



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

**THE MARKETING-ORIENTATED
BUSINESS PLAN FOR A COMPANY-TO-
BE, CASE: LAURIIDA**

LAHTI UNIVERSITY OF APPLIED
SCIENCES
Degree Programme in International
Business
Thesis
Spring 2013
Minna Savola

Lahti University of Applied Sciences
Degree Programme in International Business

SAVOLA, MINNA: The Marketing-Orientated Business Plan for a
Company-To-Be, Case: Lauriida

Bachelor's Thesis in International Business, 54 pages

Autumn 2013

ABSTRACT

The topic of the thesis is to convert a business idea into a proper plan. The case company-to-be is Lauriida, the business of which is customized children's clothes. To assist in establishing the company, this study examines the establishment procedures, competitors and suitable marketing means for a small company.

The business idea is formulated with the Business Model Canvas by Alexander Osterwalder and summarized with the SWOT analysis. The competition in children's clothing industry is examined with Porter's Five Forces analysis. Qualitative research methods are applied to gather information. The most important data sources are interviews, blogs and articles related to children's clothing. In addition, information on marketing as well as business planning and establishment is searched from the literature related to the industry.

First, the company establishment procedure is made clear. The emphasis is on sole proprietorship as it is the desired business form for the company-to-be. After that, the situation of children's clothing business in Finland is analysed. Even though the thesis does not actually prepare a marketing plan, some advice for marketing is given. Finally, the business plan for Lauriida and conclusions are prepared.

Establishing a company requires different actions depending on which business form is chosen. The establishment itself may be easy, but staying in business is much more challenging. Competition in the clothing industry is really tough. For a small company, it is hard to stand out from the crowd without interesting products and creative marketing means. Social media may be helpful in marketing. The author of the thesis suggests that the business would be started as a part-time work in order to test the product demand. Probable future business expansions provide a lot of opportunities for future case company studies.

Key words: business idea, business plan, children's clothing industry, handicraft industry, social media marketing

Lahden ammattikorkeakoulu
Degree Programme in International Business

SAVOLA, MINNA: The Marketing-Orientated Business Plan for a
Company-To-Be, Case: Lauriida

Bachelor's Thesis in International Business, 54 sivua

Kevät 2013

TIIVISTELMÄ

Opinnäytetyön aihe on liiketoimintaidean muuntaminen varsinaiseksi suunnitelmaksi. Tapauksena on tuleva yritys nimeltä Lauriida, jonka alana on räätälöidyt lastenvaatteet. Edistääkseen yrityksen perustamista tutkimuksessa kartoitetaan yrityksen perustamisvaiheita, kilpailijoita sekä pienelle yritykselle sopivia markkinointikeinoja.

Liiketoimintasuunnitelma muotoillaan Alexander Osterwalderin laatiman Business Model Canvasin avulla ja tiivistetään SWOT-analyysillä. Lastenvaatealan kilpailua kartoitetaan Michael Porterin viiden kilpailuvoiman mallilla. Tiedon keräämiseen käytetään kvalitatiivisia tutkimusmenetelmiä. Tärkeimmät tiedonlähteet ovat lasten vaatekukseen liittyvät haastattelut, blogit ja artikkelit. Lisäksi markkinointiin sekä liiketoiminnan suunnitteluun ja perustamiseen liittyvää tietoa haetaan alan kirjallisuudesta.

Ensin yrityksen perustamiseen liittyvät toimet tehdään selväksi. Painotus on toiminimessä, sillä se on tulevan yrityksen haluttu yritysmuoto. Tämän jälkeen analysoidaan lastenvaatealan tilannetta Suomessa. Vaikka opinnäyte ei varsinaisesti valmistelee markkinointisuunnitelmaa, joitain markkinointineuvoja kuitenkin annetaan. Lopuksi valmistellaan liiketoimintasuunnitelma Lauriidalle ja tehdään loppupäätelmät.

Yrityksen perustaminen vaatii erilaisia toimenpiteitä riippuen valitusta yritysmuodosta. Itse perustaminen voi olla helppoa, mutta yritystoiminnassa pysyminen on paljon haastavampaa. Vaatealan kilpailu on erittäin kovaa. Pienen yrityksen on vaikea erottua joukosta, ellei sillä ole mielenkiintoisia tuotteita ja luovia markkinointikeinoja. Sosiaalinen media voi olla hyödyksi markkinoinnin hoitamisessa. Opinnäytetyön kirjoittaja ehdottaa, että yritys aloitettaisiin pienimuotoisena tuotteiden kysynnän testaamiseksi. Mahdolliset yritystoiminnan laajennukset tarjoavat monia mahdollisuuksia tuleviin tapausyrityksen tutkimuksiin.

Asiasanat: liikeidea, liiketoimintasuunnitelma, lastenvaateala, käsityöala, markkinointi sosiaalisessa mediassa

TABLE OF CONTENTS

1	Introduction	1
1.1	Background for the thesis	1
1.2	Objectives	1
1.3	Research Questions	2
1.4	Limitations	2
1.5	Theoretical Framework	3
1.6	Research Methods and Data Collections	5
1.7	Structure	6
2	Establishing a sole proprietorship in Finland	7
2.1	Good business idea	7
2.2	Preliminary business plan	9
2.3	Arranging finances	10
2.4	Selecting the company name and business form	12
2.5	Subject to license or not	15
2.6	Making the report of a new business	16
2.7	Statutory insurances	17
2.8	Bookkeeping arrangement	17
3	Industry analysis: children's clothing industry in Finland	19
3.1	Popular hobby among mothers – tricky for serious entrepreneurs	19
3.2	The challenge of being unique	20
3.3	Interaction in social media	21
3.4	Porter's five forces analysis	22
3.5	Entrepreneur's point of view: Henna Lindroos and Marakattimarssi Ky	24
4	small companies and marketing	27
4.1	New era of marketing	27
4.2	Engagement marketing	28
4.3	Marketing tools – why social media?	30
4.4	Risks related to social media	32
5	Case: business plan for Lauriida	34
5.1	Chosen business form	34
5.2	Business Canvas Model analysis	34

5.2.1	Customer segments	35
5.2.2	Value propositions	35
5.2.3	Channels	37
5.2.4	Customer relationships	37
5.2.5	Revenue streams	37
5.2.6	Key resources	38
5.2.7	Key activities	41
5.2.8	Key partnerships	42
5.2.9	Cost structure	42
5.3	SWOT analysis	45
6	Findings and Conclusions	46
6.1	Findings and conclusions	46
6.2	Suggestions for future research	48
7	Summary	50
	References	51

LIST OF FIGURES

FIGURE 1. The Business Model Canvas (modified from Osterwalder & Pigneur 2010).	3
FIGURE 2. Porter's five forces (modified from Kotler & Keller 2009).	4
FIGURE 3. Research methodology.	5
FIGURE 4. Structure of the thesis.	6
FIGURE 5. Business idea (modified from Holopainen 2012, 13).	8
FIGURE 6. Porter's five forces analysis for children's clothing industry in Finland.	23
FIGURE 7. Picture collage of Lauriida products (Lauriida 2013).	36

LIST OF TABLES

TABLE 1. Key contents of the business plan (Modified from YritysSuomi 2013).....	10
TABLE 2. Facets for funding application (modified from Holopainen 2012, 155).....	12
TABLE 3. Lauriida business idea in the Business Model Canvas.	34
TABLE 4. Pricing sample.....	38
TABLE 5. Expenditure requirements.	39
TABLE 6. Working capital.	39
TABLE 7. Total investments to the company.	40
TABLE 8. Sources of funding.	40
TABLE 9. Profitability calculation for the 1 st year as a part-time entrepreneur.	42
TABLE 10. The SWOT Analysis for Lauriida.....	44
TABLE 11. Research questions and answers.	45

1 INTRODUCTION

1.1 Background for the thesis

The author has a tendency to making plans, creating scenarios about the future and a strong will to do things herself. Thus the decision of writing a business plan as a thesis was made before entering into the process. The trickiest part was to choose an appropriate product or service to sell; something that the author could believe in and be motivated to work for.

The problem got an unexpected solution. The business idea chosen is not author's own, nor the plan used by the author herself. The idea is from the author's sister, who is the commissioner of the case.

