



**Planning Entrepreneurship -A Viable
Option for the 21st Century Graduate**



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21st Century Graduate**

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According to the Euromonitor Global Market Research article published on the 20th of April, 2010, Finland is one of the countries that have a higher proportion of unemployed graduates due to the problem of skills mismatch. There is a possibility that a time will come when many graduates may choose to return to further education rather than be unemployed while seeking for employment in an unfavourable economic climate. Being a business management student interested in entrepreneurship, the researcher chose to research into this field putting emphases on the barriers that deter graduates in taking entrepreneurship planning through self-establishment as an option after graduation.

With emphasis on this research, data has been collected from primary sources, secondary sources, and tertiary sources. Primary source data involved the use of an in-depth interview and questionnaire. Secondary sources of data were obtained from scientific articles and journals from Emerald, Elsevier science direct, Ebrary, published theses and other electronic publications. Dictionaries, Wikipedia, the Encyclopedia Britannica, and Statistics Finland were used as the source of the tertiary data collected. In analysing the data gathered, both quantitative (Predictive Analyses Software Statistics) and qualitative methods were used.

From the research results it was observed that the barriers to entrepreneurship are in many forms and defining a situation as a barrier depends on the individual. In some of the results obtained from the interviews and questionnaires, there were slight differences and similarities. Moreover, it was discovered that establishing a new business in Finland is relatively easy but according to the research the reason why many unemployed graduates are reluctant to enter into entrepreneurship planning as expressed by Interviewees were the fear or risks, inexperience, poor networking skills and inadequacy of confidence.

Key words Entrepreneurship, Nascent Entrepreneur, Franchise, Partnership, Limited Liability

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1 INTRODUCTION

In the past, one of the notions of graduates was to go to school, earn better grades and secure a better employment in a renowned company in the future. They read only their course materials as they had no incentive or motivation to excel. The thought of entrepreneurship planning was relegated unto the background at the individual and governmental level. The word “entrepreneur” was new to some people and even some were not interested to hear its definition. Graduates expected governments to employ them and in the absence of government employment, they could not pursue anything for themselves. This as a result brought pressure on governments and other existing private corporations. The economic hardships and structural unemployment problems that occurred in nations and still some are experiencing are as a result of their ignorance of entrepreneurship as a key to success.

In this era of globalisation and technological advancement, there has been a paradigm shift from this notion. Entrepreneurship has been seen as a key to economic growth and development. According to Yu (1997, 8) explaining economic development in a nation requires a dynamic theory which centres around some human agency of entrepreneurship. Most innovative products, services, and developments in businesses and other sectors are the works of entrepreneurs. They have the ability to create and reinforce relationship with their community towards sustainability acting as agents of change within the domestic business operating environment (MacKay, Scheerer, & Tomomi, 9, 2005). Entrepreneurs do not create wealth for themselves alone. They create employment for others, pay revenue to governments and provide other corporate social responsibilities. For instance the Bharti Group, whose main company, Bharti Airtel (India’s largest cellular telephone operator) employs 30,000 employees. This company was started by Sunil Bharti Mittal more than 30 years ago in Ludhiana in Northern India .As a graduate from college who was ambitious about entrepreneurial planning he borrowed 1,500 US dollars to make bicycle crankshafts. Currently, he manages the 5 billion US dollars Bharti Group. Moreover, in Uganda, Small and Medium Enterprises (SMEs) employ more than 2.5million people, constituting up to 90 percent of the private sector and contribute over 70 per cent to total Gross Domestic Product (GDP) (Ankunda, The Monitor 2010).

In view of the benefits derived from entrepreneurial ventures, governments are creating the enabling environment to aid in the development of the private sector. In Finland, the objective of the government’s economic policy is to create a framework that will enhance company start-up, growth and internationalization. Most universities and other tertiary institutions have introduced into their curriculum entrepreneurial courses with the objective of teaching students and graduates to become entrepreneurial-minded instead of being

dependent on the government for employment after graduation. A typical example of this is the Innoplaza programme which was created five years ago by all Universities of Applied Sciences located within the Helsinki metropolitan region. This programme is organised every year and the purpose is to develop joint knowledge capital by supporting entrepreneurship and quality in business. In Laurea University of Applied Sciences, business incubator services are also provided for all those interested in entrepreneurship in the social service and healthcare sector in Uusimaa and Itä-Uusimaa of Finland. Within the business incubator, those starting out and the more experienced entrepreneurs in the field are given the opportunity to use professional services to develop personally and commercially, and assist in all challenges related to entrepreneurship. Based on the afore-mentioned efforts by the government and corporate institutions, according to research findings published on the 29 April 2010 by Statistics Finland, there were 6,728 enterprise openings in the fourth quarter of 2009 and the number of enterprise openings increased by 1.2 per cent from the corresponding quarter of 2008 when they numbered 6,651. Conversely, the number of enterprise closures fell by 6.1 per cent in the second quarter of 2009 compared to the corresponding period of the previous year (Statistics Finland 2009).

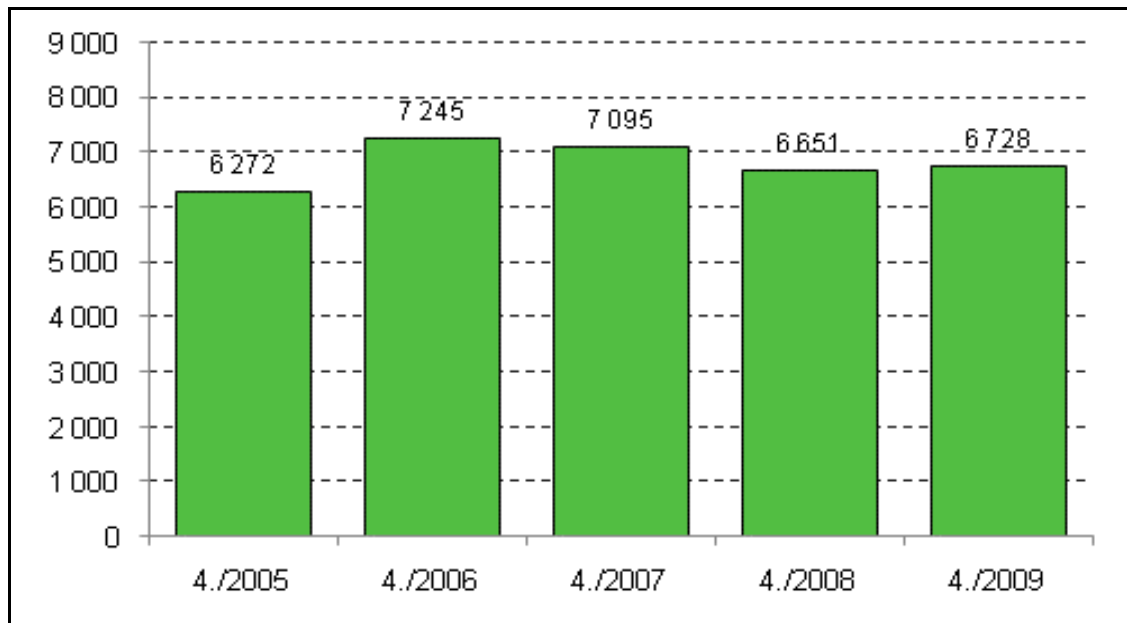


Figure 1: Enterprise openings, 4th quarter, 2005-2009

Becoming an entrepreneur is accompanied with commitment and hard work. Commitment requires the taking of moderate risks. Most graduates are reluctant to enter into entrepreneurship because of the fear of failure. Such people doubt the profitability in becoming an entrepreneur. There had been success achievements of people combined with failures of others who made the attempt. The question they often ask is whether it is a

prudent idea to establish their own business or company after graduation. The research is going to find an answer to this question.

All in all, the study will provide a general overview about the concept of entrepreneurship, the barriers to start-up and their effect on aspirant entrepreneurs, and propose recommendations to alleviate the fears that are preventing graduates from venturing into the field of entrepreneurship after graduation. Hereafter, the thesis statement, scope of study, choice of research study, significance and structure of study will be presented.

1.1 Thesis Statement

The underlying research questions of this study are three-fold. According to North-Karelia Enterprise Agency (2009), failures of companies are common in Finland, because half of established companies end their activities before their third year. In relation to this argument, the main research question shall be to find the barriers to self-establishment from the view-point of students and existing entrepreneurs. The supporting research questions to the main research statement are as follows:

What are the differences in the views of students and existing entrepreneurs with regards to entrepreneurial barriers?

Is it difficult to start one's own business and why are some graduates afraid to establish their own businesses?

1.2 Scope of Study

This research endeavours to counter the conventional notion of go to school, earn better grades and get a better employment in a big company in the future. It focuses on graduate entrepreneurship planning- the mechanism whereby graduates establish and maintain control over the direction of their own businesses after graduation from the university. Within this focal point, it investigates the concurrent hidden barriers that are coupled with entrepreneurship planning. The case for the study is the students in Laurea University of Applied Sciences, Leppävaara campus, and graduate entrepreneurs operating in Finland.

1.3 Choice of Research Context

According to the Euromonitor Global Market Research article published on the 20th of April, 2010, higher education graduates in Western Europe face poor job prospects. In the research, the researchers discovered that the economic recession in the year 2008 through 2009 has

made employment prospects difficult and the number of unemployed higher-education graduates is rising quicker than those of other educational levels. According to the research, Finland is one of the countries that have a higher proportion of unemployed graduates due to the problem of skills mismatch. This can be seen from figure 2. In predicting for the future the researchers are of the view that unemployment region-wide is forecast to be 10.7% in 2010 and 10.5% in 2011.

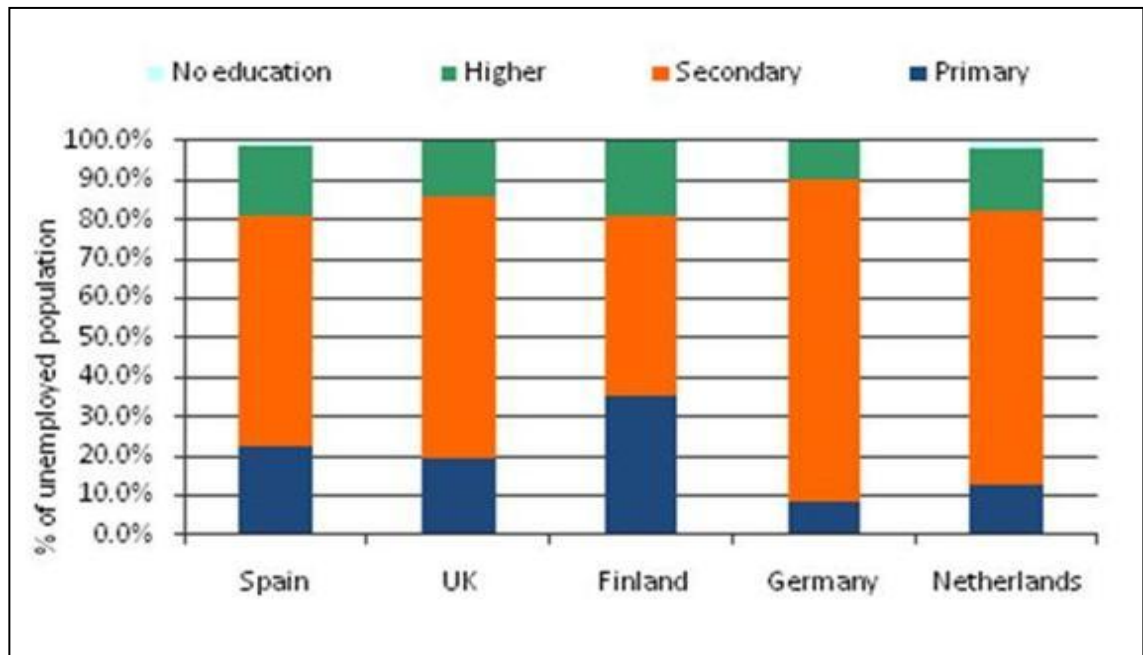


Figure 2: Unemployed population by education level in selected countries: 2008 Source: Euromonitor International from trade sources/national statistics

Having a critical outlook at the statistics revealed by Euromonitor, there is a possibility that in the future many graduates may choose to return to further education rather than be unemployed while seeking for employment in an unfavourable economic climate. Being a business management student interested in entrepreneurship, the researcher chose to research into this field, putting emphasis on the barriers that deter graduates in taking entrepreneurship planning through self-establishment as an option after graduation.

1.4 Significance of the Study

Entrepreneurship planning has become a common issue all over the world. Attentions of political and opinion leaders have focused on how to develop the SME sectors of their nations. This research therefore will serve as a guideline to opinion leaders and other agencies in promoting entrepreneurial growth among graduates in and outside Finland.

To the ordinary student, it will serve as a precept for future references in writing research thesis and other entrepreneurial-related projects within and outside Laurea University of Applied Sciences. Moreover, it will broaden the mental horizons of graduates and students about the challenges and opportunities that exist in establishing businesses in Finland.

1.5 Structure of the Study

The structure of the research describes the major components that are interlinked to make the thesis complete. The core component on which the study is based is the problem statement. In view of the problem statement, relevant existing materials will be reviewed. The next stage after the review is the research methodology phase where both qualitative and quantitative research methods will be used to collect data. The qualitative method of data gathering will be interview, unlike the quantitative which will be questionnaire. The final stage is the data analysis and findings stage involving conclusion and recommendations.

The figure below is a general overview of the thesis; it explains what has been already deliberated on.

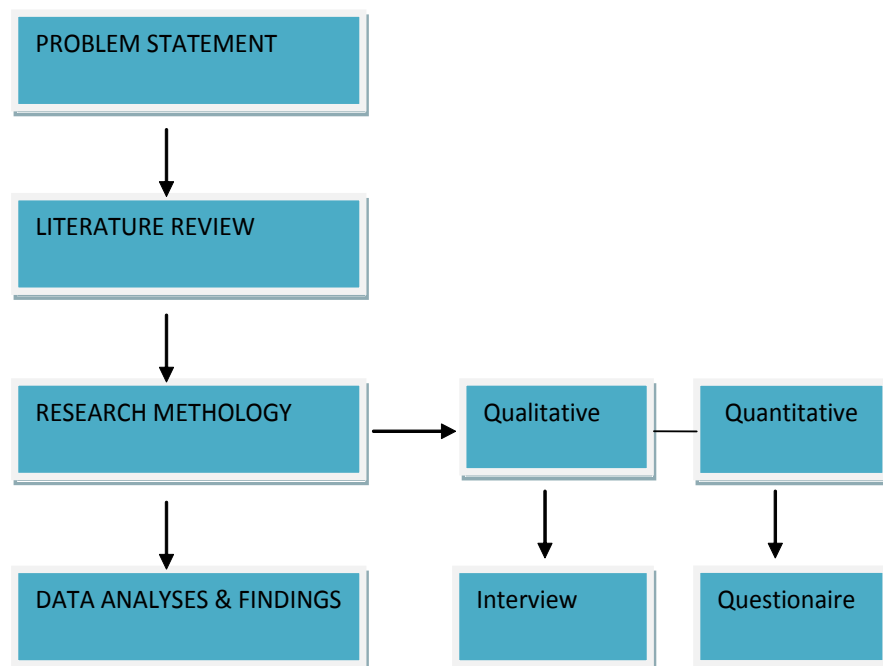


Figure 3: Structure of study

2 THEORETICAL BACKGROUND (LITERATURE REVIEW)

2.1 Review Framework

In reviewing existing theoretical research about the problem-study of this research, the thesis framework is portioned into eight segments. The first segment is review of the concept of entrepreneurship. The second, review on entrepreneurship process and the third is on types of entrepreneurs. The fourth, review on business start-ups and the fifth, strategies in acquiring a business. Lastly, the sixth and the seventh review on enterprises in Finland, and previous studies about the research problem.

