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The Motivations of Catering Companies to Deliver Food to Elderly People

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The Motivations of Catering Companies to Deliver Food to Elderly People

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The fact of the ageing population will affect almost every aspect of the lives of Europeans. For example, there will be changes in the way businesses operate and work is organized and changes in urban planning. Ageing population will also affect the introduction of new businesses and technologies to assist the ageing population, the design of flats, public transport, voting behavior and the infrastructure of shopping possibilities in the cities.

The main question in the research will be to determine whether the delivery of food to elderly customers provides an opportunity to the catering business. Qualitative method of research approach was used by the researcher to collect data and analyses. The qualitative method was in a form of in-depth interview, observation and document studies which was used to collect data from three catering companies in Finland. The research interviewed the owners of the companies, manager, chefs and administrator of the company.

The result of this research established that catering companies that deliver food to elderly people generally have an extra specialization and motivational factors which distinguish them from ordinary restaurant catering businesses. Some of the results obtained from the interviews revealed similarities and differences based on the personal views of the interviewees. It was concluded that the establishment of a catering company that delivers food to elderly people's homes can be a lucrative business in the future when the customer base has increased. Most of the respondents are unwilling to go into such business at present, but hope to do so in the near future.

Even though the result of the research does not meet validity and reliability requirements, it was an interesting topic to discuss. It will also help catering companies to know the possibilities of starting this line of catering business in the future.

Key words Population, Population Ageing, Catering, Technology, Establishment and Entrepreneurship

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1 Introduction

The proportion of people over the age of 60 years in almost every country is growing faster than the other age groups. This is based on the result of both longer life expectancy and declining fertility rates. For socioeconomic development, populations ageing may be seen as a success for public health policies but it also has problem which society should adapt in order to maximize the health and functional capacity of older people as well as their social participation and security. According to Global Ageing survey directed by George Leeson and Sarah Harper as part of the HSBC funded Future of Retirement Project (FOR) entitled “exploring attitudes, expectations and behaviors towards later life and retirement”, it was discovered that many people are now fully aware of the ageing of the world’s population and the implication which will have for their lives and the lives of their children and grandchildren. This survey is considered to be the world’s largest single survey conducted covered 44,000 people aged 40 to 80 in 24 countries from across the globe. A compression of morbidity would imply reducing reduced disability in old age, whereas an expansion would see an increase in poor health with increased longevity. Another option has been posed for a situation of dynamic equilibrium. This is crucial information for governments if the limits of lifespan continue to increase indefinitely. Some researchers believe that limits of lifespan may increase indefinitely (Manton 1982).

Population ageing increases from two mainly possible related demographic effects namely longevity and declining fertility. Rise in longevity occurs when the average age of the population increases the number of surviving older people while the decline in fertility reduces the number of babies and as the effect goes on also reduces the number of younger people. According to researches, the possible third factor is migration. Out of the two main forces of population ageing, the declining fertility is considered to be the largest contributor to population ageing in the world today. Particularly, it is the large decline in the overall fertility rate over the last half century that is primarily responsible for the population ageing in the world’s most developing countries. The fact that many developing countries are going through faster fertility transition, it is possible that they will experience even faster population ageing than the currently developed countries in the future. The rate of increase in population ageing is likely to increase over the next three decades, but unfortunately few countries have the evidence to ascertain if their growing older populations are living the extra years of life in good or poor health. Canada has the highest per capita immigration rate in the world which is partly to counter population ageing. The C. D. Howe Institute, a conservative think tank has proposed that immigration cannot be used as a feasible means for countering population ageing. Most of the developed countries in the world with notable exception of the United States now have a sub-replacement level and now population growth depends largely on immigration together with population momentum which arises from

previous large generations now enjoying longer life expectancy. According to demographers Peter McDonald and Rebecca Kippen, ‘‘as fertility reduces further below replacement level, increasingly higher level of annual net migration will be required to maintain a target of even zero population growth’’ (McDonalds 1946). The next chapter will discuss the future of ageing population focusing on India, Japan and Finland. According to researcher, Europe and Asia will face sizeable population growth in the next twenty years and therefore has become necessary for attention to be made on this future population growth.

1.1 The Future of Ageing Population in Europe and Asia

Asia and Europe are the two regions where a sizeable number of countries face dangerous population ageing in the near future. In these two regions, within the next twenty years many countries will face a situation where the largest population age group will be those over sixty-five and average age will be approaching fifty. The Oxford Institute of Ageing research revealed ‘‘that many of the views of global ageing are based on myths and that there will be considerable opportunities for the world as its population matures’’. (Harper and Leeson 2008). According to Oxford Institute of Population Ageing, population ageing has reduced drastically in the European countries and will have a greater future impact in Asia. This impact is more realistic in as Asia is in its fifth stage of the demographic transition model. The largest communist countries in the world China inhabit one in three people worldwide with a population of 1.3billion inhabitants. India places second which inhabit 1.1billion people representing a full 17% of the earth’s population. In the next chapter, I will discuss the population growth in India, Japan and Finland and it relations to the world population.

1.1.1 Population in India

In 2001, census conducted in India indicated that the country’s population has grown by 181 million people in the previous decade. When India gained independence from the United Kingdom sixty years ago, the country’s population was only 350million. The population of India has tripled since 1947 after they gained independence. In the year 1950 the total fertility rate of India was approximately 6 children per woman however, since 1952 India has worked to control its population growth. In 1983, the country’s National Health Policy planned to have a replacement value total fertility rate of 2.1% by the year 2000 but that did not occurred. In 2000, India instituted a new National Population policy to stern the growth of the country’s population. Reduction of the total fertility rate to 2.1% by 2010 was one of the main aims of the policy but by 2002, the total fertility rate was 2.6%. However, United State Census Bureau has predicted that the near replacement total fertility rate to be 2.2% by 2050. According to the report by the Bureau, it is anticipated that the India’s population will reach 1.5 to 1.8 billion by 2050. According to report by UN, its expect India to overtake China

before the year 2030 due to the higher fertility rate of Indians. Both countries, China and India are facing rapid growth in their urban populations. In the year 2000, India crossed the one billion mark exactly one year after the world's population crossed the six billion thresholds. Demographers have estimated that India will have a population of 1.53 billion while China's population is forecast to be at its peak of 1.46 billion. After China reaches its peak, the population will begin to drop in subsequent years. The graph below compares the population between India, China and the United States of America. It also shows the current and projected population figures in the next fifty years.

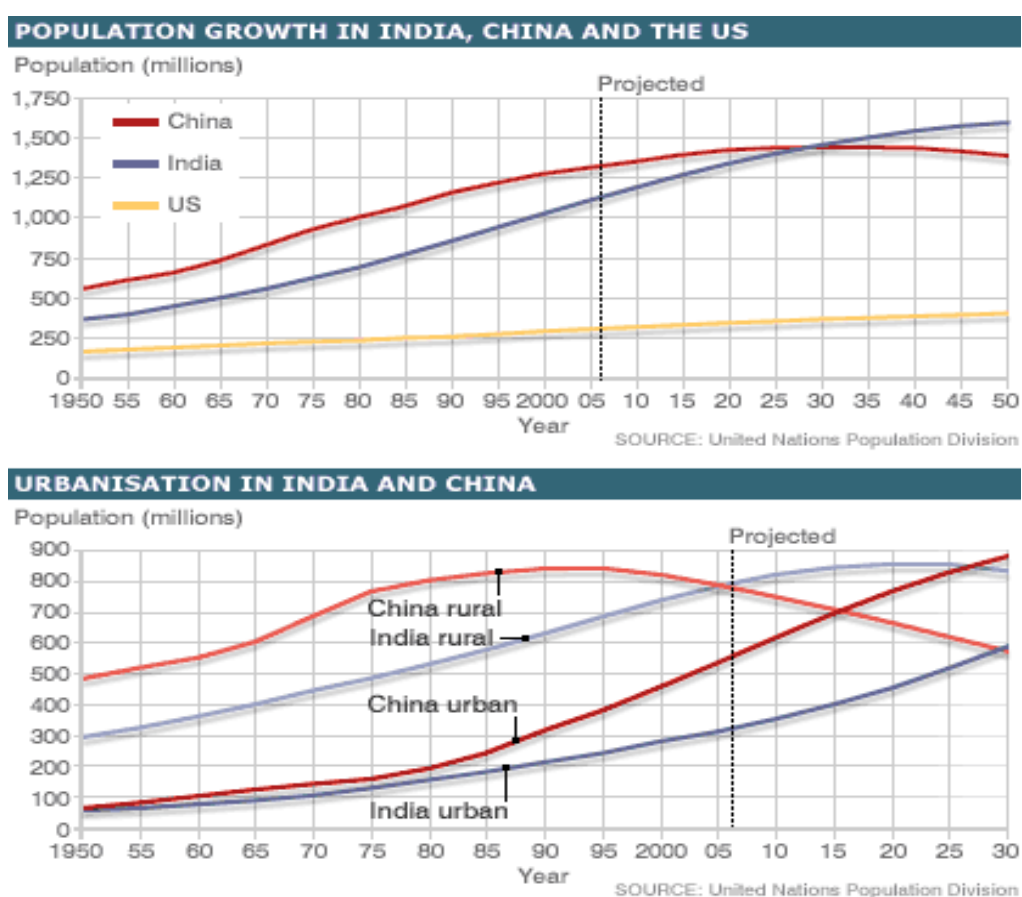


Figure 1: Population growth in India, China and US. Source: United Nations Population Division.

In conclusion, it was realized that India's population has increased drastically over the years and is still expected to increase from 1.5 million to 1.8 million in the next forty years. However, India has set strategies to reduce the increase rate of its population. One of the strategies is that, it hopes to reduce fertility rate to 2.2% by the year 2050.

