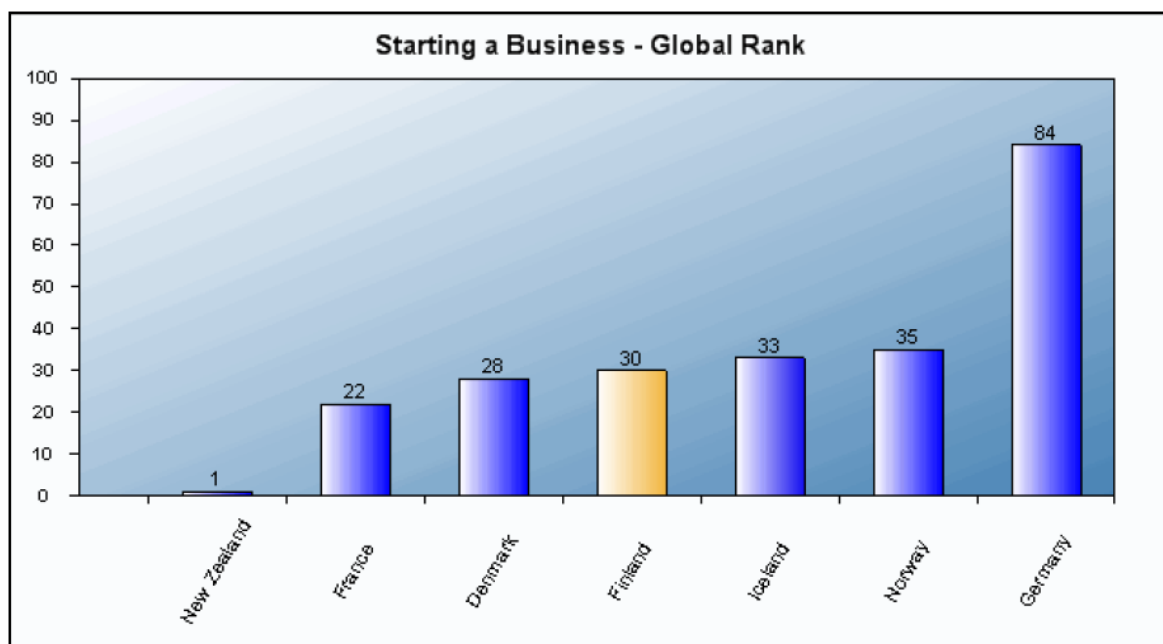
Source © 2009 The World Bank and the International Finance Corporation, Doing Business in Finland, 2010, 3

According to The World Bank and the International Finance Corporation (2010, 10-47), Finland ranks:

- 47 of 183 economies for dealing with construction permits (it requires 18 procedures, takes 38 days, and costs 119.72 % GNI per capita to build a warehouse)

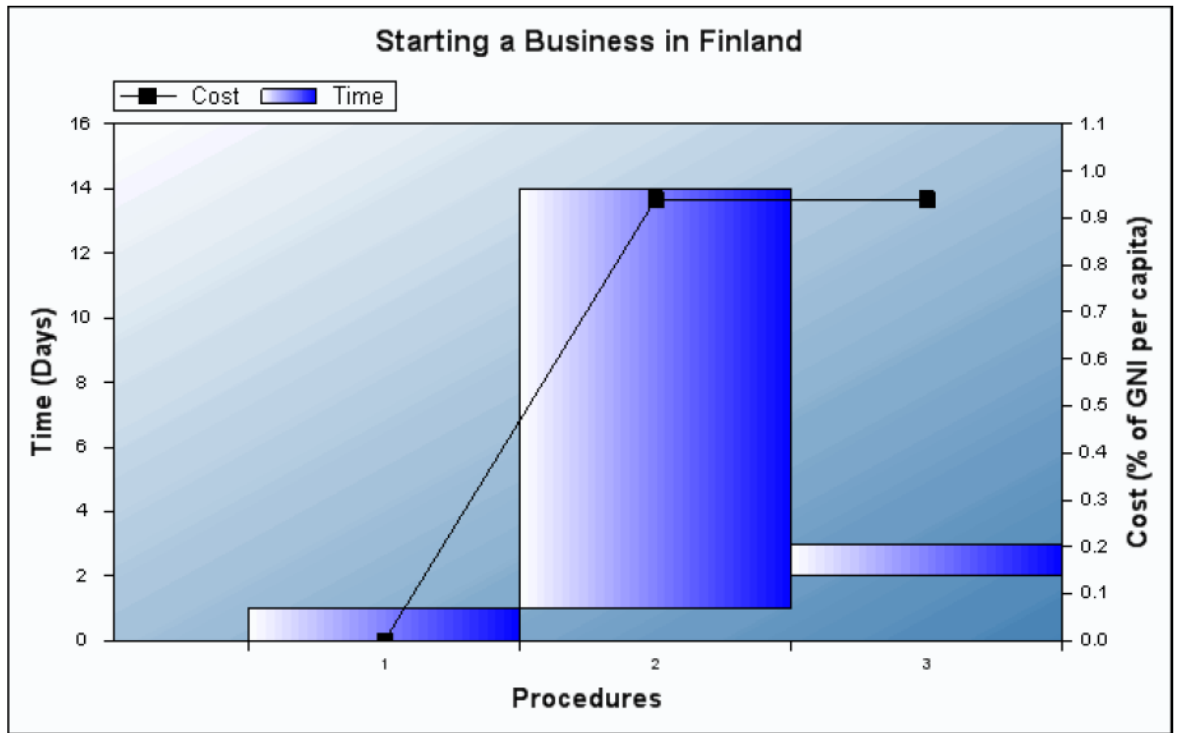
- 132 of 183 economies for employing workers. Employment is regulated by various statutes which afford employees considerable protection. The Finnish labour market is highly organised and this has a strong impact on the formation of collective labour agreements, national wage policies and labour legislation.
- 27 of 183 economies for registering property (it requires 3 procedures, takes 14 days, and costs 4.05 % of property value to register the property)
- 30 of 183 economies for getting credit
- 57 of 183 economies for protecting investors
- 71 of 183 economies for paying taxes (Finland made it easier to pay taxes by extending electronic filing to corporate income taxes and reduced the burden on business and the cost of employment by cutting labour taxes)
- 4 of 183 economies for trading across borders
- 8 of 183 economies for enforcing contracts
- 5 of 183 economies for closing a business

Appendix 7: Ranking of Finland in Starting a Business



Source © 2009 The World Bank and the International Finance Corporation, Doing Business in Finland, 2010, 8

Appendix 8: Steps to Starting a Business in Finland



Source © 2009 The World Bank and the International Finance Corporation, Doing Business in Finland, 2010, 7

Appendix 9: European Growth and Job Monitor - Overall Score

European Growth and Jobs Monitor Overall score

Rank	Country	Current Score 2008 Q3	Change in Ranking since then	Rank one year ago 2007 Q3	Score one year ago 2007 Q3
1	Finland	1.34	←	1	1.79
2	Poland	1.24	←	2	1.51
3	Netherlands	1.09	↑↑	9	1.24
4	Greece	1.04	↑	5	1.31
5	Sweden	1.02	↓	3	1.50
6	Spain	1.01	↑↑	12	1.09
7	United Kingdom	0.93	↓	6	1.29
8	Belgium	0.90	↑	10	1.21
9	Germany	0.90	↓	8	1.26
10	Austria	0.89	↑	11	1.18
11	Denmark	0.87	↓↓	7	1.27
	EU15	0.84	←		1.12
12	France	0.80	↑	13	1.00
13	Ireland	0.70	↓↓	4	1.48
14	Italy	0.39	←	14	0.66

Overall ranking: Finland leads; Ireland and Italy lag

In the aftermath of the collapse of Lehman Brothers, the financial crisis escalated dramatically from September 2008, which caused a severe impact on the real economy in the fourth quarter of last year. Although The European Growth and Jobs Monitor cannot yet fully cover the most recent developments in the absence of sufficient hard data, its results nevertheless already reflect a severe downward trend, which will continue. Our overall Lisbon Indicator for the group of EU-15 countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom) fell in the third quarter of 2008 to 0.84, down from 1.12 in the third quarter of 2007. This means that, taken as a group, EU-15 countries are no longer on track to fulfil the Lisbon targets by 2010, the original deadline of the Lisbon Agenda. However, two countries do stand out – Finland and Poland.

For different reasons, both countries were well on target to meet their Lisbon goals, according to the criteria laid out in this study (although recent downward trends in the economy indicate that even they may slip below the fulfilment criteria later this year.). For the second year in a row, Finland tops the league table at No. 1 (although its overall score slipped to 1.34, down from 1.79 last year). Finland scores particularly well on the Human Capital Sub-indicator (No.

1) and Sustainability of Public Finances Sub-indicator (No. 1) though its performance on the Future-Oriented Investment Sub-indicator (No. 12) leaves room for improvement. Poland also scores well, due mostly to its strong scores on the Economic Growth Sub-indicator (No. 1) and Productivity. Growth Sub-indicator (No. 2), although policymakers have so far been unable to translate this relatively strong performance into the job-market strength one would expect to see among a league-table leader (Poland comes in at No. 13 on the Jobs Sub-indicator, well off its Lisbon targets and just barely ahead of league-table laggard Italy). All told, six of the 14 countries surveyed were on track to meet their Lisbon Targets last year (Finland, Greece, Netherlands, Poland, Spain and Sweden). This shows the strength and depth of the economic recovery in the years 2005-2008. The economic growth and job creation seen in those years gives many European countries a strong base for weathering the worst of what the ongoing economic crisis might bring. However, current economic trends indicate that – without a sudden and dramatic improvement in the European economy – even the top performers probably won't make it to their Lisbon targets by 2010.

At the bottom end of the scale, Italy ranked No. 14, its second last-place finish in as many years. Italy's overall indicator plummeted to 0.39, down from 0.66 in the third quarter of 2007. This suggests that Italy remains very poorly positioned to meet future economic and social challenges and will fall far short of the Lisbon targets in 2010. None of the countries surveyed succeeded in maintaining, let alone improving, its score from last year; all are now turning in weaker performances. Interestingly, most European countries scored in the same range, with very little variation in performance among the 10 countries which make up the middle of the pack (Austria, Belgium, Denmark, France, Germany, Greece, Netherlands, Spain, Sweden and United Kingdom); these countries all had overall indicator readings ranging from 1.1 to 0.8, meaning there was very little variation between country scores from positions No. 3 to No. 12. Only Finland and Poland on the winners' rostrum and Ireland and Italy at the bottom of the league stand out clearly from the crowd.

But a lot of movement did occur, bringing many former underperformers into the middle rankings. Netherlands and Spain showed the most improvement. Both rose six places, with Netherlands rising to the No. 3 position in the overall ranking and Spain to the No. 6 spot. The Spanish performance may come as a surprise given the severity of that country's recent economic downswing. But the main reason for Spain's improvement lies in the reversal of its productivity trend from negative to positive rates of growth – an achievement that came at the expense of developments in the employment area.

By contrast, Ireland fell the farthest – and the hardest. It leaves the ranking of top European performers, falling nine places in the European Growth and Jobs Monitor to No. 13, just ahead of Italy, the perennial laggard. Its reliance on external trade and the importance of its financial services sector in national output made it particularly susceptible to the global economic downswing and international financial turmoil, while the ongoing correction in construction only made matters worse. GDP growth, productivity and public finances all deteriorated precipitously in Ireland, driving its overall score downward. Denmark had one of the biggest drops, too, falling four places to No. 11, down from No. 7 last year. This former strong performer showed real weakness on the Economic Growth Sub-indicator (No. 13) and the Productivity Growth Sub indicator (No. 14).

Appendix 10: Education in Finland

Finland has one of the most successful education systems in the world, writes Sean Coughlan, the BBC News education reporter in Helsinki. In his article interviewing Tuula Haatainen, the Finnish education minister, he writes:

“How can a small, affluent country such as Finland maintain a high-wage, high-skill economy? It can't compete with the low-cost economies of Asia, so it must, as a matter of economic survival, invest heavily in education and training”

Tuula Haatainen says speaking at Finland's Education Ministry in Helsinki, “in Finland, we believe we have to invest in education, in research and in higher education. Education can pioneer new areas for jobs. We always need new skills for the labour force - so it means that we have to keep investing. We don't divide at an early stage between students who do well and those that don't manage so well in schools. We believe that if we invest in all children for nine years and give them the same education then we will reach the best results”.

(Sean Coughlan, BBC News, 2004.)

In Finland everyone has the right to free basic education, including necessary equipment and text books, school transportation, where needed, and adequate free meals. Post-compulsory education is also free. This means that there are no tuition fees in general and vocational upper secondary education, in polytechnics or in universities. At these levels of education, students pay for their text books, travel and meals. In general and vocational upper secondary education, school meals are free, and students can get subsidy for school travel. In continuing vocational education and in liberal adult education, it is possible to charge modest fees. Those studying in post-compulsory education and training can apply for financial aid. There are special support schemes for mature students. The Ministry of Education allocates government grants for basic, upper secondary, vocational, polytechnic and university education, for research, and for continuing vocational and professional education and liberal adult education. The Ministry also finances morning and afternoon activities for schoolchildren and school transportation in pre-primary education. Education is primarily co-financed by the government and local authorities. Universities, continuing vocational and professional education and liberal adult education are state-funded. Most state funding for education is included in the Ministry of Education main class in the state budget. (Finland's Ministry of Education, 2010.)

Appendix 11: The Finnish Culture

The Finnish cultural policy addresses creativity, the status of artists, the network of regional cultural services, multiculturalism, international cooperation and cultural exportation. Culture is supported by public funding and the copyright compensation system. The foremost source of financing for culture in the central government is the Ministry of Education. The culture and art appropriations in the 2006 state budget total some 360 million Euros. Most of it (c. 85%) is allocated to national cultural institutions and local authorities. The remit of the Ministry of Education comprises national cultural institutions; publicly funded and subsidised museums, theatres and orchestras; local cultural provision; and subsidised organisational and civic activities. The cultural provision in Finland is abundant and Finns are active users of cultural services. Altogether 52 theatres, 25 orchestras and 132 museums receive government funding. The annual number of museum visitors is five million; the National Opera and orchestras have an annual audience of over 900,000 and the annual number of theatre-goers is 2.5 million. (Finland's Ministry of Education, 2010.)

Finnish Culture & Society - Nordic but not Scandinavian

- Finland along with Iceland is Nordic rather than Scandinavian.
- This is reflected in their language which is not Germanic in origin.
- While many social values are the same, there are subtle differences with Scandinavians

Finnish Egalitarianism

- Finland is an egalitarian society, which is reflected in their language, which employs gender-neutral words
- Finns are very modest and downplay their own accomplishments.
- They view being humble and modest as virtues.

Finnish Behaviour

- Finns believe there is a proper way to act in any circumstance and always expect courteous behaviour.
- Talk in moderate tones and do not do anything to call attention to yourself.
- Serial conversation is the rule - i.e. listen to the speaker, wait for them to finish and then reply. Interrupting is rude.

Fancy a Sauna?

- The sauna has a special role in the domestic life of Finns
- It is an experience shared with family and friends
- Important business meetings may be followed by a sauna in which the conversation is continued on a more informal basis.
- Saunas are found everywhere: At the end of calendar year 2002, there were 1,212,000 saunas in private apartments and another 800,000 in summer cottages and public swimming pools. This translates to more than 2,000,000 saunas for a population of 5.2 million.

Finnish Meeting Etiquette

- Greetings are formal, with a firm handshake, direct eye contact, and a smile
- It is common practice to repeat your first and surname while shaking hands
- When greeting a married couple, the wife should be greeted first

Business - Relationships & Communication

- Finns are transactional and do not need long-standing personal relationships in order to conduct business
- The basic business style is formal - i.e. there is relatively little small talk and Finns prefer people to speak succinctly and to focus purely on business
- Finns do not require face-to-face contact and, in fact, are quite comfortable using e-mail
- Finns are excellent time managers who prefer to organize their workday in order to accomplish as much as possible
- Finns are interested in long-term relationships
- Relationship building often takes place outside the office: in a restaurant or the sauna.
- Never turn down an invitation to use the sauna, as it is an entrenched part of the Finnish culture
- Finns place a great value on speaking plainly and openly
- What someone says is accepted at face value and this is a culture where "a man's word is his bond" and will be treated as seriously as a written contract, so verbal commitments are considered agreements.

- Finns are direct communicators. Expect your colleagues to tell you what they think rather than what you want to hear.
- Professional differences are not viewed as personal attacks.

Business Meeting Etiquette

- Appointments are necessary and should be made in advance by telephone, e-mail, or fax.
- It is extremely difficult to meet with people without a formal appointment.
- Do not schedule meetings between June and August as many Finns take vacation during the summer
- You should arrive at meetings on time or slightly early
- Telephone immediately if you will be detained more than 5 minutes. Being punctual is a sign of respect and efficiency
- Expect a bare minimum of small talk, if any, before getting into the business discussion
- Send an agenda before the meeting as well as the biographies of your team
- Meetings begin and end on time.
- Avoid hype, exaggerated claims, or bells and whistles in your presentation
- Finns seldom ask questions. The presenter is expected to make his/her case with sufficient detail that their Finnish colleagues do not need to ask questions
- There is no taboo on humour in the business environment.

Dress Etiquette

- Business attire is stylish and conservative
- Men should wear dark coloured, conservative business suits
- Women should wear conservative business suits, trouser suits, or dresses

Appendix 12: Government R&D Funding

Government R&D funding grows by EUR 155 million in 2010, in the 2010 Government Budget, the total appropriations and outlays for research and development activities amount to EUR 2,055 million. According to Statistics Finland, R&D funding increases by EUR 155 million from the previous year. At the same time, the share of public R&D funding of GDP is estimated to rise to 1.17 per cent. The Ministry of Education accounts for 45 per cent of government R&D funding and the Ministry of Employment and the Economy for 37 per cent. R&D funding under the Ministry of Education amounts to EUR 933 million and that under the Ministry of Employment and the Economy to good EUR 763 million. In 2010 R&D funding under the Ministry of Education goes up by some EUR 95 million and that under the Ministry of Employment and the Economy by EUR 40 million. The increase in funding under the administrative branch of the Ministry of Education is mainly due to growth in funding by the Academy of Finland. R&D funding awarded by the Ministry of Defence also rises by nearly EUR 22 million. R&D funding of the Academy of Finland increases by EUR 75 million, mainly due to the change in the budgeting method. Funding by the Academy of Finland totals EUR 384 million. The appropriations and outlays of Tekes (the Finnish Funding Agency for Technology and Innovation) go up by EUR 36 million, its R&D funding being EUR 611 million. A total of EUR 506 million, or EUR 16 million more than in the year before, is recorded in statistics for universities. Funding of other research carried out mainly in ministries grows by EUR 31 million to EUR 218 million. By contrast, budget funding of R&D activities by government research institutes decreases somewhat in 2010. In line with the socio-economic objective, the general advancement of knowledge is the largest category with its share of 44 per cent. The share of funding of industrial production and technology is 24 per cent and that of social structures and relationships 14 per cent. (Government R&D; funding in the state budget 2010.)