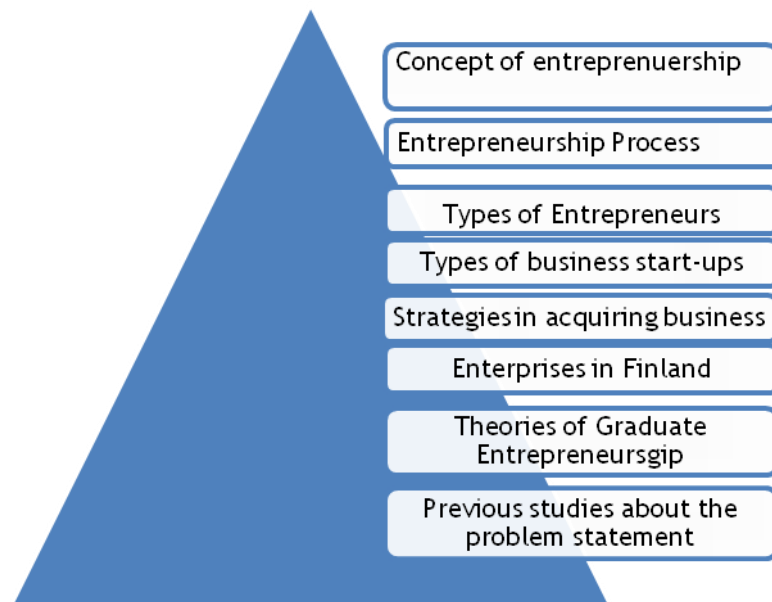


Figure 4: Literature review structure

2.2 The Concept of Entrepreneurship

The concept of entrepreneurship presents many varied mental images that an exact definition can be fallacious (Howard, Sahlman, Roberts, & Bhide, 1999, 1). Many intellectuals are of the view that entrepreneurship means starting a business but other economists believe there is more to this assertion. There are many schools of thoughts about this and among these thoughts will be deliberated on.

Some academicians view entrepreneurship as an economic function, others view it as a behavioral phenomenon based on individual qualities (Howard, Sahlman, Roberts, & Bhide, 8-9), whilst others view it from a sociological perspective.

2.2.1 Economic function

According to Howard et al (1999, 8), the economic approach of entrepreneurship focuses on the role entrepreneurship plays in the economy of a nation, region or locality. It can be seen as a vital tool for stimulating economic growth and employment opportunities in all societies. In both developed and developing nations successful small and medium enterprises (SME's) are the major channels in providing employment, increasing GDP level, poverty reduction, and the general improvement in the welfare of people. The first economic theory of entrepreneurship was proposed by Richard Cantillon in his literature entitled, "Essay on the Nature of Commerce in General". (Swedberg, 2000, 11). According to Morrison, Remington and Williams, (1999, 4), Cantillon is of the view that entrepreneurship means bearing calculated risk of purchasing at a certain price and selling at an uncertain price. This shows that planning entrepreneurship involves a risk function that an individual has to bear. People have failed in entering into entrepreneurship because of the fear of taking calculated risks. Jean Baptiste Say (1800) broadened the proposition of Cantillon to include the concept of combining the different factors of production. Schumpeter's literature (1911) buttressed the later explanation with the concept innovation. He regards an entrepreneur as a person who innovates by introducing new means production processes, new market processes, and new forms of organization (Howard et al, 1999, 8-9).

2.2.2 Phenomenon Perspective

The phenomenon perspective is based on individual qualities. It focuses on the entrepreneur as an individual with a unique combination of personal qualities and beliefs. Other researchers refer to this perspective as the idiosyncratic perspective (Department of Electronics, University of York, 2009, 6)

According to Bolton and Thompson (2003, 49), entrepreneurship involves constantly taking advantage of perceived opportunities, creating and innovating something of value out of them. The meaning of entrepreneurship as defined by Bolton and Thompson is based on individual traits. This means that the ability of a person to become an entrepreneur depends on certain traits. From the definition, entrepreneurs are people who are restless and active (Bolton & Thompson 2003, 50). They are committed and opportunity-seeking individuals who have the knowledge to sense opportunities where people encounter problems. From the perspective of Timmons, a distinguished professor in entrepreneurship in Babson College, Massachusetts, effective pursuit of opportunities begins with an entrepreneurial mind-set involving six acquirable qualities and four non-acquirable qualities (Goossen 2007, 159). Above all, entrepreneurs do not succumb easily for once they are inclined to a vision, they do not allow themselves to be deterred by difficulties and obstacles. They act against

obstructions and control all difficulties including lack of money, opposition from the environment and from human beings (Nyadu-Addo & Adusei 2006, 5). Drucker is also of the view that entrepreneurs can benefit from either acquired or developed traits, but there is no existence of entrepreneurial personality (Goossen 2007, 16). According to Drucker, entrepreneurs are described based on what they do and not on their psychological make-up. To him:

“Entrepreneurship is neither a science nor an art. It is a practice”.

Besides the above explanations, Howard et al (1999, 9) are of a counter view of using the economic or individual traits to describe entrepreneurs. They think that it is not useful to delimit the entrepreneur by defining those functions and personality traits that are entrepreneurial and those that are not. In their opinion they regard entrepreneurship as a behavioral phenomenon. Howard et al (1999, 10) define entrepreneurship as a management operation or style that involves the pursuit of perceived opportunities. This involves managerial traits such as resource commitment, strategic orientation, concept of management, resource control, and compensation policy.

There are other criteria such as ownership structure, size and life-cycle of company, and resource base (Morrison, Remington, Williams, 1999, 4) which people use to define entrepreneurship. In explaining entrepreneurship relative with ownership structure, Morrison et al (1999, 5) profess that entrepreneurship is where a person establish a new business venture. Within this context, they view an entrepreneur as one who has the ability to establish new businesses. This assertion agrees with that of Bolton et al (2003, 50), when they termed entrepreneurs as people who are restless and active. They create and innovate new and different ventures.

2.2.3 Sociological perspective

Sociologists are of the view that entrepreneurship exists in a social context. They see the entrepreneur as part of a social system who is influenced by and, through his entrepreneurial activities, influences the social environment and the personality traits that the sociological system engenders (Department of Electronics, University of York, 2009, 5). According to the sociological idealists, within the social environment of human beings there are certain values, attitudes and beliefs that affect the individual's entrepreneurial potentials. Such attitudes, beliefs and values can either enhance one's entrepreneurial potentials or inhibit them. For instance, the probability of a person born in an entrepreneurial-minded family to become an entrepreneur himself is higher than someone born in a family or society that has no idea about entrepreneurship.

ATTRIBUTES (QUALITIES)

Acquirable	Non-acquirable
Commitment and determination	Energy
Leadership	Health and emotional stability
Opportunity obsession	Creativity and innovation
Tolerance of risk, and uncertainty	Intelligence
Creativity, self-reliance, and adaptability	
Motivation to excel	

Table 1: Entrepreneurial attributes: Culled from Richard J. Goossen, 2007, Entrepreneurial Excellence, pg 160

2.3 Entrepreneurship Process

Prospective entrepreneurs will change the rules of success by committing wholly to the entrepreneurial process, which seeks to achieve a balance between an individual's opportunity and resources (Goossen, 2007, 162). According to Goossen (2007, 162), the entrepreneurial process is an act by which an entrepreneurial-minded person is able assess risks, identify creative ideas from opportunities, and gather resources to undertake this idea in the open environment. The output of this process is wealth and employment creation which leads to economic growth (Bolton & Thompson, 2003, 6). In finding out what the process involves, Goossen (2007, 162-163) proposed six main processes.

According to Goossen, the first beginning process is opportunity. People think that the first process in starting an enterprise is to have money but this has been disproved wrong by Goossen. He is of the view that no other factor is important unless one first discovers opportunity within the environment. Without an existing opportunity, money, strategic objectives, and other resources will be of no use. The size and scope of the opportunity will

determine the quantum of resources, the strategy to be adopted, and the supporting measures that will be needed (Goossen 2007, 163).

The second process is the creative use of resources. As resources are limited and scarce, Goossen emphasizes in the prudence use and control of resources in shaping opportunities into reality. One thing we should not forget is that no matter how vibrant an opportunity might be, when the supporting resources that will be used are not efficiently and effectively managed, that opportunity can turn into a failure.

The third process as expressed by Goossen is team development. According to Katzenbach and Smith (1996, 59) a team is a small group of people with complementary skills and abilities who are committed to a common objective and approach for which they hold each other accountable. As proposed by Morris (1998, 5), entrepreneurship does not happen without quality teams. In entrepreneurship planning, too much needs to be done to bring a concept to reality and no individual has the resource to do it all well. Working on team bases promotes effectiveness and synergy operations unlike working as an individual. Although being self-reliant and self-confident is one of the traits of entrepreneurs as expressed by Goossen, they should develop their ideas around effective teams and networking. Successful entrepreneurs are good at sharing moderate risks by involving partners, leveraging resources, leasing instead of owning, borrowing instead of buying, and contracting instead of hiring (Morris, 1998, 4).

The fourth process is the stage of achieving a balance between the elements of the opportunity, resources, team and determining where each element suits in the entire business framework. According to Goossen when an opportunity is too big to correspond with the available resources, the business that will be established will possibly be a failure. Moreover, when resources are more than enough to pursue an opportunity, there will be wastage of scarce resources and the business will accrue a loss.

The fifth process is the stage of determining a balance between the elements of the opportunity, resources, and the team in relation to current circumstances. Goossen is of the view that the entrepreneurial process will succeed when the opportunity, resources, and team suits a particular situation or need. Producers, investors, suppliers, and marketers will take advantage of opportunities that they are capable of controlling. This recalls the risk-taking abilities of entrepreneurs. Such people calculate risks before they seize opportunities. This means that the existence of an opportunity does not necessarily mean that one should take advantage.

Finally, the last process is the integration of several factors to determine how opportunities should be developed. Such factors involve elements of internal decision making, operational

strategies and objectives, communication, relationship building among team members and other stakeholders of the business.

Timmons J. (1990) sums up the views of Goossen R. into three crucial components which are successful to new businesses. They are the opportunity, the entrepreneur including the management team, and the resources needed to commence the business. The combination of people, opportunity and resources at a particular time may determine the success ability of business start-ups.

2.4 Types of Entrepreneurs

According to Morris (1998, 6), there is no single prototype of the entrepreneur. He professes that entrepreneurs originates from diverse areas in life and represent a mix of demographic and physiological backgrounds in terms of age groups, races, religions, cultures, genders, and occupational backgrounds. Many different researchers have ways of categorising entrepreneurs. Table 2 at page 20 lists some of the contributions considered useful in entrepreneurship and business education.

Researchers like Smith and Miner (1983, 335) made a distinction between craftsmen entrepreneurs, who tend to have narrow educational background, limited social awareness, a limited time orientation, and demonstrate a tendency to create unprofitable ventures, and opportunistic entrepreneurs, who often have a broader educational and social background, are more socially confident and future-oriented, and tend to create more adaptive, growth-oriented enterprises (Morris 1998, 6).

According to the opinions of Nyadu-Addo and Adusei (2006, 5), there are three major types of entrepreneurs. There are those who use their creativity to take risks and establish businesses for their own satisfaction. The writers referred to this as a classical entrepreneur. The second group according to the writers are those who spread risks by establishing series of businesses. This group of people are known as multipliers. The last group are entrepreneurs who do not start their own businesses but uses their abilities and capabilities to support the growth of an existing business. This group is known as intrapreneurs.

Bolton and Thompson (2003, 17-19) categorise entrepreneurs into three broad branches. They are general business entrepreneurs, corporate entrepreneurs, and social entrepreneurs. In explaining what these terms mean, they identified different levels of entrepreneurs under each category. With emphasis on general business entrepreneurs, according to the writers, there are people who are termed as enterprising people. Such people create small businesses and are in the first level of the general business entrepreneur category.

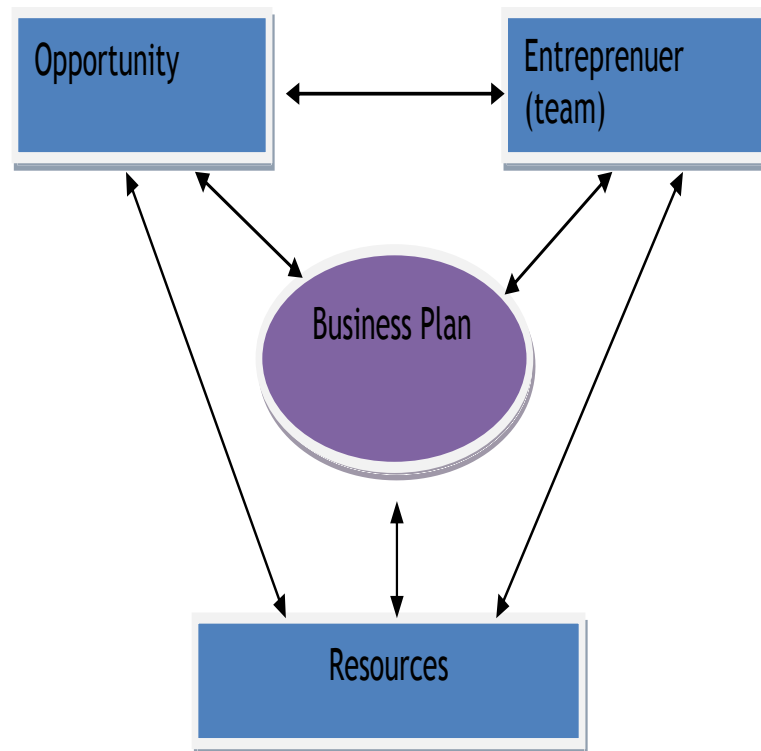


Figure 5: Timmons J. framework, as presented in Jeffrey A. Timmons, *New Venture Creation* (Homewood, IL: Richard D. Irwin, 1990. Pg 37-40)

The second level is known as entrepreneurs and they are people who create significant businesses. The third level under this category is growth entrepreneurs. According to the writers such people build sustained high growth businesses. Digressing from general business entrepreneurs to corporate entrepreneurs, according to the writers the first level under this category is known as intrapreneurs. Similar to the views of Nyadu-Addo et al as aforementioned, this group of people are entrepreneurs who do not start their own businesses but use their abilities and capabilities to support the growth of an existing business. New products and designs, innovations, operational processes, market opportunities, distribution channels, and other innovating supply chain strategies are the result of such people (Bolton & Thompson 2003, 28). The second level is venturers. They are people who establish spin-off businesses from existing ones. Such people divert from the company they are working for and establish their own businesses in that same field. They transfer intellectual abilities, experiences, expertise that they have acquired from their former companies to build their own. Lastly, the third level under this category is transformers. They are entrepreneurial leaders. Such people possess leadership qualities- the ability to think strategically, refocus a business on key activities, to find new opportunities, new means of adding value for customers and other stakeholders (Bolton & Thompson 2003, 32). Lastly, emphasising the last branch of entrepreneurs as mentioned earlier are social entrepreneurs. Bolton et al (2003, 34) define such people as entrepreneurs who donate both money and employee time to environmental and philanthropic project development.