In the beginning of this thesis process, the commissioner sews children's clothes and shows them on her blog. The commissioner's dream is to establish an Internet store selling children's clothes. Choosing this business idea happened by accident on a certain Sunday afternoon in a car. The author said with a half-playful tone to the commissioner: "when I graduate, I can make a business plan for you". A moment later the author realized her chance to make the business plan already, as a thesis topic.

At this point, the commissioner is not yet willing to become a full-time entrepreneur. The idea is to gain some extra money with her beloved hobby and to examine the demand for the products. If the business starts to "roll on its weight" better than expected, it is time to re-evaluate or even expand the business.

1.2 Objectives

The main objective of the thesis is to define the current dream and formulate a proper business plan. During the process, the author will gather information for making business-related decisions, finding correct marketing channels and preparing profitability calculations. The author and the commissioner will work together to find out the most suitable business form.

1.3 Research Questions

These following research questions were stated in order to achieve the objectives. There are a lot of other questions to cover as well, even though they are not separately stated here.

1. What attributes affect to the decision of a suitable business form?
2. What kinds of businesses are currently active in the market?
3. How can a small company stand out from the crowd of competitors?
4. What type of marketing should a small company use in order to minimize risks and maximize revenue?
5. How to define this business idea?

1.4 Limitations

Even though some tips on marketing are shared, this case is not a marketing plan. The business does not exist yet. In this stage the goal is to formulate the idea into a form of a business plan. Thus the case is not about improving the company's market sales.

Since the commissioner is currently studying, the work does not directly lead to an establishment of a new company. It only provides an early preparation for the future business planning. The plan is to register the company after the commissioner's graduation in 2014.

This thesis does not contain any cash flow statements or deep, accurate calculations. This is because firstly, the data of the previous sales does not exist and secondly, there is no need for such calculations at this stage.

This business plan does not consider international sales. The internationality in this case is limited to the purchases of raw materials and other equipment abroad. Nobody knows about the future, but in the current situation the marketing area will stay inside the borders of Finland.

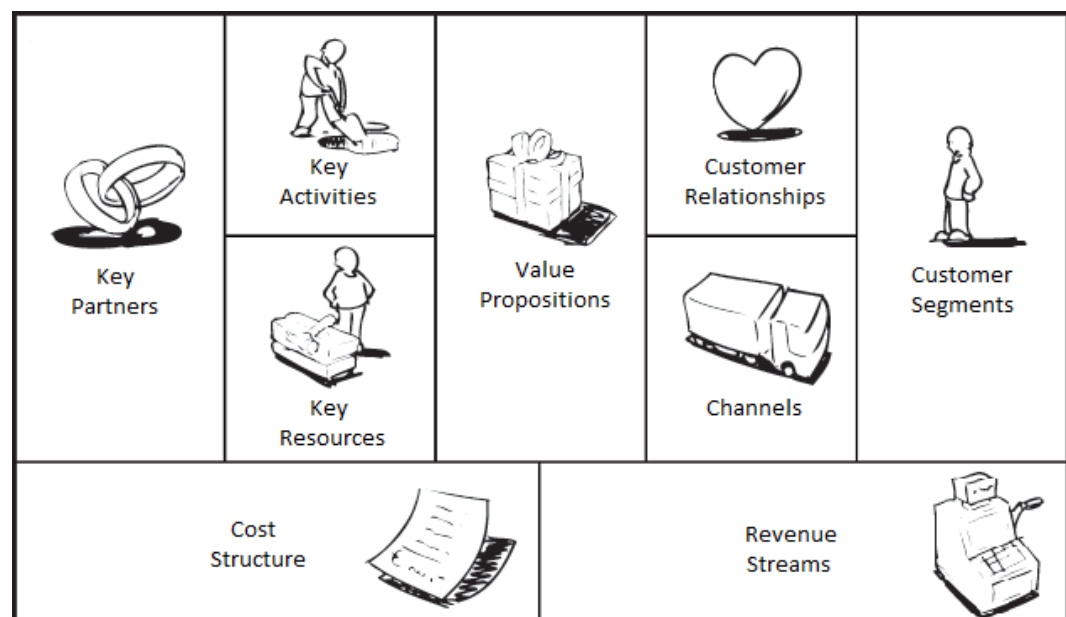
1.5 Theoretical Framework

A business plan is a written plan about business actions. It describes how the business idea will be implemented in practice: environment, course of actions and targets. It is not just a planning device for the entrepreneur but also a negotiating tool when discussing with probable investors, business partners, landlord or, for instance, supplier. The business plan is also required when applying for enterprise allowance from TE Offices or subsidies from ELY Centres. (SUK 2012, 11)

Several tools for business planning are offered, and the author has chosen some of them for the planning process. The chosen tools are introduced in this chapter.

According to the writers of *Business Model Generation* (John Wiley & Sons, Inc. 2010), a business model can best be described through nine basic building blocks that cover the four main areas of a business: customers, offer, infrastructure and financial viability. The building blocks combined equals the Business Model Canvas. The tool resembles a painter's canvas, which allows the user to "paint pictures of new or existing business models". This concept is used in organisations such as IBM, Ericsson and Government Services of Canada. (Osterwalder & Pigneur 2010, 15-17, 42) The author has used the Business Model Canvas earlier to other works and found it extent, precise and rather easy to use.

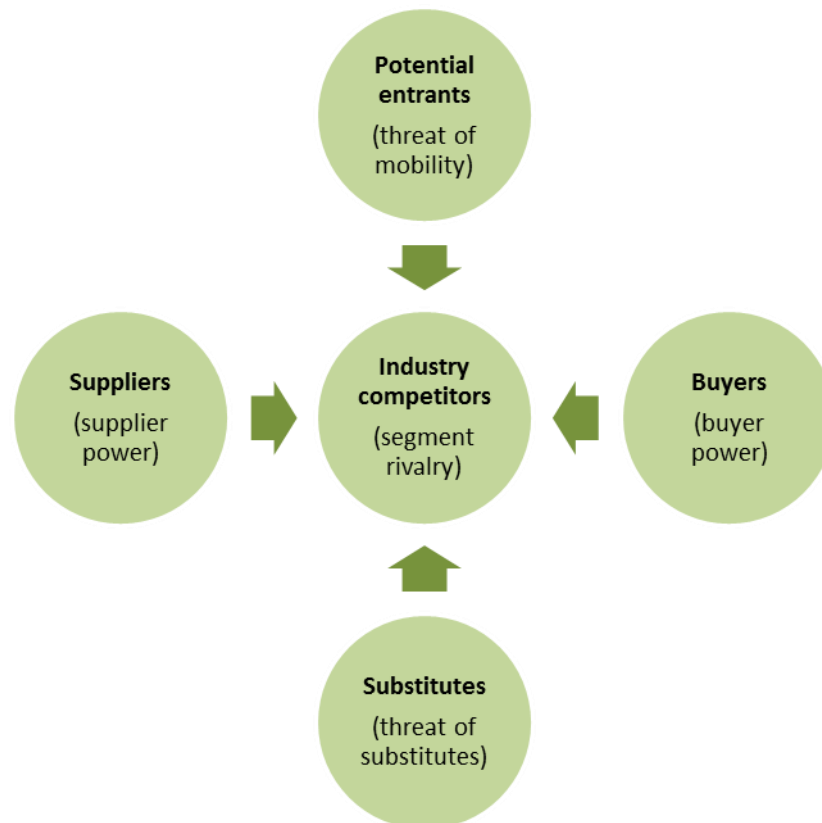
FIGURE 1. The Business Model Canvas (modified from Osterwalder & Pigneur 2010).



The figure seen above shows the structure of the Business Model Canvas. The questions related to the each block of the canvas will be dealt with in Chapter 5, when going through the actual case.

Even though the Business Model Canvas is an extent tool, it does not cover competition on the markets. To complete the business plan analysis, the author has chosen Porter's five forces form to analyse the competitors for the new company. The five forces figure shows rather well how different determinants independent on the company affect to the company's plans and willingness to enter to a new market area – and how they affect each other.