Science, technology and innovation policy, the government outlines the principles underpinning and drafts legislation governing science, technology and innovation policy. The ministries are responsible for planning and implementing science and technology policy. The government is assisted by the Research and Innovation Council which is chaired by the Prime Minister. The Council outlines and harmonises science and technology policy and prepares plans and proposals concerning policy, scientific research and education to the government. The Ministry of Education handles matters relating to education, science policy, universities and polytechnics, and the Academy of Finland. The Academy is the foremost financing organisation in research. Publicly funded research is mainly conducted in universities and research

institutes. The Ministry of Employment and the Economy takes care of matters relating to industrial and technology policy, the Technology Development Centre Tekes, and the Technical Research Centre of Finland VTT. The Ministry of Education promotes scientific research by co-financing support services, such as equipment, information networks, scientific computing and research libraries. (Finland's Ministry of Education, 2010.)

	R&D funding € million	Share of R&D funding, %	Nominal change from 2009, %	Real change from 2009, %
R&D funding total	2 055,2		8,2	6,2
Main administrative branches (ministries)				
Ministry of Education	932,7	45,4	11,4	9,3
Ministry of Employment and the Economy	763,4	37,1	5,5	3,5
Ministry of Social Affairs and Health	130,7	6,4	7,9	5,9
Ministry of Agriculture and Forestry	97,6	4,7	-4,1	-5,9
Funding organisations				
Universities	506,3	24,6	3,3	1,4
University central hospitals	40,0	1,9	0,0	-1,9
Academy of Finland	384,4	18,7	24,4	22,1
TEKES	610,8	29,7	6,2	4,3
Government research institutes	295,7	14,4	-1,1	-3,0
Other R&D funding	218,1	10,6	16,8	14,6

Source: Government R&D; funding in the state budget 2010, Statistics Finland

Appendix 13: Lists of Universities and Research Institutes

Universities

- [Aalto University](#)
- [Academy of Fine Arts](#)
- [Hanken School of Economics](#)
- [Lappeenranta University of Technology](#)
- [Sibelius Academy](#)
- [Tampere University of Technology](#)
- [Theatre Academy](#)
- [University of Helsinki](#)
- [University of Eastern Finland](#)
- [University of Jyväskylä](#)
- [University of Lapland](#)
- [University of Oulu](#)
- [University of Tampere](#)
- [University of Turku](#)
- [University of Vaasa](#)
- [Åbo Akademi University](#)
- [National Defence College](#)

Research institutes

- [VTT Technical Research Centre of Finland](#)
- [Finnish Meteorological Institute](#)
- [Finnish Environment Institute](#)
- [Finnish Forest Research Institute](#)
- [Geological Survey of Finland](#)
- [Finnish Geodetic Institute](#)
- [National Institute for Health and Welfare](#)
- [Finnish Institute of Occupational Health](#)
- [Finnish Food Safety Authority](#)
- [Agrifood Research Finland](#)
- [Finnish Game and Fisheries Research Institute](#)
- [Radiation and Nuclear Safety Authority](#)
- [Centre for Metrology and Accreditation](#)
- [Finnish Institute of International Affairs](#)
- [National Research Institute of Legal Policy](#)
- [Government Institute for Economic Research](#)
- [Research Institute for the Languages of Finland](#)
- [National Consumer Research Centre](#)

Appendix 14: Law and Business

The Finnish Law imposes no general restrictions on foreign investment in Finland. As a rule, shares and assets in Finnish companies can be acquired by foreign entities without the need for approval from Finnish authorities. However, public interest dictates that certain types of trade and business, whether carried out by Finnish or non-Finnish persons, be subject to licensing and permit requirements. Often the sole purpose of these requirements is to ensure that the individuals, engaged in the trade or business, are competent and sufficiently committed. Except for those relating to money laundering, there are practically no legal obstacles to direct foreign investment in Finnish securities and exchange control regarding payments into and out of Finland. However, payment to or from Finland must be made through authorised banks in Finland. A foreign company locating its business to certain geographical areas in Finland may gain subsidies from the government. The amount of the subsidy depends, among other things, on the location of the business. Subsidies are mainly allocated to small and medium-sized enterprises.

The Copyright protects and promotes intellectual creation in its different forms. By recognising the right of individuals to control the use of their works, society encourages creativity, at the same time promoting the production and distribution of immaterial products and investment and trade in them. The protection of cultural commodities and their accessibility underpins national culture and social development. Finnish copyright legislation was amended in 2005 to meet the demands of the digital environment and the internet. The amendments to the Copyright Act and the amended section 49 of the Criminal Code came into force from the beginning of 2006. This reform implemented the Copyright Directive adopted by the EU in 2001. The amendments also concerned a number of national issues, such as the prohibition of private importation of pirate recordings. (Finland's Ministry of Education, 2010.)

Appendix 15: Final Tips Before the Writing of the Business Plan

Finally, PlanWare suggest some final tips before the writing of the business plan:

- Be absolutely clear about the primary purpose and audience of the plan from the outset. If the plan has to serve multiple purposes, consider producing tailored versions
- Allow enough time to produce revised drafts of the plan - three/five drafts would not be unusual.
- Write the Introduction, Summary and Conclusion of the plan only after the plan's main parts have been finalized.
- At an early stage, make some high-level sales and financial projections (covering 1-3 years) to explore the general direction and size of the business, likely viability and possible funding amounts and mix.
- If the elapsed time needed to prepare the plan and commence its execution is lengthy, set the start date for financial projection close to the commencement of execution.
- Seek external assistance sooner rather than later. This may take the form of software tools, consultancy assistance in the form of specific assignments, or mentoring and counselling on an as required basis.
- If planning a significant business, ensure that a management team has been identified (and possibly in place) before the plan is finalized.
- Identify and cultivate possible key recipients of the plan during the plan's preparation. This will ensure that when the plan is finally presented, these contacts will have some prior knowledge of its contents and the promoters and, where appropriate, the views of contacts may have been taken into account during the preparation process.
- Start compiling the plan at the sections devoted to market research/analysis and sales forecasts/plans, or with details of the proposed product/service offerings. Leave the detailed financial projections aside until all details in relation to sales, costs, expenses, operations, capital investment and possible sources/types of finance have been resolved (PlanWare, 1999-2009)

Appendix 16: Results/Findings VS. Literature

The results are presented in the four tables below. In order to read the tables, it is important to understand the meaning of the five main elements:

1. The Concept / Knowledge / Factor “before the decision” to starting a global company, presented with the letter “B” and marked as:
 - Understood and acquired by ‘A’
 - Considered and not-acquired by ‘C’
 - Ignored and not-acquired by ‘N’
2. The Concept / Knowledge / Factor “at present day” to starting a global company, presented with the letter “P” and marked as:
 - Understood and acquired by ‘A’
 - Considered and not-acquired by ‘C’
 - Ignored and not-acquired by ‘N’
3. The value of acquiring the Concept / Knowledge / Factor “before the decision” to starting a global company, presented with the letters “BS” and marked as:
 - High by “2”
 - Average by “1”
 - Small by “0”
4. The value of acquiring the Concept / Knowledge / Factor “at present day” to starting a global company, presented with the letters “PS” and marked as:
 - High by “2”
 - Average by “1”
 - Small by “0”
5. The final or total value of the Concept / Knowledge / Factor after adding the values of “before the decision” and “at present day” presented with the letters F.
6. The average value which presents the score of each section marked with blue.

In simple words, I have chosen concepts from the literature and evaluated my knowledge of these concepts “Before in December 2008” marked with the letter “B” and compared it to the “Present in April 2010” marked with the letter “P”. This ‘A’ means that I understood and acquired the concept, this ‘C’ means I considered, knowing it exists, but I did not acquire it and this ‘N’ means that I did not know it exists and I still did not acquire it. Then, I expressed in numerical value to present how much I did actually know about each concept. So, for ‘A’ I marked the value “ 2 ”, for ‘C’ I marked “ 1 ” and for ‘N’ I marked “ 0 ”. It shows clearly now in the tables the results of my knowledge and the averages explaining my level of preparation.

Concept / Knowledge / Factor	B	P	BS	PS	F
What does entrepreneurship actually mean?	1,2 1,9 3,1				
It is hard to define	C	A	1	2	3
A new concept or a new business idea (classic)	A	A	2	2	4
Undertake conception of a productive venture	C	A	1	2	3
Organization of a productive venture	C	A	1	2	3
Management of a productive venture	C	A	1	2	3
Seeking profit as a reward	A	A	2	2	4
Combination of hard work, ideas and flexibility	A	A	2	2	4
Meeting market demands and management.	N	C	0	1	1
Innovation is the primary factor	A	A	2	2	4
An attitude, as a way to think and act about work in general	N	A	0	2	2
What does entrepreneur actually mean?	1,2 2,0 3,2				
A person who starts a new business	A	A	2	2	4
Who starts an enterprise with its associated risks and responsibilities	C	A	1	2	3
Who organizes, manages, and assumes the risk of a business	C	A	1	2	3
Who assumes financial risk of initiation, operation & management	C	A	2	2	4
Risk Vs Innovation and how these two factors correlate	C	A	1	2	3
Who seeks profit by risk and initiative	A	A	2	2	4
The essential tool for entrepreneurs is innovation	A	A	2	2	4
An entrepreneur creates demand	N	A	0	2	2
An entrepreneur tries to find ways to exploit existing markets	C	A	1	2	3
ability to manage and deal with change	C	A	1	2	3
who start new businesses based on old concepts	N	A	0	2	2
What are the characteristics of entrepreneurs?	1,3 2,0 3,3				
Do what they enjoy	A	A	2	2	4
Take what they do seriously	A	A	2	2	4
Plan everything	C	A	1	2	3
Manage money wisely	A	A	2	2	4
Ask for the sale in	N	A	0	2	2
Remember it is all about the customer	⊙	A	2	2	4
Become a shameless self-promoter (without becoming obnoxious)	N	A	0	2	2
Project a positive business image	A	A	2	2	4
Get to know their customers	C	A	1	2	3
Level the playing field with technology	C	A	1	2	3
Build a top-notch business team	A	A	2	2	4
Become known as an expert	A	A	2	2	4
Create a competitive advantage	A	A	2	2	4
Invest in oneself	A	A	2	2	4
Be accessible	A	A	2	2	4
Build a rock-solid reputation	A	A	2	2	4
Sell benefits	C	A	1	2	3
Get involved in the community	A	A	2	2	4
Grab attention	C	A	1	2	3
Master the art of negotiations	N	A	0	2	2
Design their workspace for success	N	A	0	2	2
Get and stay organized	C	A	1	2	3
Take time off	N	A	0	2	2
Limit the number of hats	N	A	1	2	3
Follow-up	C	A	1	2	3
Taking advantages of opportunities	A	A	2	2	4
Sometimes the enthusiasm to exploit opportunities backfires	N	⊙	0	1	1

Needs to be goal orientated and selective about opportunities.	C	A	1	2	3
Being Creative	A	A	2	2	4
Timing is everything for an entrepreneur to reach the goals	C	A	1	2	3
Being Confident	A	A	2	2	4
Being very motivated	A	A	2	2	4
Entrepreneurs have a strong inner need for an achievement	A	A	2	2	4
Willing to take risks	A	A	2	2	4
Wanting to learn more	A	A	2	2	4
Education can give them the confidence that is needed to deal with customers	N	A	0	2	2
Develop a clear vision of the direction where the company is aiming	N	A	0	2	2
Manage cash creatively, or learn to "bootstrap"	A	A	2	2	4
Persuade others to commit to venture using their social skills	A	A	2	2	4
An entrepreneur should be a storyteller	N	A	0	2	2
Entrepreneurs are both born and made	N	A	0	2	2
Shaped by all the experiences they have had during their lives	A	A	2	2	4
Unemployment is a factor that pushes people into self-employment	N	A	0	2	2
Growth does not happen by chance, but the entrepreneur must want it	A	A	2	2	4
What is a business idea?			0,9	2,0	2,9
A concept which answers to the questions what, whom, and how?	N	A	0	2	2
One must define what the needs of one's clients are	N	A	0	2	2
What is the main idea and image of the product or service that is offered?	A	A	2	2	4
What are the strengths of the product or service	C	A	1	2	3
What are the competitive advantages compared to competitors	C	A	1	2	3
A business idea is a concept which can be used for commercial purposes	A	A	2	2	4
A commodity or service that can be sold for money, according to a unique model	A	A	2	2	4
A business idea can be transformed into a viable business	A	A	2	2	4
Ideas are supported by feasibility	N	A	0	2	2
Ideas in a business plan can be sold to interested investor / lenders / companies	A	A	2	2	4
Ideas which are introduced at the right time can lead to a very profitable business	A	A	2	2	4
It is the application applied on these ideas, and timing makes all the difference	N	A	0	2	2
A business idea may become in a form of entrepreneur's new discovery or insight	C	A	1	2	3
A business idea can also be bought by buying patents or licenses	N	A	0	2	2
In most occasions ideas are based on pre-acquired professional skills and abilities	N	A	0	2	2
Majority of new businesses are developed into the same business branch	N	A	0	2	2
What are the reasons to starting a global business in Finland?			0,5	2,0	2,5
It is easy doing business in Finland	N	A	0	2	2
Finland is ranked 16 out of 183 economies for Ease of Doing Business	N	A	0	2	2
Finland is ranked 30 of 183 in starting a business in the world	N	A	0	2	2
It requires 3 procedures, takes 14 days, and costs 0.94 % GNI per capita	N	A	0	2	2
The required minimum share capital is EUR 2 500	A	A	2	2	4
There is no limitation on maximum share capital	N	A	0	2	2
Finland has one of the lowest debt ratios in the EU	N	A	0	2	2
High-technology manufacturing in Finland ranked second largest after Ireland	N	A	0	2	2
Finland has the 4th largest knowledge economy in Europe	N	A	0	2	2
The Legal System in Finland is the civil law	C	A	1	2	3
Finland is part of the European Union since 1995	A	A	2	2	4
The Finnish Law imposes no general restrictions on foreign investment	N	A	0	2	2
The currency is Euro	A	A	2	2	4
In Finland, there is highly innovative activity	N	A	0	2	2
Finland has one of the most successful education systems in the world	A	A	2	2	4
In Finland everyone has the right to free basic education	A	A	2	2	4
Government R&D funding grows by EUR 155 million in 2010	N	A	0	2	2

R&D funding under the Ministry of Education amounts to EUR 933 million	N	A	0	2	2
R&D funding of the Academy of Finland increases by EUR 75 million (Total 384 million)	N	A	0	2	2
For universities, a total of EUR 506 million, or EUR 16 million more	N	A	0	2	2
Other research Funds in ministries grows by EUR 31 million to EUR 218 million	N	A	0	2	2
The appropriations and outlays of Tekes go up by EUR 36 million (Total 611 million)	N	A	0	2	2
Science, technology and innovation policy	N	A	0	2	2
52 theatres, 25 orchestras and 132 museums receive government funding	N	A	0	2	2
The Copyright protects and promotes intellectual creation in its different forms	N	A	0	2	2
Finland is known for its comprehensive library network	A	A	2	2	4
There are over 200 research libraries in Finland	N	A	0	2	2
Finland is ranked number 18 in the Quality of Life Index Article	A	A	2	2	4
47 of 183 economies for dealing with construction permits	N	A	0	2	2
18 procedures, 38 days, & costs 119.72 % GNI/ capita to build a warehouse	N	A	0	2	2
132 of 183 economies for employing workers.	N	A	0	2	2
Employment is regulated by various statues and employees have considerable protection.	A	A	2	2	4
The Finnish labour market is highly organised	A	A	2	2	4
There are collective labour agreements, national wage policies and labour legislation.	A	A	2	2	4
27 of 183 economies for registering property	N	A	0	2	2
3 procedures, takes 14 days, and costs 4.05 % of property value to register the property	N	A	0	2	2
30 of 183 economies for getting credit	N	A	0	2	2
57 of 183 economies for protecting investors	N	A	0	2	2
71 of 183 economies for paying taxes	N	A	0	2	2
4 of 183 economies for trading across borders	N	A	0	2	2
8 of 183 economies for enforcing contracts	N	A	0	2	2
5 of 183 economies for closing a business	N	A	0	2	2
GDP is \$ 181.4 billion, GDP per Capita is \$ 34,900, Revenues are \$ 115.7 billion	C	A	1	2	3
What are the requirements to success?			1,0	1,7	2,7
Business ideas, without acting on them, are worthless!	C	A	1	2	3
You need to make money to ask for money to make more money!	N	A	0	2	2
Motivation to make a difference	A	A	2	2	4
Being Active, brave, trusting, flexible, calm, determined, confident and issue-oriented	A	A	2	2	4
Creativity and Innovation” is the bridge to a growing enterprise	A	A	2	2	4
Spotting and exploiting an opportunity	C	C	1	1	2
Finding the required resources	C	C	1	1	2
Using network extensively	C	C	1	1	2
Showing determination in the face of adversity	A	A	2	2	4
Managing risk	N	A	0	2	2
the most affecting problem is that entrepreneurs don't have sufficient know-how	C	A	1	2	3
Controlling the business	A	A	2	2	4
Putting the customer first	A	A	2	2	4
Right executable strategy; pursuing and managing alliances, acquisitions and relationships	C	A	1	2	3
Capability to attract capital	C	C	1	1	2
Capability to build and sustain customer focus	N	A	0	2	2
Capability to develop core competencies	N	A	0	2	2
Capability to capitalize technology and solutions	N	C	0	1	1
Capability to design the organization and processes	N	A	0	2	2
Commitment to create an exceptional employee culture and transitional leadership	A	A	2	2	4
Generic growth by getting bigger market share or finding new markets	A	A	2	2	4
Diversification by reaching for wider market area with new product or service and	C	A	1	2	3
Acquisition or merger = buyouts	N	A	0	2	2
Business Plan, Milestones, Goals and Objectives are well defined and measured,	N	A	0	2	2
No challenge in business is identical to any other	A	A	2	2	4