In an empirical study conducted by Louis Jacques Filion (1998) in the University of Montreal Business School using activity systems of entrepreneurs owning and operating small businesses as the basis for an examination of entrepreneurial management systems, the researcher discovered two types of entrepreneurs. They are entrepreneurs who are operators and entrepreneurs who are visionaries. According to Filion (1998, 3), no category or typology is complete enough to define all types of entrepreneurs and business owners. He believes that every case can be said to be unique but with the view that typologies or classifications provide a framework for understanding the overall behavior and pre-action visions of entrepreneurs.

2.5 Forms of Business Start-Ups

The prospective entrepreneur has different options to decide what business structure suits his idea. According to the Finnish Enterprise Centre publication article (2004,5), in deciding a business structure, the entrepreneur has to consider factors such as number of founders, profit distribution and loss covering, flexibility in operations, sharing of responsibilities, decision-making, required capital, continuity and expansion . In Finland, there are five relevant forms of business start-ups which an aspiring graduate entrepreneur can select from.

They are private entrepreneurs, general partnership, limited partnership, limited liability Companies, and co-operation.

2.5.1 Private entrepreneur

A private entrepreneur, also called sole proprietorship, is a type of business organization formed and owned by one person (Nyadu-Addo et al 2006, 9). It is the simplest form of business ownership demanding low legal restrictions in Finland. The management and control of the business is dependent on the entrepreneur, profits and losses are managed by the owner himself without any external influences. In such a business the entrepreneur has unlimited liability if he is unable to pay his debts. According to Nyadu-Addo et al (2006, 9), an entrepreneur's unlimited liability means trading the entrepreneur's personal assets to pay incurred debts in business operations.

2.5.2 Partnership

This is a business structure where two or more entrepreneurs put resources together to transact business with the purpose of making joint profit. As a principle, the number of partners in one partnership organisation does not exceed twenty entrepreneurs (Nyadu-Addo et al 2006, 10). There are two legal forms of partnership. They are the general partnership and the limited partnership.

A general partnership is formed when two or several entrepreneurs unite to develop a business activity (Finnish Enterprise Centre 2004, 6). As with the private entrepreneur, the members of the general partnership agreement are the owners of the business. One feature that distinguishes a partnership from a private entrepreneur is the relatively high capital that is invested in the starting processes.

A limited partnership is a business ownership structure where one partner or several general partners perform business operations and are liable for the business debts and profits (Price & Allen 1998, 57). The business is separate from the members of the partnership agreement unlike a private entrepreneur. This means that in case of business debts, the liability of the members is limited. Members' personal assets will not be affected because the amount of risk is limited to what they have invested in the business. Many times, this makes it difficult for the business in borrowing from financial institutions.

Researcher	Category
Smith (1967)	Craftman entrepreneur Opportunistic entrepreneur
Smith (1967) and Kets de Varies (1972)	R&D entrepreneur Technical entrepreneur Inventor
Vesper (1980)	Solo self-employed entrepreneur Team builders Independent innovators Pattern multipliers Economy of scale Exploiters Acquirers Capital gatherers Artists who buy and sell Conglomerate builders Speculators Manipulators of apparent values
Kao (1991)	Creative charismatic entrepreneur Conventional entrepreneur
Miner (1961)	Personal achievers Supersales people Real managers Expert idea generation

Table 2: Different categories of Entrepreneurs identified by researchers (Morris, 1998, 6).

2.5.3 Limited liability Company

Limited liability companies are the most common form of business in areas requiring large amounts of capital. Generally, a limited liability company can be private or public. When a limited liability company is established, it is said to have been incorporated and deemed in law an artificial entity separated from members (Nyadu-Addo et al 2006, 10). The minimum share capital required of a private limited liability company stipulated in the Finnish Companies Act is EUR 2,500, unlike a public liability company which is EUR 80,000. The share capital must be paid to the company's account in full before the company can be entered in the trade register maintained by the National Board of Patents and Registration (Finnish Enterprise Centre 2004, 6). Likewise limited partnership shareholders have limited liability, which means that the assets of the shareholders cannot be confiscated in case the company fails in its business operations.

2.5.4 Co-operation

According to Barrow (1998, 53), a co-operation is an enterprise owned and controlled by the people working in it. Finnish Enterprise Centre (2004, 7) defines it as a collective business, practising economic activity in order to support the welfare of its members. Members in co-operations benefit directly from their concerted efforts and contributions. The Finnish Companies Act stipulates that a cooperative may be established by no fewer than three members. When the members are at least seven persons, living in separate households, the participation share is under 15 per cent and the Finnish Unemployment Security Act regards such members as not entrepreneurs. Participating members of co-operations contribute shares of equal amount but the shares of a cooperative may differ in amount, depending on the number of members, and on the total amount of the participating share, designated in the rules of the cooperative (Finnish Enterprise Centre 2004, 7).

2.6 Why People Establish Businesses

As individuals are different so are there diverse reasons why people establish their own businesses. Allen (1998, 40) in her book, "Tips and Traps for Entrepreneurs", emphasises that the reasons for establishing a business are the first personal strategy for the entrepreneur in starting a business. The author enumerates reasons such as employment security, money, lifestyle, and power as some of the motivational elements that urge people to start their own businesses.

In a research conducted by Kamal Quarry and Ruta (2007) in Jönköping Municipality in Sweden about self-employed immigrants, the researchers wanted to investigate what factors led

immigrants in Sweden to start their own enterprises. Using nine ethnic entrepreneurs as a case-study, they discovered in their analyses that factors such as desire for independence and autonomy, financial betterment, business culture values, discrimination, academic experience in business, opportunity recognition, and personal interest were some of the reasons for business starters.

A similar study which was part of a major study was conducted by Fielden, Davidson and Makin (2000) in the UK. In their analysis, they discovered that factors such as the desire to be one's own boss, to generate money, higher levels of perceived employment satisfaction, greater independence, increased flexibility, pursuing one's own interests, creating opportunities, and encountering new challenges were the motivational factors that urged their respondents to start their own businesses.

In another research conducted by Koponen (2006) about women as entrepreneurs in the area of franchising in Finland, the researcher found from his analysis that motivation factors such as desire to experience new challenges, goal orientation, and self-employment were some of the elements that motivated the respondents to become entrepreneurs in the area of franchising.

In addition to the above research findings mentioned above, Bui (1999, 44-45) narrated similar results in a research he conducted. The research was on foreigners establishing businesses in Finland using five companies in the Lahti region as a case study. In the survey, one of the main objectives of the researcher was to investigate what motivated the foreigners in setting up companies in Lahti and why they chose a business location in Lahti. According to the findings, the researcher discovered four main motivational factors that were professed by the interviewees. These factors were unemployment forces, former experiences, partnership supports, and business opportunities.

These research findings follow the same trend and present similar ideas. According to Kamal, Quang and Ruta (2007), these factors can be distinguished as negative (Push factors) and positive (Pull factors). The negative factors are the elements that motivate people to enter into self establishment. Among these elements are academic experience or level, discrimination, unemployment, and new challenges.

The positive factors that motivate people into business are business culture values, desire for independence and autonomy, financial betterment, business background and previous business experience, selective immigration, and entrepreneurial personality traits (Kamal et al 2007, 3).

2.7 Strategies in Acquiring New Business

According to Kuratko (2009, 133), every large and successful organisation was once a start-up. This means that every company that exists presently began rather small. In trying to put an idea into implementation, the entrepreneur determines the strategy or method on which to build the idea. Kuratko (2009, 134), elaborates three main strategies that the entrepreneur can choose from in starting a venture. These strategies mentioned by the author are creating a new venture or business, acquiring an existing business, obtaining a franchise. The views of the author were the same as the ones that were mentioned by Nyadu-Addo et al (2006, 8) in their book, “Handbook on Entrepreneurship and Small Business Management”.

2.7.1 Creating a New Venture or Business

In creating a new venture, according to Kuratko (2009, 134), there are two different approaches that a prospective entrepreneur can select from. The first approach emphasises on a method called the new-new approach. This approach is a method where the entrepreneur develops an entire new product, a product that is unique where the possibility of future demand is high. Conversely, the second approach is the new-old method where the entrepreneur imitates someone’s existing business idea either by improving a product or service through the addition of certain features and benefits or offering a service in an area where it is not currently available.

2.7.2 Acquiring an existing business

Acquiring an existing business means the purchase of someone’s business. Purchasing an existing business involves a high rate of risks for when a person purchases an existing business, he inherits all the accompanying problems and frustrations that the owner has caused (Price & Allen 1998, 94). Therefore, it is recommended that a prospective entrepreneur purchase a business that has high reputation with stakeholders especially the banks, government, customers and internal employees. Kuratko (2009, 140) suggests that the method of acquiring an existing business is a successful way for an entrepreneur to start a business but the author is of the view that certain factors such as personal preferences, examination of opportunities, and evaluation of the selected venture ought to be analysed beforehand. Price et al (1998, 94) shared the same sentiment with Kuratko by providing reasons to support why acquiring an existing business is a successful approach for a prospective entrepreneur. The reasons elaborated by the authors are reduction of time in planning and launching the new start-up, existing operating systems, accompanying lower risks when the right business is purchased, management training provided by the seller and lower assets costs.

2.7.3 Obtaining a Franchise

A franchise is a system of business approach where an owner of a trademark or patent through agreement licenses others to use it in selling goods or services (Kuratko 2009, 146). Barrow (1998, 96) also defines franchise as a business format or approach where the owner of a brand name allows a local entrepreneur to set up a business using his brand for a specified period of time. The local entrepreneur called the franchisee pays a certain amount of money in the form of royalties to the owner of the brand name who is known as the franchisor. According to Kuratko (2009, 146), the greatest advantage of obtaining a franchise, as compared to starting a new business or purchasing an existing one is the training that the franchisor provides to the franchisee. This kind of training prepares the new entrepreneur on how to solve challenges that will occur during operations. It also enhances efficiency and effectiveness in business operations. Table 10 at page 25, are a lists of top ten franchises in the world in the year 2010.

2.8 Enterprises in Finland

Enterprises are defined differently from country to country and from region to region specified in the legislation of the individual countries or regions. In Chile, enterprises are generally classified according to annual turnover; in South Africa, by turnover, gross asset value and the number of employees; and in India, any industrial undertaking with fixed assets less than 10 million Rupees is categorised as small-scale (Issue Briefing Note: Small and Medium-Sized Enterprises, 2004,2). This can be inferred from table 4 on page 26. In reading from the table, one should bear in mind that the US\$ equivalents are approximate, as April 2004 and the UF (Unidad de Fomento) is a way to account for devaluations of the Chilean Peso. In April 2004, one UF corresponded to about US\$28, and US\$1 was equivalent to about 6.9 South African Rand.

According to European Commission principles, enterprises can be micro, small, medium-sized or large and this is determined based on staff headcount and turnover or annual balance-sheet total (European Commission 2007). The commission defines a microenterprise as an enterprise which employs less than 10 persons and whose annual turnover and annual balance sheet total does not exceed EUR 2 million. A small enterprise defined by the commission is an enterprise which employs less than 50 persons and whose annual turnover and annual balance sheet total does not exceed EUR 10 million.

Rank	Name	Start-up Costs
1	Subway Submarine sandwiches & salads	\$84,300 - \$258,300
2	McDonald's Hamburgers, chicken, salads	\$995,900 - \$1,842,700
3	7-Eleven Inc. Convenience store	\$40,500 - \$775,300
4	Hampton Inn/Hampton Inn & Suites Midprice hotels	\$3,716,000 - \$13,148,800
5	Supercuts Hair salon	\$111,000 - \$239,700
6	H & R Block Tax preparation & electronic filing	\$26,427 - \$84,094
7	Dunkin' Donuts Coffee, doughnuts, baked goods	\$11,400 - \$35,050
8	Jani-King Commercial cleaning	\$11,400 - \$35,050
9	Servpro Insurance/disaster restoration & cleaning	\$102,250 - \$161,150
10	ampm Mini Market Convenience store & gas station	\$1,835,823 - \$7,615,065

Table 3: Top 10 Franchises 2010

Source: "Top 10 lists for 2010, Entrepreneur, <http://www.entrepreneur.com/franchise500/> (accessed June 7, 2010)

Category	Chile		South Africa
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	Annual sales in UF currency (US\$ equivalent)	Employees	Turnover: R million (US\$ equivalent)	Gross asset value: R million (US\$ equivalent)
Micro	0 - 2,400 (0 - 70,000)	Up to 5	0 - 0.2 (0 - 30,000)	0 - 0.1 (0 - 15,000)
Very small	N/A	Up to 20	Up to 6 (Up to 0.9m)	Up to 2 (Up to 0.3m)
Small	2,400 - 25,000 (70,000-700,000)	Up to 50	Up to 32 (Up to 4.5m)	Up to 6 (Up to 0.9m)
Medium	25,000 - 100,000 (700,000 - 2.8m)	Up to 200	5 - 64 (Up to 9m)	5 - 23 (Up to 3.3m)
Large	100,000 + (2.8m +)	200 +	64 + (9m +)	23 + (3.3m +)

Table 4: Classification of enterprises in Chile and South Africa (Issue Briefing Note: Small and Medium-Sized Enterprises, 2004, 3)

With emphasis on medium-sized enterprise, it is an enterprise which employs fewer than 250 persons and whose annual turnover does not exceed EUR 50 million and whose annual balance-sheet total does not exceed EUR 43 million.

Lastly, a large enterprise according to the commission is an enterprise that employs more than 250 persons and whose annual turnover exceeds EUR 50 million and whose annual balance-sheet total does exceeds EUR 43 million. Finland as part of the EU commission adopts the same meaning defined by the commission. According to the Statistics Finland Business Register of 2008, micro enterprises have a total share of 2,45361 (93.3%) of the Finnish business sector. Small enterprises have 14570 (5.5%) whilst medium-sized enterprises have 2416 share (0.9%). Lastly, large enterprises, which are the smallest business segment, have a share of 654 (0.2%).

2.9 Theories of Graduate Entrepreneurship

According to Nabi, Holden & Walmsley (2006a, 373-85), graduate entrepreneurship can be explained as the connection between the graduate as the product of university education and business start-up in terms of an individual's career-orientation and attitude towards self-employment start-up.