1.1.2 Population in Japan

Japan has the highest proportion of elderly citizens in the world with 21% of the population over the age of 65 years. Only 11.6% of the population as at the year 1989 was 65 years and over but it was projected that 25.6% of the population will be in that age category by 2030. In the February 2011, 23.1% of the total population was 65 years and over while 11.4% of the total population was 75 years and over which is noted as the world's highest age population increase. A paper issued by the Japanese Health Ministry in 2011 indicated that populace with the age of 65 and over increased from 26.5 million in 2006 to 29.47 million in 2001 which serve as 11.2% increase. The ministry also estimated that the country's total population will decrease by 25% from 127.8 million in 2005 to 95.2 million by 2050. The Japanese elderly population aged 65 and over comprises of 20% of the country's population in June 2006. This percentage is expected to increase to 40% by the year 2055. This estimate will have taken place in a shorter span of time than in any other country.

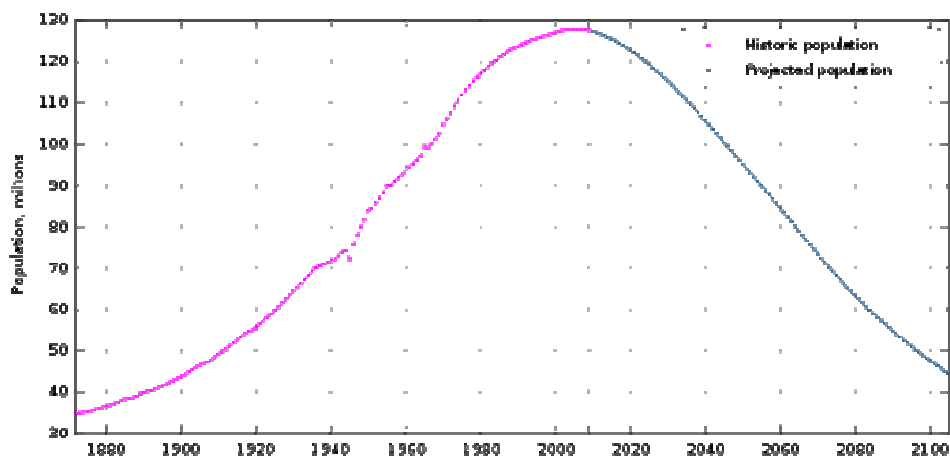


Figure 2 Changes in the population of Japan

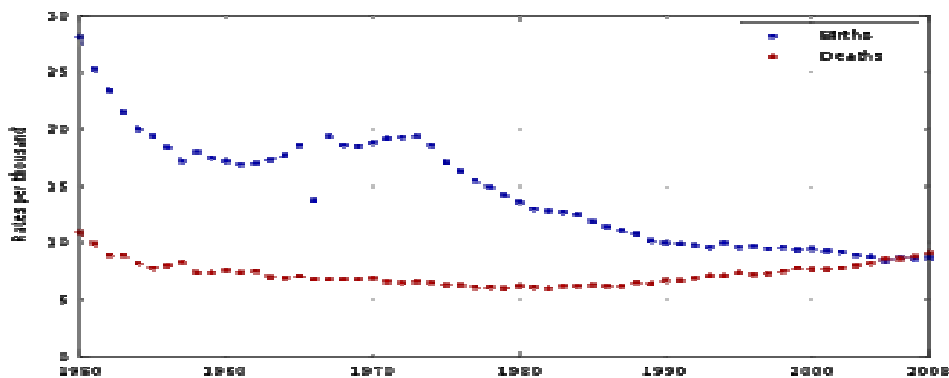


Figure 3: Birth and Death Rates of Japan since 1950

Japanese ageing population has been brought about by the combination forces of fertility and high expectancies such as low mortality. The birth rate in the year 1993 was estimated at 10.3 per 1000 population and the number of children born to a woman in a lifetime has been lesser than two since the late 1970. In 1993, the average number of children born to a woman was estimated at 1.5. The main form of birth control was family planning which includes the use of condoms and legal abortions. High education, devotion to raising healthy children, late marriages, and increased participation of women in the labour force, small living spaces, education about the problems of overpopulation and high cost of child education are the number of factors that has contributed to birth control and small families in Japan. In 1993 life expectancies at birth was estimated at 76.4 years for males and 82.2 years for females which was the highest in the world. After the end of World War II, the expected life span was 50 years for both male and female. The mortality rate of the Japanese population was estimated at 7.2 per 1000 population. The main causes of death are heart diseases, cancer and cerebral vascular disease, a pattern which is common to industrialized societies.

In every one in four persons in Japan is said to be 65 years or older. The dependency ratio by the year 2025 was expected to be 2 dependents for every 3 workers even though this is not the highest dependency ratio in the world. Uganda is said to be 1.3 dependents for every one worker. Dependency ratio is the ratio of people under the age of 15 plus those 65 years and older to those age 15-65 - in a simplified way, the ratio of the dependent population to the working population. Population ageing is already becoming an evident in the aging of the labour force and the shortage of young workers with potential impacts on employments practices, wages and benefits and the roles of women in the labour force. The increasing proportion of elderly people also had a major impact on government spending. Millions of dollars are saved every year on education and on health care and welfare for children.

In the 1970s, social expenditures amounted to only about 6% of Japan's national income. In 1992 that portion of the national budget was 18%, and it was expected that by 2025, 27% of national income would be spent on social welfare. In addition, the median age of the elderly population was rising in the late 1980s. The proportion of people age 65-85 was expected to increase from 6% in 1985 to 15% in 2025. Because the incidence of chronic disease increases with age, the health care and pension systems are expected to come under severe strain. In the mid-1980s the government began to reevaluate the relative burdens of government and the private sector in health care and pensions, and it established policies to control government costs in these programs.

According to a study by the United Nation Population Division released in year 2000 detected that Japan would need to raise its retirement age to 77 or admit one million immigrants annually between 2000 and 2050 to maintain its worker-to-retiree ratio. The government

encouraged establishment of nursing homes, day-care facilities for the elderly, and home health programs after recognizing the lower probability that an elderly person will be residing with an adult child and the higher probability of any daughter or daughter-in-law's participation in the paid labor force. Longer life spans are altering relations between spouses and across generations, creating new government responsibilities, and changing virtually all aspects of social life. Fortunately, retiring people are making way for employers to hire working age people. This has an effect of lowering the unemployment rate or selection ratio as elderly generally stop working or seek work. Japan's jobs to applicant ratio have been steadily increasing from May 2010 to early 2011 (Hewitt 2002). The next chapter will talk about the population growth in Finland and its effect on the economy.

1.1.3 Population in Finland

Finland has experienced the fastest growth rate since 1991 with a total population of 5.4 million at the end of 2011 according to the Statistical Service of Finland. The Finnish population grew by almost 26,000 in the year 2011. According to an article published by YLE news dated 17th March 2012, permanent Finnish citizens residing in Finland were five million of which one hundred and eighty thousand are foreigners representing 3.4 percent at the end of 2011. Out of the five million, one hundred thousand were born outside of Finland.

Finland has an interesting growth rate with regards to population ageing. This is because Finland is seen as a leading country in the European Union as far as new ageing policies are concerned. This is directly connected to the fact that the country has the fastest ageing society among the EU-15. Finland is the only EU Member State which applied an integrated policy approach to population ageing and it's the only one where age discrimination in working life is prohibited by law (Committee of the Regions 2003). Life expectancy has increased rapidly over the years. In 1986 life expectancy for males was 70.5, females were 78.7 and the estimates for both sexes were 74.7. As at 2009 the life expectancy for males increased to 76.5, females 83.1 and both sexes were 79.8 years. In the year 2008, 1.85 children born/woman and in 2009 it increased to 1.86 children born/woman.

	Unit	2010	2020	2030	2040	2050	2060
Population	1 000	5 378	5 636	5 850	5 985	6 090	6 213
0-14 years	%	16	17	16	15	16	15
15-64 years	%	66	60	58	58	57	56
65- years	%	18	23	26	27	28	29

Table 1: Source: Statistics Finland, Demographic Statistics. Last Modified: 22.3.2011

According to the statistical service of Finland, total population will be increased from 5.3 million to 6.2 million between 2010 and 2060. Birth rate and working population will both reduce from 16 percent to 15 percent and 66 percent to 56 percent respectively. However, pension or old population will be increased over 50 percent after fifty years. The population will increase from 18 percent to 29 percent. In the near future, Finland will be in the forefront of old age in the world as well as Japan. This project is however necessary because people live long and it may be lucrative to venture into such business of delivery of food to elderly people and will help ageing people to stay home instead of moving to retirement homes. Finland is one of the countries with less population, however its population started to grow since 1991. Even with this increase, the projected population increase as at the year 2060 will be 6.2 million making an increase of about 1 million.

1.2 Economic Effects of Ageing Population in Europe

The economic effects of an ageing population are significant because older people have higher accrued savings per head than younger population, but unfortunately may be spending less on consumer goods. An ageing population may result in lower interest rates and the economic benefits of lower inflation depending on the age range at which the changes occur. Some economists in Japan see advantages in such changes particularly the opportunity to progress automation and technological development without causing unemployment. According to the economists, they emphasized shift from Gross Domestic Product to personal well-being. However, some categories of expenditure including some public finances may be increased due to population ageing. Health care is considered to be the largest area of expenditure in many countries whose cost is likely to increase dramatically as the population ages (Herbertsson and Orszag 2003; Börsch-Supan 2001).