Developing enterprises from “Good” to “Great”	C	A	1	2	3
Building a product roadmap can substantially increase your chances of getting funded	N	A	0	1	1
Branded CEO - brings in expertise and connections	C	A	1	2	3
Code - control over intellectual property	N	C	0	1	1
Connections - relationships with partners, alliances, suppliers, buyers and so on	C	C	1	1	2
Content - information storages	C	C	1	1	2
Commerce - disruptive technology's or innovation's marketing traction	C	A	1	2	3
Cash - attracting investors (What is a Competitive Advantage? 2007.)	C	A	1	2	3
culture as one of the most important factors that affects the organizational success.	A	A	2	2	4
Formulate Business and Competitive Strategies	C	A	1	2	3
How to write a comprehensive business plan?			1,2	2,0	3,2
The business plan should clearly explain the what, why, when, who and how of the project	A	A	2	2	4
A comprehensive explanation of the opportunity, the team, the money required and results	C	A	1	2	3
A written management document i.e. a tool used to develop, grow and manage a business	C	A	1	2	3
The process of building a business plan enables entrepreneurs to clarify business ideas	C	A	1	2	3
Prediction of possible problems that might occur and ways to avoid these problems	N	A	0	2	2
Aims and objectives for a certain period of time, which helps to monitor one's success.	N	A	0	2	2
It helps the entrepreneur to analyze the market and plan future actions accordingly	C	A	1	2	3
The plan is also an essential tool to obtain any kind of funding.	A	A	2	2	4
A well written business plan proves the required ability to plan and manage a company	N	A	0	2	2
The first step to make ideas or visions become reality	A	A	2	2	4
The business plan in short evaluates the feasibility of the business idea	N	A	0	2	2
Explains what entrepreneurs want to achieve, and how and when they can do it	A	A	2	2	4
Play a vital role in helping to avoid mistakes or recognize hidden opportunities	N	A	0	2	2
It is much easier to fold a sheet of paper than a business.	N	A	0	2	2
A communicational tool to attract possible investors, strategic partner & secure bank loans.	A	A	2	2	4
A management tool: helps to track, monitor and evaluate the business progress	N	A	0	2	2
A planning tool the business plan gives the guidelines for all the phases of the business	N	A	0	2	2
The ultimate purpose of developing a business plan is to have a successful business.	C	A	1	2	3
Success Factor: The Business Concept	A	A	2	2	4
Success Factor: Understanding the Market	A	A	2	2	4
Success Factor: Industry Health and Trends	A	A	2	2	4
Success Factor: Consistent Business Focus and Clear Strategic Position	A	A	2	2	4
Success Factor: Capable Management	A	A	2	2	4
Success Factor: Ability to Attract, Motivate and Retain Employees	A	A	2	2	4
Success Factor: Financial Control	A	A	2	2	4
Success Factor: Anticipating and Adapting to Change	A	A	2	2	4
Success Factor: Business Values and Integrity	A	A	2	2	4
The elapsed time needed to produce a detailed plan might be between 20 and 100 days	N	A	0	2	2
The average length seems to be 30 to 40 pages, including the Supporting Documents section	N	A	0	2	2
Being absolutely clear about the primary purpose and audience of the plan from the outset	A	A	2	2	4
Allowing enough time to produce revised drafts of the plan	N	A	0	2	2
Writing the Introduction, Summary & Conclusion of the plan only after the plan's main parts	A	A	2	2	4
At an early stage, making some high-level sales and financial projections	A	A	2	2	4
Setting the start date for financial projection close to the commencement of execution.	A	A	0	2	2
Seeking external assistance sooner rather than later	A	A	2	2	4
Ensuring that a management team has been identified (and possibly in place)	N	A	0	2	2
Identifying and cultivating possible key recipients of the plan during the plan's preparation	A	A	2	2	4
Compiling the sections devoted to market research/analysis and sales forecasts/plans first	A	A	0	2	2
Starting with a clear outline of the business plan with a comprehensive table of contents	A	A	2	2	4
Finishing with a checklist including preliminary tasks, body and editing/reviewing	A	A	2	2	4

Appendix 17: List of Support Possibilities in Finland

- **EU- membership and corporate contributions**, the commission allows quite extensively the support of investments and development of enterprises
- **Employment and Economic Development Office & Start- Up Money** which promote new businesses and getting people employed (Ministry of Employment and the Economy 2009.) www.mol.fi
- **The Confederation of Finnish Industries** which represents fairly all the business branches and businesses in every size (Holopainen & Levonen 2008, 350.) www.ek.fi
- **Employment and Economic Development Centre (TE-Keskus)**, there are 15 TE-Centres (TE-Keskus) combined in Finland situated all over the country offering different types of grants businesses (Meretniemi & Ylönen 2008, 84.) www.te-keskus.fi
- **Finnvera** a special governmentally funding corporation which develops Finnish businesses' operating nationally and internationally (Finnvera 2009a). www.finnvera.fi
- **Tekes, Sitra and Foundation for Finnish Inventions**, the Finnish Funding Agency for Technology and Innovation supporting projects and focusing on international competitive products and production methods (Meretniemi & Ylönen 2008, 79.)
www.tekes.fi | www.sitra.fi | www.keksintosaaatio.fi |
- **Business Incubator Services** There are dozens of business incubator service providers in Finland. They offer business premises, machinery, counselling, support and contacts for starting businesses. (Meretniemi & Ylönen 2008, 147.) List available in this link:
<http://www.spica-directory.net/centers/?c=19>
- **The New Entrepreneur Agencies (Uusyrittyskeskukset)** There are currently 31 New Entrepreneur Agencies in Finland (Ahti 2009). The agencies offer counselling to new businesses for free (Ahti 2009).
- **Finpro** Finpro is an expert service organization promoting the internationalization of Finnish enterprises and diminishing the risks involved in the processes (Meretniemi I. & Ylönen 2008, 153). www.finpro.fi
- **Federation of Finnish Enterprises & the Finnish Chamber of Commerce** The Federation of Finnish Enterprises is the largest economic federation in Finland. It has 412 local unions, 21 regional organizations and 51 industry based organizations (Holopainen & Levonen 2008, 351). The federation has about 100 000 member businesses in different business branches. www.yrittajat.fi | www.keskuskauppakamari.fi
- **Educational Establishments** colleges, universities and other vocational institutes have increased their cooperation with business activities by offering research, training and information services and sometimes research equipment, which can be beneficial for a starting entrepreneur (Holopainen & Levonen 2008, 349). A comprehensive list is presented in this link http://en.wikipedia.org/wiki/List_of_universities_in_Finland

Appendix 18: List of Terms/Concepts and Business Key Words to Consider

Get familiar with these terms/concepts by searching for their definitions

Business Concept	The Four Cs	Research & Development	Mission Statement
Vision Statement	Values	Objectives	Business Strategy
Marketing Strategy	Strategic Planning	SWOT Analysis	PESTEL Analysis
6 hats thinking	Leadership	Innovation	Management
Expansion	Growth Entrepreneurship	The market	Running a business
Trade Cycle	Product Life Cycle	Cost Leadership	Differentiation Strategy
Cost Leadership Strategy	Focus Strategy	Financial Targets	Customer Pain/Need
Marketing Channels	Contingency Plan	Deflation	Capital Payment
Budget	Profit Margin	Net Profit	Income Taxes
Value Added Taxes	Balance Sheet	Stocks and Inventory	Interest and Interest Rate
Bootstrapping	Hedgehog	Management 0	Equity
Dividends	Customers vs Users	Pain Killer / Vitamin	Must have / Nice to have
Whose Pain?	What Pain?	Accountants	Auditors
Action Plan	Depreciation	Loans	Customer segregation
Boards of Directors	Business Control	Business Description	Business Development
Business Name	Business Directories	Business Structure	Business Environment
Internal Communication	External Communication	Market Research	Distribution Channels
Employment Contract	Diversification	Economic Pressures	Environmental Scanning
Executive Summary	Expenses	Fixed Assets	Fixed Costs
Variable Costs	Gross Profit	HR Management	CR Management
Induction Programmes	Arbitrage	Bankruptcy	Barriers to Entry/Exit
Barter	Brand / Branding	Demand vs Supply	Business Model
Capital gains	Collateral	Competition/or	Competitive Advantage
Break Even	Benchmark	Cash / Credit	Cash Flow
Angels	Venture Capital/ist	Accounts payable	Accounts receivable
Asset	Auditor	Annual report	Annuity
Income Statement	Marketing Mix / 4 Ps	Market Segmentation	Market Research
Elasticity	Emerging Markets	Positioning	GDP
Gearing	GNI / GNP / GINI	Leverage	Liquidity
Mergers and acquisitions	Microeconomics	Macroeconomics	Network Effect
Net Present Value	Internal Rate of Return	OECD	OPEC
Open economy	Price Regulation	Price Wars	Risk Assessment
Service	Quality Service	Tariff	Vertical Equity
Volatility	Wages	Wealth	Welfare
World Bank	WTO	PPP	Yield Management

More terms can be found online <http://www.economist.com/research/economics/alphabetical.cfm?letter=Z>,

<http://www.allbusiness.com/glossaries/business/4941806-1.html> and

<http://www.investopedia.com/categories/buzzwords.asp?viewed=1>

Appendix 19: List of Sources for Business Plan Guide/Template

ONLINE SOURCES	
Name	Website
PlanWare	http://www.planware.org/
Business Plan Pro	http://www.businessplanpro.com/
BizTree	http://www.biztree.com/download/
SBA	http://web.sba.gov/busplantemplate/BizPlanStart.cfm
Teneric Business Plans	http://www.teneric.co.uk/free_downloads.html
PlanMagic	http://planmagic.com/business_plan/business_plan_templates.html
MoreBusiness	http://www.morebusiness.com/business-plans
Kimpton Wells	Outsourcing
FundablePlans	http://www.fundableplans.com/
Scribd	http://www.scribd.com/doc/36341/Business-Plan-Template
Canada Business	http://www.canadabusiness.ca/eng/guide/2089/
BRS	http://www.brs-inc.com/ or http://www.businessplans.org/
Biz Plan Builder Pro	http://www.jian.com/store/business-plan-builder-win.html
Business.gov.au	http://www.business.gov.au/Howtoguides/Thinkingofstartingabusiness/Wh atplanningtoolscanhelpme/Pages/Businessplanguidesandtemplates.aspx
BOOKS	
Author	Title
Paul Barrow	The Best Laid Business Plans 2001
Edward Blackwell	How to Prepare a Business Plan 4e 2004
Jim Green	Starting Your Own Business 3e 2002
James Stephenson +	Ultimate Homebased Business Handbook 2e 2008
Rhonda Abrams	The successful Business Plan 4e, 2003
Linda Pinson	Anatomy of a Business Plan 2008
Steven D. Peterson ++	Business Plan Kit for Dummies
Sharon Fullen +	How to Write a Great Business Plan for Your Small Business in 60 Minutes or Less - With Companion CD-ROM 2006
Arthur DeThomas +	Writing a Convincing Business Plan 2008
Jim Horan +	The One Page Business Plan for the Creative Entrepreneur 2004
Harvard Business Press	Writing a Business Plan: The Basics 2005
Mike P. McKeever	How To Write A Business Plan 2008
Brian R. Ford	The Ernst & Young Business Plan Guide 2007
Maitland	The Business Planner: The Complete Guide to Raising Finance 1992
Mathew Record	Preparing a Winning Business Plan 2000

+ means there are other authors

Appendix 20: PlanWare Business Plan Table of Content

PART A	START HERE Introduction to Biz-Plan Getting Started with Biz-Plan Planning to Plan Using the Biz-Plan Template Length of a Business Plan Preparing a Basic/Short Plan
PART B	FINANCIAL PROJECTIONS WITH EXL-PLAN Introducing Exl-Plan for Financial projections Using Exl-Plan with Biz-Plan
PART C	OTHER SOURCES OF HELP FROM PLANWARE
PART D	ABOUT PLANWARE – INVEST-TECH
PART E	THE GUIDE (Beginning of the Business Plan Table of Contents) Cover Page Table of Contents Basic Information 1. Introduction to Plan 2. Summary of Plan 3. Mission, Strategies, etc 3.1 Vision 3.2 Mission 3.3 Values 3.4 Objectives 3.5 SWOTs 3.6 Strategies 3.7 Goals/Targets 4. Present Status 4.1 Background 4.2 Progress to Date 4.2.1 Sales & Marketing 4.2.2 Operations & Management 4.2.3 R&D 4.2.4 Finances 4.2.5 Other Developments 5. Product/Service Descriptions 5.1 General Descriptions 5.2 Key Features 5.3 Main Benefits 5.4 Pricing Plans 5.5 Competitors' Offerings 5.6 Competitive Assessment 6. Profiles of Target Markets 6.1 General Background 6.2 Sizes, Segments & Trends 6.3 Review of Competition 6.4 Customers/Users 6.5 Medium-Term Projections 6.6 Review of Market Potential 7. Marketing Strategies, Sales Plans & Projections 7.1 Key Marketing Strategies 7.2 Marketing/Sales Plans & Resources 7.3 Marketing/Sales Expense Projections 7.4 Sales Forecasts 7.5 Market Share Projections 7.6 Worst Case Scenario 8. Technology and R&D

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	1.4 R&D Expense Projections
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	9.4.1 Purchases & Materials
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	9.4.4 Total & Unit Costs
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12.	Funding
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	Freeware/Unregistered Version
	Distribution of the Freeware
	Contact Details

Appendix 21: Business Plan Check List

How to Write a Business Plan		
Preliminary Tasks		Done
1.	Complete market research and analyses	<input type="checkbox"/>
2.	Clarify key matters relating to products/services and technology	<input type="checkbox"/>
3.	Form the basis of the management team	<input type="checkbox"/>
4.	Prepare a strategic plan as framework for detailed plan	<input type="checkbox"/>
5.	Decide the central purpose of the plan and its target audience	<input type="checkbox"/>
6.	Locate professional advisers to assist with the planning	<input type="checkbox"/>
7.	Acquire any software tools needed to help prepare the plan	<input type="checkbox"/>
8.	Research and compile a list of possible recipients of the plan	<input type="checkbox"/>
9.	Ascertain any specific needs of likely key recipients	<input type="checkbox"/>
Writing the Plan		Done
1.	Create a framework for the plan e.g. table of contents	<input type="checkbox"/>
2.	Identify possible appendices, attachments etc.	<input type="checkbox"/>
3.	Estimate page lengths for each key section	<input type="checkbox"/>
4.	List main issues and topics to be covered within key sections	<input type="checkbox"/>
5.	Assign work programs based on the framework and lists	<input type="checkbox"/>
6.	Draft preliminary sections (excluding summary) within the front of the plan	<input type="checkbox"/>
7.	Draft all key sections in the plan's body in a logical sequence	<input type="checkbox"/>
8.	Compile financial projections, funding proposals and related appendices	<input type="checkbox"/>
9.	Check the preliminary draft for completeness and plug gaps	<input type="checkbox"/>
10.	Stand back and take a detached overview of the draft	<input type="checkbox"/>
11.	Let an outsider or adviser critique the latest draft	<input type="checkbox"/>

12.	Redraft, fine tune and spell check	<input type="checkbox"/>
13.	Write the executive summary and plan's conclusion	<input type="checkbox"/>
14.	Get an independent assessment of the final draft	<input type="checkbox"/>
Reviewing the Plan		OK
1.	Is the plan nicely presented - bound, page numbered etc.?	<input type="checkbox"/>
2.	Has the plan been spell checked in its final form?	<input type="checkbox"/>
3.	Is the plan's length appropriate to its purpose ?	<input type="checkbox"/>
4.	Have the business's (funding) needs been clearly stated ?	<input type="checkbox"/>
5.	Does the plan's summary stimulate interest ?	<input type="checkbox"/>
6.	Have all key questions been anticipated ?	<input type="checkbox"/>
7.	What likely objections remain unresolved ?	<input type="checkbox"/>
8.	Will the plan provoke the desired responses?	<input type="checkbox"/>

BUSINESS PLAN

www.Parisma.com
For Bars & Nightclubs Worldwide


PREPARED BY THE OWNER AND FOUNDER

WALID O. EL CHEIKH

HELSINKI

2009

1. BARISMA EXECUTIVE SUMMARY – PHASE ONE -

 is a website. *(At this stage it was only a website without offline operations)*

Barisma is the place to register and find a bar or nightclub anywhere in the world.

Barisma's Target Segments are Bar and Nightclub:

- Lovers *(this meant to be bar lovers a.k.a peopl who love to go to a bar or customers)*
- Workers
- Companies
- Owners (current and future) *(professionals were not mentioned at this stage)*

Barisma's mission is:

- To provide create the place/website to register and find bars and nightclubs anywhere in the world
- To provide objective and free of charge information about bars and nightclubs
- To help the bar and nightclub industry

Barisma's vision is:

- To reach every country and record every bar in the world
- Become number one search engine in the bar and nightclub industry

Barisma's competitive advantages are: *(It does not really say how it is done)*

- The objective and free information about bars and nightclubs
- The function of an ultimate marketing tool in the bars and nightclub industry
- The Charismatic Elements which makes it unique and fun along with the effective and helpful tools.
- The power of becoming the most trustworthy reference for information, statistics, research and consultancy in the bar and nightclub industry worldwide.

Barisma's operations strategy focuses mainly on providing cheaper marketing solutions for bars and nightclubs than any other mean.

Barisma's Team is complete. It includes the website, the marketing and the bar and nightclub experts. *(the team was complete for that purpose but was not committed)*

Barisma's Legal Structure is a Limited Company.

Barisma's Headquarter will be located in Helsinki, Finland.