Graduate entrepreneurship around the globe is increasingly being seen as a vital source of competitiveness and the pivot for economic growth and development (Holden & Nabi 2008, 545). As commented by Holden et al in their article, “Graduate entrepreneurship: intentions, education and training (2008)”, currently higher education institutions are producing high number of graduates and government policy in many countries is seeking to promote small business employment as a viable career option, for students during schooling and after graduation. In Finland the government’s objective is to provide Finnish entrepreneurship and innovation with the world’s best operational environment by encouraging more graduates to pursue a career in small business management. The Ministry of Employment and the Economy is working in association with the Ministry of Education and Culture to promote a more entrepreneurship-friendly university system. Part of this work is to create new methods for commercializing university-based research results and to strengthen the connection between research and entrepreneurship across the country (Finnish Ministry of Employment and the Economy 2010).

2.10 Previous Studies about Graduate Entrepreneurship Planning

After the completion of university education, graduates have diverse aspirations- some prefer to venture into a corporate career, civil serving career, entrepreneurial career, or academic career. With regards to the entrepreneurial career which is related to this research, many graduates are reluctant to venture into. Lack of intent and fear of failure are some of the undermining factors.

Trying to investigate the entrepreneurial intent of university graduates, in 2001, Autio, Keeley, Klofsten, Parker and Hay, developed an application of a theory of planned behaviour to analyse factors influencing entrepreneurial intent among university students. The combined sample size for the study was 3445 university students from Finland (Helsinki University of Technology), Sweden (Linköping University), USA (Stanford University and University of Colorado, Colorado Springs), and the UK(London Business School) who were interviewed with a four page questionnaire. In their findings, perceived behavioural control emerged as the most important influence on entrepreneurial intent whilst attitude toward entrepreneurship was the second most important influence.

From another dimension, Järlestrom (2008), also conducted a study which was on the theme, “Organisational Employment versus Entrepreneurship: The Personality Approach to Business Students’ Career”, to investigate whether personality influences the choice of entrepreneurship or organisational employment by students. The sample for the study was 533 Finnish business students from the University of Vaasa with career aspirations relating to entrepreneurship or organisational employment which was compared with data of Australian

postgraduate MBA students. The methodology for this study was a career orientation questionnaire and a Finnish research version of the Myers-Briggs Indicator. In the final analysis, they discovered that personality influences the status of employment choice among business students. Between the two alternatives, organisational employment was selected more than entrepreneurship among the students.

In a summary report from Global Entrepreneurship Monitor (GEM) by Dr. Rebecca Harding (2007, 5-6) about graduate entrepreneurship in the UK, an adult population of 32,500 working age group in the UK, graduates who are men are more likely to make informal investments than women. In the analysis from the report, it was discovered that 3.4% of men graduated before the year 2000 are likely to make informal investment compared to 1.7% of women and also for those who graduated after 2000, 2.4% of men and 1.1% of women are likely to make informal investment. According to the results of GEM, graduate entrepreneurship is lower for those who graduated after the year 2000, but there are four exceptions: London, the North East, Scotland and the West Midlands. The highest rates are 12.0% for London and 11.9% for the West Midlands. Graduate entrepreneurship is particularly low after the year 2000 in the East of England at 1.8%.

In another study titled "Who skims the cream of the Italian graduate crop? Wage-employment versus self-employment" conducted by Castagnetti and Rosti in 2008 at the University of Pavia, these researchers wanted to investigate whether graduates venture into self-employment with the expectation of receiving higher earnings or as alternative for individual graduates with lower degree. In interviewing Italians who graduated from the university in 2001 three years after graduation, they discovered that there is a strong negative relation between academic achievement and self-employment status. This result testifies to the fact that graduate entrepreneurship is not prescribed for a set of individuals, every graduate has the capability to enter into self-employment.

Rosti and Chelli (2007) conducted a similar study which was on the issue of self-employment among Italian female graduates. These researchers investigated the gender differences among Italian self-employed graduates focusing on flow data from a ten-year labour market transition matrix (1993-2003). In their data presented, tertiary education increases the share of self employment in total employment for male workers but reduces the share for female workers. Moreover, they discovered in their analysis that female graduates rarely vacate from paid employment to self employment, but the reverse is often the case. This confirms the earlier-mentioned research in this report conducted by GEM in the UK that men are more likely to make informal investments than women.

2.10.1 Other Related Previous Studies

In recent years, entrepreneurial issues have been highlighted boldly in headlines of newspapers. Diverse researches had been undertaken by intellectuals in this field. Among these researches were conducted by Robertson, Collins, Medeira, Slater (2003), Fielden, Davidson and Makin (2000), and Nadir (2008).

Robertson M. et al (2003) conducted a research about barriers to start-up and their effect on aspirant entrepreneurs in the UK using Leeds Metropolitan University students compared with aspirant entrepreneurs in the Yorkshire and Humber region who had interests in establishing their own businesses as a case-study. In their research, they wanted to investigate the government's position in the promotion of entrepreneurship, and students' barriers to start-ups. From the research, it was discovered that students hold perceptions about entrepreneurship that are preventing them from considering their own business as a career option after graduation. Finance was the major barrier peculiar to the two groups. According to the results of the research, within the area of motivation, lack of business idea, and skills, Leeds Metropolitan University students demonstrated slightly concerned as opposed to their counterparts in the Yorkshire and Humber region.

In another study about student views on entrepreneurship, the nature of students' motivation, awareness, perceptions, and where they can seek for educative advice in the UK were explored by the researchers. The researchers discovered in their results that major barriers such as lack of funds, aversion to stress, fear of failure, hard work and time commitment were the deterring factors preventing students from starting-up businesses after graduation. The major motivations found by the researchers were the opportunity to take risks, freedom, financial gain, security and employment control (Robertson, Collins, Medeira and Slater 2003, 311).

With emphasis on the barriers to entrepreneurship planning, another research was conducted by Fielden, Davidson and Makin (2000) in the UK. The study was on the barriers encountered during the start-up of micro and small business in North-West England. It sought to identify the needs of new business owners, the barriers they encounter, and the strategies they use to overcome those obstacles. In their research, they made sporadic preliminary investigation using fifteen in-depth interviews involving five service providers and ten in the process of new businesses initialization. In addition, the researchers organized a series of focus groups discussions with seventeen individuals in the pre-start-up stage of new business formation and twenty-two individuals in the first year of new business operation. The findings of their study indicated that financial difficulties and the attitudes of banks towards new business owners are the main barriers to successful enterprise creation, with mentors and more specific

advice cited as the assistance regarded as affording the greatest benefit to potential and new business owners. In addition, small and micro-business owners are vacating from business, or are unable to fulfill their potential, because they are denied access to those factors that promote success.

A similar study was conducted by Jama (2007) as a bachelor thesis where the researcher wanted to investigate the barriers that immigrants face in establishing businesses in Finland, using African immigrants as a case-study. In the final analyses and findings, the researcher discovered that the major barrier that the respondents encountered was the problem of start-up capital.

Nadir (2008), in his master's thesis at the University of Hertfordshire, conducted a relatively similar research in the United Kingdom. The objective of the researcher was to analyze and explore the barriers and obstacles especially focusing on the marketing strategies of the Pakistani entrepreneurs pursuing cloth trading in the UK. Overall, the research involved 50 Pakistani entrepreneurs where all of them were allowed to answer questionnaires but five were followed-up by the researcher through an interview. In the final analysis, it was discovered that the barriers that Pakistani entrepreneurs encounter are the problem of finance, non-availability of bank loans, lack of management skills and to some extent racial bias in the UK community.

With inferences from the afore-mentioned studies, one common challenge was the problem of finance serving as an obstacle in starting-up. Finance can be seen as a successful tool in the initial stages of business establishments but one can argue that it is not the only challenge that hinders prospective and existing entrepreneurs. Challenges such as discrimination, governmental regulations, individual attitudes and behavior, can be barriers. This research is therefore going to investigate from the view-point of students in Laurea University of Applied Sciences of Leppävaara campus, and from entrepreneurs the existing barriers within the Finnish system that discourages students and new starters.

3 Research Approach, Methods, Reliability and Validity

The study focuses on the subject of entrepreneurship which has become a topical issue among people. Governments are determined to promote the growth of small businesses by adopting policies to create entrepreneurial-friendly environments. With emphasis on this subject, this study sees entrepreneurship as a viable option that can be considered by graduates.

In this research, the researcher combined both the qualitative and quantitative method of research approach in the data collection and analysis. The quantitative method in the form of

questionnaires was used to gather data from 105 students in Laurea University of Applied Sciences, Leppävaara on their views about the afore-mentioned research problem. Moreover in the analysis, the researcher used Predictive Analytics Software (PASW) to transform the data into numbers and graphical representations.

Qualitative method in the form of in-depth interviews was used to gather data from five entrepreneurs to investigate the barriers that they encountered when starting up and the existing barriers that hinders them currently. In analyzing the differing views of the entrepreneurs, the researcher used the narrative form to simplify the findings.

3.1 Method of Data Collection

In academic, marketing and statistical researches, there are three main sources where data can be collected. Data can be collected from a primary, secondary or tertiary source. A primary source of data is the "raw material," "firsthand information" or "original thinking" relevant to an event whereas secondary source of data are usually studies which analyze, evaluate, interpret, or criticize primary sources. Tertiary sources of data are data that are intended only to provide a superficial overview of what a topic includes, its basic terminology, and often references for further reading (Finnish Institutions Research Paper (Hopkins) 2008).

With emphasis on this research, data has been collected from all the aforementioned sources. Data from primary sources was collected using in-depth interviews and questionnaires.

Reviewing what others have written about entrepreneurship and business planning, the researcher consulted secondary sources of data which were in the form of scientific articles and journals from emerald, elsevier science direct, ebrary, published theses and other electronic publications and books.

Tertiary sources of data were from dictionaries, Wikipedia, the Encyclopaedia Britannica, and Statistics Finland. The tertiary sources provided the researcher a general understanding of some of the facts, terminologies and concepts that are in the field of entrepreneurship.

3.2 Reliability

Kirk & Miller (1986,19) define reliability as the extent to which results produced yield the same answer and accurately represent the total population under study however, and whenever it is carried out. In testing the reliability of the research, the researcher used the Cronbach Alpha value in the PASW analyses for verifying the correctness of the quantitative

data gathered. Cronbach Alpha specifies the internal consistency or average correlation of items in a survey to determine its reliability (Santos 1999). As a rule of thumb, Alpha should be between 1 and 0, and the closer it is to 1, the more reliable the results are. Initially when the test was taken the value was 0.582 but in ensuring a higher reliability, the questions were checked, and one item “Programme of Study” was deleted to get Alpha to be 0.606 meaning now that the reliability is acceptable and therefore the results can be trusted. (This can be seen from appendix 1). In ensuring the reliability of the qualitative data that was gathered, the researcher asked respondents who were interviewed questions in more than one way.

3.3 Validity

Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are (Williams 2003). In ensuring the validity of the research the questionnaires for the research were pre-piloted using the researcher’s friends and supervisor to identify ambiguities and the range of possible responses for each question. After this process, all the necessary corrections were made. This attests that the results that have been attained are valid.

4 DATA ANALYSES AND FINDINGS

This section of the report is in two parts. The first part discusses the survey planning process, and the other part emphasises the analyses and the results of the data gathered.

4.1 Survey Planning Process

In planning the field survey, the researcher devised two-tier planning processes. One planning process was for the disbursement of the questionnaires, and the other planning process was for the interview conduction.

4.1.1 Questionnaire Process

After pre-piloting the questionnaire, the required errors were corrected through the support of the researcher’s supervisor. Thereafter, On Monday 20th of September, 2000 the actual survey commenced at Laurea University of Applied Sciences, Leppävaara where students were individually approached by the researcher to voluntarily answer the questionnaire. (Refer to the appendix for a sample of the questionnaire). The researcher used two days to distribute them to students by adopting the direct approach method instead of sending the questionnaire electronically through their emails. He had the notion that when he sends the questionnaires electronically through their emails, the probability that some will not answer

would be high, because some will be reluctant to answer while others will also not even check their inboxes at all. With the direct method the researcher made printouts of 105 questionnaires and went around the school to search for students to answer the questionnaires. With the help of the librarian, he also left copies at the library for students who attended the library during that period. Interested students responded positively by answering the questionnaires while a few refused to act likewise. On the whole, the researcher was able to procure the required sample of 105 students. The students were a sample of all degree students in Laurea University of Applied Sciences. The researcher being a degree student in Laurea thought it wise to narrow the scope to students in Laurea, Leppävaara campus to enhance information accessibility.

4.1.2 Interview Process

Through the assistance of a lecturer and two fellow students the researcher had contacts with some graduate entrepreneurs through telephone conversation and email. Some were repulsive but others were receptive. On the telephone and through emails, face-to-face and telephone interview meetings were scheduled between the researcher and the entrepreneurs. On the 20th September, 2010, the first face-to-face interview was with the owner of EBADOT, a restaurant in Kaunianen, Espoo. The second interview was on the telephone and was conducted on the 23rd September, 2010 with the owner of Indian Grilli Khebab, a pizza and cafeteria shop in Kokkola. The third interview was with the Chief Executive Officer (CEO) of CleanSide Oy, an Information and Technology company in Espoo on the 25th September 2010 at Laurea University of Applied Sciences, Otaniemi campus. On the following day, 26th September the Managing Director of Core Finland Oy, in Espoo was also interviewed at Laurea University of Applied Sciences, Otaniemi campus. Finally, the Managing Director of Alessa Oy, an Information and Technology company in Lappeenranta was interviewed on the telephone on the 28th of September, 2010 but in ensuring clarification and accuracy, he requested a copy of the interview questions to be sent to him through email. The researcher sent this document and after completion he received it from the respondent.

4.2 Quantitative Analyses of Questionnaires

In analysing the responses from the questionnaires, this research paper exhibits the findings of three different statistical methods, namely reliability analysis, cross-tabulation, and frequency. According to Electronic Statistics Textbook, 2010, reliability analysis is a method used to test the validity of research results whilst cross-tabulation generally allows researchers to identify relationships between research variables. Frequency is often used to review how different categories of values are distributed in a research sample.

4.2.1 Description of Sample

In this research report, the sample of the study is described based on the five main background questions expressed in the questionnaire. (See questionnaire at the appendix)

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	54	51,4	51,4	51,4
Female	51	48,6	48,6	100,0
Total	105	100,0	100,0	

Table 5: The overall number of respondents

As it can be observed from table 1, the overall number of respondents was 105. Out of this number, 51.4% were men whilst 48.6% were female. Within this sample, those who were between the ages of 18-24 were 69(69%); 25-29 were 32(30.5%); 30-35 were 2(1.9%); and over 1.5% represents those who were 41 years and above. (See appendix 2).

Continent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Europe	58	55,2	55,2	55,2
Africa	19	18,1	18,1	73,3
Asia	28	26,7	26,7	100,0
Total	105	100,0	100,0	

Table 6: Geographical home countries of respondents.

In terms of geographical location of the home countries of the respondents, a total of 58 from Europe (55.2%); 19 Africans (18.1%) whilst the remaining 28 were Asians (26.7%). This can be inferred from table 3 above.