Because of high cost of expenditure, government of these countries will have to choose between the hard choices of higher taxes, including the possible reweighing of tax from earnings to consumption and a reduced government role in providing health care. Education is the second largest expenditure of most government and these expenses will fall with an ageing population especially few amount of young people would probably continue to further their education to the tertiary level as they will be in demand as part of the work force. Due to increased longevity, social security has begun to experience sustainable problems for example benefit pension system. Unfortunately, the extension of the pension period was not paired with an extension of the active labour period or rise in pension contribution which has resulted in the decline of replacement ratio. Even though many countries have adopted policies to strengthen the financial sustainability of pension systems, the challenges regarding pension adequacy remains. It is therefore obvious that the actual retirement age must be raised substantially; otherwise there is the danger of collapsing social security systems and

potential labour, skill and knowledge shortages. When the greater percentage of the population gets over the age of 65 years means the population is ageing and therefore it means there is an increase in the dependency ratio with a smaller percentage of the working population working to support a greater number of people outside the labour force. (Herbertsson and Orszag 2003; Börsch-Supan 2001).

Increase in dependency ratio means:

1. There will be more people claiming benefits such as state pensions and less people working and paying income tax.
2. It increases government spending on health care and pensions
3. Those in the working population will have to pay higher taxes. This could result in deterrence to work and therefore there could be decrease in productivity growth.
4. Changing sectors within the economy
5. There will be shortage of workers. This shortage of workers could cause push up in wages and therefore causing wage inflation. Also flexible working practices would be introduced by companies to encourage people to enter into working force.

Apart from being net receivers of help and support, in fact older people are also net providers at least up to the age of 75 years. Older people provide free childcare, financial, practical and emotional assistance to family member including non-family members with their daily living task. Such free and voluntary caring services provided by the older people add up to a significant proportion of the nation's GDP, about seven percent on some measures (Ranzijn, Hartford and Andrews 2002). Grand parenting has become an important social role when people tend to have more living parents than children. Older people also attend musical concerts, theatres and art galleries more frequently than younger people, read more and visit libraries more often. Thus it is probable that the arts will benefit from an older population. Population ageing offers many opportunities for the economy to respond to the needs of older people. One of the great benefits of ageing population is that, older people are more law abiding and commit lesser crimes than the working population (De Vaus and Wells 2003). The Australian Institute of Criminology (2002) estimates that "homicide rates will fall by around 16 per cent between now and 2050 and there is likely to be less crime altogether resulting in substantial savings in prison and policing costs in the future. Older people are involved in the community as active members of clubs with a large Melbourne survey reporting that one-third of men and one quarter of women aged 55-75 years belonged to a sporting club" (Howe and Donath, 1997). The Member States of the European Union (EU) are facing important socio-demographic changes. However, fertility rates have fallen from 2.7 children per women in the

mid-1960s to less than 1.5 children in 2002, which is far below the replacement level of 2.1 children. Also the life expectancy for women increased by more than 8.5 years and for men by 7.7 years in the same period of time (Eurostat 2004: 20-21). As a result of these changes, European societies are currently ageing and additionally shrinking in the medium-term.

The fact that people live long, this will affect almost every part of the European lives, for instance there will be changes in the way businesses operates and work is being organized, changes in urban planning, introduction of new businesses and technologies to suite the ageing population, the design of flats, public transport, voting behavior and the infrastructure of shopping possibilities in the cities (Špidla 2005).

1.3 Purpose of the Thesis

The underlying research questions of this study will try to answer one major question. According the Finnish Statistical service (2010), about sixty percent of the working population will go on retirement in the next ten years. This means urgent attention should be paid so that the seniors on retirement may enjoy healthy food in their homes. In relation to this argument based on the topic of the thesis; the motivations of catering company to start to supply food to elderly home care customers, the major research question to the main research statement is as follows: Does the delivery of food to elderly customers bring an opportunity to the catering business?

1.4 Research Problem

This research will attempt to counter the impression why most catering companies are in business, what opportunity will they get from delivery food to elderly customers. Within this focal point, the thesis will investigate the occurrence of problems which catering companies which has tried home delivery food to elderly customer but failed and find a remedy to those problems. The case for the study is managers, owners and employees of Share Catering and Event Oy, Sukula Eatertainments and Kaikilla Mausteilla Oy.

1.5 Research Approach

Several important dimensions are to be taken into consideration in defining unit of a study and the scope and characteristics of the approach. According to Ghauri and Gronhaug (2005), research method refers to the systematical focus on obtaining information through an orderly collection of data in order to solve or answer a particular research problem. Procedure is the main difference between qualitative and quantitative research and not the quality. The

research questions presented above express the opportunities that delivery of food to elderly customers may bring to the catering business

The research will use qualitative method of approach to find out the research questions. The qualitative research approach will be based on observations, document studies and interviews. The qualitative research approach is a method of research applied in many different academic disciplines, basically in social sciences and also in market research and further contexts. Qualitative researchers tend to find out or gather an in-depth understanding of human conduct and the reason behind such conduct. This method of research approach focuses on the description of a phenomenon than by intuition or reasoning. The researcher will use qualitative method of research approach by using basically interviews to find answers to the research questions. It will also find out some catering company which are into such field of business and what benefits or problems it is facing.

1.6 Framework of the Thesis

The research structure identifies the main component that are interconnected to make the thesis complete. Figure 4 describes the journey which the research has gone through. The research begins with the introduction which discusses population ageing and population increase as well as tries to explain the causes of population ageing and increase. The introduction further discusses the benefit and effect population may bring upon a country, its economy and the world as a whole.

The next stage of the research will discuss the theoretical background of the thesis. The theoretical background of this thesis will discuss the overview of entrepreneurship, three approaches to entrepreneurship and challenges, economic function, phenomenon and sociological perspectives of entrepreneurship and types of entrepreneurship and possible studied failure in catering entrepreneurship. After the theoretical background, is the research approach stage where basically qualitative method of research will be used to collect data. The qualitative method of data gathering will be interviewing managers, chefs and workers of catering companies in Helsinki, Finland. The next stage of the research will discuss the empirical study. The empirical study was based on the research approach and qualitative method of data would be used. The final phase of the research will be the data analysis and finding stage which will involve conclusion and recommendations.

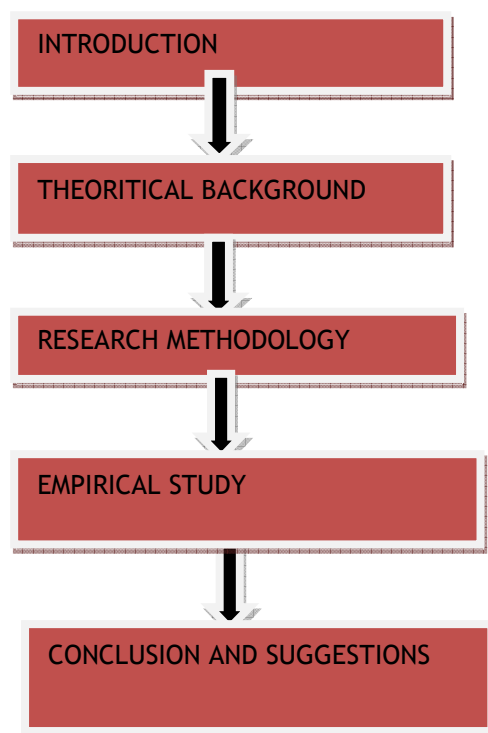


Figure 4: Structure of the study

2 Theoretical Background (Literature review)

2.1 Overview of Entrepreneurship

In any theory, it is important to concentrate on what questions that theory is designed to answer and what tools are being used to answer them. The purpose of analysis is mostly to explain how the market system works and the various kinds of income especially profit and their relation with entrepreneurship when the concept of entrepreneurship is used in economics. However, most objective of entrepreneurship is connected with profit making which according to Howard, Sahlman, Roberts and Bhide (1999, 1), explained that the concept of entrepreneurship brings about many variety of mental images that a precise definition can be deceitful. Whiles many intellectuals defines entrepreneurship as a means of starting a business, other economist are of the view that there are more to this asseveration.

Entrepreneurship is seen by scholars as an economic function whiles others see it as a behavioral process based on personal character. Other scholars view entrepreneurship from sociological perspective (Howard 8-9). The entrepreneurial theory of this thesis will focus on the ideas of the Neoclassical Theory, the Schumpeterian approach and the Neo-Austrian Theories of entrepreneurship. It will also describe the Economic Function, Phenomenon and Sociological Perspectives of entrepreneurship. "What separated the modern schools of

economic theory from one another was largely nothing more than a matter of language and style” (Mises 1949).

2.1.1 Neoclassical Approach (Marshallian Approach) Of Entrepreneurship

In analyzing entrepreneurship, Marshall (1948), mainly tries to explain how markets reach their equilibrium under the assumption of perfect competition; the existence of many firms, homogenous goods and free entry and exit, perfect knowledge and information but does not give individual manufacturer a specific role in terms of innovation or change. The main concern and goal of this approach is to show that markets clear under the perfect competition assumptions and there are no excess profit opportunities and therefore there is no exploitation of labor in production process since everyone earns his marginal contribution to production and national income. Marshall analyses zero profit equilibrium conditions and at the same time explained how change and progress occurs and what leads producers to innovate or develop new production methods and techniques without profit incentives. Marshall uses small changes innovations in the market process by many small competitors and confusingly indicates that large scale production is essential for economic progress and economic innovation to answer these questions.

2.1.2 Schumpeter's Creative Destruction

Schumpeter (1991) believes that human economic development is the history of continuous creative destructions by entrepreneurs rejecting the equilibrium analysis. Schumpeter also believes that entrepreneur is an innovator, not an imitator in the production and, as an innovator, the entrepreneur becomes a monopolist. Since economic progress comes from innovations, innovator monopolist should be protected and entrepreneurship should be encouraged. Schumpeter defines entrepreneur as someone who establishes a new business to produce a new product or to make an old product in a new way. According to him, the entrepreneur takes the center stage of socioeconomic development and the role of socioeconomic leader since the entrepreneur has the ability to decide, to direct and to push matters through. The Schumpeterian entrepreneur differs from imitators in applying new methods of production on the market, in opening up new markets. This creative ability differences gives entrepreneur a chance of accumulation of a surplus but this eroded as imitators appear in the market using same methods. Thus, the temporary monopoly profits made by the entrepreneur shows the dynamic of the capitalist system and also show that each cycle of innovations by entrepreneurs is the main cause of business cycles.