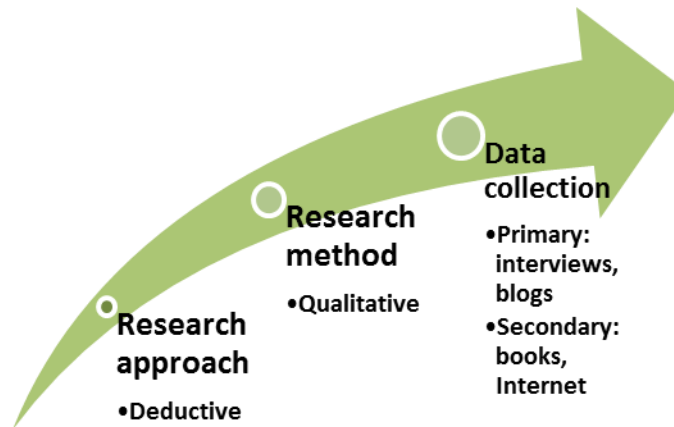
FIGURE 2. Porter's five forces (modified from Kotler & Keller 2009).



Michael Porter has defined five forces that determine the long-run attractiveness of a certain market or a market segment. (Kotler & Keller 2009, 335) These five forces are presented in Figure 2. Porter's five forces analysis will be applied in chapter 3.

1.6 Research Methods and Data Collections

FIGURE 3. Research methodology.



When doing research, two broad research approaches are usually referred to. Deductive approach starts from the general idea and gets specific. Inductive approach works vice versa; specific details build the general picture. (Burney 2008) The appropriate research model for this thesis is the deductive approach: the study starts from the field of clothing business and gets more specific, when children's clothes and Internet marketing are chosen as the main focuses.

There are two kinds of research methods as well. The data used for the research can be either qualitative or quantitative. Qualitative data is based on meanings expressed through words and the analysis conducted through the use of conceptualisation. In contrast, quantitative data is based on meanings derived through numbers and analysis conducted through the use of diagrams and statistics. (Saunders, Lewis & Thornhill 2009, 482) Qualitative research method is the most suitable for this study since the company, along with the numerical data, does not exist yet. As a result, most of the material collected for the thesis will be qualitative.

It also needs to be considered how the data is collected and from which sources. The author needs to collect data specifically for thesis writing, that is, primary data. The author may also use secondary data by reanalysing already collected data and using it for answering the research questions. (Saunders, Lewis & Thornhill 2009, 256) The source of the primary data will be the interviews with

the case commissioner Mrs K. Visanen, alongside her needlework blog. Other primary sources are the blogs with the similar theme, plus the existing stores for hand-made children's clothing. The secondary sources will be books and Internet sources related to the theoretic part of the thesis.

1.7 Structure

FIGURE 4. Structure of the thesis.



The figure above presents the structure of the thesis. Two main parts are recognisable in this thesis. Chapter 2 comprises the theoretical framework, whereas chapters 3, 4 and 5 present the empirical part. Chapter 2, representing the theoretical part, tells what factors should be considered when choosing a business form. Chapter 3 opens the empirical part and covers observations of small-scaled children's clothing entrepreneurship in Finland. Chapter 4 then suggests some suitable marketing tools for small companies. In chapter 5, the author takes the business idea and investigates it with the help of business idea models presented in chapter 1.5. Chapter 6 is reserved for reasoning and conclusions about the profitability of the business idea. Finally, chapter 7 summarises the whole thesis, including the main points and key aspects of the work.

2 ESTABLISHING A SOLE PROPRIETORSHIP IN FINLAND

This chapter takes a look at the issues that take place during establishment of company in Finland. The instructions vary depending on the chosen business form. Since the commissioner is planning to do business as a private entrepreneur, the topic has been limited to discuss establishing a sole proprietorship (toiminimi).

Infopankki (2013) lists eight stages for establishing a business. The stages are the following:

1. Good business idea
2. Preliminary business plan
3. Arranging finances
4. Choosing the business form and company name
5. Finding out whether the business is subject to license
6. Making the report of a new business
7. Statutory insurances
8. Bookkeeping arrangements

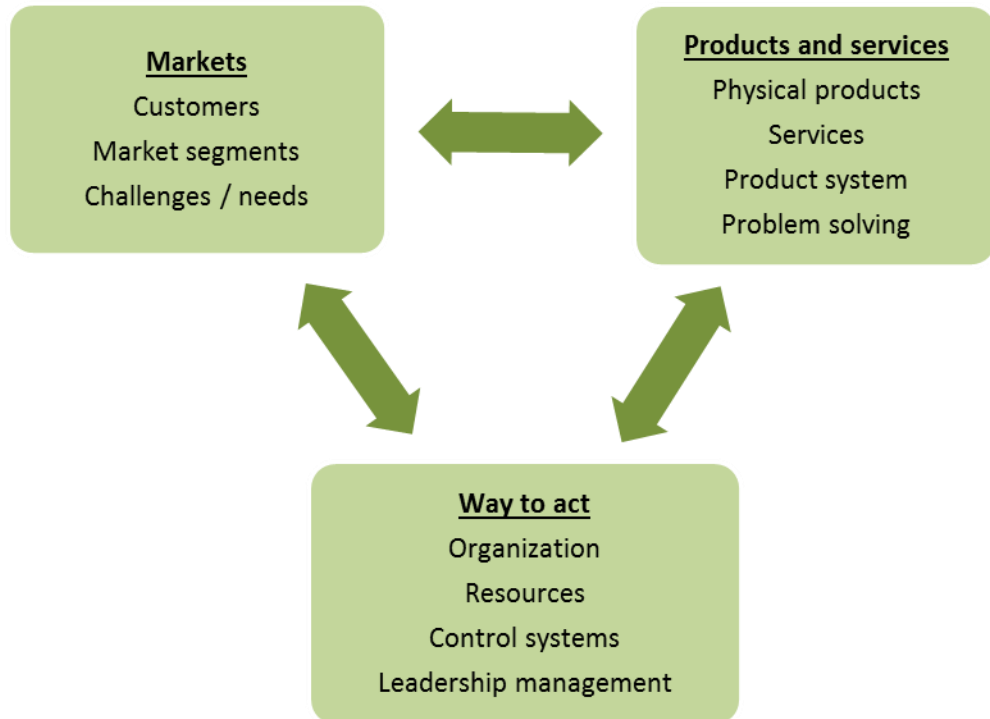
The presented order is not necessarily this unconditional; they may have a different order of implementation, and some of the processes may happen simultaneously; like in this case, the company name “Lauriida” already exists, and the business form has already been decided.

2.1 Good business idea

Before taking actions for establishing the business, it is advisable to consider the business idea and its components once more. What are those dominant factors that help the business to succeed? What can the entrepreneur do better than the competitors? (Holopainen 2012, 12)

The business idea can be pictured with the figure below. Three components – markets; products and services; and way to act – are in interaction with each other and thus together direct the idea.

FIGURE 5. Business idea (modified from Holopainen 2012, 13).



The product needs to have demand, meaning markets. Customers buy products in order to satisfy their needs. What is the need that the product or service offered will satisfy? It is important to remember that the competitors are not only those who offer the similar products but also those who can satisfy the need with substitute products (e.g. tea may substitute coffee). The starting entrepreneur should also ask questions like: do I know where my customers are? Who are my worst rivals? What are the pros and cons of my company compared to my rivals? (Holopainen 2012, 13)

What the company offers to its customers may be either physical products or services. Services, such as customer service and after sale services, are included also in providing physical products. Different types of products, regardless whether they are necessity or luxury products, have their own markets and competing means. In which category do the products belong to? Customers choose the product e.g. on grounds of price, quality, availability, difference or the gained service. Is it recognised which attributes affect the customers' buying

decisions? Are these factors considered in product and service solutions?
(Holopainen 2012, 13)

The company's success is also affected by the company's way of acting, how the products and services are produced. What physical, intellectual and fiscal resources does the entrepreneur have, and what needs to be acquired outside the company? What kind of personnel is required and where to get it? Does the entrepreneur possibly have a new way to produce or market the product? Relative to the success of the business, it is necessary to perceive how different components of the business idea can be combined into a working entity. When circumstances change, the business idea needs to be checked and then adapted to the new situation. (Holopainen 2012, 14)

2.2 Preliminary business plan

A business plan is the company's manual, required for launching a successful business. Its role is to assist in systematically outlined and planning the business and profitability of a new enterprise. (Yritysuomi 2013)

A business plan is a tool for either the entrepreneur or to an external expert to document the thoughts and considerations related to the business idea, competitive ability, resources, customer base, sales promotion measures and profitability. Financiers always require the business plan, so that they can evaluate the preconditions of the company applying for financing. (Yritysuomi 2013)

When preparing a business plan, it is good to remember that the plan is nothing final: it will get updated and developed as the business grows and changes. In the beginning, it is essential to prepare the plan in order to get the business started. Later on, the business plan can be used as a tool for the entrepreneur to stay up-to-date from his/her business.