Barisma's current competition is whether irrelevant, incomplete, unfocused, insignificant, unprofessional, out of date or chargeable. *(Competitor analysis was not done poorly)*

Barisma will have two marketing approaches in Finland:

- Contacting bars and nightclub owners:
 - In Person: Conversation and Business Cards.
 - Via Internet: Email, Feedback applications and Chat Forums
 - Via Phone: Conversation
- Summer Festivals:
 - Methods: Flyers, Business Cards and Selling T-Shirts
 - Including Barisma Logo and Slogan
 - Amount range of 10000 to 20000 T-Shirts, 20000 Business Card and 2000 000 Flyers
 - Possible reach is two million persons
 - Minimum twenty Festivals in seven Finnish Municipalities

Barisma's Financial Needs are 100 000 Euros to initiate in Finland. It will generate a 35% Profit Margin of 368 160 Euros as Net Profit for the shareholders.

Barisma's Break Even is 610 000 Euros of which 400 000 Euros are wages paid for the partners duties which means the actual value is 210 000.

Barisma will have seven phases and this business plan is only Barisma Phase One.

(Few comments about rushing into the writing the first business plan was the idea of knowing what it is but not proving it. Investor will need to see clear figures, results, market research and so on)

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1. BARISMA BUSINESS PLAN

Barisma Business Plan aims to receive funding. Therefore, this business plan includes the description of the business, Products and services, Barisma Team, Location, Legal Structure, Intellectual Property, Accounting and Legal, Marketing Plan, Financial Documents, Forecast and Risk Analysis and Supporting Documents.

2. BARISMA DESCRIPTION OF THE BUSINESS

2.1 Idea

Barisma is a website; it is the place to register and find a bar or nightclub anywhere in the world, free of charge.

Barisma will begin in Finland and expand as fast as possible globally. The expansion will depend on the speed of bar and nightclub registration and the financing.

The name derives from the words “Bar” and “Charisma” merged together.

A “Bar” is a business that serves drinks, especially alcoholic beverages such as beer, liquor, and mixed drinks, for consumption on the premises.

“Charisma” is a personal magnetism or charm; a rare personal quality attributed to leaders who arouse fervent popular devotion and enthusiasm.

Barisma slogan is “For Bars and Nightclubs Worldwide”.

2.2 Mission

Barisma’s mission is:

- To create one place/website to register and find bars and nightclubs anywhere in the world
- To provide objective and free of charge information about bars and nightclubs
- To help the bar and nightclub industry

2.3 Vision

Barisma’s vision is:

- To become the number one search engine in the bar and nightclub industry
- To reach every country and record every bar in the world

2.4 Values

Barisma is everything about and around bars and nightclubs even the nasty hangovers.

Barisma’s people value:

Responsibility: *Drinking is great but it should not become destructive or harmful for anyone.*

Fun: *We drink, dance, sing, party and meet people around the world*

Professionalism: *We benefit from our theoretical knowledge and our experiences.*

Excellence: *We hate the “good enough” results.*

Passion: For Success, Glory and Self-Development. We believe in making a difference in the world.

Devotion: We believe in Spartan Laws “Never Quit and Never Surrender”.

Honesty: We tell the truth and keep our promises.

2.5 Target

Barisma’s Targets are Bar and Nightclub:

- Lovers
- Workers
- Companies
- Owners

The first two targets represent the main users of Barisma and they will benefit from finding the bar or nightclub. The Lovers will need it to enhance their experience by finding the exact location where to spend their quality time and the Workers benefit from finding the place they desire to work for. Barisma will concentrate deeply on those two targets in order to convince the Companies and Owners to become clients.

Companies are divided into three categories:

- Direct Companies in the bar and nightclub industry such as breweries, suppliers, wholesalers, wineries and all companies that contribute to the products of a bar or a nightclub.
- Indirect Companies in the bar and nightclub industry such as companies that provide bar equipment, tools, furniture, glassware and machinery.
- Other Companies outside of the bar and nightclub industry and it can be any company in any industry. (Example: Toyota, H&M, Tiffany’s and etc)

Owners are divided into two categories: Current and Future. The current owners will use Barisma to keep up in the industry, follow their competitors and create competitive advantages to improve their revenues. The future investors will need Barisma to make the right business decisions. They might hire one of Barisma representatives as a consultant or business analyser.

2.6 Competitive Advantages

Barisma competitive advantages are:

- The objective and free information about bars and nightclubs
- The function of an ultimate marketing tool in the bars and nightclub industry
- The Charismatic Elements which makes it unique and fun along with the effective and helpful tools.
- The power of becoming the most trustworthy reference for information, statistics, research and consultancy in the bar and nightclub industry worldwide.

2.7 Strategies

Barisma aims to build and design, from the beginning, a website that will last and can handle the traffic, operations and maintenance of the database.

Barisma aims to facilitate the user experience by providing simple methods:

- For bar or nightclub owners, the registration will take two minutes
- For users, finding a specific bar will take less than thirty seconds

Barisma aims to cooperate with bar and nightclub owners to achieve mutual benefits; it is a win-win-situation. Barisma will provide the marketing tools and other services to facilitate the process and bar owners will update their page, distribute printed material and offer discounts to Barisma members.

Barisma aims to give bars and nightclubs equal opportunities in the website regardless of the size or revenue level of the establishment. It will only depend on the bar owner's level of contribution.

Barisma aims to use artificial intelligence to reach professionals and experts by implementing and installing managerial software, virtual experiences, entertainment and relaxation.

Barisma aims to work with the best and in fact each member of Barisma Team has a success story. [Resumes are attached]

2.8 SWOT analysis

SWOT Analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a business venture. It involves specifying the objectives and identifying the internal and external factors that are favourable and unfavourable to achieving the objectives. [Wikipedia]

2.9 Survey

The survey aims to answer this question: “Where do people find the bars or night-clubs they intend to visit”?

It was done in six cities in Finland including Espoo, Helsinki, Lahti, Tampere, Turku, and Vantaa....

STRICTLY CONFIDENTIAL

COPY NUMBER: 6

ADDRESSED TO: INNOPLAZA IV

HELSINKI-FINLAND

BARISMA PHASE TWO

Business Plan



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1 INTRODUCTION TO BUSINESS PLAN

The business plan relates to the topic of pre-registering Barisma Limited Company on January, 2010 and engages in the production and execution of innovative and cheaper marketing solutions, via online and offline operations, for bars, nightclubs, cafes and companies operating within and around these industries.

The purpose of this plan is to help the founder raise one hundred thousands Euros, or more, in equity and loans to help finance expansion of distribution into fifty cities around the world.

It was compiled by Walid O. El Cheikh, Barisma Founder and assisted by Innoplaza IV, An entrepreneurship course in Haaga-Helia, the University of Applied Sciences, Helsinki, Finland.

The plan is laid out as follows:

- Section 2 contains the Summary of the Plan
- Section 3, 4 and 5 contain the Introduction to Barisma, Present Status and Products and Services
- Section 6, 7 and 8 contain the Profiles of Target Market, the Marketing Strategies, Sales Plans and Projections and Technology and R&D
- Section 9 and 10 contain the Operational Plan and Management and Administration
- Section 11, 12 and 13 contain the Financial Projections, funding and Implementation
- Section 14 contains the Conclusion
- The last section contains the Appendices

This document is confidential and has been made available to the individual to whom it is addressed strictly on the understanding that its contents will not be disclosed or discussed with any third parties except for the individual's own professional advisors. Investment in new businesses carries high risks as well as the possibility of high rewards. It is highly speculative and potential investors should be aware that no established market exists for the trading of

shares in private companies. Prospective investors are advised to verify all material facts and to take advice from a professional advisor before entering into any commitments. This plan is strictly for information only and does not constitute a prospectus or an invitation to subscribe for shares. Forward-looking projections and statements in the plan have been compiled by the promoter for illustrative purposes and do not constitute profit forecasts. The eventual outcome may be more or less favourable than that portrayed.

For references and further information, contact Walid O. El Cheikh, Barisma Founder, by post Apartment 409 NS Royal Mills, 2 Cotton Street, Manchester, M4 5 BD United Kingdom, email ceo@barisma.com or mobile +44 75 390 431 94 or +358 40 41 59 386.

2 EXECUTIVE SUMMARY

Bar and Charisma i.e. Barisma represents the brand and the charm; the unique concept or business idea and a rare personal quality attributed to a team of professional individuals (leaders to be) who specialise passionately in the bar, nightclub and cafe industry and offer innovative and cheaper solutions and promotions to acquire and keep potential customers and reduce marketing expenses.

Barisma's mission is to create and offer the ultimate website that will serve as a fun and useful network for all bars and bar people in the world. It will register professional information about bars, bar products, people's profiles and their events and uses this data to design innovative and cheaper solutions and promotions.

Barisma's vision is:

- To reach every country and record every bar and bar product in the world
- To work with at least 10 000 bars, 5 000 restaurants and 5 000 companies around the world
- To acquire one million Honorary Members worldwide within five years
- To become the market leader, the reference for information, statistics and consultancy for bars, nightclubs and cafes.

Barisma Values are simply loyalty, quality and fun where everything operates within trust, professionalism and satisfaction including shareholders, managers, employees, clients, members and suppliers.

Barisma adopts and implements several concepts such as the internet marketing, direct marketing, business process reengineering, network effect, data collection, quality of content and service and customer satisfaction.

Barisma adopts six business models merged to function as one such as the Dot-Com, the Direct-Selling, the Bricks and Clicks, the Service Quality, the Loyalty and the Subscription Business Models

Barisma Phase Two is the upgrade of the Phase One which was built as a prototype and achieved direct cash flow from the first day of launching the website.

Barisma Operates Online with a website and Offline with agents i.e. the Triple “O” Concept. The website is the ultimate tool for bar owners to register their places free of charge and for bar people the chance to register their profiles, bars and bar products to share their experiences around the world. The agents provide direct marketing and sales to bar owners when they purchase the “Complete Package” which is the main product of the company in the first two years. The Complete Packages offer the opportunity to save 30 000 € in a year from marketing costs, to acquire potential customers, to keep existing and future customers and to provide HRM and CRM Strategies and Training material for managers and workers. After two years, Barisma will acquire the “Network Effect” which will boost the advertisement and professional information sales with an artificial intelligent and automated advertising system designed to target exclusively and inclusively any segment of the bar, nightclub and café industry.

Barisma’s target market: are:

- The bar customers i.e. the people who attend the bar premises with the intention of purchase any goods or services (direct users)
- The bar workers i.e. the people who work in the bar industry (direct users)
- The bar owners i.e. the people who own entirely or partially a bar (direct clients)
- The bar professionals i.e. the people who has expertise or the advanced knowledge in the bar industry (direct clients)
- The companies who operate directly with bars or indirectly around them. (direct clients)

Barisma’s market is a combination of two huge industries, the bar industry and the internet industry, which together they generate hundreds of billions of Euros each year. It will develop depending on the number of agents, the number of cities, the number of members and the

number of bars. They all need to increase simultaneously in order to boost the numbers of users

Barisma has four key marketing strategies:

- The first strategy focuses on recruiting agents to promote and sell the complete packages
- The second strategy focuses on reaching bar owners, members and users
- The third strategy focuses on the network effect and updating the information
- The fourth strategy focuses on becoming the market leader and consultancy

Barisma's Technology and R&D focus on artificial intelligence, website operation and designing products and services in the bar industry. The website offers the option of linking people, bars and bar products to each other with a double entry link between two reciprocal elements.



Barisma Ltd. will be registered in the United Kingdom and expand into 50 cities within six month of launching the website, 200 cities in 2011, 800 cities in 2012, 1200 cities in 2013 and 2000 cities in 2014 with 2000 agents, 71 managers and assistants and over 200 suppliers.

Barisma will achieve 161 million € of sales in five years of which 79 million € is a net profit due to the fact that the company is entering two huge markets with a joint expenses campaign including operating expenses, costs of sales and marketing expenses.

Barisma needs 100 000 € to launch the concept and expand to fifty cities in Europe in the first year and 0.5 million € to expand to 200 cities in the second year. The company will have direct cash flow from the first day of launching the website.

The main reason why to invest or be part of Barisma is the idea of sharing the Founder's dream, passion and ambition to create something useful, fun and profitable in the two most entertaining industries in the world.

3 BARISMA

Barisma derives from two words merged together: Bar and Charisma.

According to the New Oxford American Dictionary, a “Bar” is a business that serves drinks, especially alcoholic beverages such as beer, liquor, and mixed drinks, for consumption on the premises.

“Charisma” is a personal magnetism or charm; a rare personal quality attributed to leaders who arouse fervent popular devotion and enthusiasm or the divinely conferred power or talent.

Together, Bar and Charisma i.e. Barisma represents the brand (the charm); the unique concept or business idea (a rare personal quality) attributed to a team of professional individuals (leaders to be) who specialise passionately in bars, nightclubs and cafes industry and offer innovative and cheaper solutions and promotions to acquire and keep potential customers and reduce marketing expenses.

Barisma slogan is “For bars and bar people worldwide”.

From the slogan, Barisma represents the liaison between the bars and bar people and vice-versa adopting the Online and Offline Operations or the Triple “O” Concept (OOO Concept). The Online Operations are conducted via a website where bars, bar products, bar people and their events can be registered from anywhere in the world, free of charge. On the other hand, The Offline Operations are conducted via Barisma Agents, to increase sales and support the online operations.

3.1 Mission and Vision

Barisma’s mission is to create and offer the ultimate website that will serve as a fun and useful network for all bars and bar people in the world. It will register professional information about bars, bar products, people’s profiles and their events and uses this data to design innovative and cheaper solutions and promotions.

Barisma’s vision is:

- To reach every country and record every bar and bar product in the world
- To work with at least 10 000 bars, 5 000 restaurants and 5 000 companies around the world
- To acquire one million Honorary Members worldwide within five years

- To become the number one market leader, the reference for information, statistics and consultancy for bars, nightclubs and cafes.

3.2 Values and Objectives

Barisma Values are simply loyalty, quality and fun where everything operates within trust, professionalism and satisfaction including shareholders, managers, employees, clients, members and suppliers.

Barisma's objectives are:

1. To exploit the recessionary economic crisis and their effect in the nightlife industry, to create innovative and cheaper solutions for the purpose of reaching and keeping potential customers in the nightlife industry
2. To create an international network for bar people including workers, customers, owners, professionals and suppliers to communicate Barisma Standards, meet people sharing similar interests and most importantly present a reference for employment and research
3. To become the market leader in marketing, training, consultancy and product designing for bars, nightclubs and cafes
4. To build a strong brand that will cover all aspects of the bars, nightclubs and cafes industry
5. To be profitable, sustainable, trustworthy and ethical company

3.3 Concepts and Business Model

Barisma adopts and implements several concepts such as the internet marketing, direct marketing, business process reengineering, network effect, data collection, quality of content and service and customer satisfaction.

The internet marketing is an all-inclusive term for marketing products and/or services online, according to Susan Ward from about.com website and for that Barisma will build a professional website.

The direct marketing is sending a promotional message directly to consumers, rather than via a mass medium according to Laura Lake from about.com website. For this specific concept, Barisma will recruit agents in many cities.

The Business Process Reengineering is the thorough rethinking of all business processes, job definitions, management systems, organisational structure, work flow, and underlying assumptions and beliefs. The main objective is to break away from old ways of working, and effect radical (not incremental) redesign of processes to achieve dramatic improvements in critical areas (such as cost, quality, service and response time) through the in-depth use of information technology (source:BusinessDictionary.com). Barisma aims to incorporate six business models simultaneously and merge the internet marketing and the direct marketing concepts for the purpose of providing cheaper and innovative marketing solutions for bars, nightclubs and cafes; an industry that is ignored or lacks professional marketing skills.

The Network Effect is the phenomenon whereby a service becomes more valuable as more people use it, thereby encouraging ever-increasing numbers of adopters (source marketing-terms.com). Barisma will adopt two important streams of network: the online via a social networking website and the offline via agents who will acquire members or followers.

The Data Collection and the importance of knowledge and information are the core concepts of Barisma.

The Quality of Content, in the Network Effect, is also adopted by Barisma to create competitive advantages similar to Google's strategy versus Yahoo

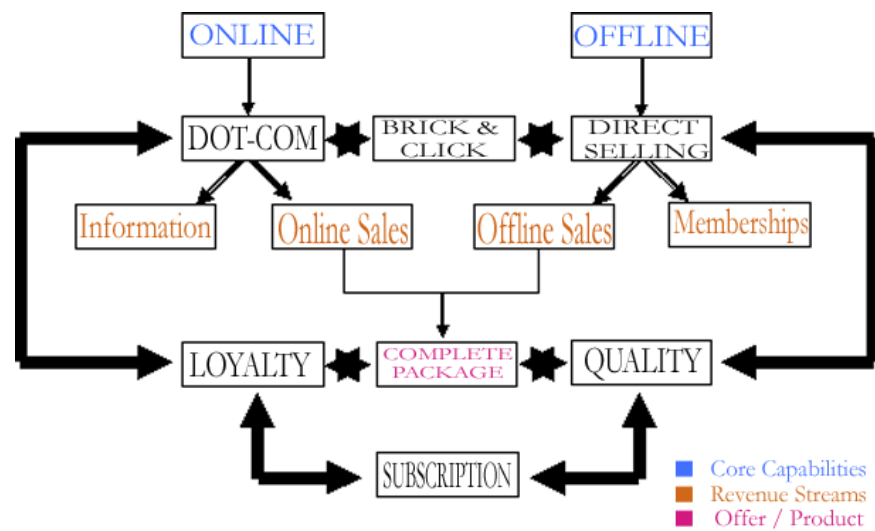
The Quality of Service i.e. the focus is on long-term relationships, satisfaction and loyalty of customers.

The Customer Satisfaction is the degree to which customer expectations of a product or service are met or exceeded (source: BusinessDictionary.com) or the provision of goods or services which fulfil the customer's expectations in terms of quality and service, in relation to price paid according to MSH Marketing Group, Inc. Therefore, Barisma adopts the website's 24/7 services and the agents' personalised support.

Barisma adopts six business models merged to function as one:

1. **The Dot-Com Business Model** i.e. the online operations which includes the sales online and the sales of information gathered on the website
2. **Direct Selling Business Model** i.e. the offline operations which includes direct marketing and sales.