2.1.3 Kirzner's (Alert) Entrepreneur

Kirzner's entrepreneur is an alert arbitrager and competition between alert entrepreneurs helps the market clearing process. Economic agents have different information and knowledge and this difference creates opportunities for entrepreneurs to exploit them and cause market to go equilibrium. He believes that in the markets the tendency towards a single price is continually interrupted- but continually resumed. While in Neoclassical analysis, the main focus is the conditions necessary to sustain an equilibrium, and Schumpeter (1991) focus was to explain the progress in capitalistic system by using innovator entrepreneur's destructive creation, Kirzner (1997) representing the Neo-Austrian approach to entrepreneurship- focused on answering the question of whether a market economy works and, if it does so, what the process that leads the economy towards an equilibrium is. Kirzner claims that initially the economy is in disequilibrium and the competition among alert entrepreneurs leads to equilibrium.

Unlike Neo-classical economists, Kirzner (1997) realizes that markets are not always clear, there is no perfectly informed representative agent, and for change the entrepreneurs need incentives. These incentives come from the difference among agents in terms of information and knowledge. In order to explain his model Kirzner (1997) benefits from Mises's "profit seeking and speculating entrepreneur" and Hayek's "mutual learning" ideas. According to Mises (1949), the driving force of the market process and cause of market equilibration is the profit seeking and speculating entrepreneurs. Since each agent has different knowledge and information set in a real economy, every actor is an entrepreneur and speculator. Hayek (1948) does not directly emphasize the role of entrepreneur in the market process but he states that the market process gives information about everyone's plans to every other person. He believes that there is tendency towards equilibrium, but this does not mean markets always reach to equilibrium. He has doubt whether the assumption of a perfect market where every event becomes known instantaneously to every member exists.

2.2 Entrepreneurship Concept

2.2.1 Economic Function

The approach of entrepreneurship in the economy is centered on the roles that entrepreneurship plays in the economical development of the nation, region or community. The main channel of increasing Gross Domestic Product, reducing poverty, providing employment and the betterment of the general welfare of the people in both developed and developing countries are the existence of small and medium enterprises (SME's). It can be seen as a critical means of inducing employment opportunities and economic growth (Howard

et al. 1999, 8). According to Cantillon, entrepreneurship means accepting an estimated risk of buying at known price and selling at unknown price (Morrison, Remington and Williams, 1999, 4).

This means that an entrepreneurship involves risk function which the entrepreneur will have to bear in order to succeed in the business. Most people fail to take up entrepreneurship due to the fact that they are afraid to take calculated risks. The proposition of Cantillon was further broadened by Say (1800) to include the concept of combining the different factors of production. According to Howard et al. (1999, 8-9) the literature of Schumpeter (1911) explained further the concept of innovation. Schumpeter sees an entrepreneur as a person who introduces new ideas and production processes through innovation. A person who set up a new business to develop a new product or simply makes an old product new is called an entrepreneur. (Kusi Appiah 2010).

2.2.2 Phenomenon Perspective

This perspective is centered on the entrepreneur as a person who has a particular combination of personal qualities and beliefs. This makes the perspective to be based on individual qualities. According to the Department of Electronics University of York (2009, 6), other researchers refer to this perspective as the idiosyncratic perspective. Entrepreneurship is invariably optimizing benefits of comprehended chances, creating and inventing something valuable according to Bolton and Thompson (2003, 49). This definition by Bolton and Thompson is based on individual traits which makes it to mean that, the ability of an individual to become an entrepreneur depends on certain traits. For an entrepreneur to be successful, he has to perceive his traits with restless and active manner and they must be committed and individuals who seeks opportunity and have the knowledge to sense opportunity where other encounter problems (Bolton & Thompson 2003, 50). According to Goossen (2007, 159); a distinguished professor in entrepreneurship in Babson College of Massachusetts perspective of entrepreneurship, an entrepreneurship mind is set on six available characters and four non-available characters which starts with an effective pursuit of opportunities.

Entrepreneurs do not give up easily once they have set vision and would not be discourage even when they face difficulties and obstacles. According to Nyadu-Addo and Adusei (2006, 5), entrepreneurs act against obstructions and could control all difficulties including distress from the environment and human beings and even lack of money. Drucker see an entrepreneur as a person who can merit from acquired or developed traits but there is no existence of entrepreneurial personality because entrepreneurs are not known on their

psychology but on what they do. He also sees an “entrepreneurship as not a science or an art but as a practice” (Goossen 2007, 16).

Entrepreneurship is defined by Howard et al. (1999, 9) as a managerial operation or style which includes the quest of perceived opportunities, managerial traits for example strategic orientation, compensation policies, resource commitment, resource control and concept of management. Howard et al. has a different view when describing entrepreneur using the economic or individual traits. In their sentiment, they consider entrepreneurship as a behavioral phenomenon because they think it is not practicable to define an entrepreneur by how they operate and their personal traits that are neither entrepreneurial or not. Ownership structure, size and life-cycle of company are other criteria which people use to define entrepreneurship. Morrison et al. (1999, 4) explained entrepreneur in relation to ownership structure as a person who has the ability to establish a new business venture. The view of Morrison et al. (1999, 5) falls in agreement with the view of Bolton and Thompson (2003, 50) when the later defined entrepreneur as someone who is restless and active in creating innovative, new and different ventures.

2.2.3 Sociological Perspective

Sociologists analyze social phenomena at different levels and from different perspectives from absolute interpretation to abstract generalization of society and social behavior. They study everything from a specific events from both micro and macro levels. The three primary theories that sociologists employ in recent days are:

1. The symbolic interactions perspective
2. The Functionalist perspective and
3. The conflict perspective

These three perspectives enable sociologists to explain how society influences people and how people influences society. Each of this perspective identically conceptualizes society, human behavior and social forces.

<i>Sociological Perspective</i>	<i>Level of Analysis</i>	<i>Focus</i>
Symbolic Interactionism	Micro	Use of symbols; Face-to-face interactions

<i>Sociological Perspective</i>	<i>Level of Analysis</i>	<i>Focus</i>
Functionalism	Macro	Relationship between the parts of society; How aspects of society are functional (adaptive)
Conflict Theory	Macro	Competition for scarce resources; How the elite control the poor and weak

Table 2: Sociological perspectives

In the concept of entrepreneurship, sociologists believe that entrepreneurship exists in a social context. They also view entrepreneur as a social system and the personality qualities that the sociological system brings are determined by the entrepreneurial activities and influences of the social environment. Sociologists are also of the view that human beings are of certain values, attitudes and beliefs that is possible to affect the individual's entrepreneurial skills and potentials. For example, such values, attitude and beliefs can either have a positive or negative effect on the potentials of the entrepreneur. The chances that an individual born in entrepreneurial-minded family to become an entrepreneur is much higher and easier than someone who is born into a family or society that has less or no idea about entrepreneurship (University of York, 2009, 5).

Available	Not Available
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 3: Attributes of entrepreneurship: picked from R J. Goossen, 2007, Entrepreneurial Excellence.

2.3 Entrepreneurship Process

The process of starting a new business depends on the entrepreneurial process which involves extra skills than just problem solving in a typical management position. By overcoming the forces that resist the creation of something new, the entrepreneur must evaluate, find and develop an opportunity. According to Hisrich, Peters and Shepherd (2005, 1), the entrepreneurship process has four main phases namely:

1. Identification and evaluation of the opportunity
2. Developing of the business plan
3. Determination of the required resources and
4. Management of the resulting enterprises

One of the phases cannot be dealt in isolation or is totally completed before work on the other stage even though the four phases proceed progressively. For instance, the entrepreneur must keep in mind the type of business he desires before he can successfully identify and evaluate an opportunity (Hisrich et al. 2005, 1). However Goossen (2007, 162), defines entrepreneurial process as an act by which a person with entrepreneurial mind is able to evaluate risk, discover creative ideas from opportunities and put resources together to undertake this idea in an open environment. An entrepreneur must change the rules of success by committing completely to the entrepreneurial process and the output of this process is wealth and employment creation which contributes to economic growth if he wishes to achieve a balance between individual opportunity and resources (Bolton and Thompson, 2003, 6).

Goossen (2007, 162-163) has suggested six entrepreneurship processes. According to him, the first process begins with an opportunity. This goes in agreement with Hisrich et al. (2005) when they also proposed four phases of entrepreneur process which begins with identification and evaluation of opportunity. Most people are of the view that, the first process of starting a business is having enough financial means or money. This idea has been proved wrong by Hisrich et al. (2005) and Goossen (2007, 162-163). "Although most entrepreneurs do not have formal mechanisms or identifying business opportunities, some sources are often fruitful: consumers and business associates, members of the distribution system, and technical people" (Hisrich et al. 2005). According to Goossen (2007, 163), all the other factors will not be necessary unless one is able to find an opportunity in the environment in which he lives. Money, strategic objective and other resources will not be useful without the existence of opportunity and the size and range of the opportunity will largely determine the amount or quantity of resource, the supporting measures that will be needed and the strategies to be adopted.