On the table below, the author presents some key contents of the business plan listed on Yritysuomi websites. This table gives a good picture of the factors that need to be considered when planning a business.

TABLE 1. Key contents of the business plan (Modified from Yritysuomi 2013).

Business idea	What is sold? Who is sold to? How is sold?
Entrepreneur's strengths	Expertise, experience, strengths, knowledge of the line business, networks
Products and services	Competitive environment, image, competitive advantage sought, price level, margin structure, etc.
Customers and markets	Customer / target groups, consumer behaviour, location and premises, numbers, methods to reach, Market situation in the line business and sector, Ratio supply to demand, Competitors' strengths, weaknesses and strategies, Differentiating factors in view of competitors
Practical arrangements	Premises and location, required equipment, employees, initial financing, advertising and marketing, web pages, insurances, accounting, etc.
Financial statements	Investments, premises and equipment, Capital required to cover costs of establishment and the first few months in operation, Financing instruments
Profitability calculations	Sales margin required to cover fixed costs and amortisation of loans or other financing costs, pricing principles for gaining the required sales profits in order to achieve the minimum profit objectives

2.3 Arranging finances

❖ Credits, guarantees and liabilities

Investing one's own money in the starting business is significant, as it gives credibility to the new company. If the establisher believes in the business idea, so will the future financiers. It is estimated that the minimum own capital for the

starting company should be at least 20% of the total capital need, and even bigger in the smaller ones. (Holopainen 2012, 154)

It is important to be able to estimate the future guarantee value of the company; meaning, the amount of loan that can be gained against the certain guarantee sum. The value of the guarantee is always estimated by the lender, and it's defined by the market conditions. Guarantee value of the premises varies a lot depending on the location, the size and demand. In some cases, the lender may also ask for the warranty in addition to the guarantee. (Holopainen 2012, 154)

The most common type of liability is the bank loan. For the guarantee, the banks always require a warranty for ensuring the loan. The guarantee by a private person is not acceptable. (Holopainen 2012, 154)

❖ Interests

Interest rates are worth comparing when taking a loan. The most common reference rates of interest are euribor- and prime interests. Euribor (Euro Interbank Offered Rate) is the interest rate of the euro zone monetary markets. The interests are defined by the lending interests between banks in the international monetary markets. Euribor rates are calculated daily for the interest periods of one, two and three weeks plus 1-12 months. Prime interest, on the other hand, is the banks' reference rate that is applied to loans and deposits. Prime interest works by the market conditions. (Holopainen 2012, 155)

❖ Where to apply for financing?

TABLE 2. Facets for funding application (modified from Holopainen 2012, 155).

	Grants	Loans	Guarantees
Investing	ELY Centre	Finnvera	Finnvera
Working capital	ELY Centre TE Office	Finnvera	Finnvera

The table above presents the probable facets where to apply for funding. The most remarkable special financing forms are development subsidy for a company, plus

Woman Entrepreneur Loan and the so-called Small Loan (pienlaina) by Finnvera. (Holopainen 2012, 156)

2.4 Selecting the company name and business form

Selecting the company name may happen rather freely. Still, some instructions and restrictions are given by the authorities involved in business formalities. The company name shall be short, original and easy to pronounce. A phrase or utterance is not accepted as a name. A letter or number combination is not acceptable if it is not pronounceable as a word. Just a mere common surname or place name is not sufficient, unless the character of the business is defined. The form of the business needs to come up from the name. In case of sole proprietorship, the word “Toiminimi”, or abbreviation “Tmi” can be added, but it is not required. The name shall separate the company from others. It cannot be identical with an already existing company name – the sign of the business form is not a sufficient difference. The name must not be unethical, nor refer to actions that the company does not represent. (Holopainen 2012, 54-55)

There are no set rules for selecting the business form: instead, the most suitable business form is always found individually. Many variables affect to the business form selection. The following may be considered as the main factors:

- Number of founders
- Required capital
- Division of responsibilities
- Flexibility of operations
- Continuation and expanding prospects of the company
- Profit division and loss coverage
- Taxation (YritysSuomi 2013)

The business forms in Finland are sole proprietorship (yksityinen toiminimi), general partnership (avoin yhtiö), limited partnership (kommandiittiyhtiö), private or public limited company (osakeyhtiö / julkinen osakeyhtiö) and cooperative (osuuskunta). How to decide between these forms is presented further.

❖ Numbers of founders

An individual entrepreneur may establish a sole proprietorship without a partner. Partnerships always require at least two establishers. When there are several establishers, the most suitable forms are limited companies or cooperative. (Holopainen 2012, 21) Cooperatives require at least three establishing members. (Yritysuomi 2013)

❖ Required capital

Sole proprietorship does not require a specific amount of capital when establishing a company. For general partnership, the monetary capital is not required; the given work contribution is enough. What comes to private partnerships, the sleeping partner needs to provide monetary capital, the size of which is not specified. From active partners, the work contribution is enough. (Holopainen 2012; 23-24, 27)

Limited companies need to have monetary capital. The lower limit for the capital of a private limited company is 2,500€ and 80,000€ for public limited company. In a cooperative, the founders define the participation share. The capital is formed by collecting the participation share from the members of the cooperative. (Holopainen 2012; 31, 35)

❖ Division of responsibilities

The private entrepreneur is responsible for the company liabilities with his/her personal property. The similar responsibility applies to active partnership partners. In the rest of the company forms, the shareholders' responsibility is limited to the capital invested into the business. However, the property of shareholders or members is practically required as a guarantee to the credits of the company, especially in the beginning of the business. (Holopainen 2012, 22)

❖ Flexibility of operations

A private entrepreneur makes the business-related decisions alone. In partnerships, partners are able to make decisions solely or jointly, and in a short time. Limited companies require some statutory paperwork, so the bureaucracy

slows down decision making. Decisions in cooperative are made by voting: each member has one vote irrespective of the size of the investment. Partnerships, limited companies and cooperatives may elect a Managing Director to manage day-to-day decisions. (Yritysuomi 2013)

❖ Continuation and expanding prospects of the company

A sole proprietorship usually ends when the entrepreneur passes away, unless somebody inherits the company. In partnerships, the shares of the partners may be transferred to another person, but it requires the permission in articles of association or from other partners. In companies, changing of the shareholders does not directly affect to the company existence. The membership for cooperative is open and the amount of members may vary. (Holopainen 2012, 22)

❖ Profit division and loss coverage

A private entrepreneur gets all the profit to his/her own use, but he/she is also required to cover probable losses. Partners in partnerships may agree on profit division and loss coverage. If not separately agreed, sleeping partners first get their interest, and then the active partners divide profits and losses equally. Limited companies divide profits between the partners by paying dividends. (Holopainen 2012, 22)

Instead of earning profit, a cooperative offers services to its members. The profits, or surplus, may be distributed to the members as extra wages, interest on cooperative capital or return of the surplus according to the use of the cooperative's services for its members, or as otherwise stated in the rules. Part of the surplus must be transferred to the reserve fund, after the losses shown by the balance sheet have been subtracted from the profit. (Yritysuomi 2013)

❖ Taxation

Tax treatment of the company depends on the business form. Direct taxation in particular may affect the selection of the form. The major direct taxes are the state income tax and wealth tax payable to the state and plus municipal income tax payable to the appropriate municipality. The tax burden to both business and the

entrepreneur need to be paid attention to when selecting the business form. The form plays no role in terms of paying value-added tax. (Yritysuomi 2013)

The business of a private entrepreneur or self-employed person is subject to taxation as personal income, in aggregate with the entrepreneur's other income. Partnerships are not subject to taxation as separate tax residents, but still they file tax returns. The business result is calculated on the basis of the tax return.