Within the Laurea, Leppävaara campus, five main undergraduate degree programmes are organized, among these, 71 respondents were from the Business Management (67.6%); 17 were from Business Information Technology (16.2%); 7 students were from Facility Management (6.7%) ; 8 students from Hospitality Management (7.6%); and the remaining 2 were from Security Management (1.9%). This can be inferred from table 7 at the next page. Among the respondents from these degree programmes, 3.8% hope to graduate this year 2010; 24.8% hope to graduate in the year 2011; 33.3% hope to graduate in the year 2012; 36.2% hope to graduate in 2013, whilst 1.9% hope to graduate in the year 2012. (See appendix 3).

		Programme of Study			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Management	71	67,6	67,6	67,6
	Business Information Technology	17	16,2	16,2	83,8
	Facility Management	7	6,7	6,7	90,5
	Hospitality Management	8	7,6	7,6	98,1
	Security Management	2	1,9	1,9	100,0
	Total	105	100,0	100,0	

Table 7: Programme of Study among Respondents

4.3 Entrepreneurial Barriers from Students' Perspectives

In the questionnaire, some of the common entrepreneurial barriers were provided and respondents were allowed to rank them on a scale of 1-9 according to what they presume to be an extremely minor barrier to the extremely major barrier when they decide to start a business. (Refer to the appendix 22 for a sample of the questionnaire)

4.3.1 Finance

Finance plays a vital role in starting up a business for it supports the business to execute its operations. With regards to the barrier of finance, most of the responses accepted that the barrier was a major problem. Among a total of 105 respondents, 23 believes that finance is slightly a major barrier (21.9%), followed by a frequency of 21 students answered that finance was extremely a major barrier to entrepreneurship planning (20%). In contrast, a small number of students answered that finance was extremely a minor barrier whilst 7 students believe that finance will neither be a minor or major barrier to them when they are setting their businesses (6.7%). This can be inferred from figure 6 at page 37 and in the appendices (Appendix 4).

Comparing these responses with gender to find out the differences between male and female respondents, a crosstab analysis was used. This can be inferred from table 8. Observing from the table, 72.2% of male students believe that finance is a major (slightly major, quite major, and extremely major) barrier. On the other hand, 23.5% of female students view that finance is minor (extremely minor, quite minor, and slightly minor) barrier. However, there are no major differences between males and females with regards to whether finance is least minor, neither or least major barrier. As it can be observed from the table, the percentage of male to female are 24.1 and 23.5 approximately. On the basis of the chi square test, having the p-value to be 0.010, the researcher can conclude with more than 99% confidence that gender

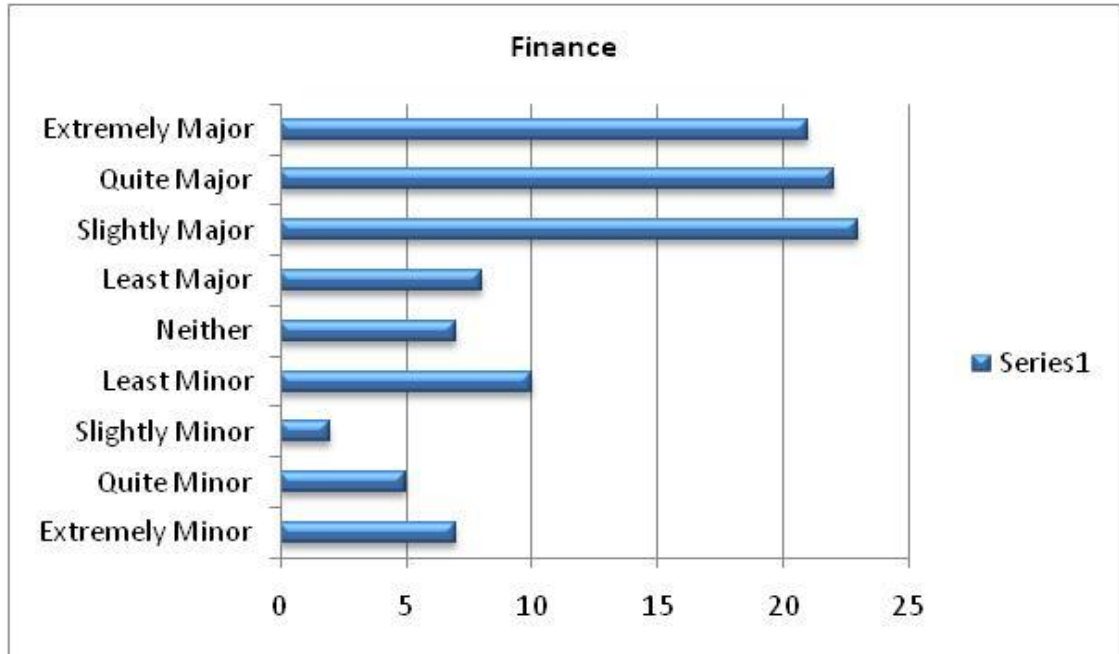


Figure 6: Responses to the barrier of finance

determines whether finance is a major barrier, minor barrier or neither a barrier. (See Appendix 13). Comparing the overall responses with gender using Man Witney U-test, it was found that there are no major differences between males and females against the variable “Lack of business idea”, “Lack of confidence”, “Lack of business planning skills”, “Finnish language”, “Lack of Finnish market information” and “Family responsibilities”, but there is a significant difference against the variable “Finance” (p-value=0,000) and noticeable difference against the variables “Fear of risk” (p-value=0,056) and “High demand time and commitment” (p-value=0,071. (See Appendix 14)”. Males really seem to think differently when it comes to “Finance” as a barrier (See Table 8 and Mann Whitney U-test Appendix 15)

Finance Classified * Gender Crosstabulation

			Gender		Total
			Male	Female	
Finance Classified	Extremely, Quite or Slightly	Count	2	12	14
		% within Gender	3,7%	23,5%	13,3%
	Least Minor, Neither or Least major	Count	13	12	25
		% within Gender	24,1%	23,5%	23,8%
	Slightly Major, Quite Major, Extremely Major	Count	39	27	66
		% within Gender	72,2%	52,9%	62,9%
Total	Count	54	51	105	
	% within Gender	100,0%	100,0%	100,0%	

Table 8: Comparison of the responses to finance with respect to gender

4.3.2 Fear of Risk

The act of taking risk is part of entrepreneurship planning and entrepreneurs take a calculated risk rather a speculative gamble, (Nyadu-Addo & Adusei 2006, 5). With the barrier of fear of risk, among 105 students, the highest number of respondents was 26 students (24.8%), answered that the fear of risk is a slightly major barrier to entrepreneurship planning, whilst 8 students (7.6%), answered that this issue will neither be a minor or major barrier to them when they are starting their own businesses after graduation. On the hand, a least number of respondents (1.9%) were of the view that fear of risk is extremely minor barrier. This can be inferred from Figure 7 and from Appendix 5.

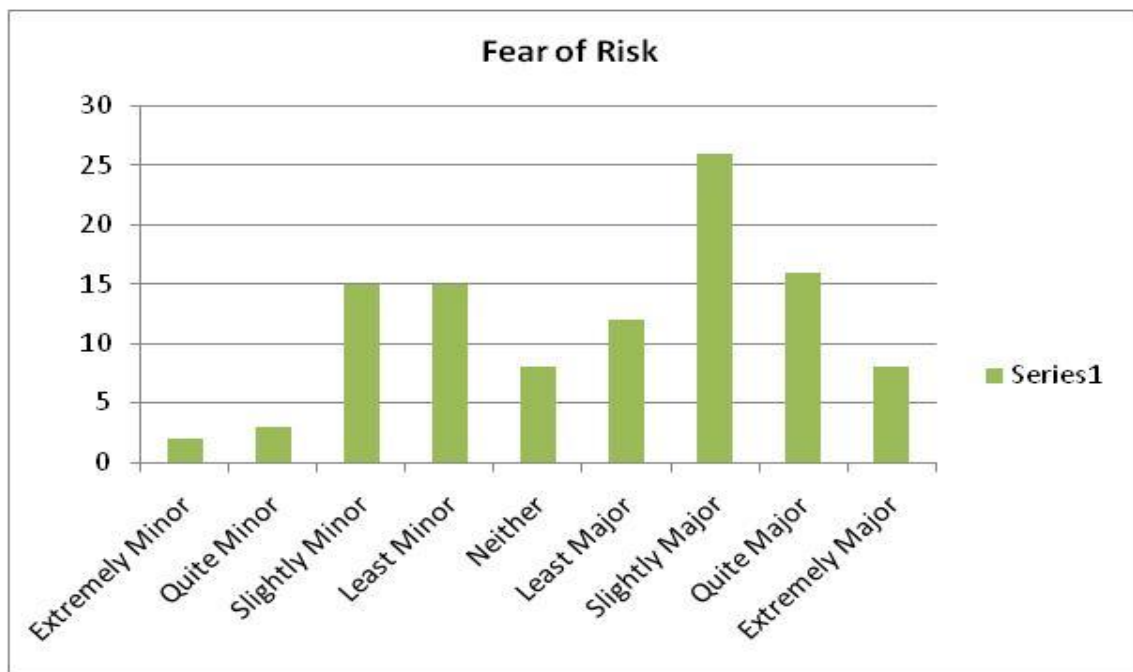


Figure 7: Responses to the barrier of fear of risk

			Gender		Total
			Male	Female	
Fear of risk classified	Extremely, Quite or Slightly	Count	7	13	20
		% within Gender	13,0%	25,5%	19,0%
	Least Minor, Neither or Least major	Count	17	18	35
		% within Gender	31,5%	35,3%	33,3%
	Slightly Major, Quite Major, Extremely Major	Count	30	20	50
		% within Gender	55,6%	39,2%	47,6%
Total	Count	54	51	105	
	% within Gender	100,0%	100,0%	100,0%	

Table 9: Comparison of the responses to the fear of risk as a barrier with gender

In determining whether one's gender status has influence on the fear of risk, it was observed from the crosstab analyses table (Table 9) that out of a total of 105 respondents 30 males (55.6%) were of the view that the fear of risk is a major (slightly, quite, and extremely) barrier to business start-up. On the whole, there was no major difference between male and female respondents. With a total of 105 respondents, 54 were male, whilst 51 were female. (See Appendix 14). According to the Mann Whitney u-test, the researcher can conclude with more than 93% (p-value=0.056) confidence that gender has an influence on the fear of risk to entrepreneurial planning. However, the level of confidence is less than 95%, and this renders the result not statistically significant, but because the level of confidence is more than 90%, the researcher can say that the result is noticeable. (See appendix 15).

4.3.3 Lack of Business Idea

In investigating whether the lack of business idea is a barrier or will likely be a barrier to respondents when they want to start their own businesses, 10 out 105 students (9.5%) answered that this issue is neither major nor minor barrier. (See Appendix 6). Using a crosstab analysis (ref. appendix 16) to determine whether age inter-relates with the lack of business idea, it was discovered that these two items do not inter-relate. There were no significant differences among respondents' ages with regards to the lack of business idea as a barrier. According to the chi-square test from Table 10, the researcher can conclude that there is no statistically significant difference (p-value=0.764). The level of confidence which is 24% is low to justify such a conclusion.

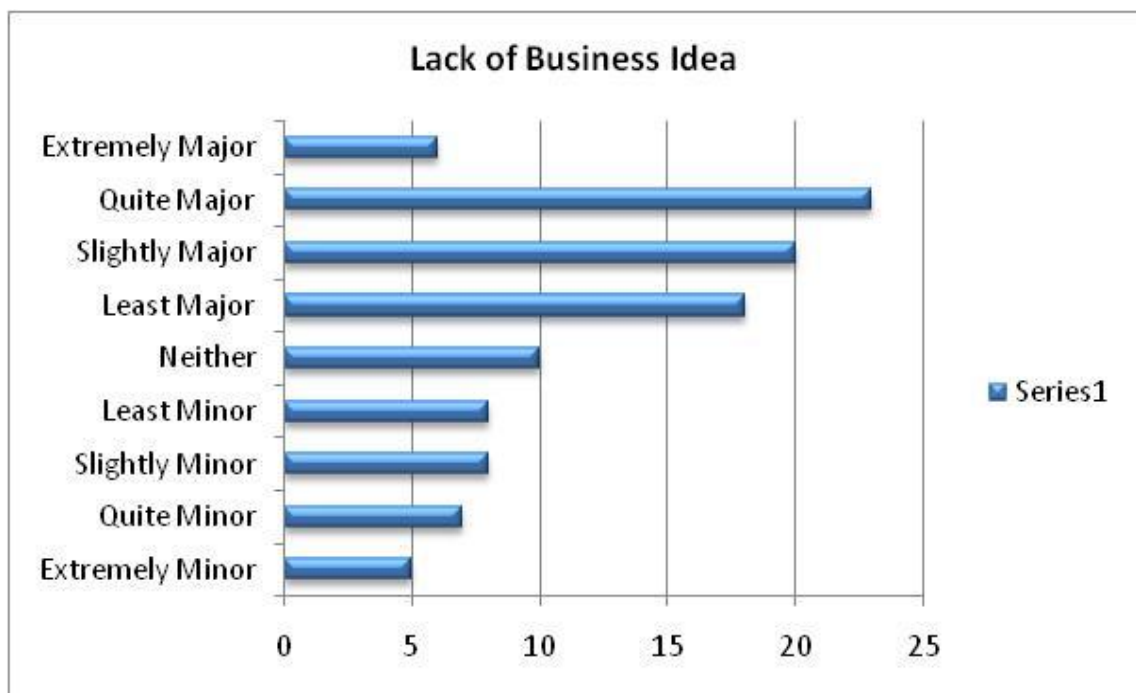


Figure 8: Responses to the barrier of lack of business idea

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	,539 ^a	2	,764
Likelihood Ratio	,545	2	,761
Linear-by-Linear Association	,533	1	,465
N of Valid Cases	105		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7,20.

Table 10: Test of interrelationship between lack of business idea and age.