Creative use of resource is the second entrepreneurship process. Goossen (2007), stresses that resources should be used economically to shape opportunity into reality because resources are scarce and limited. It must be noted that no matter how vivacious an opportunity may seem, that opportunity can turn into failure when the supporting resources are not used efficiently and effectively. The next step in the entrepreneurial process is acquiring the needed resources in a timely manner while giving up as little control as possible. This process starts with an appraisal of the entrepreneur's present resources. Any resources that are critical need to be differentiated from those that are just helpful. Care must be taken not to underestimate the amount of variety of resources needed as the downside risks associated with insufficient or inappropriate resources should also be assessed to prevent failure of the opportunity. An entrepreneur should strive to maintain as large ownership position as possible, particularly in the start-up stage. As the business develops, more funds will probably be needed to finance the growth of the venture, requiring more ownership to be relinquished. Alternative suppliers of these resources, along with their needs and desires, need to be identified. By understanding resource supplier needs, the entrepreneur can structure a deal that enables the resources to be acquired at the lowest possible cost and the least loss of control (Hisrich et al. 2005). Hisrich et al are of the view that the resources needed for addressing the opportunity must also be determined but this process comes in the third stage. They believe that the entrepreneur should develop a business plan in the second stage of the entrepreneurship process.

The third process as expressed by Goossen (2007) is team development. The doctrine of job design in which employees are viewed as members of mutual teams instead of as individual workers is team development. It is contrived to improve team performance as it refers to wide range of activities presented to schools, religion and nonprofit organization. Katzenbach and Smith (1996, 59) defines team as a group of people with qualities and skills who are committed to achieving a common objective and are accountable to each other. Unlike working as an individual, team working promotes effectiveness and synergy operations. As Morris (1998, 5) puts it, entrepreneurship does not happen without vibrant and quality teams. Ideas should be developed around effective teams and networking as trusting and having confidence is one of the traits of entrepreneurs as expressed by Goossen (2007). Entrepreneurs who are successful share risk by including others, they rent rather than owning. Instead of them to buy they borrow and they hire rather than contracting (Morris 1998, 4).

The fourth process is accomplishing equilibrium between resources, chance, developing of team and to determine whether the element befits the total business model according to Goossen (2007). The business will probably fail when the opportunity is too big to match with the available resources. However there will be wastage and the business will be at a loss

when the resources available are more than enough to engage an opportunity. Determining equilibrium between the component of the opportunity, resources and the team which relate to present conditions is the fifth process according to Goossen (2007). According to Goossen, entrepreneurial process is successful when the opportunity, resources and the team benefits a specific condition or need. Marketers, suppliers, investors and producers take advantage of available opportunities that they are able to control. This recalls one of the abilities of entrepreneurs - risk taking because they calculate possible risk before seizing available opportunity. This makes it mean that, it is not necessarily advisable for one to take advantage when there is an opportunity but must have to calculate possible risk also.

Integration of various components to ascertain how opportunities should be developed is the sixth and final stage of the entrepreneurial process. To determine the successful ability of a business start ups there is the need to combine people, opportunity and resources. These factors include communication, operational strategies and objectives, decision making, building of relationship among members of a team and other stakeholders of the business. According to Timmons (1990), resources needed to start a business taken chances of opportunities and entrepreneur which includes the team of management are the three essential component of successful new business.

2.4 Types of Entrepreneurs

Entrepreneur has a pretty large meaning as discussed above and most often the meaning is abused. Many researchers have different ways of grouping entrepreneurs however, there is no common epitome of an entrepreneur because Morris (1998, 6) conceded that entrepreneur comes from different areas in life and it's made up of a mixture of physiological background and demographic in terms of age group, race, religion, culture, gender and occupational background. There are two main types of entrepreneur according to Smith and Miner; an artisan entrepreneur who happens not to have a good educational background, a defined time orientation, have defined social awareness, and shows a propensity to create businesses which are not profitable, and the second type is the opportunistic entrepreneurs. They are those who usually have a wider social and educational background are more confident socially and future-oriented, and produce more adaptive, profitable oriented enterprises.

According to Daft (2009), there are five different types of entrepreneurs namely the Idealist, the optimizers, hard workers, Jugglers, and sustainer. The commonest type of entrepreneur is the Idealist. This type of entrepreneur has the pleasure of producing and innovating new ideas. On the other hand, Optimizers are the second type of entrepreneurs who are personally satisfied because they own a business. Most people have personal reasons for entering into a business but if that's what they enters into business then the probability of

failure is high. The third type of entrepreneur is the Hard Worker. This type of entrepreneurs is those who establish profitable business by putting in long hours and meeting strict deadlines. Even though it is challengeable to establish a profitable business, the Hard Workers like this challenge because the end result is favourable.

The fourth type of entrepreneurship is the Juggler. This type of entrepreneur establishes a business because they believe the business gives them the ability to handle things by themselves. They are people with enthusiasm because they exist by making payrolls, paying bills and meeting deadlines. This type of entrepreneur likes to work under pressure; they are workaholics who struggle with meeting last minute deadlines. The last and fifth type of entrepreneur is the Sustainers. These are the entrepreneurs who like combining personal life with corporate life. This type of entrepreneurship is more concern with their private life to the extent that they do not wish to grow the business too large to disturb their private life. They need the business just for survival (Daft 2009).

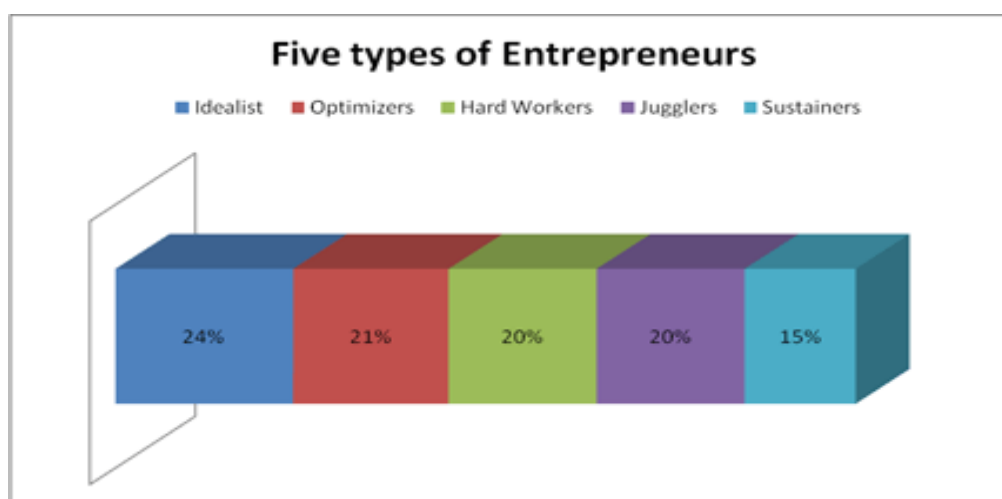


Figure 5: New Era of Management by Richard Daft (2009). The five types of entrepreneurs.

However, Bolton and Thompson (2003, 17-19) categorize entrepreneurs into three areas namely the corporate entrepreneurs, the social entrepreneurs and the general business entrepreneurs. (Kusi Appiah 2010, 17).

2.5 Forms of Business Start-Ups

It is important for entrepreneurs to consider what form of business structure they wish to establish which will be suitable for their need when they are ready to start a business. The form of the business an entrepreneur wishes to establish will depend on his capital and skills that he will invest into the business and will determine whether he want to establish private

business, go into partnership or be in an associates. The four main types of business forms are private business, partnerships, corporations and cooperatives. The entrepreneur must regard component such as expansion, required capital, continuity, decision making, responsibility sharing, operational flexibility, decision making, founding member and distribution of profit when he is deciding on the structure of the business.

2.5.1 Private Company

This form of business organization, the owner is responsible for all debt incurred and responsibilities and can also keep all profit made. He makes decisions and run the business alone. In case of debt, his personal properties could be used to settle the debt. The advantages are:

1. The entrepreneur keeps all profit.
2. Capital required to start is relatively smaller the other forms of business
3. Less regulation Lowest amount of regulatory burden
4. Decision making is done personally by the entrepreneur
5. Low start up cost
6. Lower tax when profit is lower.
7. Easy and less costly to form

Disadvantages:

1. Raising of capital may be difficult
2. The business cannot continue when the owner is absent.
3. Higher profit will generate higher tax
4. The business has unlimited liability which means personal assets may be used to settle business debt.

2.5.2 Partnerships

A partnership business structure is where an entrepreneur who wants to start a business joins his resources with a partner with similar objectives if he does not want to incorporate the business. In this form of business structure, the partner must draw up a particular business agreement to protect them in case of dissolution, disagreement and sharing of profits. One or more of the partners can go into limited liability partnership in the business. This means that those partners will be apt to dept incurred by the business even though they may not be part of the day-to-day activities and management of the business. One characteristic that differentiate a partnership from a private entrepreneur is the high capital that the

entrepreneur invests at the beginning of the business process. When partnership is established, a partnership agreement is drawn by the partner with the help of a lawyer. This partnership agreement is necessary to ensure legal safety of the partners including solvency and sharing of profit. (Price and Allen 1998, 57)

The advantage of partnership is that, partnership establishment is easy because cost of establishing the partnership, properties, profits and management is apportioned equally among the partners. If a partner losses money or attain a lower income, the partners include their share of the partnership in the individual tax return (Price and Allen 1998, 57). The disadvantages of partnership are the same as private company. This is because the business and the partners are the same legally so incase of corporate debt, personal properties are used to settle the debt. Other disadvantages are that, there may be possible misunderstanding between the partners in terms of issues outside the partnership agreement. it is difficult to find a desirable partner with similar skills and ideas and all the partners are liable to decision made by one of the partners for example, signing of fake contract.

2.5.3 Corporation

Another business structure is to incorporate the business. This can be done at the private and public level. When a business is incorporated it is regarded as an entity which is distinguished from its shareholders and owner. When an entity is established, its debts, responsibilities and acts will not be personally liable to the shareholders, and however, it is advisable to talk to a legal practitioner before incorporating a business venture. According to Kusi Appiah (2010, 22), an established limited liability company is legally separate from its member after it is incorporated. According to the Finnish Companies Act, the minimum share capital required of a private limited liability company and public liability company are 2,500 Euros and 80,000 Euros respectively and must be paid in full into the company's account before that company's details can be registered into the Trade Register. The registration is done by the National Board of Patents and Registration (Finnish Enterprise Centre 2004, 6).