Cooperative and limited companies are independent tax residents and thus pay 24.5% of taxable income as taxes. (Yritysuomi 2013)

2.5 Subject to license or not

Industrial and commercial activities are subject to license if they require a clearance from authority. The clearance from the local administration office is required for selling alcohol and tobacco products; private round-the-clock welfare services and health care services. ELY Centre gives clearances for public transport, regular airline services, taxis, freight traffic and foreign traffic. Clearances for different types of repair workshops, car driving schools and airlift companies are provided by Finnish Transport Safety Agency (TraFi). Also businesses related to guns and safety issues require clearance from the police administration. (Yritysuomi 2011, 58)

There are also some businesses that require a separate notification or registering, even though they do not need clearances. Businesses related to e.g. real estate agencies, labour hiring, transactions and currency exchange, practices related to administration of property or corporation services, and a large-scale keeping of hobby animals or pets in street plan areas have to be notified or registered to the local administration office. Package tour companies require the registering and the guarantee to Consumer Office. Night café business needs to be notified to the police. Car workshops and certain similar checkpoints require the notification to TraFi. Also ignition interlock device installing and repair businesses need to be notified. (Holopainen 2012, 73-74)

2.6 Making the report of a new business

The entrepreneur needs to make a report of a new business with a start-up notification, if he/she does one of the following:

- Operates in a licensed trade
- Operated in permanent premises, such as a room separate from home
- Employs other people than family members (PRH 2013)

With a single notification, the entrepreneur can have the company entered in the Trade Register, VAT Register, Prepayment Register and the Employer Register, and the Register of bodies liable for tax on insurance premiums. Also the information enabling the tax office to set the prepayment tax may be supplied at the same time. (YTJ 2013) The notification can be done on paper or electrically. (Holopainen 2012, 56-57)

There are different start-up notifications depending on the business form and situation. For new sole proprietorships, notification Y3 is used. Once the start-up notification is registered in the Business Information System (BIS), the new business will be given an ID (Y-tunnus). It is needed when doing business with the authorities and customers. (YritysSuomi 2013) The company needs to print the Business ID to its invoice-, order- and offer forms and letters and use it when making contracts and other binding legal acts. (Holopainen 2012, 69)

The start-up notification is processed in the National Board of Patents and Registration of Finland in two weeks. However, if the informer has a cogent reason for getting the notification to registers before or after the estimated processing time, he/she can attach a request to the notification. The request needs to have the reasoning and the desired date of registering. Also, if the business requires a license, it needs to be attached to the start-up notification. If the license is not received yet when making the notification, it needs to be added later to the company information with form Y6. (Holopainen 2012, 57-58)

Making the start-up notification costs 105€ as of 15 January 2013. The handling fee needs to be paid in advance, and the check needs to be attached to the notification. (PRH 2013)

2.7 Statutory insurances

Pension provision for self-employed persons – in other words, entrepreneurs – is determined in accordance with the Self-Employed Persons' Pensions Act (yrittäjän eläkelaki, YEL). Just owning a company is not a sufficient basis for entrepreneurs' pension insurance: the person is supposed to work in the company as well. However, the ownership and the company form may affect pension insurance for a person who works in the company. (Yrityseläke.fi 2013)

The private entrepreneur needs to take out statutory pension insurance for him- or herself. It cannot be replaced by other insurances. Pension insurance secures the private entrepreneur's income if the self-employment ends due to disability, unemployment or old age. (Työeläke.fi 2013)

An entrepreneur has to take out pension insurance under YEL when

- He/she is aged 18-67 years
- He/she works in the company
- Self-employment has continued without interruption for at least four months after the self-employed person has reached the age of 18
- The confirmed earned income amounts to at least the lower limit (7,303.99€ per year)
- His or her work is not covered by any other pension act

A person with secondary or seasonal business has to take out insurance as well, if the criteria under YEL are met. Also self-employment activity alongside a pension has to be insured. On the other hand, insurance for self-employment as long side an old-age pension is voluntary regardless of the pension act under which the pension has been granted. (Työeläke.fi 2013)

2.8 Bookkeeping arrangement

All the companies in Finland have a legal obligation to keep accounts, according to the Finnish Accounting Act. The best option for a starting entrepreneur is to

outsource accounting actions to an accounting company and focus on earning the income. (FEA 2013, 30)

The day-to-day bookkeeping includes sales invoices, purchase invoices, payslips and bank statements. If the entrepreneur professional wishes so, he or she may use single-entry bookkeeping, which means recording of just the business' income and expenditure. (FEA 2013, 30)

A business' accounting period is normally 12 months, but it can be also up to 18 months. The period does not have to be a calendar year, unless the entrepreneur professional is using single-entry bookkeeping. When the accounting period ends, the following financial statements are created: a profit and loss account, a balance sheet and the notes to the financial statements. A private company does not need to appoint an auditor, if no more than one of the following conditions is fulfilled:

- 1) The total sum of the balance sheet exceeds 100,000€
- 2) Net sales or the corresponding income figure exceeds 200,000€, or
- 3) There are more than three employees on average. (FEA 2013, 30)

3 INDUSTRY ANALYSIS: CHILDREN'S CLOTHING INDUSTRY IN FINLAND

3.1 Popular hobby among mothers – tricky for serious entrepreneurs

The influence of fashion in children's clothing is not anymore the business for the wealthiest people only. Fashion has come down closer to the middle-class and so-called "regular" people as well. The mother of our time is more and more likely to invest in fashionable and high quality clothes, because she wants her children to look good. In case the mother cannot afford for the hottest items of the season, she sews them by herself – or if she does not know how to sew, she quickly starts to learn it.

The mother usually gets quickly addicted to sewing, joins Internet communities of other people with a similar interest and starts to show off her works in social media. Practically every sewing mother has a blog which is updated more or less actively, and channels like Facebook or Twitter are used alongside to advertise the blog. Some mothers end up establishing a web store, where they sell their accomplishments since they are unable to use all those clothes they have sewn. This is how the commissioner described the trend in the end of December 2012.

Establishing a web store for self-made children's clothes is popular. Typically they are run by a mother staying at home with a small child, but usually the business stays small-scaled. (Koskenranta 2011, 32) There is a high likelihood for that this "hobby" gets put down after the mother goes back to working life. This brings challenges for those who want to do serious business. The "company hobbyists" do not consider the factors of appropriate pricing and sell their products at very low prices – they do not need to live with the earnings of their "work" anyway. This endangers the incomes of serious entrepreneurs because customers are attracted by low prices of the "company hobbyists". In addition, not all sewing mothers get a business ID, which means that buying products from these "hobbyists" with no business ID supports unreported employment, so-called "black markets". Doing this is ethically questionable and damages the livelihood of serious entrepreneurs.

3.2 The challenge of being unique

The supply of hand-made children's clothes is large, so the business needs to stand out from the crowd in order to be profitable. There must be something that distinguishes the particular clothing brand from another. A brand tag or good quality is not enough anymore, so the focus in differentiating should be set on designing sewing patterns, decorations and prints. A considerable threat for sewing entrepreneurs is accidental (or intentional) plaguing: using an idea which is already invented by someone else and ending up to problems because of that. The innovation for the model, the pattern, or precise details, need to be original enough to be implemented. As a mentionable example, a brand named rockKing'sKidi is known for its jewellery appliqués in children's clothing. Copying such an idea would be noticed in Finland's small markets and may lead to juristic acts.

The designer needs to follow competitors and be aware of what is moving on the markets. He or she should not be too careful though: fear of plagiarizing blocks imagination easily and prevents the thinking process. Ideas are more or less recycled and plagiarized anyway: fashion from the 1950s is in again; history repeats itself; and old fairy tales are adapted to the modern era. Alice in Wonderland – remakes alone are countless. Designers are individual persons and observe the world differently, so the really same source of inspiration produces as many ideas as there are designers. There are some core ideas that never change but they still get updated, like little black dress or Burberry's trench coat. Being unique is thus about finding out something new – mostly new aspects to already known things. There are still some extremely innovative designers who are able to create something that nobody else has ever thought of before. Even though it sometimes feels like everything has already been invented in this world.

Studies prove that people working in groups create more and better ideas than separately. Human beings lives in a constant interaction with their surroundings, so naturally discussions and “brainstorming” work as a crucial ricochet for thoughts. Working alone may be useful when making final decisions, but no designer should be expected to produce ideas like a machine in a space without

stimuli in surroundings. The designer should be able to set him- or herself free from restrictions around and think “outside the box”. Maybe the observation of this jewellery appliqué idea starts a new thinking process with a question: “are there other unexpected ideas that could be appliquéd to children’s clothes?”