3. **Bricks and Clicks Business Model** i.e. the process that combines the first two business models stimulating sales from both channels: the online and the offline.
4. **The Service Quality Business Model** i.e. the complete, online and offline, package creates the opportunity for long term customer base who tend to increase sales, reduce costs of acquisition, service, marketing (Word Of Mouth) and make employees' job easier and more satisfactory.
5. **The Loyalty Business Model** (Fredrick Reichheld 1996) which includes customers, employees, suppliers, bankers, distributors, shareholders and the board of directors.
6. **The Subscription Business Model** which derives from the fourth and fifth business models where clients prefer periodic or permanent and cheaper products and services.



BaFigure 1: Barisma Business Model 2009

3.4 SWOT Analysis

Barisma SWOT Analysis includes: Strength, Weaknesses, Opportunities and Threats presented in the table 1 below.

The main strength exist in the concept itself of being unique, free of charge, international, fun, useful, with equal opportunities, easy to use, fast to join, inexpensive to implement, with an existent technology and the ability to support it by cheaper and innovative solutions and promotions provided by Barisma Team.

The main weaknesses are the funding which is essential for any business to start, the dependency of companies' cooperation with Barisma's team, the dependency on the concept of building the network effect and maintain its saturation and the recession when people tend to spend less.

The main opportunities are the huge potential to grow globally with a simple and robust platform, the availability of an enormous number of bars, the absence of one website focusing on bars, nightclubs and cafes where most website operate on a national level or have a completely different concept, the ambitious goal of the founder to include all the aspect of the industry and the possibility to cooperate and partner with successful companies around the world.

The main threats are the future competition which is inevitable unless Barisma’s position in the global market is set and the network effect is saturated with enough users and clients and the governments restrictions on alcoholic consumptions and promotions which might cause the perception of Barisma promoting excessive drinking or alcohol products mass-marketing.

Table1: Barisma’s SWOT Analysis:

Strengths	<ul style="list-style-type: none"> - New concept: the international network for all bars and bar people in the world - Unique idea: the place to register bars, products, people and their events - Free of Charge: it is free to register any bar, bar product and people’s profile - Equal opportunities: for all bars and bar people to register - Focus on bars and bar people: the specialisation in the nightlife industry - Cheaper and Innovative solutions and promotions: which reduce marketing costs - Fun and Useful: the place for meeting people and searching for information - Easy to use: with a simple design and structured features - Fast to join: accounts can be created in less than a minute - Inexpensive to implement: it doesn’t require heavy investments - Technology is available: IT, internet, marketing, printing and etc. - Design: attractiveness, simplicity and beauty - Triple “O” Concept: Operations Online supported by an Offline Team - Artificial intelligence: managerial software and programmes - Recession: the requirement for cutting costs and acquiring potential customers
Weaknesses	<ul style="list-style-type: none"> - Requires funding: an essential element in running a business - Cooperation: a challenging step that requires companies to work with Barisma - Recession: the idea of not having the will to spend - Education: Some people might not understand the main objectives of Barisma - People’s fear of change: Some people might reject new ideas
Opportunities	<ul style="list-style-type: none"> - Global market: it can operate anywhere in the world where bars exist - More than 300 000 bars in the world: the figure is potential and encouraging - The absence of one website focusing on this industry in the world - Seven phases to implement - Cooperation and partnership: possibility of working with successful companies - Potential beyond imagination: no restriction what so ever in implementing any idea to develop new or improve old concepts in the bar industry

Threats

- Incoming competition: the idea of introducing similar and future businesses
- Misperception: some people might not understand the main objectives
- Extreme condition: war, natural disasters, accidents and etc.
- Government's restrictions: in some countries, such as Finland, it is illegal to promote some alcoholic beverages outside the premises.

3.5 Strategies

Barisma has ten main strategies:

- 1 Market Penetration by launching the Website for all bars and bar people in the world
- 2 Product Differentiation by offering the Online and Offline Operations simultaneously as a complete marketing package along with the useful and entertaining tools
- 3 Cost Leadership by offering a free registration of bars, bar products and people and an inclusive and exclusive price for the Complete Package
- 4 Marketing and Recruitment simultaneously to promote the company and reach, within the first two months, 50 potential candidates in 50 different cities around the world.
- 5 Training the team to meet Barisma Standards
- 6 Direct Selling of the Complete Packages and Honorary Memberships
- 7 Customer Support by providing online and offline guidance to Customer Relationship Management and Human Resources Management Strategies.
- 8 Cooperation with as many as possible bars, nightclubs, cafes and companies in the industry
- 9 Offering the Standard Memberships to build the network effect to users who register a bar
- 10 Raise external equity of 6 million € within two years

3.6 Targets

Barisma has short-term and long-term targets to achieve within five years from the point of view sales, profits, employment and market share. The short-term targets represent the period within 6 months of the launch and the long-term targets the period within after. The short term and long term targets are presented in the table 2 below.

Table2: Barisma's Targets

Short Term Targets (first year)	Long Term Targets (fifth years)
<ul style="list-style-type: none"> - Reaching 50 Cities / Towns / Places - Acquiring 50 Agents; one for each city - Sales of 2700 packages before the end of the year - Acquiring 6 000 Honorary Members - Revenue of 555,000 € in the first fiscal year - Market Penetration - 500,000 € fund raising (for the second year) 	<ul style="list-style-type: none"> - Reaching 2000 Cities / Towns / Places - Acquiring 2000 Agents - Sales of 200 000 Packages in five years - Acquiring one million Honorary Members - Revenue of 129.6 million € - Market leader - 20 million € fund raising



BUSINESS PLAN FOR

PUBLIC DESCRIPTION

The worldwide network for bars, nightclubs and cafes which unites people, products and companies in the industry

Maaailmanlaajuinen verkosto baareille, yökerhoille sekä kahviloille, joka yhdistää alan ihmiset, tuotteet ja yritykset

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1 Executive Summary

The Name derives from two words: Bar and Charisma. It represents the symbol of leadership and magnetism in bars, nightclubs, cafés, restaurants and companies within “the industry”.

The Idea is to combine web 2.0 applications, theoretical knowledge and practical experience into data collection, networking and development of innovative solutions for the industry.

The Mission is to offer the worldwide, online and offline, network for bars and bar people.

The Vision is to become the worldwide leader in marketing, consultancy and information.

Products and Services include the website and agents which are the core elements of the Triple “O” Concept i.e. Online and Offline Operations. The direction is to convert the data gathered online and the training provided to/by the agents into a worldwide consultancy company which provides innovative solutions and cheaper promotions. The estimated time frame is four to five years following four key marketing strategies.

The Main Website Feature is the BPP Relationship.



The Competitors are thousands of businesses spread out around the world of which Barisma intends to unify in one place and serve as a complimentary tool for their services.

The Market is the combination of two huge worlds: the world of Internet worth USD 70 million to USD 1 billion (47 million € to 667 Million €) and the world of bars estimated with one million bars and restaurants, five million bar workers and four million companies.

The Segments are the website users: bar customers and workers; and the direct clients: owners, professionals and companies in the industry.

Barisma is inexpensive to implement requiring 200 000 € to expand up to 2000 cities and generate direct cash flows, revenues of 170 million € and profit of 78.5 million € in five years.

The Conclusion states that Barisma is a fundamental need for the target segments. It is useful, fun and charismatic providing professional information, innovative solutions, and cheaper promotions. It is highly profitable, inexpensive to implement, intelligent and extremely beneficial for tourists and travellers. It is unique, as the first project to unite the global markets of the industry in one system. The Founder (CEO), Managers (also Partners) and Agents (paid on high commissions) operate jointly as one solid team. Therefore, investing on Barisma will offer a great tool for the two most entertaining industries in the world.

2 Barisma

The Name derives from two words: Bar and Charisma. It represents the symbol of leadership and magnetism in bars, nightclubs, cafés, restaurants and companies within “the industry”.

The Idea is to combine web 2.0 applications, theoretical knowledge and practical experience into data collection, networking and development of marketing solutions for the industry.

The main focus of the company is to utilise these theoretical, academic, technological and practical resources/material and record important information on the online database using two channels, the website and agents, to create and develop innovative solutions and cheaper promotions. The market is global, the potential is huge, the risk is small and the resources are available. The fundamental needs are 200 000 € or a dedicated IT Team as a sponsor.

The Mission is to offer the worldwide, online and offline, network for bars and bar people.

The Vision is to become the worldwide leader in marketing, consultancy and information.

The Business Concept includes the internet marketing, direct marketing, business process reengineering, network effect, customer relationship management, human resources management, data collection, quality of content and service and customer satisfaction. They are merged into the Triple “O” Concept i.e. the Online and Offline Operations focusing on the bars, bar products, bar people and the industry’s trends, demands and processes.

The Business Model includes Dot-Com, Direct Selling, Bricks and Clicks, Memberships, Service Quality, Loyalty and Subscription merged to function as one Business Model [P.25].

The Objective is to unify the industry in one online application and provide the information for people to help them find promptly what they are really looking for.

The Strategy

The Intellectual Property

3 Products and Services

The Products and Services

Barisma Products				
Operation	Online		Offline	
Type	Back End	Front End	Service	Product
Sold Items	Contacts Content Pictures Videos Statistics Strategies	Advertisement Global Exposure Local Exposure Similar Bars Cooperation Account Activation	Direct Selling Direct Marketing Events Training Public Relations	Honorary Membership Standard Membership Free Membership Flyers
Channel	Website		Agents	
Direction	Consultancy			

The Complete Package includes the combination of online and offline products. The price is 150 € per month, on a 12 months contract, resulting in 1800 € yearly. It saves owners 45200 € each year and is designed exclusively to encourage companies to cooperate with Barisma.

Complete Package	
Online Package	Offline Package
Free Account Activation Premium Account Global Exposure Local Exposure Cooperation with reduced 5 % discount (not 12 %) Similar Bars	Direct Selling Direct Marketing (Word Of Mouth) Distribution of 5000 Flyers Monthly Four events in a year (also Mystery Shopping) Staff and Manager Training Public Relations
Price: 150 € / month on 12 months contract	

The Complete Package Benefits are:

- Complete marketing package with online and offline channels
- Free account activation which normally costs 600 € in a year
- Free premium account which normally costs 200 € in a year
- Global Exposure which is estimated to cost 2 000 € in a year with 4 000 clicks


- Local Exposure which is estimated to cost 4 000 € in a year with 8 000 clicks
- Similar Bars which is estimated to cost 10 000 € in a year with 20 000 clicks
- Direct marketing and sales offering 10 000 € increase in sales
- Distribution of 60 000 flyers to potential customers which normally costs 16 800€
- Four events in a year with minimum ten customers increasing sales by min. 1 000 €
- Four Mystery Shopping in a year which normally costs 400 €
- Staff and Manager training which is estimated to cost 2000 € in a year
- Total Price of 1800 € in a year for a package that is estimated to cost 47 000 €

The Main Website Features include [P.33-34]:

1. **Registration Page** i.e. the first page of www.barisma.com with the Sign In/Up forms, Great Bars (Local Exposure), Products and People, Statistics, News and Sponsors.
2. **Main Page** i.e. the first page after signing in. It includes Bar and Product Registration Buttons, Great Bars, Products and People, Statistics, News, Membership (Global Exposure), Comments, Chat, Banners, Left Navigation, Sponsors and links to the website.
3. **Membership Page** i.e. users can become members/check discounts and owners can offer discounts. It represents the Global Exposure for Member Companies (Cooperation Page).

Bar / Product / People Pages i.e. the core features of the website with similar, nine sections, layouts including:



5. **Bar / Product / People Search** i.e. basic and advanced search engine (5 and 20 elements)
6. **Event Page and Search** for bars, products and people including a smart and easy to use filtering system e.g. Karaoke Night, Bacardi Breezer Launch Party and Pete's birthday
7. **Rating Page** i.e. Artificial Intelligent Rating System which contributes to Statistics
8. **Statistics** i.e. lists of Top 100 Bars, Products and People including their 30 elements
9. **Comments System** i.e. text with photo, videos, links and events and a reply, add or block
10. **Chat** i.e. the private messaging tool allowing all online users to chat and meet new people
11. **Fun Elements** i.e. Applications, Games, Blogs, Discussions, Software, Features etc...
12. **Backend features** i.e. the import, storage, export of the database (an important asset)
13. **Agents Features** i.e. the profiles, education and training, sales and payment functions
14. **BPP Relationship** 



* [REDACTED]

The BPP Relationship Benefits are for:

1. Customers when they know how many and what type of people visit a company
2. Workers when they know how popular the place is and what products/people it has
3. Owners when they can reach and know their clients (CRM knowledge and development)
4. Professionals when they save time, efforts and money on research, analysis and statistics
5. Companies when they acquire information about clients' activities, needs and desires

The Company's Main Benefits are for:

1. **Customers** to find bars, products, people and events around the world, meet new people, read professional information about the latest trends, health issues, news and statistics and pass a good time with the fun elements, comments and chat.
2. **Workers** to find employment opportunities and apply for them, network with the professionals in the industry and read useful, fun and charismatic information.
3. **Owners** to promote their companies, save on marketing costs, find potential employees, monitor their competitors and read and learn from professional information.
4. **Professionals** to easier/faster access to industry's news, statistics, references, trends etc.
5. **Companies** to have an intelligent marketing tool, promote products, conduct marketing campaigns and reach potential customers in a targeted and focused market.

The Company's additional values are:

1. **Education:** topics on product consumptions, responsibility, disadvantages of alcoholism
2. **Environment:** reducing the amount of unnecessary printed material and websites by offering, for free, a full layout page that can serve as a full website and marketing tool
3. **Health:** warning and advising people about the importance of following safety, security and recommendations procedures especially in foreign places
4. **Equality:** providing equal opportunities for all users and companies to exist, for free, on one website and by eliminating unfair competition and dishonest marketing practices
5. **Honesty:** believing in the importance of providing trustworthy information to everyone
6. **Safety and Security:** similar to "Health" but includes physical well-being topics
7. **Culture:** posting facts, figures, stories, jokes, games and different cultural topics
8. **Tourism:** providing information on schedules, prices, routes, transportation and maps
9. **Hospitality:** discussing products, services, trends, facts, news and industry's processes.

The Real Potential of the Business Model is that it can be projected to any other industry. **The Competitors** are companies operating in the domain of online and offline marketing of the bar industry. They are thousands of businesses spread out around the world of which Barisma intends to unify in one place. These companies do not have a complete focus on a global market but instead they operate locally. In addition to that, their products and services are not as differentiated, cost-effective, fun, useful and innovative as Barisma exclusively for this specific industry. Few examples are worth mentioning such as Facebook, MySpace and Qype operating in the domain of social media and networking but do not focus on the bar industry and do not have offline operations. Furthermore, Google, Microsoft and Yahoo are search engines but do not focus on one specific industry; in fact searching for an unknown bar, product or company might take ages or not be found within the desired criteria. Finally, marketing and consultancy companies such as Horizons, Worldsbestbars.com, Bars and Nightclubs Magazine and CatererSearch are not focused, complete and cost-effective and they operate either online or offline [P.26].

Barisma Competitors			
Growing	Social Media	Information	Worldwide
Medium Risk	Facebook, MySpace, Qype etc.	Worldsbestbars.com etc.	Medium Risk
Huge Capital	Google, Microsoft, Yahoo etc	Horizons and Bars & Nightclubs etc.	Medium Capital
Saturated Market	Search Engine	News & Articles	Local Market

4 Profiles of Target Market

The Market is the combination of two huge worlds: the world of Internet worth USD 70 million to USD 1 billion (47 million € to 667 Million €) and the world of bars estimated with one million bars, nightclubs, cafes and restaurants, five million bar workers and four million companies operating within this industry such as hotels, travel agencies, suppliers, wholesalers, music, events organisers, furniture, equipments and tools, logistics and others. It will develop depending on the number of cities, agents, members, bars, nightclubs, cafes, restaurants and companies registered on the website. They all need to increase simultaneously in order to boost the numbers of users. Facts are available in Appendix Five and Six [P. 26]

The Segments are the website users: bar customers and workers (managers, bartenders, waiters, security men, cleaners, DJs) and the direct clients: owners, professionals (distillers, brewers, lecturers, researchers, experts and etc) and companies in the industry. Barisma's current status and achievements are available in Appendix Thirteen [P.32]

The Theoretical Evaluation shows the importance of the number of cities versus the users. It is expected to be disproportional during the period which represents the expansion into

cities that are smaller in population, number of bars, number of companies and internet users. Therefore, it is important to consider and understand the size, capacity and potential of each city in relation to users and growth to predict the necessary arrangements and requirements.

Theoretical Evaluation of the Market Segments	Worst	Best	Most Likely
Estimated registered users (within five years) million	55	275	137.5
Theoretical value of each user €	5	25	13
Theoretical Size of market (bar cooperation)	50 000	250,000	125,000
Theoretical Size of market (other coop.)	20 000	100,000	50,000
Theoretical Size of market (Standard Memberships) million	1	5	3
Theoretical Size of market (Honorary Memberships) million	1	5	3
Theoretical Size of market (Free Memberships) million	10	50	25
Theoretical Size of market (Advertising 4-5 years) million €	100	500	250
Theoretical Size of market (professional information) million €	1	5	3
Time interval for market to develop (years)	5	25	13
Annualized market size after 2-4 years (€) million	50	250	125
Guesstimated market size during initial phase (€) million	5	25	13

The Expansion Process is expected to last two years for the first critical mass to advertisers and information sales. During that period, Barisma will focus on the Complete Packages (43.5 % and 46 %), Royalties from Free Memberships (43.5 % and 23 %) and Honorary Memberships (13 % and 28.7 %). Registration of bars by Standard Members or Barisma Team will be the second priority when owners are expected to register the places. Account Activation and Premium Accounts will not be considered in these calculations as they are unpredictable [P.28].

Number of Cities and Users	Year 1	Year 2	Year 3	Year 4	Year 5
Cities	50	200	800	1,200	2,000
Growth	N/A	400%	400%	150%	167%
Users	1,200,000	4,800,000	24,000,000	48,000,000	55,000,000
Growth	N/A	400%	500%	200%	115%
Users / City	24,000	24,000	30,000	40,000	27,500

The Cities' Value increases proportionally to the level of revenue since each city brings new markets when each agent manages to sell only nine packages per city. After five years, each of the 55 million users is worth 1.62 €, each city generates 111 375 €, each bar offers 89,10 € and each member provides 20 €. These figures prove the importance of the Network Effect.