The advantages of Limited liability are that capital is easy to raise, the possession of the company can be transferred, the company is separate from the owners, the continuous existence of the company is guaranteed and tax is lowered because there is tax advantages for incorporated companies. whiles the disadvantages are that it is more expensive to incorporate a business than private and partnership companies, detailed records are required for example minutes of board of directors meetings, yearly return submitted to government, problems associated with directors residence and struggle between directors and shareholders.

2.5.4 Cooperatives

The last business structure is the cooperative or co-operation venture. According to Barrow (1998, 53), a cooperative is an uncommon business venture which is controlled and owned by its members. This form of business is appropriate for group of people with common objective and ready to provide capital for the establishment of a business venture for example delivery of product and services, employment and the sales of product and services

Advantages of this form of business may include:

1. There is democratic control which means member can vote only once
2. The members owns and controls the affairs of the business
3. Profit is distributed among the member
4. Limited liability

Disadvantages may also include:

1. Decision making may take longer time
2. Possible misunderstanding among the members Detailed record keeping
3. It is less inductive to invest more capital

2.6 Strategies for Acquiring New Business

Kuratko (2009, 133) is of the view that, large existing business started from a modest beginning to a successful level. The entrepreneur determines the strategy or method on which to build the idea in trying to put an idea into implementation. The following three strategies an entrepreneur may choose in starting a business venture; these are establishing a new business, franchising and adopting an existing venture according Kuratko (2009, 134). Nyadu-Addo and Adusei has the same view as Kuratko (Kusi Appiah 2010, 24).

2.7 Establishment of new business venture

The establishment of new business comes with fear as the entrepreneur may not be sure of the success of the business during the beginning phase of the business. In creating a new business you learn, you're surprised, you earn. Kuratko (2009, 134) is of the view that, there are two approaches that an entrepreneur can choose from. "New-new approach is the situation where a specific new product which may have future high demand is produced by an entrepreneur and in the case where an existed product is imitated and improved by adding new and dynamic feature to it is called the "new-old approach".

2.8 Acquiring an existing business

The purchasing of someone's business is termed as acquiring an existing business and it has the highest risk because the purchaser is responsible for all debt and frustration that the owner has caused. It therefore advisable for a prospective entrepreneur to acquire a business that has a high reputation with stakeholder like government, banks, customers and internal employees Kuratko (2009, 140). The following element must be examined before the entrepreneur acquires an existing venture; examination of opportunities, personal preferences and evaluation of the selected business. . Price & Allen (1998, 94) are of the same view with Kuratko by explaining why it is wise for a prospective entrepreneur to acquire an existing business. The reasons are that, time for planning and introducing a new business is reduced because training is provided by management, there are lower risks, there are existing operational systems and cost of asset is lower (Kusi Appiah 2010, 24).

2.9 Franchising

A permission giving to a person or group to market a company's goods or services within a certain territory or location is called franchise. Some examples of today's popular franchises are McDonald's, Subway, Domino's Pizza, and the UPS Store. There are many different types of franchises but many people associate only fast food businesses with franchising. In fact, there are over 120 different types of franchise businesses available today, including automotive, cleaning & maintenance, health & fitness, financial services, and pet-related franchises, etc. According to Kuratko (2009, 146), a franchise is an arrangement where an owner of a trademark or patent licenses other to use the patent to sell good and service. It is also defined by Barrow (1998, 96) a business arrangement where an entrepreneur is allowed is use a brand name of other venture for a fixed period of time (Kusi Appiah 2010, 25). Some advantages of franchising are for example creating of corporate image. The corporate image and brand awareness of the company is already established, this makes the consumers more comfortable purchasing items from a familiar name or company they trust.

The franchisor usually provides extensive training and support to the franchise owner. Since the franchise company already has the business model in place you can focus on running a successful business. One of the reason franchising has been around for decade is that, it has the possibility for individuals to own and operate their own business. The individual who purchase and run the franchise is called a franchisee and the franchisee purchase a franchise from a franchisor. The training the franchisor provides to the franchisee is considered as the greatest advantage of franchising.

2.10 The Finnish Market

The economy of Finland is the same as the economy of other western economies; even it is more extreme and well known as mature market as it had been transformed from a rural society to urban industrialized country rapidly. According to Walden Publishing Ltd. (2000, 21), the Finnish government has introduced incentives to attract foreign investment and to encourage business and financial institutions. Environments of countries such as social environment, political policies and economic development are constantly changing and influencing each other, especially within a certain geographical location for instance EU. The volume of import in Finland is high due to the large demand of import material such as raw materials and component, consumer goods, investment goods, crude oil and fuel. Foreign involvement in the Finnish economy has increased quickly since it joined the European Union as Finnish government welcomes foreign investment. Equal treatment for foreign investors in Finland was ensured when the laws restricting foreign ownership was abolished in 1993. Common External Tariff is needed on goods entering from non-EU, which is not required for EU goods (Yun 2011, 7).

2.11 Failures in Catering Entrepreneurship

Quantitative factors and bankruptcy rate has been the center of past research on failure of catering companies. This study inquired into the ownership turnover rate of catering company using the qualitative data, longitudinal data and data from Dun and Bradstreet reports (Parsa, Self, Njite and King, 2005). According to this report in contrast to frequently repeated statistics, a comparatively 26 percent of independent catering failed during their first year of operation. Results from this study indicated marginal differences in catering failures between franchise chains with 57 percent and independent operators with 61 percent. Restaurant density and ownership turnover were strongly mutually related. Effective management of family life cycle and quality of life issues is more important than previously believed in the growth and development of a restaurant which is indicated by qualitative analysis.

Puzzling questions and analysis has been researched to find out why there are quite a lot of failures in the catering industries. The research find out that catering failure has been attributed to economic, social factors, competition, legal restrictions and government interventions. In the current complex environment of the restaurant business, it is believed that it is imperative that prospective and current owners understand why catering companies fail. Instead of examining the basic nature of catering failures, most hospitality research has focused on the relative financial performance of existing restaurants and bankruptcy reports. Most bankruptcy studies of the failure of catering businesses are limited in their scope

because many catering business closures result from ownership being changed actions, rather than bankruptcies. These change of ownership transactions are treated as legal matters instead of actual bankruptcy procedures and may not be included in public records. Furthermore, because the focus of academic research has remained primarily on bankruptcy studies, the qualitative aspects of business failures have received little attention.

2.12 Types of Catering Failures

According to an article by Parsa et al. (2005) catering business failures may be caused by economic, marketing, and managerial perspectives. Out of these three perspectives, they observe that restaurant failures have been studied primarily from the economic perspective.

2.12.1 Economic perspective

Reasons for catering business failure classified under this perspective may include decreased profits from diminished revenues; depressed profits resulting from poor controls; and voluntary and involuntary bankruptcies, involving foreclosures, takeover by creditors, receiverships, or frozen assets for nonpayment of receipts (Parsa et al. 2005).

2.12.2 Marketing perspective

This category of failure consists of catering business that terminated its operation at a specified location for marketing reasons, such as a deliberate strategic choice of repositioning, adapting to changing demographics, accommodating the unrealized demand for new services and products, market consolidation to gain market share in selected regions, and realignment of the product portfolio that requires selected unit closures (Parsa et al. 2005).

2.12.3 Managerial perspective

This category consists of catering business failures that are the result of managerial limitations and incompetence. Examples of this perspective may include loss of motivation by owners; management or owner burnout as a result of stress arising from operational problems; issues and concerns of human resources; changes in the personal life of the manager or owner; changes in the stages of the manager or owner's personal life cycle; and legal, technological, and environmental changes that demand operational modifications (Parsa et al. 2005).

In conclusion, the theoretical background of this thesis discussed the overview of entrepreneurship, three approaches to entrepreneurship and challenges, economic function, phenomenon and sociological perspectives of entrepreneurship and types of entrepreneurship and possible studied failure in catering entrepreneurship.

3 Research Approach, Methods, Reliability and Validity

This study is centered on home delivery food to the elderly customers which has become an important issue as the growing populations of the seniors are increasing in Finland. It will find out, does the delivery of food to elderly customers bring an opportunity to the catering business.

Qualitative method of research approach was used by the researcher to collect data and analyses. The qualitative method was in a form of in-depth interview, observation and document studies which was used to collect data from three catering companies in Finland. The research interviewed the owners of the companies, manager, chefs and administrator of the company.

3.1 Methods of Data Collection

Data can be collected from three main sources in marketing and statistical researches. The sources upon which data can be collected are primary, secondary or tertiary source. A primary source of data is a term used in a number of conditions to identify source materials that are nearest to a person, information, period or idea being studied. Primary source of data can also be called raw material, original source or firsthand information applicable to a case. In a study of academic discipline, primary data source is a recording, a document artifact or other source of information that has been created at the time under a study. It also serves as an original source of information about a subject (Finnish Institutions Research Paper, Hopkins 2008).

Secondary source of data are usually a study which analyzes, evaluates, criticize or interpret primary sources. Secondary sources are mostly likened with each other, for instance secondary sources helps to show if a particular subject has been agreed or disagreed by other before. Secondary sources according to Booth, Colomb and Williams (2008) are research report that uses primary data to solve research problems written for academic, science or other specific purposes. Secondary data is used by researchers to maintain their field and use what they read to frame problem of their own by disputing other researchers' conclusions or questioning their methods (Booth et al. 2008). "A secondary source is a report on the findings of the primary source. While not as authoritative as the primary source, the secondary source

often provides a broad background and readily improves one's learning abilities. Most textbooks are secondary sources; they report and summarize the primary source." (Stacks 2002).

"Secondary data is neither better nor worse than primary data; it is simply different. The source of the data is not as important as its quality and its relevance for your particular purpose. The major advantages of using secondary data are economic: using secondary data is less costly and time-consuming than collecting primary data. Its disadvantages relate not only to the availability of sufficient secondary data but also to the quality of the data that is available. Never use any data before you have evaluated its appropriateness for the intended purpose" (Ober 2008).