4.3.4 Lack of Confidence

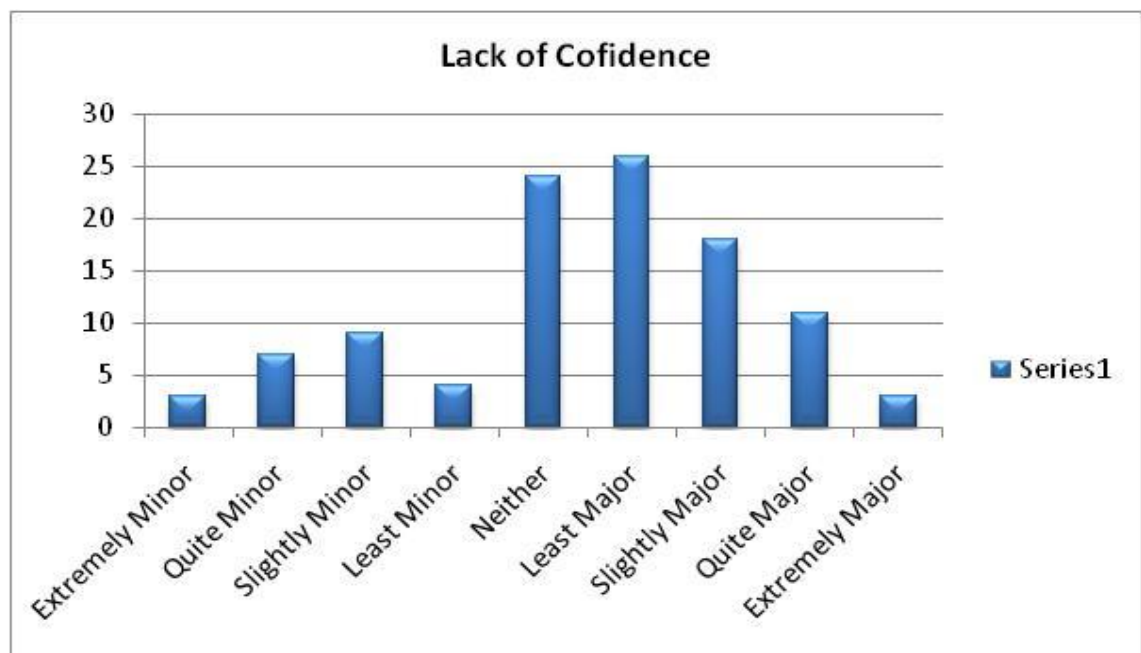


Figure 9: Responses to the barrier of lack of confidence

From appendix 7 and the figure above, out of 105 respondents, 24 students (22.9%) think that the lack of confidence is neither a major nor a minor barrier to entrepreneurship planning. In using crosstab analysis (ref. Appendix 17) to determine whether the responses obtained from this question inter-related with one of the background variables, it was discovered that the variable “age” inter-related to the responses to the question. Using a chi-square-test to test the validity of this, the p-value was 0.014, and this means, that we can generalize the results to the population with more than 98 % confidence. This can be inferred from table 11 at page 41.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8,584 ^a	2	,014
Likelihood Ratio	8,168	2	,017
Linear-by-Linear Association	4,950	1	,026
N of Valid Cases	105		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6,51.

Table 11: Test of trustworthiness of responses (lack of confidence)

4.3.5 Lack of Business Planning Skills



Figure 10: Responses to the barrier of lack of business planning skills

When respondents were asked whether the lack of business planning skills is a major or minor barrier, an overall total of 105 students responded. Out of this number, 11 students (10.5%) answered that it is neither a major nor minor barrier.

Investigating to determine whether respondents’ study programs have influence on their answers to the issue of the lack of business planning skills, a crosstab analysis was used and this can be observed from the table at the next page (Table 13). Within the Business Management and Business Information Technology degree programme degree programme, out of 88 classified students who answered this question, 41(83.7%) were of the view that that the lack of business planning skills is a major (slightly major, quite major, and extremely major) barrier to entrepreneurship planning.

With regards to the degree programme in Facility Management, Hospitality Management, and Security Management, there was a total of 17 classified respondents and out this number, 8 (16.3%) responded that the lack of business planning skills is a major (slightly major, quite major, and extremely major) barrier to entrepreneurship planning. The reason for this result can be ascribed to the limited number of respondents within these three degree programmes.

Programme of Study Classified * Lack of business skills Classified Crosstabulation

			Lack of business skills Classified			Total
			Extremely Minor, Quite Minor, Slightly Minor,	Least Minor, Neither, Least Major	Slightly Major, Quite Major, Extremely Major	
Programme of Study Classified	Business Management, Business Information Technology	Count	16	31	41	88
		% within Lack of business skills Classified	80,0%	86,1%	83,7%	83,8%
	Facility Management, Hospitality Management, Security Management	Count	4	5	8	17
		% within Lack of business skills Classified	20,0%	13,9%	16,3%	16,2%
Total		Count	20	36	49	105
		% within Lack of business skills Classified	100,0%	100,0%	100,0%	100,0%

Table 12: Crosstab analyses of students' responses from the five degree programmes to the question the lack of business planning skills.

In testing for the validity of these results, a chi-square test was conducted, and the p-value was found to be 0.837. On the basis of the chi test if the researcher concludes that these two items interrelate, he has 83.7% risk to make a wrong conclusion. This is shown in the table (Table 14). Therefore, one cannot conclude that the study program has something to do with how the respondents evaluate their business planning skills.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	,355 ^a	2	,837
Likelihood Ratio	,349	2	,840
Linear-by-Linear Association	,058	1	,810
N of Valid Cases	105		

a. 1 cells (16,7%) have expected count less than 5. The minimum expected count is 3,24.

Table 13: Test of trustworthiness of responses (lack of business planning skills).

4.3.6 Finnish Language

Laurea University of Applied Science as an international institution consists of students from different continents and in determining whether the Finnish language will be a barrier for

students if they want to set up a business in Finland, there were students from three continents, namely Europe, Africa, and Asia who answered this question. Of a total of 105 respondents, 6 students answered that the Finnish language is neither a minor nor a major barrier to them. (Refer to Appendix 9). One can deduce that those who expressed this statement are likely to be Finnish students. As it can be inferred from the figure at the next page (Fig. 11), the majority of the respondents answered that the Finnish language will be a minor barrier for them.

On the other part of the analysis, a crosstab method was used to identify whether the respondents' continents has an influence on the barrier of Finnish language. (See Table 14 in the next page). Out of the total of 49 classified respondents from Europe, 36(73.5%) responded that Finnish language will be minor (extremely minor, quite minor, and slightly minor), hindrance for them. Conversely, 13 classified respondents from Africa and Asia (26.5%) were of the view that the Finnish language will be minor (extremely minor, quite minor, and slightly minor), hindrance for them. In testing the validity of these results, a chi-square test was conducted, and the p-value was found to be 0.001. This justifies the trustworthiness of the results, meaning that we have 99% confidence to be right to generalize the results to the population. (Refer to the Chi-square test table, Appendix 18).

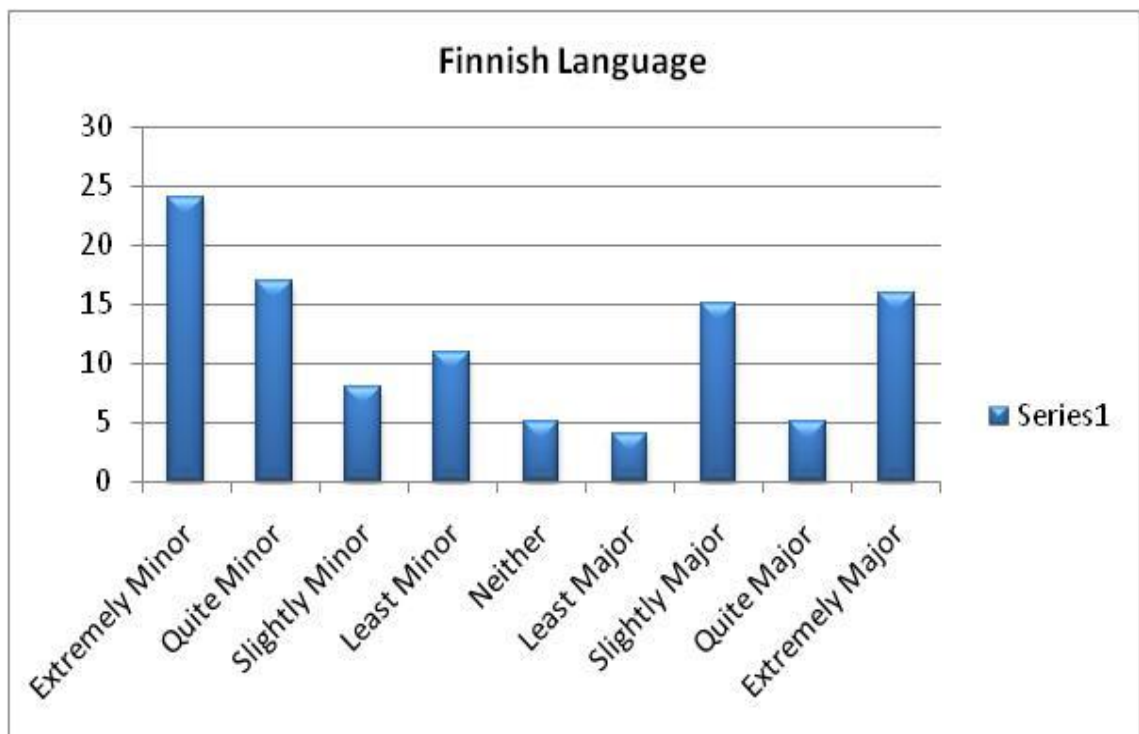


Figure 11: Responses to the barrier of Finnish language

Continent Classified * Finnish Language C Crosstabulation

			Finnish Language C			Total
			Extremely Minor, Quite Minor, Slightly Minor,	Least Minor, Neither, Least Major	Slightly Major, Quite Major, Extremely Major	
Continent Classified	Europe	Count	36	6	16	58
		% within Finnish Language C	73,5%	30,0%	44,4%	55,2%
	Africa, Asia	Count	13	14	20	47
		% within Finnish Language C	26,5%	70,0%	55,6%	44,8%
Total		Count	49	20	36	105
		% within Finnish Language C	100,0%	100,0%	100,0%	100,0%

Table 14: Crosstab analyses of respondents to the question of Finnish language.

4.3.7 Lack of Finnish General Market Information

General market information ranges from information about competition level, legal issues, industrial trends, and other economic indices that directly affect business operations within an economy. With the question of whether the lack of Finnish general market information will be a minor or major barrier to the respondents, a total of 105 students, 100% responded to this question. Of these, 4(3.8%) answered that it is neither a major nor minor barrier. As it can be seen from the frequency distribution table in the appendices (Appendix 10) and from the figure (Fig. 12) below, this was the lowest among all the responses.



Figure 12: Responses to the barrier of lack of Finnish general market information

4.3.8 High Demand of Time and Commitment

The question of whether the high demand time and commitment of new business establishment will be a minor or major barrier for the respondents when they decide to start their own businesses after graduation, a total of 105 students responded. Of these, 9 students (8.6%) answered that it is neither a major nor minor barrier. With reference to figure 13 below and the frequency table in the appendices (Appendix 11), this was one of the lowest responses.

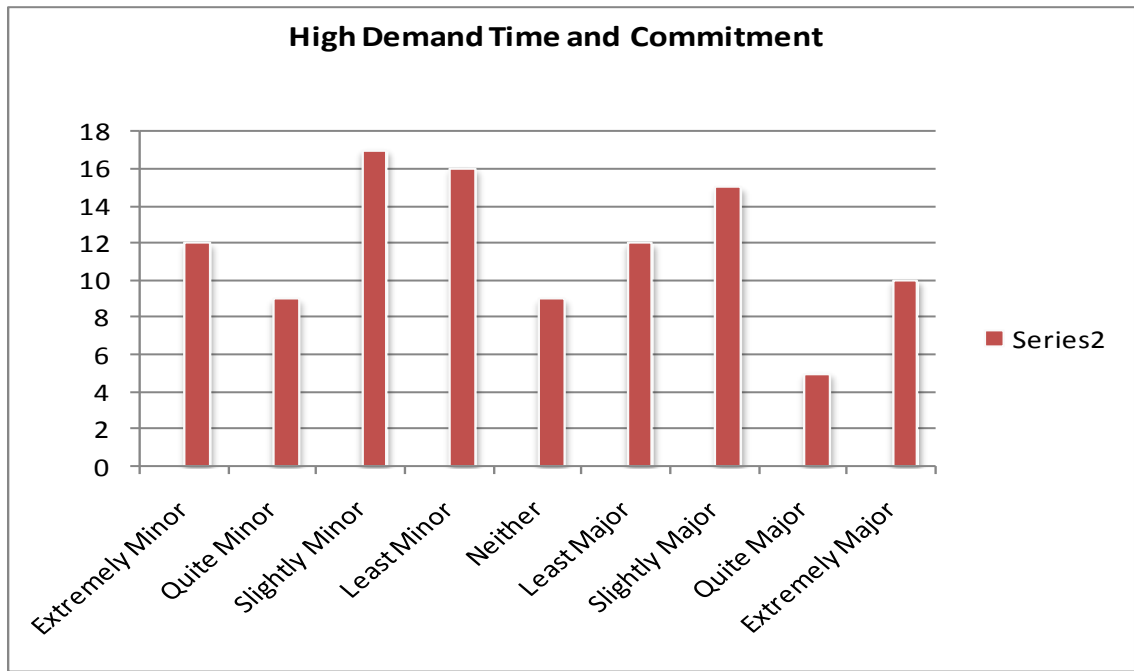


Figure 13: Responses to the barrier of time and commitment

Relating the responses to the home continent of the respondents, a crosstab analysis was used. The results of these findings are depicted in the table in the next page (Table 15). From the crosstab analysis, a total of 58 respondents out of the overall number of 105 were from Europe and the remaining were from Africa and Asia respectively. 20 European respondents (52.6%) responded that high demand time and commitment is minor (extremely minor, quite minor, and slightly minor) barrier in the early stages of business establishment. Unlike those from Asia and Africa, 18(47.4%) were of the view that the high demand time and commitment of business establishment is minor (extremely minor, quite minor, and slightly minor) barrier in the early stages of business establishment. As can be seen from the chi-square test in the appendices (Appendix 20), the researcher has about 44% possibility to be right and 56 % to be wrong, having the p-value to be 0.561. Therefore one cannot make the conclusion that high demand time and commitment inter-relates with continents. Conversely, students seem to think the same in different continents.

Continent Classified * High Demand of Time Crosstabulation

			High Demand of Time			Total
			Extremely Minor, Quite Minor, Slightly Minor,	Least Minor, Neither, Least Major	Slightly Major, Quite Major, Extremely Major	
Continent Classified	Europe	Count	20	23	15	58
		% within High Demand of Time	52,6%	62,2%	50,0%	55,2%
	Africa, Asia	Count	18	14	15	47
		% within High Demand of Time	47,4%	37,8%	50,0%	44,8%
Total		Count	38	37	30	105
		% within High Demand of Time	100,0%	100,0%	100,0%	100,0%

Table 15: Crosstab analysis of students’ responses from the three continents to the question of high demand time and commitment

4.3.9 Family Responsibilities

As can be observed from Figure 15, in response to the question of whether family responsibilities can be a major or minor barrier, the majority of the students answered that it is a minor barrier as opposed to those who answered that it is a major barrier. In reference to the frequency distribution table in the appendices (Appendix 12), out of the total of 105 respondents, 13(12.4%) had the view that it is neither a major nor minor barrier.