Review of Market Value	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Sales in €	1,150,000	4,350,000	16,000,000	35,000,000	89,100,000	145,600,000
Value of a City in €	23,000	29,000	26,667	87,500	111,375	72,800
Value of a User in €	0.96	0.91	0.67	0.73	1.62	2.65
Value of a Bar in €	11.50	8.70	16.00	35.00	89.10	145.60
Value of a Member in €	1.90	3.00	7.27	10.61	20.05	12.13

5 Marketing and Sales Plans and Projections

The First Marketing Strategy focuses on offering Free Memberships [REDACTED] and on recruiting agents to promote and sell the complete packages via direct marketing and sales.

The Second Marketing Strategy focuses on reaching owners, members and users via paid, online and offline, channels to boost the sales and expand the business.

The Third Marketing Strategy focuses on the network effect by updating the information to boost the free marketing channels.

The Fourth Marketing Strategy focuses on becoming the worldwide leader in marketing, consultancy and information in the industry.



The Marketing Channels include:

1. **The Recruitment Methods** include the combination of the free and paid online and offline marketing methods and the public and private employment agencies such as Eures, European Job Network, European Recruiting Agency (ERA) and similar companies.
2. **The Free Online Marketing Methods** include: Search Engine Optimization with a descriptive Meta Tag, friendly navigation system with a site map, promotion on local businesses' websites, uploads of videos, pictures, playlists and other contents using Youtube, Flickr, Spotify and similar websites, linking strategies such as the submission to key directories, trade organisations' sites and specialised directories, reciprocal links with potential and similar websites, articles, newsletters, blogs, news releases, social media such as Facebook, Twitter and similar websites, online forums, discussions, bookmark options, email strategies: installing a signature, publishing newsletters, including a subscription form, sending transactional and reminders, sending offers, exchanging emails with complementary businesses and miscellaneous strategies by announcing contests.
3. **The Paid Online Methods** include ads in an email newsletter, Pay Per Click ads with Google Adwords, Yahoo Search Marketing, Microsoft Ad Centre, Facebook automated advertising system and targeted email lists.
4. **The free offline methods** include the agents' direct marketing and Word of Mouth.
5. **The paid offline methods** include the traditional strategies such as flyers - Barisma's main marketing channel - posters, business cards for Barisma Elite Team and agents, tradi-

tional media such as display in trade journal, yellow pages, newspapers, magazines, direct mail, classifieds, post cards, television and radio.

Once the agents are recruited and trained, the company will set up a virtual office managed by the IT department and a real office managed by the Elite Team to provide support, guidance, help and advice to agents. It can be a forum, chat software or a website such as Google Wave. Stage-Two begins with the second year when the Agents' are functional. Stage-Three-Barisma marketing strategy begins with the third year and the main focus is to deliver quality and receive free Word Of Mouth advertisement from users, members, bar owners, companies and professionals. Finally, Stage-Four-Barisma begins with the fourth year and continues afterwards until the launch of the consultancy concept.

The Sales, in the first two years, will focus on the Basic Products including the Complete Package, Free Membership, Honorary Membership and Sponsorships. In the third, fourth and fifth year, Barisma will acquire the potential to advertisers and the sales of information while the basic products continue to develop. It is expected to receive up to 170 million € in sales from 2000 cities when agents manage to acquire only nine packages per city. In five years, Barisma will launch the consultancy and expects to receive 300 million € in two years.

Year	Methods	Products	Revenue
1 and 2	Agents' Direct Marketing Agents' Direct Selling	Basic: Complete Package, Free Membership Honorary Membership, and Sponsorship	5,000,000 €
3 to 5	Agents + Website	Basic + Advanced: Online Ads and Information	165,000,000 €
5 to 7	Agents + Website + Elite Team	Basic + Advanced + Consultancy	300,000,000 €

The Marketing and Sales Expenses include:

1. **Managers:** IT and Marketing and Sales receive 30 000 € yearly and 1.4 % in equity
2. **Marketing Campaigns:** focus on recruiting agents, selling the Complete Packages and acquiring Honorary and Free Members. It cost in total 5.6 million € in five years.
3. **Flyers** are the main marketing channel. In five years and from 2000 different cities, flyers reach 255 million people who will benefit from the offers. Owners will benefit when they acquire customers and save on marketing costs (1800 €/year for 60 000 flyers included in the Complete Package). The flyers cost 2.55 million € in five years [P.28].

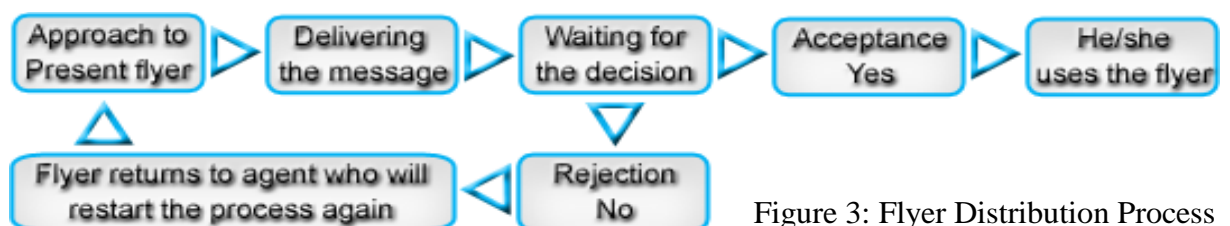


Figure 3: Flyer Distribution Process

4. **Other costs** include the agents' start-up kit, communication tools, training and educational material and the costs of delivering the t-shirts, stickers and memberships to members.

Marketing and Sales Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Marketing and Sales Manager Payroll	15,000	30,000	30,000	30,000	30,000	135,000
IT Manager Salary Payroll	15,000	30,000	30,000	30,000	30,000	135,000
Managers' Expenses	30,000	60,000	60,000	60,000	60,000	270,000
Expenses Share	16%	9%	3%	1%	2%	2%
Marketing campaign	20,000	100,000	500,000	5,000,000	0	5,620,000
Flyers	30,000	120,000	480,000	720,000	1,200,000	2,550,000
Agents' Kit	500	1,500	6,000	4,000	8,000	20,000
Communication and Internet	12,000	15,000	20,000	40,000	50,000	137,000
Education and Training	10,000	40,000	40,000	40,000	40,000	170,000
T-Shirts and Membership Cards	30,000	250,000	1,000,000	1,500,000	2,220,000	5,000,000
Other Costs	50,000	60,000	100,000	200,000	100,000	510,000
Total Marketing - Operations	152,500	586,500	2,146,000	7,504,000	3,618,000	14,007,000
Expenses Share	84%	91%	97%	99%	98%	98%
Total Marketing Expenses Year 1-5	182,500	646,500	2,206,000	7,564,000	3,678,000	14,277,000

The Sales Forecast [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In the second year, Barisma continues to build the network effect by focusing on the basic products while the ads sales remain zero. In the third year, ads sales reach 4 million € and increases up to 47.5 million € from 2000 cities while other products are increasing cumulatively to reach its peak in the fifth year with a total of 170 million € in revenues. It is important to understand the value of the online market (37 % + 1 %) over the offline market (41% + 15% + 6%) when owners are considered to buy the Complete Packages for the flyers, PR, direct marketing and sales, events and mystery shopping not for the online promotion. However, the online market will continue growing (Year 1: 0 % + 0 %; Year 2: 0 % + 1 %; Year 3: 17 % + 2 %; Year 4: 28 % + 2 %; Year 5: 49 % + 1 %) while the offline market will tend to be more saturated in five years. Future plans are available in Appendix Eleven [P.32].

Sales Forecast Year 1	1st Q	2nd Q	3rd Q	4th Q	Year 1
Complete Packages	0	0	1,350	1,350	2,700
Price	150	150	150	150	150
Sales from Complete Packages	0	0	202,500	202,500	405,000
Sponsorships	0	0	47,500	47,500	95,000
Sales from Owners	0	0	250,000	250,000	500,000
% of Share from Sales	0%	0%	83%	30%	43%
Professional Information	0	0	0	0	0
Price	1,000	1,000	1,000	1,000	1,000
Sales from Professionals	0	0	0	0	0
% of Share from Sales	0%	0%	0%	0%	0%
Advertisement	0	0	0	0	0
Cost Per Click	0.50	0.50	0.50	0.50	0.50
Sales from Advertising	0	0	0	0	0
% of Share from Sales	0%	0%	0%	0%	0%
Honorary Memberships	0	0	1,500	4,500	6,000
Price	25	25	25	25	25
Sales from Honorary Memberships	0	0	37,500	112,500	150,000
% of Share from Sales	0%	0%	13%	13%	13%
Free Memberships	5,000	7,500	12,500	475,000	500,000
Royalties	1	1	1	1	1
Sales from Free Memberships	5,000	7,500	12,500	475,000	500,000
% of Share from Sales	100%	100%	4%	57%	43%
TOTAL SALES YEAR 1	5,000	7,500	300,000	837,500	1,150,000

Sales Forecast Year 2 to 5	1st Q	2nd Q	3rd Q	4th Q	Year 2	Year 3	Year 4	Year 5	TOTAL Year 1-5
Complete Packages	2,160	3,240	5,400	10,800	21,600	86,400	129,600	216,000	456,300
Price	150	150	150	150	150	150	150	150	150
Sales from Complete Packages	324,000	486,000	810,000	1,620,000	3,240,000	12,960,000	19,440,000	32,400,000	68,445,000
Sponsorships	25,000	25,000	25,000	25,000	100,000	100,000	150,000	200,000	645,000
Sales from Owners	349,000	511,000	835,000	1,645,000	3,340,000	13,060,000	19,590,000	32,600,000	69,090,000
% of Share from Sales	48%	53%	59%	65%	59%	54%	45%	34%	41%
Professional Information	5	8	8	30	50	500	1,000	1,000	2,550
Price	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Sales from Professionals	5,000	7,500	7,500	30,000	50,000	500,000	1,000,000	1,000,000	2,550,000
% of Share from Sales	1%	1%	1%	1%	1%	2%	2%	1%	1%
Advertisement	0	0	0	0	0	8,000,000	24,000,000	95,000,000	127,000,000
Cost Per Click	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Sales from Advertising	0	0	0	0	0	4,000,000	12,000,000	47,500,000	63,500,000
% of Share from Sales	0%	0%	0%	0%	0%	17%	28%	49%	37%
Honorary Memberships	5,000	7,500	12,500	25,000	50,000	200,000	300,000	444,000	1,000,000
Price	25	25	25	25	25	25	25	25	25
Sales from Honorary Memberships	125,000	187,500	312,500	625,000	1,250,000	5,000,000	7,500,000	11,100,000	25,000,000
% of Share from Sales	17%	20%	22%	25%	22%	21%	17%	12%	15%
Free Memberships	250,000	250,000	250,000	250,000	1,000,000	1,500,000	3,000,000	4,000,000	10,000,000
Royalties	1	1	1	1	1	1	1	1	1
Sales from Free Memberships	250,000	250,000	250,000	250,000	1,000,000	1,500,000	3,000,000	4,000,000	10,000,000
% of Share from Sales	34%	26%	18%	10%	18%	6%	7%	4%	6%
TOTAL SALES	729,000	956,000	1,405,000	2,550,000	5,640,000	24,060,000	43,090,000	96,200,000	170,140,000

6 Technology and R&D

The Website, the current prototype, uses the top edge web technology of PHP 6, MySQL, Symfony Framework, jQuery (+jQuery UI), Blueprint CSS and Web 2.0 features. The main key strength is the logic designed to register and search for bars. [REDACTED]

[REDACTED] Also, owners can register and update profiles with a system similar to Email or Facebook. The current database includes over 2200 bars which is currently the largest database in the world. The upcoming new features will include bar, product and people pages and search which are similar in layout, design and features but different contents along with the BPP Relationship. In addition to that, bars, products and people will be able to post events which can be searched and found swiftly. Finally, the comment and chat systems will include a feature which allows all online users to communicate in the same time. In other words, it will be the ultimate tool to meet new people which can be considered as complimentary to Facebook

where people keep in touch after they have met on Barisma and Google where the search engine can not find a place without knowing the name.

The Development of the Website intends to outsource or recruit a potential IT Manager with computer engineering background and a minimum of 10 years experience. The selected company or person will work with the founder to maintain the technology and the hospitality factors within the compatibility and suitability of the project which will reduce unnecessary expenses and time. The company will continue using the same domain name, www.barisma.com, which is acquired by the founder. Finally, It will be required to maintain and secure similar domain names such as barisma.eu, barisma.org, barisma.co.uk, barisma.net, barisma.fi, barismamarketing.com, barismaconsultancy.com, barismaworld.com and so on.

The Hosting will continue using individual servers and will expand with the demand to a hosting company with bigger capacity such as Nebula from Finland. Eventually, the project will require dedicated servers with load balancing and frequent database maintenance. Barisma will gradually employ additional personnel especially computer software engineers, graphic designers, website administrators, database collectors and testers.

The Website Expenses, in the first year, are 89 200 € including the development, the IT Manager, the hosting and employees. In the second year, the company will continue the expansion of the features and it will increase the IT department with total costs of 277 200 €. In the third year, the company expects 24 million users and needs to expand the capacity of the servers which will cost 2 million €.

R&D Expenses Projection	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Website design company	20,000	0	0	0	0	20,000
IT Manager	30,000	33,000	36,300	39,930	43,923	183,153
Website Production	50,000	33,000	36,300	39,930	43,923	203,153
Expenses Share	56%	12%	2%	1%	1%	2%
Domain name	200	200	200	200	200	1,000
Hosting & Servers	12,000	50,000	2,000,000	3,000,000	4,000,000	9,062,000
Database Back-up	12,000	24,000	50,000	60,000	100,000	246,000
Hosting and Back up	24,200	74,200	2,050,200	3,060,200	4,100,200	9,309,000
Expenses Share	27%	27%	87%	89%	86%	85%
Computer Software Engineers	10,000	60,000	120,000	180,000	400,000	770,000
Graphic Designers	0	30,000	50,000	60,000	100,000	240,000
Administration	0	20,000	30,000	40,000	50,000	140,000
Database Collectors	0	50,000	50,000	50,000	50,000	200,000
Testers	5,000	10,000	15,000	20,000	30,000	80,000
Total Employees	15,000	170,000	265,000	350,000	630,000	1,430,000
Expenses Share	17%	61%	11%	10%	13%	13%
TOTAL R&D Expenses	89,200	277,200	2,351,500	3,450,130	4,774,123	10,942,153

Moreover, It will improve data collection and engineering which will cost 265 000 €. In the fourth and fifth year, the company will focus on expanding servers, database maintenance and engineering. Hosting expenses will grow from 31 % to 85 % in five years and it is considered

the highest due to the importance of the website to the company to maintain the size, capacity and potential of each city in relation to users and growth.

7 Management and Administration

The Management Structure includes the CEO and five managers (Elite Team): IT, Marketing/Sales, Human Resources/Customer Relations, Finance/Payroll and Legal. They handle the arrangements with the suppliers and agents, operations such as the website, recruitment, training, support, guidance, payroll, memberships, expansion plans, strategy development, customer relations, legal arrangements, marketing campaigns, public relations and finally consultancy. From February 2010, the team included 23 shareholders from nine universities in Finland and managed by the CEO, Walid O. El Cheikh, who handles the Marketing and Sales, HRM & CRM and Finance. IT is handled by Joni Aaltonen and Legal by Sini Paljärvi. Managers will require assistants who will receive 1500 € per month, in addition to the agents and shareholders. For each 150 cities five assistants will be needed resulting in 66 assistants for 2000 cities. Assistants are proportional to the demand and sales.

The Managers and Assistants Expenses, excluding the agents, will reach over 2 million €.

Managers and Assistants Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
IT Manager	30,000	33,000	36,300	39,930	43,923	183,153
Marketing and Sales Manager	30,000	33,000	36,300	39,930	43,923	183,153
HRM & CRM Manager	15,000	33,000	36,300	39,930	43,923	168,153
Finance and Payroll Manager	15,000	33,000	36,300	39,930	43,923	168,153
Legal Matters Manager	30,000	33,000	36,300	39,930	43,923	183,153
Total Managers Expenses	120,000	165,000	181,500	199,650	219,615	885,765
Expenses Share	100%	65%	29%	22%	16%	43%
Total Managers in Person	5	5	5	5	5	5
Assistants Recruitment	0	5	20	14	27	66
Total Assistants	0	5	25	39	66	66
Total Managers and Assistants	5	10	30	44	71	71
Assistants' Salary / Month	1,500	1,500	1,500	1,500	1,500	1,500
Assistants' Expenses / Month	0	7,500	37,500	58,500	99,000	99,000
Total Assistants Expenses	0	90,000	450,000	702,000	1,188,000	1,188,000
Expenses Share	0%	35%	71%	78%	84%	57%
TOTAL Year 1-5	120,000	255,000	631,500	901,650	1,407,615	2,073,765

8 Operational Plan

The Headquarters of Barisma Oy. (Ltd) will be located in Lahti, Finland including:

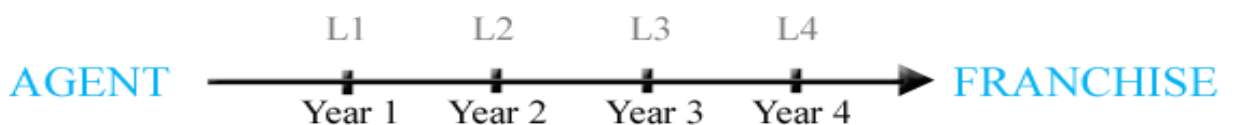
1. **Office** where the Elite Team and Assistants run company's operations and support Agents
2. **Virtual Office** where the Elite Team, Assistants and Agents communicate online
3. **Cities** where the offline operations are conducted by agents

The Virtual Office is set up by the IT Manager and the Cities are selected by the Elite Team. The Office is the only considerable expense. In the first year, it requires 15 000 € for rent (6000 €), renovations (2000 €), equipment and furniture (4000 €) and computers and internet (3000 €). These costs are proportional to the number of the cities.