According to a research paper released by the Finnish Institutions of Research paper (Hopkins 2008), tertiary data are data whose sources compile or digest other sources. For example, some reference materials, dictionary, textbooks, encyclopedias are considered tertiary sources. Depending on the reason and topic being dealt with, generally, academic research is not acceptable based on tertiary sources.

Interviews were used by the researcher to collect primary data. The secondary sources of data reviewed by the researcher were in a form of published thesis, electronic publications, books, scientific articles and journals.

3.2 Validity

The degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure is called Validity according to Colorado State University (2011). According to William (2003), validity ascertains if a study genuinely assess that which it was meant to assess or how genuinely the research results are. It is important that researchers are concerned with both internal and external validity. Internal validity refers to:

1. The strictness with which a research was carried taken into consideration measurement and design of the study.
2. The level at which a researcher takes into account different optional explanation for temporally relationship they research. When a study does not explore temporally relationship, only the first definition should be considered. (Huitt 1998).

On the other hand, external validity refers to the extent to which the result of a study is generalized or transferable. According to Campbell and Stanley (1966), most discussions of

external validity focus solely on generalization. All the necessary corrections were made after this process so this confirms that the results that have been received are valid.

3.3 Reliability

The level at which an examination or test results in the same outcome after several repetition is called reliability. With the help of private expert who agrees to duplicated research procedures, conclusions could not be drawn by researchers confidently. According to Colorado State University (2011), reliability is important in many aspects of lives for example, production, construction art and medication. Validity relate to the successful outcome of the study when the researcher measured what he set out to measure while reliability relate to the accuracy of the process or actual measuring instrument. To ensure reliability, the researcher asked interviewees questions in different ways.

4 Empirical Study

This part of the study discusses and emphasizes the analyses and the result of the data gathered. In the interview process, entrepreneurs, managers, chefs, administrators and company owners were interviewed in Finland. Below are the results of the interview.

4.1 The Company - Share Catering and Events Oy

Share Catering and Events Oy is a catering company founded by Peter Walch who is also the manger of the company and assisted by Sasu Halenius who is the Chief Chef. The head office of Share Catering and Events Oy is located in Espoo with other locations in Helsinki and Espoo. The company has other subsidiary such as KiltaSali Oy, Oy Winecellars Ab, SRV Restaurant and Metropolis Restaurant. Even though the major business idea of Share catering is to serve its customers with good and hygienic food, it also has a service for relaxation, sharing of taste and conferences. In the catering service, they have event services like gig, funeral, home or public parties etc and restaurant services. The main objective of the company is to create a comprehensive experience for everyone.

4.1.1 The Interview - Peter Walch

Peter Walch is a Dutch-born whose parent owned a family restaurant in Austria thereby having the interest in catering business. His catering career started in 1988 after he was trained as chef in Salzburg, Austria. After he arrived in Finland, he has worked with companies like Palace restaurant, Restaurant Scandinavia, Theatre Restaurant, The Radisson

SAS Plaza, Klaus Kurki, Dual Boulevard Restaurant and other. Apart from Finland, he has also worked in Sweden and most luxurious cruise liners in the Caribbean.

According Peter Walch in an interview cooking food for delivery to elderly customers is out of their business plan because lot of things has to be taken into consideration, for example, the process of cooking the food has to be plan carefully and also they have to be specialized into that area. He said they are specialized in a wide area of the catering industry for instance business parties, wedding and funerals so they can not add anymore specializations again. Even though it is a very interesting area, any company going into such an area in the catering industry will have to be very careful and skillful so as to produce a healthy and nutritious food for the elderly people. He thinks that in business wise, it is profitable to enter into such an area of specialization but can't do it now as he already in a different area.

Peter continued by saying most of those companies cooking food for elderly people may not be specialized and may not have the required space and time to do that job. He said, such an area of catering is very wide and critical and must be carefully dealt with. In his view it is not advisable to do other catering services so they can concentrate on that area. He confirm this by saying, "if my company have to cook for elderly people then we have to stop all other things so we can concentrate well".

Setting up a business can be pleasurable and rewarding business one will ever be part of but must also consider risk and failure. This will help the entrepreneur to have contingency arrangement so as to take care of possible common risk and unforeseen risk. One of the most important steps in defeating those risks and attempting to succeed is to understand the risk. Without understanding the risk, it is impossible to succeed in business. He said this because he thinks that food delivery to elderly customer may be a profitable and successful business idea in the future and necessary caution should be taken into consideration.

4.1.2 The Interview - Sasu Halenius

Sasu Halenius is a partner and Chief Chef in Share Catering and Events Oy in Espoo Finland. Like his co-partner, Sasu Halenius was also raised in a catering home. His mother worked as a chef and the father was an entrepreneur. With these combined, Sasu developed the interest of establishing a catering company from his childhood. He has graduated from Perho Restaurant School. He has acquired experience and valuable information about meat and fish masters of doctrine. Sasu has also acquired working experience with Patanissa Restaurant, Restaurant Töölönrinta, Sweet pepper Catering, Theron Catering, Kaikilla Mausteilla, Capital Catering, Headquarters SAS Plaza Restaurant and Restaurant Ströget SAS Royal.

According to Sasu in an interview, the money involved to cooking food for elderly people is too small and may not be a lucrative business for his company to do. He said this is because so many things will have to be taken into consideration from ingredient to the finish product. At the end of the day, the prices of the meal per plate for elderly customers will be the same as other plate of meals so it is not advisable for them to go into such a business. Even though he agrees to the fact that they have to help elderly people in general, it is not economic to do so when it's come to doing business. About the supply of the food, you will need certain experience and skills, special car, a driver and warmers to keep the food at a certain temperature so as to maintain the nutrition and the healthiness of the food which in normal catering you may not need all of those", he said. He continued by saying, "according to my calculations, it is very expensive to do such a business and there will be the need for the state support if a company is interested into doing such a business". He suggested that such businesses will be more successful if it is owned by the state or supported by the state. Such kind of business has two major objectives for the customer; feeding the elderly with the right nutrient meal and lifting the burden of feeding of mother and fathers from their children. It is easy for children to sign an agreement with such catering companies to supply food to their parent due to busy working hours.

Most of the catering companies doing home delivery to elderly people are organization which does not want to make profit but at least break-even. He said those catering companies that have the vision of breaking even will at least give employment to the chefs, the drivers and other workers which he thinks is good for the country's economy generally but not economic for the business. He said there will also be the need to employ specialist chefs so as to ensure that the food cooked meets the required standards. This comes back to the point that, specialization and experience in this field of business is critical and must be considered as such. He said McDonalds for example are specialized into making burgers and for that matter they do and do it well without major problems. He said in the catering industry, it is advisable to specialize into a particular field of area so the end product will always be nutritious and healthy because it is the same chefs that will be cooking the food so if they have to do different specialized menus at the same time will confuse them and there by probable reduction in the quality of the food.

He continued by saying that because the profitability involved is too small, the chefs are not motivated so they do not give their best. This result in the production of unhealthy meal supplied to the elderly customers. The chefs are only working because they need money for their personal use. He said motivation in the food industry is very important as it forms a major part in the end product. Motivation is not about money alone but the present of the manager will encourage the performance of the chefs. Workers wants to feel that whatever they do has some real worth, they preferably want to have an element of enjoyment and

satisfaction, when people are content in these kinds of ways they will perform well. He said some of the places he worked before that deals with home delivery to elderly people, there is no manager to supervise them, only the chief chef is around. So the chefs just do what they have to do and go home without proper supervision. He said in his company Share Catering and Events Oy, he is always around to check that the right thing is done at all time even though there are chief chefs in each kitchen.

It is wise for the manager to be with the employees sometimes because it helps to reduce waste of time by the employees for example; long breaks, telephone conversation, absenteeism, bureaucracy, unnecessary gossips etc. Motivational matters increases efficiency, effectiveness and productivity and makes it more likely that whatever results are targeted will be hit. Conversely, its lack increases the time management takes, the endless checking up, argument and hassle that comes managers' way when people are at low ebb motivationally - and thus takes their eyes to some extent off the objective. All managers ignore the motivation of their people at their own risk, he concluded.

Another issue he talked about is the issue of replacement staff as some of these catering companies do not have. For instance if there are three people involved in cooking cold food like salad and one is absent due to ill-health, the remaining two will have to do the work of three, which is stressful, or get a new chef. The new chef may not know what to do and will have to be trained on-the-job. This could slow down the pace of the work which could result in cooking food which is not up to standard.

There is not much competition in this area of catering where food is supplied to elderly home unlike the others where there are a lots of competition. We are struggling for the same customers, he said but in the area of food supply to elderly people's home, it is the customers who wish for the company to supply them with food. He also said the elderly people do not have much option than to accept the food as it is even if it taste bad or salty. This is because if they do not accept the food, they have to go hungry for the rest of the day and for those whose children are ready to cook for them for that day will have to wait for long hours before they can eat. This make them accept the food hoping the next day's supply will be better.

4.1.3 The Interview - Eero Hiltunen

Eero Hiltunen has seven years of experience as a chef in the catering company after graduating from Perho. He has working experience with Kaikilla Mausteilla, Sukula Eatertainments and Share Catering and Events Oy. He works currently with Share Catering and Events Oy. Eero Hiltunen has worked in a catering company that deals with supplying food to

elderly customers. He has experience and the technical know-how of catering business which supply food to elderly customers.