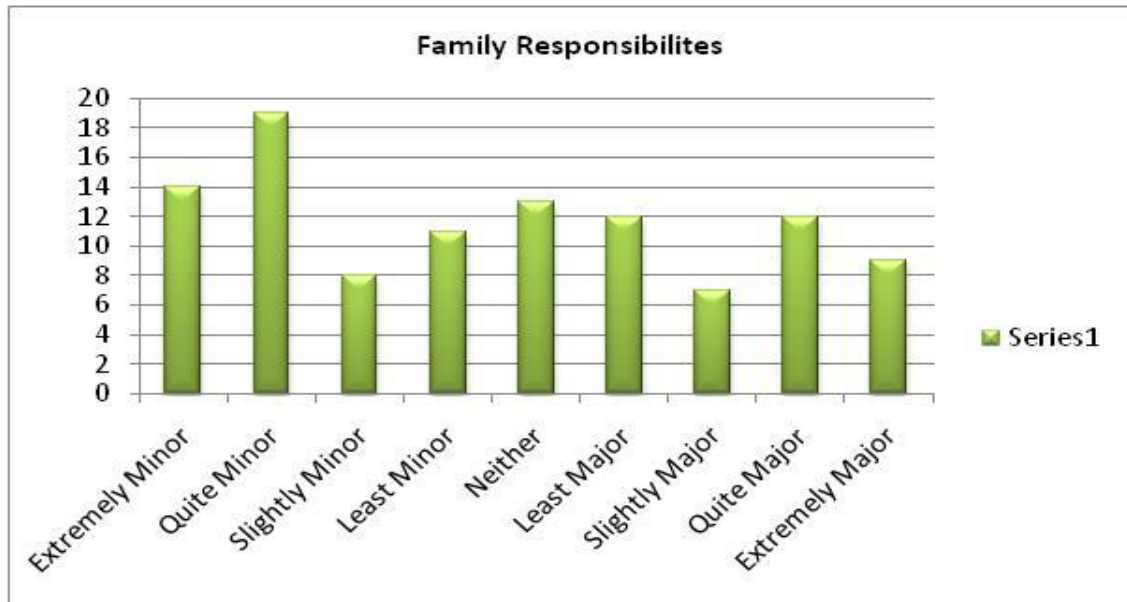


Figure 14 : Responses to the question of family responsibilities

4.3.10 Overall Responses

The figure at the next page (Fig. 15) depicts the overall responses of the research sample. The overall responses had a mean of 4.5 and finance as an entrepreneurial barrier had the

highest average values, followed by the lack business idea. The lowest average values were from the barrier of Finnish language.

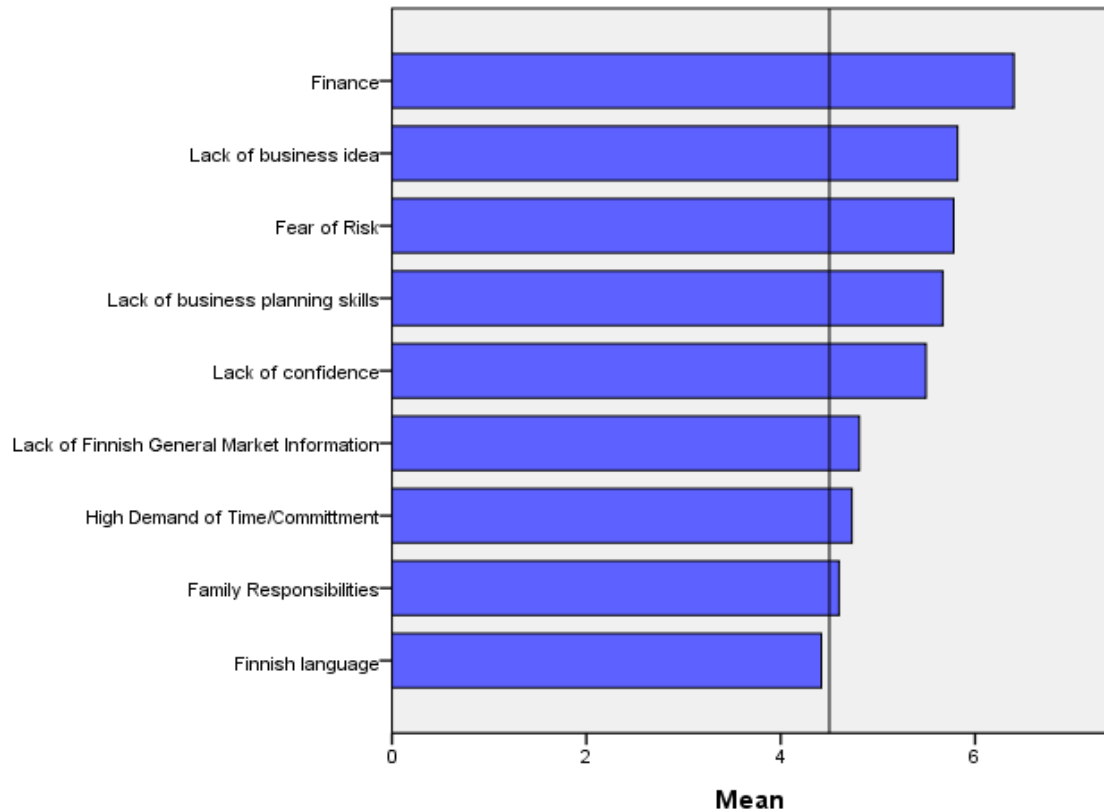


Figure 15: Overall responses from students on entrepreneurial barriers

4.4 Qualitative Analysis of Interview Results

In the interview process, five graduate entrepreneurs involving nascent and already existing entrepreneurs who set up not more than five years, in Finland were interviewed. Nascent entrepreneurs as defined by Global Entrepreneurship Monitor (GEM) are adult individuals aged 18-64 years who have taken calculated steps towards establishing a new business during the past 12 months (Stenholm, Pukkinen, Heinonen & Kovalainen 2008, 9).

4.4.1 Interviewee One (Michael Casagrandi)

4.4.2 Background Information

Michael Casagrandi who jointly owns one of the renowned Information Technology companies in Finland with four partners is a graduate from Laurea University of Applied Sciences. He graduated in the year 2007 in the field of Business Management with a major in International Business-to-Business Marketing. In the interview, he deliberated that he learnt to become an

entrepreneur by imitating his brother and father who were entrepreneurs while he was having his internship in California. According to him, in the final year of his study, he already had a business idea and based on that he joined the first batch of students from Laurea University of Applied Sciences to Cambridge University for an entrepreneurship boot camp in October 2007. It was at the camp where the business idea he had was developed by the support of mentors. Finally, the business was established in May 2008. It offers built-in computer cleaning services, home cleaning and external cleaning services. (Casagrandi M. 25th September, 2010)

4.4.3 Major Barrier Encountered

With emphasis on major challenges in the starting period, Michael (2010) professed that the inadequacy business experience was a major challenge. According to him, although he was a business management graduate and had an internship in the working field, but he still perceive that most of the minor problems he encountered was due to the inexperience.

Another major barrier he confided was the problem of understanding all the legal and relevant information that pertain to the establishment of businesses in Finland. According to him, there is much information available and understanding them thoroughly was difficult.

4.4.4 Minor Barriers Encountered

Finance, as other interviewees perceived to be a major barrier to business establishment was a minor problem Michael. In starting the company, he had investors who supported him financially. This testifies to the fact that when one's business idea is viable, he does not struggle for funding.

4.4.5 The easiness of starting up a business in Finland

Investigating whether it is easy or not for one to establish his business in Finland, Micheal answered that it is easy and the reasons why many graduates are scared to establish their own businesses is the fear or risks, inexperience, poor networking skills and inadequacy of confidence. In terms of governmental and organizational supports, he emphasized that there are available packages that are provided for young entrepreneurs. In his case, he confided that when he was starting the company, the government provided him with starting money known as Starttiraha in the Finnish language and Tuli Raha, a grant issued by Tekes through Laurea University of Applied Sciences for research and development of a viable business plan. Moreover, the organizations that supported him were Uusiyrityskeskus (New Company Centre)

in Helsinki, Yritys Helsinki, and National Patent and Registration Office (PRH-Patentti- ja Rekisterihallitus).

4.5 Interviewee Two (Rajib Mohammed Hussein)

4.5.1 Background Information

Rajib Mohammed Hussein, an entrepreneur is a graduate from Haaga Helia University of Applied Sciences and pursued a degree programme in Hospitality Management. Currently, he is the owner of a small food restaurant in Kaunianen in the Espoo region. After graduation in 2009, he discovered that there was a mismatch of available employment vacancies to his qualification, and this challenged him to use his expertise to develop his own business within that the subsequent year. (Rajib M. H. 20th September, 2010)

4.5.2 Major Barrier Encountered

According to the entrepreneur, the major barriers he encountered when starting his business were two. The first major challenge was the problem of support in the form of finance. He stated that he found it difficult to secure loans from the bank because he did not have a permanent status in Finland.

Another major barrier according to the interviewee was the problem of language. He confessed that he felt uncomfortable in the earlier process of starting up because all the documents about the field where he is operating were in two languages, Finnish and Swedish.

4.5.3 Minor Barriers Encountered

Among the minor barriers that Rajib encountered were the problem of integration into Finnish society, naivety about the general market information about the restaurant business in Finland, the high cost of rent, and racial discrimination.

4.5.4 The easiness of starting up a business in Finland

When asked whether it is easy for a graduate to establish a business after graduation, he concluded that it is easy for the average Finn but not foreigner. However, he emphasized that it will be easy for the foreigner when he is having a permanent status, and is proficient in the Finnish language. With these expertises, he thinks that one would be able to secure bank loans, receive governmental support, and training from entrepreneurial agencies.

4.6 Interviewee Three (Sohel Munsu)

4.6.1 Background Information

Sohel Munsu is a student entrepreneur who is in his final year at Central Ostrobothnia University of Applied Sciences studying a degree programme in Business Management. He owns a pizzeria shop which was established in the year 2007. The shop is a sole proprietor form of business, having two employees. (Sohel M. 23rd September, 2010)

4.6.2 Major Barrier Encountered

Although Soheli confided that he was an intermediate user of the Finnish language, still a major problem he had in his business operations was language. Thinking that finance would have been a barrier to him when he was starting up, he stated that it was not so for he was supported by friends.

4.6.3 Minor Barriers Encountered

The minor barrier, he confided, was the fear of risk. According to him being a student, he was afraid of starting up the business for he was thinking that it will affect his studies. However as an entrepreneur, he has been able to balance both the studies and the business.

4.6.4 The easiness of starting up a business in Finland

Sohel thinks that starting a business in Finland after graduation or in school is not difficult. Like the opinion of Rajib, he stated that there are organizations that help young entrepreneurs in starting their businesses. For instance, he confided that when he was establishing his business, an organization called the Central Ostrobothnia Enterprise Agency (Firmaxi) in Kokkola supported him in developing and shaping his business idea.

4.7 Interviewee Four (Joonas Turkama)

4.7.1 Background Information

Joonas Turkama is a graduate of Laurea University of Applied Sciences who completed in the year 2010 in degree programme in Business Management. Currently he owns and heads a food supplies company in the city of Espoo, Finland. Currently, it has four international partners, with eight employees controlling the internal organizational affairs. The company was established in the year 2007 whilst the entrepreneur was still a student at Laurea. According

to him, the company is the product of SENSE entrepreneurship training and business plan competition that was organized by Laurea University of Applied Sciences in 2007. The business plan for the company was adjudged the best business plan during the SENSE Business Plan competition in 2007. (Turkama J. 26th September, 2010)

4.7.2 Major Barriers

According to Joonas, the major entrepreneurial barriers encountered were finance and inadequacy of business management and entrepreneurial experience. As a Finn, he was provided with starter money (starttiraha) of 600 Euros but thought that it was purposely for the development of the business idea and was not enough to support him to construct the actual business structures. Moreover, he confided that he contacted Finvera, Sitra, and Tekes for financial support but was refused for they perceived that the business idea was risky.

4.7.3 Minor Barriers

Dealing in food services, the company imports food products from other countries, and according to the entrepreneur, the minor challenge he had for the starting process was the naivety of the international food market, international legal structures in the form of high taxes and importation duties. Being a student entrepreneur, the other challenge he encountered was how to balance studies with the management of his company. Notwithstanding, he emphasized that he was able to complete his academic programme successfully.

4.7.4 Easiness of doing business in Finland

As regards the question of the flexibility of doing business in Finland, the entrepreneur answered that establishing a company or doing business in Finland is flexible but emphasized that graduates should acquire work experience first before they establish their own businesses and companies. According to him, most graduates are reluctant to establish their companies and businesses because of the fear of risks, inadequacy of entrepreneurial spirit and enthusiasm.

4.8 Interviewee Five (Esa Raivio)

4.8.1 Background

Esa Raivio is a student entrepreneur who heads one of the fastest growing Finnish computer software companies located in Lappeenranta. It provides software design, recruitment

analysis, security services, and managed services. The company was developed in 2009 on a potential idea developed by the entrepreneur. (Raivio E. 28th September, 2010)

4.8.2 Major Barriers

In response to the question of the major entrepreneurial barrier he had, the entrepreneur responded that finance and risk management were the main challenges that he encountered during the gestation period. However, he emphasized that he had financial support from parents and friends.

4.8.3 Minor Barriers

The minor challenge that the entrepreneur encountered was the problem of competition and rivalry within the Information and Communication Technology (ICT) field. Finland as one of the world's most innovative countries involved in service innovation is proliferated with many ICT companies, and this according to the entrepreneur made the competition in the technological market keen.

The other minor challenge the entrepreneur encountered during early months when the company was established was higher salaries demand from employees. In relation to the salary issue, he stated that the government provided him with 50% of the salary when hiring one employee. This means that he pays half of the employee's salary and the government pays the other half.

4.8.4 Easiness of doing business in Finland

According to this entrepreneur, it easy to establish one's own company or business in Finland due to the absence of bureaucracy. However, he stressed that the difficult part is the development of a business idea.

5 CONCLUSION

From the research results it was observed that the barriers to entrepreneurship are broad and defining a situation as a barrier depends on the individual. In some of the results obtained from the interviews and questionnaires, there were slight differences and similarities. With the question of finance as a barrier some regarded it as a major barrier whilst other regarded it as not a barrier at all. For instance whilst Rajib and large percentage of the male students perceive finance to be a major barrier to entrepreneurship planning, Michael and Sohel, thought differently, regarding finance as not a major barrier. (See Table 16). Generally in entrepreneurship planning and development, finance will not be a major barrier if

entrepreneurs or business starters have external financial backing. External financial backing sources can be obtained from government, money lending agencies, friends and families, personal inheritance, etc. In the case of Michael, he had external backing from the Finnish government, three Finns and one Swiss who were interested in the business idea, and from Tekes under the auspices of Laurea University of Applied Sciences. Soheli had his backing from friends.

In establishing a business in Finland, as it was clarified by the interviewees, there are diverse organisations that are willing to support young graduate entrepreneurs. Central Ostrobothnia Enterprise Agency (Firmaxi), Uusiyrityskeskus (New Company Centre), Yritys Helsinki, National Patent and Registration Office (PRH-Patentti- ja Rekisterihallitus), and Finvera are some of the organizations that provide entrepreneurial services to upcoming business starters. However, Rajib confided that he did not receive any organizational support but the reason for this might be that he was ignorant about the existence of these supportive organizations. This is a note of caution to all students and graduates who are aspiring to become entrepreneurs that they should make a thorough search on business-starting procedures, principles, and other related issues before they proceed to the actual business establishment. Deciding to establish a business after graduation as confirmed by the six entrepreneurs interviewed is a laudable idea and is easy to establish in Finland but one should be adequately prepared financially, mentally and emotionally. According to Rajib, it is easy for the average Finn unlike the foreigner, for there is no problem of language barrier and loan access from banks. However, as he emphasized, it will be easy for the foreigner when he has a permanent status, and a proficient knowledge in the Finnish language and the general market. With these qualifications, the average foreigner would be able to secure bank loans, receive governmental support, and training from entrepreneurial agencies.