Office Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Increase in Cities	50	150	600	400	800	2,000
Total Office Expenses	15,000	45,000	180,000	120,000	240,000	600,000

The Main Operating Procedures are the Agents who handle the direct marketing and sales of the company. In fact, the process of becoming a Barisma Agent is a beginning of a lifetime career where it progressively develops from level one, two, three and four to a franchise:

1. **Level One Agent:** basic training completed successfully (6 – 12 months)
2. **Level Two Agent:** managerial courses completed successfully (6 – 12 months)
3. **Level Three Agent:** constant sales of 27 Complete Packages (12 – 24 months)
4. **Level Four Agent:** franchising training completed successfully (6 – 12 months)
5. **Franchise:** funded by Barisma [a concept/strategy to retain potential agents]



After five years, agents can pursue a managerial or consultancy career. It is the main reason to motivate them and retain their loyalty from the training until the franchise [P.29].

The Agents Expenses are paid on commission following the Direct Selling Business Model. They receive 100 € from each Complete Package sold, 45 € Bonus from each Complete Package for the following eleven months, 10 € from each Honorary Membership sold, 25 % from Free Memberships and exclusive discounts from bars, nightclubs, cafes and companies cooperating with Barisma [P.25].

Agents can select to work part-time (from 8 000 €/year) or full-time (from 22 000 €/year) and only full-timers will be able to upgrade their levels by receiving the training and education, passing the tasks and achieving goals. The recruitment process will consider full-timers before part-timers. The recruitment process is described in Appendix Eight [P.29].

Agents' Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Cities	50	200	800	1,200	2,000	
Packages	9	9	9	9	9	
Packages Commission	100	100	100	100	100	
Packages Commission Expenses	45,000	180,000	720,000	1,080,000	1,800,000	3,825,000
Expenses Share	10%	10%	11%	11%	11%	11%
Packages Monthly Bonus	45	45	45	45	45	
Months	11	11	11	11	11	
Packages Bonus Expenses	222,750	891,000	3,564,000	5,346,000	8,910,000	18,933,750
Expenses Share	49%	49%	54%	53%	55%	54%
Total Packages Expenses	267,750	1,071,000	4,284,000	6,426,000	10,710,000	22,758,750
Honorary Memberships	6,000	50,000	200,000	300,000	444,000	1,000,000
Commission	10	10	10	10	10	
Honorary Membership Commission Expenses	60,000	500,000	2,000,000	3,000,000	4,440,000	10,000,000
Expenses Share	13%	27%	30%	29%	27%	28%
Free Memberships	500,000	1,000,000	1,500,000	3,000,000	4,000,000	10,000,000
Commission	0.25	0.25	0.25	0.25	0.25	
Free Membership Commission Expenses	125,000	250,000	375,000	750,000	1,000,000	2,500,000
Expenses Share	28%	14%	6%	7%	6%	7%
Total Membership Expenses	185,000	750,000	2,375,000	3,750,000	5,440,000	12,500,000
Total Agents' Expenses	452,750	1,821,000	6,659,000	10,176,000	16,150,000	35,258,750

9 Financial Projections

The **Total Costs of Sales** are the costs of Marketing, Office and R&D excluding managers.

Costs of Sales	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Marketing	152,500	586,500	2,146,000	7,504,000	3,618,000	14,007,000
% from Total	67%	67%	46%	68%	42%	55%
R&D	59,200	244,200	2,315,200	3,410,200	4,730,200	10,759,000
% from Total	26%	28%	50%	31%	55%	42%
Office	15,000	45,000	180,000	120,000	240,000	600,000
% from Total	7%	5%	4%	1%	3%	2%
Total Costs of Sales	226,700	875,700	4,641,200	11,034,200	8,588,200	25,366,000

The **Total Operating Costs** are the costs of Agents' Commission, Managers' and Assistants.

Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Agents Commissions	452,750	1,821,000	6,659,000	10,176,000	16,150,000	35,258,750
% from Total	79.0 %	87.7 %	91.3 %	91.9 %	92.0 %	94.4 %
Managers & Assistants	120,000	255,000	631,500	901,650	1,407,615	2,073,765
% from Total	21.0 %	12.3 %	8.7 %	8.1 %	8.0 %	5.6 %
Total Operating Expenses	572,750	2,076,000	7,290,500	11,077,650	17,557,615	37,332,515

Assuming Barisma receives 0.2 million € in loan, repaid in five years, on 30 % interest rate.

Loan	Rate	Years	Total Interest	Yearly Interest	Yearly Loan	Total Yearly	Total To repay
200 000	30 %	5	60 000	12 000	40 000	52 000	260 000

The **Income Statement** indicates 170 million € in sales and 78.5 million € in Profit after five years. The profit margin is 22 % in the first year, 35 % in the second, 37 % in the third, 36 % in the fourth and 54 % in the fifth. The total expenses including the costs of sales and operating expenses diminish from 70 % to 27 % indicating high level of revenues and performance. The operating expenses are normally double the costs of sales except in the fourth year when the company is launching the final marketing campaign before the consultancy (5 million €) and investing on dedicated servers (3 million €). The company will pay 27.6 million € income

tax applied in Finland on 26 % tax rate. It is almost 138 times the amount of the required start-up funds (200 000 €).

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Cash from Sales	1,150,000	5,640,000	24,060,000	43,090,000	96,200,000	170,140,000
Costs of Sales	226,700	875,700	4,641,200	11,034,200	8,588,200	25,366,000
% Costs of Sales / Sales	20%	16%	19%	26%	9%	15%
Gross Margin	923,300	4,764,300	19,418,800	32,055,800	87,611,800	144,774,000
% Gross Margin / Sales	80%	84%	81%	74%	91%	85%
Total Operating Expenses	572,750	2,076,000	7,290,500	11,077,650	17,557,615	37,332,515
% Total Operating Expenses / Sales	50%	37%	30%	26%	18%	22%
Income from Operation	350,550	2,688,300	12,128,300	20,978,150	70,054,185	107,441,485
% Income From Operation / Sales	30%	48%	50%	49%	73%	63%
Interest	12,000	12,000	12,000	12,000	12,000	60,000
% Interest to Repay / Sales	1.04%	0.21%	0.05%	0.03%	0.01%	0.04%
Net Income Before Tax	338,550	2,676,300	12,116,300	20,966,150	70,042,185	106,139,485
% Net Income Before Tax / Sales	29.44%	47.45%	50.36%	48.66%	72.81%	62.38%
Taxes	88,023	695,838	3,150,238	5,451,199	18,210,968	27,596,266
% Taxes / Sales	7.65%	12.34%	13.09%	12.65%	18.93%	16.22%
Net Income	250,527	1,980,462	8,966,062	15,514,951	51,831,217	78,543,219
% Net Income / Sales	22%	35%	37%	36%	54%	46%
Dividends 1 %	0	19,805	89,661	155,150	518,312	782,927
Dividends 5 %	0	99,023	448,303	775,748	2,591,561	3,914,635
Dividends 10 %	0	198,046	896,606	1,551,495	5,183,122	7,829,269
Dividends 25 %	0	495,116	2,241,516	3,878,738	12,957,804	19,573,173
Dividends 51 %	0	1,010,036	4,572,692	7,912,625	26,433,921	39,929,273

The Cash Flow Statement indicates that Barisma has immediate cash flows, starting from the moment the website is launched, with the Free Membership Concept (12 500 €). It is the sole revenue stream in the first two quarters representing the period of recruiting and training the agents. The real incomes begin to flow starting from the third quarter when agents become functional and sell the Complete Packages (0.3 million €). In the fourth quarter, the Honorary Memberships kick in and increase sales. The payback period of the investment is between nine and twelve months. In the second year, the company invests on the website and office (289 200 €) to reach the network effect and generates revenues up to 5.6 million € stimulating the ads and information sales in the next years. In the third, fourth and fifth year, the company is selling the basic and advanced products, investing on the website and office (2.5 + 3.5 + 5= 10.7 million €) and generating consecutively 24, 43 and 96 million € in revenues. The operating expenses increase when agents are receiving their commissions indicating high levels of performance reaching a total of 35.2 million € (20 % from total turnover). When agents are functional, the company recruits assistants (2.4 million €), expands its market (5.6 million €) and spends on flyers (2.5 million €), memberships (5 million €) and other costs. It is important to clarify that Barisma agent's Direct Selling Model does not require any investment in cash but time, efforts and networking. It offers high commissions and promises a life-time career opportunity and progression to become a franchise owner.

Cash Flow from Operating Activities Year 1	1st Q	2nd Q	3rd Q	4th Q	Year 1
Cash From Sales	5,000	7,500	300,000	837,500	1,150,000
Cash Paid to Agents	0	0	226,375	226,375	452,750
Cash Paid to Managers	22,500	22,500	37,500	37,500	120,000
Cash Paid to Assistants	0	0	0	0	0
Cash Paid to Marketing Campaign	10,000	7,000	2,000	1,000	20,000
Cash Paid to Supplier - Flyer	0	0	15,000	15,000	30,000
Cash Paid to Agents' Kit	0	450	30	20	500
Cash Paid to Communication and Internet	3,000	3,000	3,000	3,000	12,000
Cash Paid to Education and Training	5,000	4,000	500	500	10,000
Cash Paid to Supplier - T-Shirts, Stickers & Cards	0	0	15,000	15,000	30,000
Cash Paid to Other Costs	5,000	5,000	6,000	34,000	50,000
Total Expenses	45,500	41,950	305,405	332,395	725,250
Cash Generated from Operations	-40,500	-34,450	-5,405	505,105	424,750
Interest Paid	3,000	3,000	3,000	3,000	12,000
Income Taxes Paid	0	0	0	88,023	88,023
Net Cash Flow from Operating Activities	-43,500	-37,450	-8,405	414,082	324,727
Cash Flow from / used in Investing Activities					
Investment in R&D - Website	-30,000	-10,000	-10,000	-9,200	-59,200
Investment in R&D - Office Operations	-3,750	-3,750	-3,750	-3,750	-15,000
Net Cash Flow from Investing Activities	-33,750	-13,750	-13,750	-12,950	-74,200
Cash Flow From Financing Activities					
Loan from Bank / Private Entity	90,000	60,000	35,000	15,000	200,000
Loan Repayment	-10,000	-10,000	-10,000	-10,000	-40,000
Net Cash Flow from Financing Activities	80,000	50,000	25,000	5,000	160,000
Net increase in cash and cash equivalents	2,750	-1,200	2,845	406,132	410,527
Cash and cash equivalents, beginning of accounting period	0	375	800	1,770	
Cash and cash equivalents, end of accounting period	2,750	1,550	4,395	410,527	410,527

Cash Flow from Operating Activities Year 2-5	1st Q	2nd Q	3rd Q	4th Q	Year 2	Year 3	Year 4	Year 5	Total Year 2-5	TOTAL Year 1-5
Cash From Sales	729,000	956,000	1,405,000	2,550,000	5,640,000	24,060,000	43,990,000	96,290,000	168,990,000	170,140,000
Cash Paid to Agents	455,250	455,250	455,250	455,250	1,821,000	6,659,000	10,176,000	16,150,000	34,806,000	35,258,750
Cash Paid to Managers	41,250	41,250	41,250	41,250	165,000	181,500	199,650	219,615	765,765	885,765
Cash Paid to Assistants	22,500	22,500	22,500	22,500	90,000	90,000	702,000	1,188,000	2,430,000	2,430,000
Cash Paid to Marketing Campaign	25,000	25,000	25,000	25,000	100,000	500,000	5,000,000	0	5,600,000	5,620,000
Cash Paid to Supplier - Flyer	30,000	30,000	30,000	30,000	120,000	480,000	720,000	1,200,000	2,520,000	2,520,000
Cash Paid to Agents' Kit	375	375	375	375	1,500	6,000	4,000	8,000	19,500	20,000
Cash Paid to Communication and Internet	3,750	3,750	3,750	3,750	15,000	20,000	40,000	50,000	125,000	137,000
Cash Paid to Education and Training	10,000	10,000	10,000	10,000	40,000	40,000	40,000	40,000	160,000	170,000
Cash Paid to Supplier - T-Shirts, Stickers & Cards	62,500	62,500	62,500	62,500	250,000	1,000,000	1,500,000	2,220,000	4,970,000	5,000,000
Cash Paid to Other Costs	15,000	15,000	15,000	15,000	60,000	100,000	200,000	100,000	460,000	510,000
Total Operating Costs	665,625	665,625	665,625	665,625	2,662,500	9,436,500	18,581,650	21,175,615	51,856,265	52,581,515
Cash Generated from Operations	63,375	290,375	739,375	1,884,375	2,977,500	14,623,500	24,508,350	75,024,385	117,133,735	117,553,485
Interest Paid	3,000	3,000	3,000	3,000	12,000	12,000	12,000	12,000	48,000	60,000
Income Taxes Paid	0	0	0	695,838	695,838	3,150,238	5,451,199	18,210,968	27,508,243	27,596,266
Net Cash Flow from Operating Activities	60,375	287,375	736,375	1,188,537	2,269,662	11,461,262	19,045,151	56,801,417	89,577,492	89,902,219
Cash Flow from / used in Investing Activities										
Investment in R&D - Website	61,050	61,050	61,050	61,050	244,200	2,315,200	3,410,200	4,730,200	10,699,800	10,759,000
Investment in R&D - Office Operations	11,250	11,250	11,250	11,250	45,000	180,000	240,000	240,000	585,000	600,000
Net Cash Flow from Investing Activities	-72,300	-72,300	-72,300	-72,300	-289,200	-2,495,200	-3,530,200	-4,970,200	-11,284,800	-11,359,000
Cash Flow From Financing Activities										
Loan from Bank / Private Entity	0	0	0	0	0	0	0	0	0	0
Loan Repayment	10,000	10,000	10,000	10,000	40,000	40,000	40,000	40,000	160,000	200,000
Net Cash Flow from Financing Activities	-10,000	-10,000	-10,000	-10,000	-40,000	-40,000	-40,000	-40,000	-160,000	-200,000
Net increase in cash and cash equivalents	-21,925	205,075	654,075	1,103,237	1,940,462	8,926,062	15,474,951	51,791,217	78,132,692	78,343,219
Cash and cash equivalents, beginning of accounting period	410,527	388,602	593,677	1,247,752	410,527	2,350,989	11,277,051	26,752,002	410,527	200,000
Cash and cash equivalents, end of accounting period	388,602	593,677	1,247,752	2,350,989	2,350,989	11,277,051	26,752,002	78,543,219	78,543,219	78,543,219

The Balance Sheet indicates that:

- Barisma is inexpensive to implement with 200 000 € investment generating direct cash flow, 170 million € in revenue and 78.5 million € of equity to shareholders.
- The non-current assets (website, servers, office and Elite Team) generate wealth to the company in five year with an investment of 12.2 million € that reaches 170.1 million € in turnover. They are also the core elements of the consultancy.
- The current assets are the cash and the loan indicate absence of creditors and inventory
- Net current assets are positive indicate the company is able to pay the short term costs
- The non-current liabilities include loan repayment and strategy development which indicate positive performance of the company and proportional growth simply because it is done during or after the expansion to new cities. This can only be done when agents are functional with continuous and effective direct marketing and selling.

Assets	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Current Assets						
Cash	1,150,000	5,640,000	24,060,000	43,090,000	96,200,000	170,140,000
Loan	200,000	160,000	120,000	80,000	40,000	0
Inventory	0	0	0	0	0	0
Total Current Assets	1,350,000	5,800,000	24,180,000	43,170,000	96,240,000	170,140,000
Non Current Assets						
Website	47,200	194,200	315,200	410,200	730,200	1,697,000
Servers	12,000	50,000	2,000,000	3,000,000	4,000,000	9,062,000
Office	15,000	45,000	180,000	120,000	240,000	600,000
Elite Team	120,000	165,000	181,500	199,650	219,615	885,765
Total Non Current Assets	194,200	454,200	2,676,700	3,729,850	5,189,815	12,244,765
Total Assets	1,544,200	6,254,200	26,856,700	46,899,850	101,429,815	182,384,765
Liabilities	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Current Liabilities						
Loan	160,000	120,000	80,000	40,000	0	0
Expenses	799,450	2,951,700	11,931,700	22,111,850	26,145,815	63,940,515
Taxes	88,023	695,838	3,150,238	5,451,199	18,210,968	27,596,266
Interest	12,000	12,000	12,000	12,000	12,000	60,000
Website Development	47,200	194,200	315,200	410,200	730,200	1,697,000
Total Current Liabilities	1,106,673	3,973,738	15,489,138	28,025,249	45,098,983	93,293,781
Non Current Liabilities						
Loan Repayment	40,000	40,000	40,000	40,000	40,000	0
Information & Strategy Development	147,000	260,000	2,361,500	3,319,650	4,459,615	10,547,765
Total Non Current Liabilities	187,000	300,000	2,401,500	3,359,650	4,499,615	10,547,765
Equity						
Net Profit	250,527	1,980,462	8,966,062	15,514,951	51,831,217	78,543,219
Total Liabilities	1,544,200	6,254,200	26,856,700	46,899,850	101,429,815	182,384,765

The Ratios Analysis Highlights are:

- Quick Ratio is “1” indicating that Barisma does not have inventory
- Profit Margin starts from 22 % and increases continuously to reach 54 % indicating the potential of the business, high level of performance and the low risks
- Gross Margin starting from 80 % and rising until 91 % indicating that the company’s costs of sales are low in the first year and the lowest after five years.
- Net Assets Per Share explains the value of each share comparing to the company’s assets starting from 0.2 € in the first year and reaching by 4.7 € in five years assuming that the company issues 10 million shares of which 20 % are for the public.