3.3 Interaction in social media

Most of the interaction between handicraft enthusiasts happens in social media. Hobbyists have their forums, Facebook groups and it is not strange at all to have a blog where to show off the latest works and newest purchased fabrics. In fact, the blog plays a big role in the development of the handicraft companies: for instance, fabric designer Leena Renko arranges votes in her blog for the prints she has designed. When Renko gets the vote results, she has the fabrics done according to what the audience likes the best. This is an excellent way to ensure the demand of the product and collect the highest profits. (Visanen 2012)

At the same time, according to the author’s own observations, the volume of advertising is really low among small children’s clothing companies. The entrepreneurs know each other even personally, but the big audience has probably never heard of them. Most of the companies are earlier unknown to the author, and she actually knows about them only because the commissioner has introduced them to her. The small shops do exist somewhere, but they are usually “drowned” under the bigger companies around the shop, or the location is otherwise such that consumers do not recognize these shops. This is the consequence in lack of investments in marketing or lack of marketing skills or wills. These small companies reach their customers through the connections between the handicraft enthusiasts and their families, friends and acquaintances. Even though “bush telegraph” is a crucial mean of marketing, it takes a lot of more effort to make the becoming brand visible.

Correctly used, social media is an efficient and relevant marketing channel for any company, especially for small-scaled entrepreneurs. More and more small entrepreneurs make their way to customers’ lives through social media channels.

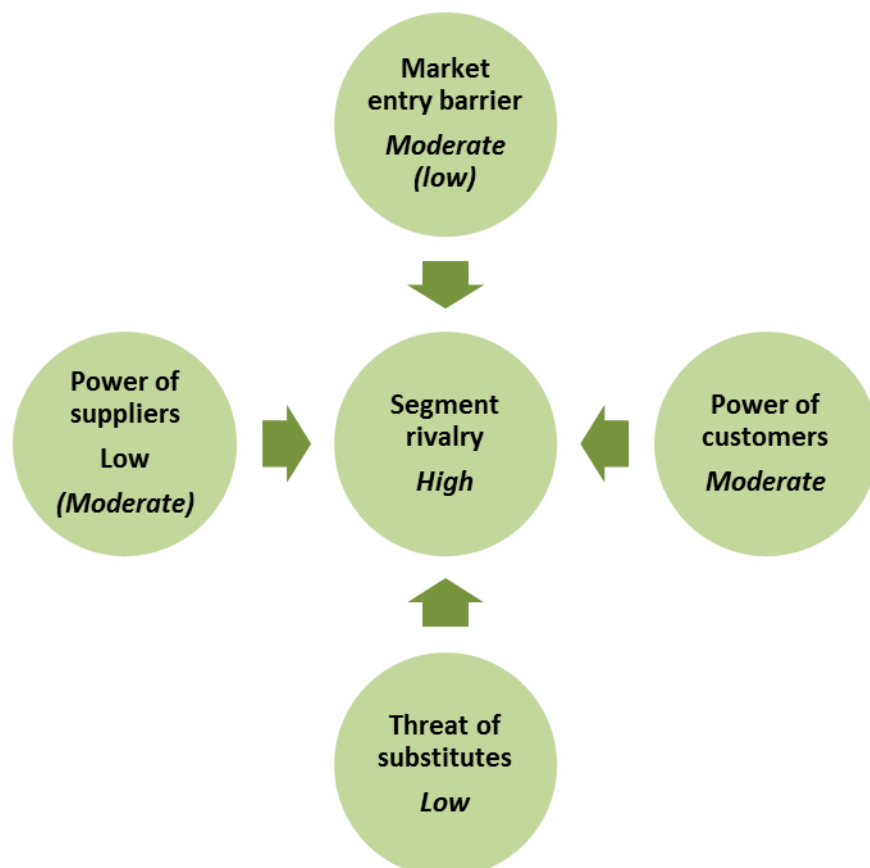
Platforms like Facebook, YouTube, Twitter and LinkedIn are free, fast and easy to use. Marketing costs in these channels are non-existent. Customers and companies are close to each other. It is easy for both parties to approach each other.

Transparency brought by social media brings also certain risks. This topic is discussed further in chapter 4.

3.4 Porter's five forces analysis

In the following, children's clothing industry in Finland is analysed with Porter's five forces tool. The figure below was prepared to summarize the general picture of the industry.

FIGURE 6. Porter's five forces analysis for children's clothing industry in Finland.



Market entry barrier varies from moderate to low, depending on how far the company is going in its self-sufficiency and how extensively it aims to operate.

Production machines are expensive, and creating the distribution channels may be hard. Entrance barrier for small-scaled entrepreneurs is rather low, since they already own some of the machinery and raw materials needed. Though, whether a small company makes earnings for living (or breaks even) is another story. It also needs to be considered, that if an entrepreneur decides to retail rather than produce clothes, the expenses are different. The retailer does not need to invest in production machinery. Instead, other assets such as shop rent, inventory and distribution channels require money.

Bargaining power of suppliers varies from low to moderate. There are a lot of material suppliers available. However, finding a good one may hard – even harder in case a Finnish supplier is wanted. A good fabric manufacturing company is a carefully protected trade secret: this is understandable as high quality materials are always a clear competitive advantage. Some children's clothing sewers wish to start pattern designing alongside sewing, because profit margins in fabric business are high. Many small entrepreneurs end up selling their products independently rather than forwarding them for retail. Especially in cases of individual clothes, retailing brings comparatively lot extra costs and rises up prices too much. Retailing works the best when 1) the brand has gained popularity and 2) production quantities are high enough. The retailer does not necessarily need to be a large corporation chain: also small entrepreneurs retail others' products, as was found out in case of Henna Lindroos in chapter 3.5.

Current-time customers are better aware of products and their effects to surrounding social and physical environments than ever before. Customers can now push a lot of pressure towards companies and direct peer buyers' decisions. Even though bargaining power of customers has grown a lot in a short time, it is still not more than moderate, especially if the company has a lot of customers. Clothes need to be bought anyway. On the other hand, customer pressure may feel especially strong for small companies, since they are often more transparent and in a closer connect with their customers than large corporations. Also, if developing customer relations (or let's say, settling down to a market area) is under process, customers have a lot of impact to the company's success.

Threat of substitutes is considered as low. As earlier stated, clothes are always needed. They are crucial to everyone living in Finnish climate conditions, let alone to children who are vulnerable to cold weather. Humans have used clothes for centuries; in fact, clothes cannot be practically substituted. In other words, clothes do not actually have substitutes. Even though the product itself cannot be substituted, the clothing provider and model can be, but this fact leans to rivalry issues.

Rivalry in this industry field is high. There are numerous children's clothing providers, varying from large international chains to personal small entrepreneurs. Large chains such as H&M, Kappahl and Lindex provide low-cost children's for mass markets. Children grow fast, and not many are ready to invest much to clothes that get small quickly. On the other hand, children's clothes have a good resale value, so more and more mothers want to buy high-quality clothes. Products from these "cheap chains" are not usually of good quality. If customers want to use their money to better clothes, they choose companies like Polarn O. Pyret and Oliver S. or Jesper JUNIOR. They may also choose individual clothes from small handicraft companies. Many of the small companies have been established as the entrepreneur's sewing hobby has broken loose. Selia, Myllymuksut, rocKing'sKidi and Tinttu.com are good examples of such Finnish children's clothing businesses.

3.5 Entrepreneur's point of view: Henna Lindroos and Marakattimarssi Ky

In order to get some guidelines for business planning and ideas for further development of the business idea, the author looked for an entrepreneur's point of view at children's clothing handicraft industry. The suitable interviewee was found nearby: the author visited a small Marakattimarssi shop in Lahti city centre and agreed on the interview with the entrepreneur.