He said working in the catering company that supply food to elderly customers was stressful and not motivational. He has to continue working there because he need money for personal expenses but actually was not happy there. He left that company due to stress and now working with a different catering company that deals with normal restaurant lunch and event catering. He complained that the ingredient they use in cooking food is not good because it has been kept so long in the fridges, for example salads. He also said something about the replacement staff, that it makes the work difficult if there are no reserve staffs or shift staffs that makes it easy when a staff is sick or may not be able to come to work. "I am not happy when I have to stop working and explain things to the replacement employee," he said. He thinks it is important to have a specialized chef to work in such kind of catering business. "Cooking food for the elderly is quite different from that of normal lunch", he said.

4.2 The Company - Sukula Eatertainments Oy

Sukula Eatertainments Oy is headed by Jyrki Sukula with its head office in Sonera Stadium, Helsinki. The company has existed over 20years into catering business. The company has been formed to provide a specialized catering services and function and restaurant management. It has subsidiary business as Kaikilla Mausteilla (KAMA) and Freshco located in Finland and Belmondo in Italy. Kaikilla Mausteilla is also a catering company which serves full service banquet of all catering and events arrangements. KAMA was initially established as a catering company by Tapio Kangas and Juri Uvanto which later became part of Sukula Eatertainments. Belmondo is also a subsidiary of Sukula Eatertainments which is located on Italy. It is an Italian restaurant that deals in wine wholesalers.

4.2.1 The Interview - Jyrki Sukula

Jyrki Sukula is an accomplished chef and a Master of Pleasure and Festivities. He is the manager of Sukula Eatertainments and has over twenty years of experience in catering business and well advanced in his career. He said he has probably fed every Finn once.

According Jyrki Sukula in an interview, he said supply of food to elderly customers is future business. He said even though the business is not so profitable, he has lots of plans in place to make the business success but he will have to wait for ten years when the customer base has been increased. He said Finland is one of the depopulated countries in the world which means fewer people are living in the country. So he thinks the customer base is small as there are other companies in the same business. He said it is very important to think about how to

handle and manage it. It needs some kind of specialization and training to ensure that the business is successful and the elderly people are also happy with the service they will receive. He said the food is not expensive but they has to be delivered to them in their homes and might cost extra expenses. He suggested that if he goes into that business, he will have contacts with logistic companies like for example, Itella to deliver the food on his behalf. This will help him to reduce transportation cost because he doesn't have to buy new cars and other logistics for the business, so it may be better to rent the services of those companies. He also said after renting the services of the logistic companies, he will still have to employ some people who will go to the customers at least twice a week to socialize and find out if they are satisfied with the services.

4.2.2 The Interview - Tapio Kangas

Tapio Kangas is the chief chef in Sukula Eatertainments. He has ten years of experience in the catering business.

According to Tapio Kangas, doing business in this area is not profitable as lots of time is invested into this area but fewer profits are earned at the end of the day. He also said it's a specialized area and more attention will have to be paid to that area. He said in Kaikilla Mausteilla they have different areas that they deals with so adding another specialized area with less profit is not a good business idea. The food has to be cooked at a high quality without mistakes but at extra expenses. For example they have to get extra cars, drivers and food warmers to deliver the food to the houses of the elderly people. He also said such companies need to get a lot of customer on a daily basis so as to make little more money. He thinks if the customer base is not big enough; the expenses of the company in a day may be more than the income that will generated.

He also said some of the elderly people who lives about 100 meters around his restaurant, Freshco and who can walk by themselves sometimes come to his restaurant to eat. This helps the elderly to meet people, make new friends and also have the opportunity to socialize. He think is will be a good idea for the elder to come to the restaurant themselves to eat because it serves as a platform socializing and physical exercise.

4.2.3 The Interview - Toni Tuovinen

Toni Tuovinen is a chef in Sukula Eatertainments. He has several years of experience with different catering companies.

According to Toni Tuovinen, he have worked with catering companies that cook food to elderly people's home before and is a difficult and specialized business. He suggested that the business should be left with few catering companies to handle it. He mentioned for example Palmia Oy and Ateria Oy as an example of such catering companies that he knows that deals with food delivery to elderly people. He suggested that these companies can also cook food at the same time to hospitals and schools like kindergarten as a way of expanding their business area. He also said foods cooked by these catering companies are not of good quality because they use cheap ingredients and they also keep the leftover food to be used the next day which is he thinks is not hygienic

He said even though when proper measures are taken this area of catering may be profitable but he will not like to work or manage there again. He insisted that it is a difficult area and extra care and commitments is needed to work and manage this area where as about same remunerations are paid. He said he is not sure to compare the two areas, fine dine company and home delivery meal to elderly people company but he is happier with the motivation he gets from fine dine companies as compare to when he was working with home delivery meal to elderly people company.

4.2.4 The Interview - Antti Malinen

Antti Malinen is a chef in Sukula Eatertainments Oy with over twenty years of experience with different catering companies both in Finland and abroad.

According to Antti Malinen, this area of catering needs well educated chef because of it specialization, for example the chefs should know the kind of food to cook based on individual needs and situations. He said for example you will have to know who needs energy food and who doesn't. If you give too much energy food it may result in problems like for example granddad may start to talk too much or may want to go out and take a walk which might not be safe, he said''. Antti thinks that this kind of business is profitable because the customer base is usually fixed so it is easy to calculate and know how much profit to be made at the end of the day, unlike for example the restaurant fine dine, where you are not sure of who is coming to eat in the restaurant in a particular day.

I asked if he would like to work in a catering company that delivery food to elderly people and he answered no. He said even though is it a profitable business, he does not have the interest to work there. He added that, it will be an interesting place to work but have not thought of working there yet. According to Antti, he has twenty years of experience with fine dine in hotels and cruise ship. 'I've never thought of it to work with companies that delivers food to elderly people but I may give it a try after ten years,' he said.

5 Conclusion and Summary

Table 9 summarizes the interview results. According from the research result from the interviews, it was observed that most of the interviewees were talking about the specialization and non-profitability of that line of business. Most of them were with the view that, it is important for any company willing to supply food to the elderly customers to have a required specialization and experience. They are also with the view that it is not profitable to venture in such kind of business as the customer base is not certain now but probably in the future. Managers and chefs who think it is a profitable business are not willing to go into such business. As Jyrki Sukula says, it will be advisable to wait for ten years as by then the customer base may have increased to an appreciable level. He thinks it's a good business idea and willing to venture into such business. He said his former company "Kaikilla Mausteilla" was delivering food to elderly people but became necessary to stop that particular line of business due to low profit and other problems.

He thinks they experienced diverse financial problem because the customer base was not enough and also inadequate technology. He is however, willing to go into such business again and strongly believe that it will be successful if he re-enter into food delivery to elderly people. This is because he has set in place strategies to make the business a success. Jyrki Sukula said he has already contacted some engineers to design and create special eating aids for elders who could not eat with normal fork and knife. He believes in the future, it will be a booming business for the catering companies.

Sasu Halenius an entrepreneur is not willing to start or add this line of business to his business line because he doesn't see any future for that business and is not profitable. He thinks its need more specialization and employee motivation and these comes with extra expenditure. He said his company already has enough areas of catering to deal with so he is not willing to undertake food delivery to elderly customers home. Ironically, Sasu's business partner Peter Walch thinks it's a profitable business and think will be a booming business but peter also thinks it will be a burden on the company if they should add that specialized line of business into their already packed lines of business. He thinks it will be appropriate for a new catering company without lots of business responsibilities to go into that kind of business. This will help them to concentrate and build more confidence between the company and the customers. These two entrepreneurs are of the view that it is a specialized form of business and needs much attention and should not be joined with other line of catering business like restaurant or event catering.

Name of Interviewee	Their perspectives towards the business	Their willingness to start or enter in the business
Antti Malinen	Specialized and Profitable	Unwilling
Eero Hiltunen	Specialized and not motivational	Unwilling
Jyrki Sukula	Specialized and not profitable	Willing
Peter Walch	Specialized and Profitable	Unwilling
Sasu Halenius	Not profitable, Specialized, Not motivational and not competitive	Unwilling
Tapio Kangas	Specialized and not profitable	Unwilling
Toni Tuovinen	Specialized, Profitable and difficult	Unwilling

Table 4: Summary of interview results

After analyzing the views of the respondents, it was realized that food delivery to the home of elderly people need specialization, motivation and it is not profitable to venture into such a business now. Even though, it is not a profitable business now, most of the respondents believe it will be profitable in the future when the customer based has increased which will make it more interesting to start that business. Others also think even though it is profitable and will be more interesting business in the future; they are still not interested in this line of catering business because they do not have motivational interest, it involve extra specialization and doesn't want to add more fields of catering business into their already packed catering business. They believe it should be controlled and handled by few catering companies so that proper monitoring can be measured.

Some of the respondents also believe that it is not profitable because it is a broad field of catering business so extra care should be taken into consideration before starting the business. All the interviewees said that it is a specialized catering business so it cannot be starting without proper analysis, investigation and understanding of the business and should be also handled by professionals.

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Appendices

Appendix 1 (Cover Letter of Interview Appointment)

Dear Sir,

I am a student of Laurea University of Applied Sciences, Finland. My name is Edward Donkor, a final year student pursuing a degree programme in Business Management. As part of the degree programme, I'm obliged to write a bachelor's thesis on the topic "The Motivations of Catering Companies to Deliver Food to Elderly People". The purpose of this research is to determine whether the delivery of food to elderly customers provides an opportunity to the catering business.

I would be grateful if I could book an appointment with you for an interview on the above research question.

Thank you

Appendix 2 (Interview Questions)

1. Do you have any idea about food delivery to elderly people's home?
2. Did your company try this kind of catering business?
3. If yes, what made your catering company stop delivering food to elderly people?
4. Have you worked in a catering business that delivers food to elderly people?
5. Do you think it's a profitable business?
6. Do you think it's motivational to work there?
7. Why did you stop working in the catering company that delivers food to elderly people?
8. Do you think existing catering companies that deliver food to elderly people will be more profitable in the future that will invite more companies into that line of catering business?