Ratio Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Part One	Liquidity Analysis				
Current Ratio	1.22	1.46	1.56	1.54	2.13
Quick Ratio	1	1	1	1	1
Net Working Capital	16%	29%	32%	32%	50%
Part Two	Profitability Analysis				
Return On Assets	1.49	1.45	1.45	1.17	1.30
Profit Margin	22%	35%	37%	36%	54%
Earnings Per Share (€)	0.03	0.20	0.9	1.6	5.2
Part Three	Activity Analysis				
Assets Turnover Ratio	1.49	1.45	1.45	1.17	1.30
Part Four	Performance Analysis				
Net Debt as Percent	12.95%	2.56%	0.45%	0.17%	0.04%
Gross Margin (% Sales)	80%	84%	81%	74%	91%
Net Income before Taxes / Total Assets	21.9 %	42.8 %	45.1 %	44.7 %	69.1 %
Net Income Before Taxes (% Sales)	29%	47%	50%	49%	73%
Sales / Total Assets	74%	90%	90%	92%	95%
Net Assets Per Share (€)	0.2	0.6	2.7	4.7	10.1

The Sensitivity Analysis shows that Barisma can generate 6.3 million € even after reducing the revenues by 40 % and increasing both the costs of sales and operating expenses by 50 % indicated in the worst case scenario. Detailed analysis and the contingency plans are presented in the Appendix Ten [P.31].

Sensitivity Analysis - Most Likely		1st Case		2nd Case		3rd Case		4th Case
Sales		170,140,000		170,140,000		170,140,000		170,140,000
Costs of Sales	(+ 30 %)	32,975,800	(+ 20 %)	30,439,200	(+ 10 %)	27,902,600	(+ 50 %)	38,049,000
Operating Costs	(+ 10 %)	48,532,270	(+ 20 %)	44,799,018	(+ 30 %)	48,532,270	(+ 50 %)	55,998,773
Costs of Sales and Operating Costs		81,508,070		75,238,218		76,434,870		94,047,773
Income before Interest and Taxes		88,631,931		94,901,782		93,705,131		76,092,228
Interest		60,000		60,000		60,000		60,000
Income Before Taxes		88,571,931		94,841,782		93,645,131		76,032,228
Taxes		23,028,702		24,658,863		24,347,734		19,768,379
Net Profit		-12,999,990		70,182,919		-9,245,822		56,263,848

Sensitivity Analysis - Worst		1st Case		2nd Case		3rd Case		4th Case
Sales (- 40 %)		102,084,000		102,084,000		102,084,000		102,084,000
Costs of Sales	(+ 30 %)	32,975,800	(+ 20 %)	30,439,200	(+ 10 %)	27,902,600	(+ 50 %)	38,049,000
Operating Costs	(+ 10 %)	48,532,270	(+ 20 %)	44,799,018	(+ 30 %)	48,532,270	(+ 50 %)	55,998,773
Costs of Sales and Operating Costs		81,508,070		75,238,218		76,434,870		94,047,773
Income before Interest and Taxes		20,575,931		26,845,782		25,649,131		8,036,228
Interest		60,000		60,000		60,000		60,000
Income Before Taxes		20,515,931		26,785,782		25,589,131		7,976,228
Taxes		4,308,345		5,625,014		5,373,717		1,675,008
Net Profit		-62,335,634		21,160,768		20,215,413		6,301,220

10 Funding and Implementation

The Required Funds are 200 000 € ideally from a loan, grant or public funds. Other forms of investment should be negotiated.

The Proposal includes a special offer for banks and companies offering the funds by the end of 2010 with 2 % in equity, 30 % of ROI and an agreement of continuous cooperation and partnership. For private entities, up to 5 % in equity and 30 % of ROI can be reached. The exit routes include well-timed and well-conducted sale of the company, trade buyer, buy in management buy out, refinancing and merger.

The Implementation of Funds has sixteen tasks to accomplish in the first year:

1. Launch the initial features of the website (20 000 €)
2. Upgrade features (included in 4. + 10 000 €)
3. Rent an office (15 000 €)
4. Hire IT, marketing and sales and legal managers (90 000 €)
5. Assign Barisma Free Membership Collection Points (included in 4.)
6. Advertise Barisma Free Membership (included in 4. + 15 000 €)
7. Launch marketing campaign to reach agents in 50 cities (included in 4. + 20 000 €)
8. Create a virtual office (included in 4.)
9. Hire, train and educate 50 agents (included in 4.)
10. Assign tasks in geographical areas to agents to begin sales and marketing (included in 4.)
11. Hire HRM and CRM managers to guide agents and support customers (30 000 €)
12. Contact companies for cooperation on Barisma Membership (included in 4. and 11.)
13. Start planning the expansion to 150 new cities in the next year (included in 4. and 11.)
14. Start planning to hire five assistants (included in 4. and 11.)
15. Start analysing the technology and R&D requirements (included in 4. and 11.)

16. Arranging Suppliers (included in 4. and 11.)

Year 1	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Task 1												
Task 2												
Task 3												
Task 4												
Task 5												
Task 6												
Task 7												
Task 8												
Task 9												
Task 10												
Task 11												
Task 12												
Task 13												
Task 14												
Task 15												
Task 16												

Once Barisma achieves the first year's tasks, there are two options:

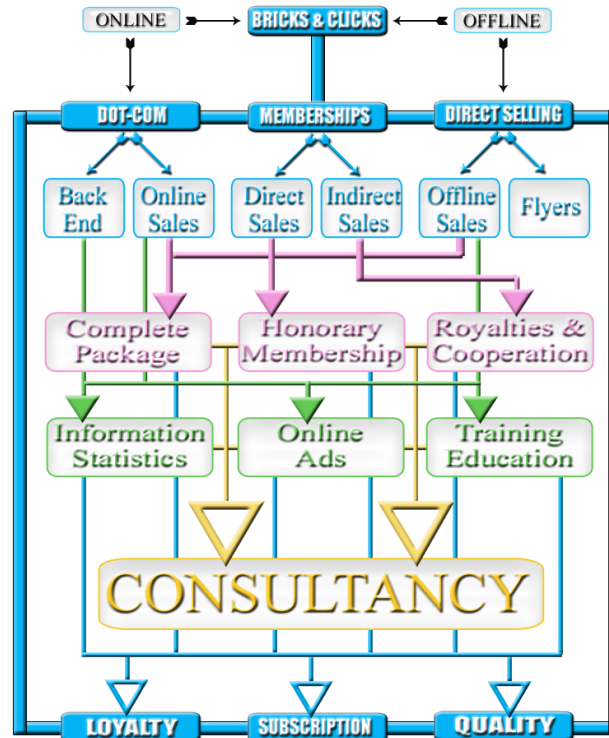
1. Invest the positive cash into the development and expansion plans (410 527 €)
2. Equity in return of investment (1-20 million €)

The second option will improve quality of the development and expansion plans and speed up the time frame of achieving company's objectives. In the second year, it is planned to expand into 150 cities, improve the Office, launch the second marketing campaign to reach owners, members and users, hire five assistants, invest on engineers, database collection and servers, upgrade the final features of the website to welcome 24 million users and arrange potential suppliers in new cities. In the third, fourth and fifth year, Barisma will proceed with the same logic when expanding to new cities with pre-preparation within the last three month of the year, marketing within the last two months and execution by the first month.

The Conclusion states that Barisma is a fundamental need for the target segments. It is useful, fun and charismatic providing professional information, innovative solutions, and cheaper promotions. It is highly profitable, inexpensive to implement, intelligent and extremely beneficial for tourists and travellers. It is unique, as the first project to unite the global markets of the industry in one system. The Founder (CEO), Managers (also Partners) and Agents (paid on high commissions) operate jointly as one solid team. Therefore, investing on Barisma will offer a great tool for the two most entertaining industries in the world.

11 Appendices

Appendix One: Barisma Business Model



Appendix Four: Barisma Competitors and SWOT Analysis

Barisma competitors risk losing a fraction of their market which is involved in the Social Media, Information, Search Engine and News and Articles domain for bars, nightclubs, cafes, restaurants and companies in the industry. With Facebook and similar companies, the company might consider Barisma as an indirect threat when stealing the bar people and it might react by destroying Barisma with similar features which is highly unlikely since the company allows 13 years old users and the fact that it does not seem to operate offline. With Google and similar companies, Barisma complements their search engine for bars and companies in the industry and a cooperation or acquisition can be expected. Worldsbestbars.com and similar websites will consider Barisma as a direct threat simply because their products and services are not as complete, innovative and focused as Barisma and will need to invest, partner or cooperate with Barisma. Horizons and similar companies tend to be classified as an indirect threat as it operates locally and does not focus on the bar industry. Finally, Bars and Nightclubs is considered the only relevant threat when entering the United States territory because

the company focuses on advertisements online via a website and offline via a magazine. It has a strong position in the USA's market with articles and news. However, it does not specialise in social media, data collection, consultancy and search engine functions and the company's website is fairly unattractive.

BARISMA SWOT ANALYSIS			
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Inexpensive to Implement	Founder's Lack of IT Skills	First project to unite global markets	Governments and Legal Restrictions
Direct Cash Flows	Missing Funds	Founder is CEO	Possible Future Competitors
Triple "O" Concept	Unspecified Networks	Managers are Partners as well	Extreme Conditions e.g. Wars
BPP Relationship	Industry Ignored	Agents are paid on Commission	Recession and Economic Crisis
Cost Leadership	Missing Information and Sources	Bar Owner's Lack of Education	
Product Differentiation	People's Fear of Change	High Profits	
Useful, Fun and Charismatic	Internet's infrastructure is not safe	Life-Saver for tourists and travellers	
New and Unique Concept	Misperception of the Concept	Great Tool	
Equal Opportunities	Mission is not understood	Two Markets and Joint Expenses	
Specialisation in a specific industry	The Perception of Barisma as another promoter of alcoholic beverages	Availability of Technology/Resources	
Easy to use and Fast to join		Global Orientation	
Open Source Information		One Million Bars and Restaurants	
Cheaper Solutions		Huge Potential and Low Risk	
Innovative Promotions		7 Phases for Future Implementation	
Artificial Intelligence		Potential Cooperation and Partnerships	
Education and Training		Timing: Recession and Economic Crisis	

Appendix Five: Barisma Market Analysis

According to IDC, the total worldwide spending on Internet advertising reached USD 65.2 billion in 2008 which is 10 % of the total advertising expenditures. It is predicted that these figures will reach USD 106 billion in 2015. According to Internet World Stats and the U.S Census Bureau, one fourth of the world's population uses the internet. Therefore, acquiring only 5 % of this market will lead to 55 million users for the website. The same source indicates the growth, over the past nine years, to be 362.3 % in the number of people using the internet and is expected to grow, during the next five years; over 200 % due to the level of technology and IT service oriented businesses, education and life style. Therefore, over three billion people will use the internet worldwide by 2015. On this basis, the projected theoretical size of the online market is worth USD 70 million to USD 1 billion. Barisma estimates the world to have one million bars, nightclubs and cafes, five million bar workers and four million companies operating within this industry from hotels, restaurants, travel agencies, suppliers, wholesalers, logistics and others. The estimations are projections from analyses conducted to two markets: The USA and UK markets. According to the IBIS World Industry Reports, the United States offers 66 949 establishments and its industry generated USD 22.082 billion in 2008, employed 337 711 personnel and spent USD 4.740 billion in wages. However, the revenue growth dropped by USD 1.2 million as a direct result of the recession. In the United Kingdom, DCMS has found that over 200,000 premises have got their licenses and certificates in place. About 3,000 premises has 24 hour licences, of which hotel bars represent 18 % and pubs 9 %, with roughly half of all premises closing by midnight and 80% closing by 1 am. According to

the British Hospitality Association, the number of staff employed, in 2008, in the UK food and service management market reached 148 470 where 54.32 % is full time and the rest is part-time and extra.

After six months of analysing USA and UK's dramatic changes in the pub industry, even in a very short period between 2006 and 2009, there can be only one conclusion which states that the industry is easily affected by the various factors and trends. Few examples are:

1. **The consumer's buying and decision making processes** which during the recession decreased dramatically and between 2006 and 2008 reached its peak
2. **Pricing** which is a standard strategy to acquire targeted customers
3. **Packaging** which is the combination of different products such as food and drink combo
4. **Quick reactions and innovative solutions** which contributed to records in sales in bars implementing effective counter strategies
5. **Government and Law** such as the smoking prohibition law, taxation and the licensing which can cause restrictions and limitations to operations.

A successful bar owner or manager tends to predict those changes before they cause damage and he/she reacts with innovative solutions, effective methods and hopefully cost-effective promotions to counter-attack them; otherwise the company ends up in trouble.

Appendix Six: Medium Term Projections of the number of Cities and Users

Appendix Seven: Barisma Flyer Sample



Appendix Twelve: Barisma Material Available Upon Request

1. Barisma Team CVs
2. Full Project Plan – Website
3. Barisma Contracts Samples
4. Detailed Business Plan (70 Pages)
5. Barisma Consultancy – Planning and Strategies
6. Barisma Expansion Plan – Cities
7. Barisma Survey Questions and Results
8. Barisma Price List
9. Barisma Website Designs
10. Barisma Agents Recruitment
11. Barisma Agents Processes

Appendix 25: Benefits of Finland's Investment Climate

- There are practically no legal obstacles to direct foreign investment in Finnish securities and exchange control regarding payments into and out of Finland
- There is no limit on dividend distributions, as long as they correspond to a company's official earnings records
- Private property rights are well protected in Finland
- There is no record of any significant investment dispute in Finland in recent years
- There are no performance requirements or commitments imposed on foreign investment in Finland
- Private ownership and entrepreneurship is normal in Finland. In most fields of business activity, participation by foreign companies or individuals is unrestricted.
- Secured interest in property, both movable and real, are recognized and enforced.
- Finland brought its law into full conformity with the prohibition-based system of EC competition law in May 2004
- Credit is allocated on market terms and is made available to foreign investors in a non-discriminatory manner
- There have been no instances of political violence since the struggle for independence in 1918
- Corruption in Finland is covered by the Criminal Code and provides for sanctions ranging from fines to imprisonment for up to four years, depending on the seriousness of the crime
- Finland has a high unionization rate of around 75 percent, and a long tradition of social dialogue. Wage formation and labor market institutions are based on legislation and agreements. The working life legislation has been prepared on a tripartite basis by government and social partners. Collective bargaining and collective labor agreements are generally binding in nature
- Finland has four Free Zones and four Free Warehouse areas (EUbusiness, 2009)

Appendix 26: List of Important Definitions (LoID)

Venture Capital: Venture capital (also known as VC or Venture) is a type of private equity capital typically provided for early-stage, high-potential, growth companies in the interest of generating a return through an eventual realization event such as an IPO or trade sale of the company. Venture capital investments are generally made in cash in exchange for shares in the invested company. It is typical for venture capital investors to identify and back companies in high technology industries such as biotechnology and ICT (information and communication technology). ([Wikipedia](#))

Venture Capitalist: a person or investment firm that makes venture investments, and these venture capitalists are expected to bring managerial and technical expertise as well as capital to their investments. ([Wikipedia](#))

Personal Growth: At the level of self-improvement one can potentially elaborate personal development to include such areas as:

- becoming the person one aspires to
- integrating social identity with self-identification
- increasing awareness or defining of one's priorities
- increasing awareness or defining of one's values
- increasing awareness or defining of one's chosen lifestyle
- increasing awareness or defining of one's ethics
- strategizing and realizing dreams, aspirations, career and lifestyle priorities
- developing professional potential
- developing talents
- developing individual competencies
- learning on the job
- improving the quality of lifestyle (in such areas as health, wealth, culture, family, friends and communities)
- learning techniques or methods to expand awareness
- learning techniques or methods to gain control of one's life
- learning techniques or methods to achieve wisdom ([Wikipedia](#))

Startup: Early stage in the life cycle of an enterprise where the entrepreneur moves from the idea stage to securing financing, laying down the basis structure of the business, and initiating operations or trading. ([BusinessDictionary.com](#))

Exit: Point at which an investor (usually a venture capitalist) sells his or her stake in a firm to realize his gains (or losses). Generally exit is a move planned at the time of investment decision and may also be included in the firm's overall plan. ([BusinessDictionary.com](#))

Globalism: a policy, outlook, etc. that is worldwide in scope ([YourDictionary.com](#))

Funding: Providing financial resources to finance a need, program, or project. In general, this term is used when a firm fills the need for cash from its own internal reserves, and the term 'financing' is used when the need is filled from external or borrowed money. ([BusinessDictionary.com](#))

Know-How: Expert skill, information, or body of knowledge that (1) imparts an ability to cause a desired result, (2) is not readily available, and is (3) outside the public domain. Know how may include tangible material (such as blueprints, formulas, instructions, patterns, specifications, and trade-secrets) or intangibles (such as manufacturing practices, marketing concepts, quality control, and testing techniques) which are not common knowledge. In technology transfer agreements, know how is the most valuable factor and may have an indefinite enforceable life. In legal terms, it may be defined as "any industrial information and technique likely to assist in the manufacture or processing of goods or materials." In the recent years, know how has come to be recognized as a factor of production in its own right, distinct from labor. ([BusinessDictionary.com](#))

GSM: (Global System for Mobile Communications) is the most popular standard for mobile telephony systems in the world. It is a cellular network, which means that mobile phones connect to it by searching for cells in the immediate vicinity. ([Wikipedia](#))

Silicon Valley: is the southern part of the San Francisco Bay Area in Northern California, United States. The term originally referred to the region's large number of silicon chip innovators and manufacturers, but eventually came to refer to all the high-tech businesses in the area; it is now generally used as a metonym for the high-tech sector. Despite the development of other high-tech economic centers throughout the United States, Silicon Valley continues to be the leading high-tech hub because of its large number of cutting-edge entrepreneurs, engineers and venture capitalists. ([Wikipedia](#))



SURVEY

This survey includes only four questions and aims at improving bars' operations, products and services brought by www.barisma.com
 Barisma – for bars and bar people worldwide.

Please, email the results to ceo@barisma.com

Thank you for taking part,

Barisma Team

1. How often do you go to bars?
 - daily
 - 3-5 days/week
 - 2-3 days/week
 - 4-6 times/month
 - 2-3 times/month
 - no specification or randomly
 - never

2. What type of bars you have visited the last time? Please select a Bar Type Here

3. How did you decide to go there?
 - Ad on internet
 - Newspaper / Magazine
 - Ad on flyer
 - Ad on poster
 - TV ad
 - Radio ad
 - Recommended/went with someone
 - Popped in
 - Regular Place / 2nd Home
 - You work in a bar

4. What did you do there?
 - Attended Event/Show/Concert
 - Had food
 - Had a drink
 - Had a meeting with someone
 - Relaxed / Hanged out
 - Danced / Signed / Party
 - Were looking for company
 - Bar Work