Henna Lindroos established her company Marakattimarssi Ky in the beginning of year 2009. The company's form is a limited partnership, and it has one active and one silent partner. The company started as a web store and established its physical

shop in October 2012. The web store is still currently running alongside the shop. (Lindroos 2013)

Lindroos designs children's clothing and fabrics, and these are made by subcontractors in Finland. The silent partner participates in designing sewing patterns. Alongside selling own products, the Marakattimarssi shop retails children's clothing and decoration items from 12 other designers around Finland. According to Lindroos' words, Children's clothing alone would not attract too many customers. Marakattimarssi brand has retailers as well, and in addition, the products are sold in wholesale. The web store focuses on selling the company's own brand. (Lindroos 2013)

The entrepreneur thinks that the product demand has been quite even among different designers. Retailing may be sometimes tricky, because the retailer cannot have sale campaigns as with own brand. The range of goods lives according to the demand. The Marakattimarssi shop has an advantage in the sense that it is the only seller of the represented brands in Lahti. (Lindroos 2013)

Lindroos told about pricing methods as well. The price of the own brand is based on production costs. Marginal profit is added to the production costs. If the product is forwarded to the retailer, the price will need to include additional 50% marginal profit. The wholesale price is determined by the mentioned factors, and finally the list price can be set according to how much net profit is wanted to gain. Naturally, more profit will be gained if the product is not retailed but sold by oneself. (Lindroos 2013)

The biggest costs occur to the company twice a year, when the series of clothes is produced. Fixed costs consist of rent, electricity and insurances. Net profit is not separately company's money but goes straight to the entrepreneur's possession. (Lindroos 2013)

Marakattimarssi has reached its customers through the Internet and personal connections. Even though many of the small entrepreneurs write a blog, Lindroos is more active on Facebook. She also told that the shop in Lahti has been found relatively well, when considering the newness of the shop location. There are still

some improvements to be done in reaching the new customers. For instance, magazine advertising has been considered as means to promote the sales, but due to high costs, it has been left undone by this far. (Lindroos 2013)

According to Lindroos, children's clothing is not as fashion-oriented as adults' clothing. Instead, the emphasis is on practicality: everything starts from the idea that the child can feel comfortable in the clothes he or she is wearing. Endurance is a highly expected feature in clothes. Thus the variety in models or sewing patterns is not as wide as in adults' clothing. Some ideas from current trends can still be picked up, including fabric pattern or colour schemes. The idea for clothes can be inspired even by the fabric itself. (Lindroos 2013)

As the company wants to keep their production Finnish, the greatest challenge in the business has been finding and maintaining the suitable fabric manufacturer connections. Also finding subcontractors and suppliers have been tricky. (Lindroos 2013)

Even though entrepreneurship has meant uneven monthly salaries, Lindroos has found her job to be rewarding. She has not needed to do any other work alongside her business, since she has found a working combination for her business. As earlier mentioned, the business consists of three parts: the web store, physical shop and wholesaling. These three together have kept the business profitable. (Lindroos 2013)

4 SMALL COMPANIES AND MARKETING

This chapter discusses marketing from the small entrepreneurs' point of view. The author leaves out the traditional marketing means and puts an emphasis on the concept of engagement marketing.

4.1 New era of marketing

Teemu Takala, the CEO of marketing agency Alkuvoima states in his work (*Markkinoinnin musta kirja*) that marketing industry is in a transitional phase. The traditional mass media marketing channels are losing their effectiveness. Takala points out five reasons for his claim:

- 1) The strength of information flood has caused negative attitude towards advertisements. It has been claimed that a typical consumer faces 3,000-5,000 marketing messages daily. The person notices 2% of these messages, and only 0.1% of them have any effect on him. In other words, 99.9% of marketing communication is useless.
- 2) Information channels are more diverse and shattered than, for instance, 20 years ago. Mass media cannot anymore control what information people receive like in those days when television was the most important media source.
- 3) Television used to be a cost-efficient way to reach customers. Now contact prices of mass media channels have risen up.
- 4) Increasing competition between companies has faded the differences between products and services.
- 5) Marketing departments are required to show more specific economic ratios, such as ROI, to prove its effectiveness to the business. (Takala 2007, 13)

Consumers have changed, and their behaviour has become more complicated. Customers have become more demanding towards the goods, and their brand loyalty has decreased. The more educated and empowered customers do not just passively listen anymore: people are more extroverted than before and openly share their good and bad experiences in social media. Traditionally companies

define brands, but customers nowadays have power to define (or even redefine) them. (Takala 2007, 14; Veach 2011)

With this starting point, marketing is a tough challenge to any company. Consumer behaviour transitions are not the only factors to take into account, which makes marketing even trickier. As earlier stated when discussing design, marketing managers need to follow competitors and figure out how to get one step (or preferably several more) ahead of them. Companies also need to adjust their campaigns to available budgets. Small companies naturally have limited resources for implementing their marketing campaigns. Marketers need to find cost-efficient, fresh and creative tools to approach the critic and demanding customers.

4.2 Engagement marketing

Dear child has many names. Engage marketing means the same than “live marketing”, “event marketing”, “participation marketing” and “experiential marketing”. A good definition for engage marketing is “a holistic, multi-touch, multi-channel approach to marketing that uses interactive experiences to directly engage with prospects and customers”. (Veach 2011) Another short definition is “making marketing meaningful for the target group and the company”. (Takala 2007, 21) In other words, engagement marketing is activating customers, giving them power to influence and involving them to brand co-creation. Practically this means, for instance, competitions and sharing thoughts about products in blogs or other easily shareable platforms. Companies also arrange votes in social media. For instance, the Finnish fast-food corporation chain Hesburger arranged a vote on Facebook for Hese-Klassikko (“Hese Classic”) meal, and the winner meal is now available – by customers’ request. Engagement marketing is not only a matter on the Internet: people can be involved to action through street marketing as well. Different channels can also be used to support each other: the company published a link on Facebook to a blog post, or vice versa, the blog post may direct readers to Facebook in order to participate in conversation, votes or competitions.

A good engagement marketer is genuinely interested in customers' needs and seeks for win & win –situations. As it is earlier stated, engagement marketing gives customers a possibility to participate in content creation and sharing – and, obviously, purchasing the goods. Receiving information passively from the magazines or television is not the only way for potential customers to be in interaction with companies. The created content should be relevant to customers in personal level and be applicable to their life situations. Marketing should actually be so tempting that the target group wants the company to its life. Interaction between the company and customers is placed on social media, so the marketing tools emphasized are blogs, websites and other channels of social interaction. (Takala 2007; 17, 21-23, 27)

Engagement marketing is an effective way to reach customers, but it requires creativity. According to Takala, there is a notable difference in creativity between traditional and engage marketing. Traditionally creative marketing means work with a following pattern:

State the fact → tell it surprisingly

Due to the unexpected point of view, people remember these advertisements and think that they are funny and clever. However, the principal purpose of advertisements is not to amuse the audience, but to promote the product, service or idea. Creative engagement marketing means take this factor into account by reformulating the idea of traditional creative marketing:

Promise the right thing → Tell it surprisingly

→ Involve the audience

The “big idea” is not the right message (statement of a fact) but the right promise. How does this product actually improve potential customers' life? Is the promise realistically implementable? Can the audience adapt those values that the company represents? The main key is to find out what customers want to hear and tell it (without forgetting the frames of reality). Knowing what customers want requires interaction with them. To create the interaction, the “big idea” should touch customers and encourage them to take action. The idea of inclusion is to

create a useful and sustainable dialogue between the brand and the target group. Even though the purpose is to get customers take action, companies should not stay passive and expect that customers take contact to them first. Both parties need to approach each other in order to form a dialogue. Once formed, the dialogue should not be let perished and forgotten. Successful interaction adds trust and loyalty, which improves corporate image – and, expectedly, sales.

4.3 Marketing tools – why social media?

Reasons for why do social media marketing are countless, and numerous web sites have been collecting their lists. In 2012, Charmon Stiles from Tempo Creative – a leading inbound marketing firm from Arizona – made his own top 10 list for presence in social media:

- 1) Building the brand
 - ✓ Interacting with others give a little bit of idea about what people think of the business. This also helps to create brand recognition.
- 2) Finding new prospects
 - ✓ Through social media, it is possible to connect with potential customers and clients. People on social media channels connect to brands because they like them and want to hear of them.
- 3) Knowing what customers want
 - ✓ When the company knows what customers want, it can tailor its business to fit their needs.
- 4) Building a community
 - ✓ By building a community around the business, fans trust the company and are loyal to it.
- 5) Personalizing the business
 - ✓ Social media can be used to give a face to the business. Social media gives the voice not only to the brand but also to the customers.