From the research findings, it was discovered that establishing a new business in Finland is relatively easy but according to the Euromonitor statistical details referred to in the introduction part of this research report, Finland is one of the EU-member nations with the highest rate in graduate unemployment. The reason why many unemployed graduates are reluctant to enter into entrepreneurship planning as expressed by the interviewees were the fear or risks, inexperience, poor networking skills and inadequacy of confidence. All these traits, as mentioned by the interviewees, are some of the entrepreneurial qualities which every entrepreneur and would-be entrepreneur have. However, individual graduates cannot possess all entrepreneurial qualities but one has to conduct a reality check on himself to discover his personal entrepreneurial strengths and weaknesses.

RESPONDENTS	Major Barrier	Minor Barriers	Easiness of Starting business in Finland
	Interviewee One	Inadequacy business experience Difficulty in understanding business legal issues	Finance
Interviewee Two	Finance	The problem of integration into the Finnish society, naivety about the general market information about the restaurant business in Finland, high cost of rent, and racial discrimination.	Easy for the Finn but not for the average foreigner. Nevertheless it will be easy for the foreigner if they meet certain informal business-related requirements. E.g. Permanent status, proficiency in the Finnish language, etc.
Interviewee Three	Finnish language	Fear of Risk	
Interviewee Four	Finance	Conflict with studies and company management Lack of market information	Easy
Interviewee Five	Finance and Risk Management	High demand of salaries from employees. Competition	Easy

Table 16: Summary of Interview Results

6 RECOMMENDATIONS AND FURTHER RESEARCH

Establishing a business as a young graduate is an important advancement but from the research conducted, it has been discovered that there are certain limitations that tend to inhibit graduates from undertaking this step. Some of the recommendations that can aid in overcoming these limitations will be discussed from here.

A good business plan does not struggle for funding, this means that in order to gain external financial support, young business starters should develop convincing and innovating business plans. In this era of global business competition, investors are willing to invest into business ideas that are profitable. Moreover, the government should create an environment that promotes the development of micro-business networks. These networks are associations of wealthy entrepreneurial individuals who provide capital in return for a proportion of the company's turnover.

In many circumstances language can be regarded as a key that can unlock the opportunities existing in a territory. In view of this, students who endeavour to establish their businesses in Finland after graduation should upgrade their proficiency levels in the Finnish language. Being able to speak the language breeds consequential benefits ranging from the ability to access the general market, understand legal business systems, and other opportunities that exists in the Finnish economy.

Finally, resulting from the analysis, the fear of risk, limited level of confidence, and limited business planning skills are some of the barriers that were expressed by the respondents and these reflect the entrepreneurial traits that were emphasised earlier in this research report. Generally some people are entrepreneur talented with entrepreneurial skills whilst others are trained to acquire these skills. In view of this, young entrepreneurial-minded graduates and students who want to start their own businesses have to know their weaknesses and turn them into strengths through the participation of entrepreneurial training programmes, boot camps, seminars, workshops, and other entrepreneurial events.

Generally, this research is on the barriers that existing graduate entrepreneurs encountered and what would-be graduate entrepreneurs anticipate to encounter. It did not research detail into recommending solutions to these barriers and this demands a future research on how to overcome these challenges to the advantage of the young entrepreneur.

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APPENDICES

Appendix 1(Testing the reliability of the research)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,606	,525	13

Appendix 2(Age distribution of respondents)

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-24	69	65,7	65,7	65,7
25-29	32	30,5	30,5	96,2
30-35	2	1,9	1,9	98,1
41+	2	1,9	1,9	100,0
Total	105	100,0	100,0	

Appendix 3(Estimated year of graduation)

Estimated Year of Graduation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2010	4	3,8	3,8	3,8
2011	26	24,8	24,8	28,6
2012	35	33,3	33,3	61,9
2013	38	36,2	36,2	98,1
2014	2	1,9	1,9	100,0
Total	105	100,0	100,0	

Appendix 4(Responses regarding Finance)

Finance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Extremely Minor	7	6,7	6,7	6,7
Quite Minor	5	4,8	4,8	11,4
Slightly Minor	2	1,9	1,9	13,3
Least Minor	10	9,5	9,5	22,9
Neither	7	6,7	6,7	29,5
Least Major	8	7,6	7,6	37,1
Slightly Major	23	21,9	21,9	59,0
Quite Major	22	21,0	21,0	80,0
Extremely Major	21	20,0	20,0	100,0
Total	105	100,0	100,0	

Appendix 5 (Responses regarding to the fear of risk)

		Fear of Risk			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	2	1,9	1,9	1,9
	Quite Minor	3	2,9	2,9	4,8
	Slightly Minor	15	14,3	14,3	19,0
	Least Minor	15	14,3	14,3	33,3
	Neither	8	7,6	7,6	41,0
	Least Major	12	11,4	11,4	52,4
	Slightly Major	26	24,8	24,8	77,1
	Quite Major	16	15,2	15,2	92,4
	Extremely Major	8	7,6	7,6	100,0
	Total	105	100,0	100,0	

Appendix 6(Responses regarding to the lack of business idea)

		Lack of business idea			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	5	4,8	4,8	4,8
	Quite Minor	7	6,7	6,7	11,4
	Slightly Minor	8	7,6	7,6	19,0
	Least Minor	8	7,6	7,6	26,7
	Neither	10	9,5	9,5	36,2
	Least Major	18	17,1	17,1	53,3
	Slightly Major	20	19,0	19,0	72,4
	Quite Major	23	21,9	21,9	94,3
	Extremely Major	6	5,7	5,7	100,0
	Total	105	100,0	100,0	

Appendix 7(Responses regarding to the lack of confidence)

		Lack of confidence			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	3	2,9	2,9	2,9
	Quite Minor	7	6,7	6,7	9,5
	Slightly Minor	9	8,6	8,6	18,1
	Least Minor	4	3,8	3,8	21,9
	Neither	24	22,9	22,9	44,8
	Least Major	26	24,8	24,8	69,5
	Slightly Major	18	17,1	17,1	86,7
	Quite Major	11	10,5	10,5	97,1
	Extremely Major	3	2,9	2,9	100,0
	Total	105	100,0	100,0	

Appendix 8 (Responses regarding to the lack of business planning skills)

Lack of business planning skills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	5	4,8	4,8	4,8
	Quite Minor	8	7,6	7,6	12,4
	Slightly Minor	11	10,5	10,5	22,9
	Least Minor	6	5,7	5,7	28,6
	Neither	11	10,5	10,5	39,0
	Least Major	17	16,2	16,2	55,2
	Slightly Major	27	25,7	25,7	81,0
	Quite Major	9	8,6	8,6	89,5
	Extremely Major	11	10,5	10,5	100,0
	Total	105	100,0	100,0	

Appendix 9 (Responses regarding to Finnish language)

Finnish language

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	24	22,9	22,9	22,9
	Quite Minor	17	16,2	16,2	39,0
	Slightly Minor	8	7,6	7,6	46,7
	Least Minor	11	10,5	10,5	57,1
	Neither	5	4,8	4,8	61,9
	Least Major	4	3,8	3,8	65,7
	Slightly Major	15	14,3	14,3	80,0
	Quite Major	5	4,8	4,8	84,8
	Extremely Major	16	15,2	15,2	100,0
	Total	105	100,0	100,0	

Appendix 10(Responses regarding to the lack of Finnish General Market Information)

Lack of Finnish General Market Information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	11	10,5	10,5	10,5
	Quite Minor	19	18,1	18,1	28,6
	Slightly Minor	15	14,3	14,3	42,9
	Least Minor	8	7,6	7,6	50,5
	Neither	4	3,8	3,8	54,3
	Least Major	9	8,6	8,6	62,9
	Slightly Major	12	11,4	11,4	74,3
	Quite Major	22	21,0	21,0	95,2
	Extremely Major	5	4,8	4,8	100,0
	Total	105	100,0	100,0	

Appendix 11 (Responses regarding to the high demand of time and commitment)

High Demand of Time/Commitment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	12	11,4	11,4	11,4
	Quite Minor	9	8,6	8,6	20,0
	Slightly Minor	17	16,2	16,2	36,2
	Least Minor	16	15,2	15,2	51,4
	Neither	9	8,6	8,6	60,0
	Least Major	12	11,4	11,4	71,4
	Slightly Major	15	14,3	14,3	85,7
	Quite Major	5	4,8	4,8	90,5
	Extremely Major	10	9,5	9,5	100,0
	Total	105	100,0	100,0	

Appendix 12 (Responses regarding to Family Responsibilities)

Family Responsibilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Minor	14	13,3	13,3	13,3
	Quite Minor	19	18,1	18,1	31,4
	Slightly Minor	8	7,6	7,6	39,0
	Least Minor	11	10,5	10,5	49,5
	Neither	13	12,4	12,4	61,9
	Least Major	12	11,4	11,4	73,3
	Slightly Major	7	6,7	6,7	80,0
	Quite Major	12	11,4	11,4	91,4
	Extremely Major	9	8,6	8,6	100,0
	Total	105	100,0	100,0	

Appendix 13 (Test of trustworthiness of responses to finance as a barrier with regards to gender)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9,287 ^a	2	,010
Likelihood Ratio	10,073	2	,006
Linear-by-Linear Association	7,690	1	,006
N of Valid Cases	105		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,80.

Appendix 14(Differences in responses between males and females)

Ranks				
	Gender	N	Mean Rank	Sum of Ranks
Finance	Male	54	63,60	3434,50
	Female	51	41,77	2130,50
	Total	105		
Fear of Risk	Male	54	58,44	3155,50
	Female	51	47,25	2409,50
	Total	105		
Lack of business idea	Male	54	52,04	2810,00
	Female	51	54,02	2755,00
	Total	105		
Lack of confidence	Male	54	55,90	3018,50
	Female	51	49,93	2546,50
	Total	105		
Lack of business planning skills	Male	54	55,06	2973,50
	Female	51	50,81	2591,50
	Total	105		
Finnish language	Male	54	53,56	2892,50
	Female	51	52,40	2672,50
	Total	105		
Lack of Finnish General Market Information	Male	54	50,03	2701,50
	Female	51	56,15	2863,50
	Total	105		
High Demand of Time/Commitment	Male	54	47,83	2583,00
	Female	51	58,47	2982,00
	Total	105		
Family Responsibilities	Male	54	49,22	2658,00
	Female	51	57,00	2907,00
	Total	105		
Finance Classified	Male	54	59,14	3193,50
	Female	51	46,50	2371,50
	Total	105		

Appendix 15 (Man Whitney U-Test)

Test Statistics ^a										
	Finance	Fear of Risk	Lack of business idea	Lack of confidence	Lack of business planning skills	Finnish language	Lack of Finnish General Market Information	High Demand of Time/Commitment	Family Responsibilities	Finance Classified
Mann-Whitney U	804,500	1083,500	1325,000	1220,500	1265,500	1346,500	1216,500	1098,000	1173,000	1045,500
Wilcoxon W	2130,500	2409,500	2810,000	2546,500	2591,500	2672,500	2701,500	2583,000	2658,000	2371,500
Z	-3,726	-1,908	-,338	-1,021	-,724	-,198	-1,040	-1,803	-1,318	-2,478
Asymp. Sig. (2-tailed)	,000	,056	,736	,307	,469	,843	,298	,071	,187	,013

a. Grouping Variable: Gender

Appendix 16 (Testing the validity of responses to the question of Fear of Risk)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3,746 ^a	2	,154
Likelihood Ratio	3,784	2	,151
Linear-by-Linear Association	3,700	1	,054
N of Valid Cases	105		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 9,71.

Appendix 17 (Crosstab analyses between lack of business idea and age)

Lack of business idea classified * Age classified Crosstabulation

			Age classified		Total
			18-24	25+	
Lack of business idea classified	Extremely, Quite or Slightly	Count	15	6	21
		% within Age classified	21,7%	16,7%	20,0%
	Least Minor, Neither or Least major	Count	24	12	36
		% within Age classified	34,8%	33,3%	34,3%
	Slightly Major, Quite Major, Extremely Major	Count	30	18	48
		% within Age classified	43,5%	50,0%	45,7%
Total	Count	69	36	105	
	% within Age classified	100,0%	100,0%	100,0%	

Appendix 18 (Crosstab analyses between lack of confidence and age)

Age classified * Lack of Confidence Crosstabulation

			Lack of Confidence			Total
			Extremely, Quite or Slightly	Least Minor, Neither or Least major	Slightly Major, Quite Major, Extremely Major	
Age classified	18-24	Count	7	39	23	69
		% within Lack of Confidence	36,8%	72,2%	71,9%	65,7%
	25+	Count	12	15	9	36
		% within Lack of Confidence	63,2%	27,8%	28,1%	34,3%
Total		Count	19	54	32	105
		% within Lack of Confidence	100,0%	100,0%	100,0%	100,0%

Appendix 19 (Testing the validity of responses to the question of Finnish language)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13,435 ^a	2	,001
Likelihood Ratio	13,814	2	,001
Linear-by-Linear Association	7,894	1	,005
N of Valid Cases	105		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8,95.

Appendix 20 (Test of trustworthiness of responses to the question of high demand time and commitment).

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1,155 ^a	2	,561
Likelihood Ratio	1,162	2	,559
Linear-by-Linear Association	,020	1	,887
N of Valid Cases	105		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 13,43.

Appendix 21 (Cover Letter of Questionnaire)

Dear Fellow Student,

I am Emmanuel, a student of Laurea UAS pursuing a degree programme in Business Management who is writing his final year bachelor thesis on entrepreneurship planning among graduates. The purpose of the research is to find out the perceptions that students hold about entrepreneurship that are preventing them from considering their own business as a career option after graduation.

I deem it a great benefit if you can take a moment of your time to answer the questions in the subsequent pages. Your responses will be kept confidential.

Thank you

Appendix 22 (Sample Questionnaire)

Tick as appropriate

1. Gender : Male Female
2. Age :18-24 25-29 30-35 36-40 41+
3. Continent : Europe Africa Asia South America
North America Australia
4. Estimated Year of Graduation: 2010 2011 2012 2013
2014 other
5. Programme of Study: Business Management Business Information Technology
Facility Management Hospitality Management Security Management

Underneath are common entrepreneurial barriers that hinder business starters, starting from the least (Extremely Minor-1, Quite Minor-2, Slightly Minor-3, Least Minor-4, Neither-5, Least Major-6, Slightly Major-7, Quite Major-8, Extremely Major-9), in your own opinion, how will you rate these barriers?

- a. Finance
- b. Fear of risk
- c. Lack of business idea
- d. Lack of confidence
- e. Lack of business planning skills
- f. Finnish language
- g. Lack of general market information about the Finnish market
- h. High demand time commitment and hardwork.
- i. Family responsibilities

Appendix 23 (Sample Interview Guide)

Interview Guide in Interviewing Entrepreneurs

General Business Information

1. How did you start your business?
2. What was the major obstacle that you encountered in starting your business?
3. What other obstacles did you encountered?
4. Did you receive any help from the government or any agency in Finland when you were starting your business?
5. Is it easy to establish one's own business in Finland?

If Yes why?

If No, why?

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