- 6) Ranking better in search engines
 - ✓ Creating a profile in every major social media platform and linking the company website in each profile increases website visits and thus increases the company's visibility.
- 7) Networking with the influencers in company's niche
 - ✓ Networking gives the company more visibility and may bring lucrative business opportunities.
- 8) Getting a marketing head start
 - ✓ People are more likely to use products from the company that customers feel they know. Presence on popular social media platforms creates a community of consumers already pre-sold on buying company's new products.
- 9) Keeping an eye on the competition
 - ✓ The company can find out what competitors are doing and what customers think of them. If a competitor fails in something, the company can make sure it is doing things right.
- 10) Staying connected
 - ✓ Constant interaction with the target market through social media is a necessary piece of the overall marketing picture to stay on top.

Social media is the most important (and sometimes only) marketing channel to small companies, as can be seen from a certain survey done in 2012. Tiina Turpeinen, a BBA graduate from Jyväskylä University of Applied Sciences, conducted a marketing research for a handicraft company Takala Designs. Turpeinen interviewed the company's Facebook fans and asked, among other questions, how they got interested in the company. Over 2/3 of the interviewees said they learned about the company from their friends' suggestions. 1/3 also told that they found the company's website. The research also revealed that top three marketing channels for a small handicraft company are Facebook, web store and company's own homepage. (Turpeinen 2012; 31, 38) Even though this research was made in a small scale, it still shows the significance of presence in social media.

4.4 Risks related to social media

Active presence in social media brings a lot of positive visibility to the company, but this visibility can be also turn into a threat. The article *Media muuttaa maailmaa* (“Media changes the world”) in *Yrittäjät*-magazine (3/11) discusses the effects of social media to corporate culture and simultaneously reminds about the downsides of being transparent. Transparency makes companies highly vulnerable. Once something has been put on the Internet, it may never disappear from there. Negative comments cannot be avoided, and they are visible to everyone. Rumours spread easily in discussion forums.

Social media, as any other channel, may end up harmful if the company makes a mistake in something or faces other types of difficulties. Through the Internet, information is on everybody’s reach immediately. Also false information spreads easily, so the company needs to react extremely fast in order to avoid bad things developing into worse. In case the company has made a mistake, the first thing to do is to admit it. It is easier for audience to forgive the company if it is honest right from the beginning. Honesty also makes it easier to build up the trust again between the company and the reference group(s). A well dealt case tells something about the management skills in the company and can actually improve corporate image. Reference groups see that the company can deal with difficulties, which makes them willing to cooperate with the company.

The company needs to be careful with what they publish. It is not wise to talk about e.g. unsure processes or other “may happen or may not”-ponderings, because uncertainty causes extra confusion. Posting an update before informing the actual concerned parties in case is definitely rude, so the company should think which reference group needs the information primarily. Constant “spamming” is also questionable since people get easily tired with never-ending information flow. The same things are directly applicable to the personnel. In the social media era, e.g. company managers cannot distinguish their working and private life from each other as clearly as before. They may be like celebrities who have thousands of followers on Twitter. Managers need to use common sense in their social media interactions, so that they would not cause misunderstandings or

reprehension in the audience. Careless actions have negative impacts both to their own and company's reputation.

The presence in social media brings serious risks along, but a total ignorance forms another form of risk to the companies. Firstly, the company cannot enjoy the benefits of easy interaction with current and potential customers. Competitors present in social media soon pass over those who do not adapt to new technology. Secondly, even though the company is not present in social media, the customers are. They still spread their positive and negative thoughts about the company, and the criticism cannot be dealt with because the companies never receive it – unless customers bother to contact the company.

5 CASE: BUSINESS PLAN FOR LAURIIDA










5.1 Chosen business form

The commissioner wishes to run the business as a part-time entrepreneurship, alongside her future main work. The most convenient choice as a business form in this case is a sole proprietorship.

5.2 Business Canvas Model analysis

This business plan has been written on a basis of the Business Model Canvas presented by Osterwalder & Pigneur in *Business Model Generation*. The table below shows the business idea briefly in the form of the Canvas, and each nine building blocks are “opened” in the following sub-chapters.

TABLE 3. Lauriida business idea in the Business Model Canvas.

 Material suppliers Other handicraft entrepreneurs	 Design, production Sales	 Custom-made children's clothes	 Aim: long-term relationships	 Mothers Grandparents Godparents etc.
	 Raw materials, machinery, space for production and storing; brand name		 Social media (blog, Facebook) Post office	
 Business mainly cost-driven		 Fixed product prices according to the production and material costs		

5.2.1 Customer segments

To whom the company creates value is rather wide area. Main customers are families with children, primarily mothers, who appreciate Finnish quality handicraft and uniqueness of the products. Also those who have children in their inner circle, such as friends, relatives or godparents, can be considered as potential customers. Mothers can though be considered as the main target customers.

Women are strongly emphasized as the target customers. This is caused by the reason that women, mothers, are traditionally those who are taking care of issues related to children, such as clothing, feeding and other means to take care of the children. Men are not closed off from the customer base, but for the stated reason, the marketing is focused on women.

5.2.2 Value propositions

Present-time parents – not only wealthy but also those with moderate income – want their children to look good. They are ready to invest to durable and unique pieces of clothing. Some consumers are willing to support domestic businesses and invest in products made or produced in Finland. Also considering ethic and ecological points of consumption has increased lately.

The company specializes in custom-made children's clothes. The customer knows roughly which kind of cloth she wants, and then finds the suitable fabric(s) and design together with the entrepreneur. Since the products are customized according to the customer's needs, the piece of clothing is certainly unique. Lauriida clothes are naturally hand-made in Finland.

The clothes are designed in a way that children feel comfortable to wear them. The origin of the product and its raw material is known. Organic materials are used as much as possible. The company aims at standing out from the crowd, so that both new and old customers will easily recognize the brand. Handiwork has a good quality since the producer has years of experience on sewing. With these factors, the customer need – to get the child worn beautifully, domestically and ethically – may be satisfied with Lauriida products.

The picture collage below represents sample products made by Lauriida. The items are (from left to right and top to bottom): dress, body, pants, shirt, jumpsuit and cap. These products are used in pricing sample (chapter 5.2.5) and profitability calculations (chapter 5.2.9).

FIGURE 7. Picture collage of Lauriida products (Lauriida 2013).



5.2.3 Channels

The interaction between the customer and the company happens conveniently on the Internet. The shop is blog-based, and the communication with customers – feedback, questions, improvement suggestions and marketing – happens there as well. Facebook is used alongside blog for information distribution. On 5 March 2013, Lauriida blog has 120 registered members who follow the blog, and probably the amount of blog readers is even higher. Also Lauriida's Facebook page has 86 likes. Once the actual company gets established, formal advertising as a company can start properly in these chosen media channels.

The products are delivered as parcels either to the customer's post box (if the parcel is small enough) or to the closest post office. Post-purchase customer support is offered when needed. Ways to maintain after sale services are considered case-specifically.

5.2.4 Customer relationships

The Customer Segments do not necessarily think of establishing a long-term relationship with the company when buying the products. However, if the customers are pleased with the product and service quality, they will feel comfortable with doing business with the company in the future as well. The optimal situation is to create long-term relationships with brand-loyal customers.

Even though the current Customer Segments are not yet reached – we need to remember that the company does not exist yet – some base work has already been done. The commissioner has been updating her blog, and through the blog and other social media connections, the commissioner has reached some of the potential customers.

5.2.5 Revenue streams

The business is based on asset sale: the company sells actual products (customized children's clothes). The item price is determined by two factors – fabrics and time used for production – so the business is practically cost-driven. The table below

shows the logic of pricing ready products. Profitability calculations based on these figures are prepared in chapter 5.4.9. The prices do not include dispatching costs.

TABLE 4. Pricing sample.

	Cap	Body	Pants	Shirt	Dress	Jumpsuit
Material costs*	█	█	█	█	█	█
Production time (h)	█	█	█	█	█	█
Price without VAT	█	█	█	█	█	█
VAT (24%)	█	█	█	█	█	█
Final price	█	█	█	█	█	█
* Incl. Fabrics, strings, buttons, zips and tags and VAT. Costs are average estimates.					Wage/h	█

5.2.6 Key resources

In the Business Model Canvas, key resources are divided into four categories. Physical, intellectual, human and financial resources have been identified and separated from each other for further examination.

❖ Physical

The company requires raw material (fabrics, strings, buttons, tags, zips etc.), machinery, and a physical space for production and warehousing. Since the company starts in a small scale, the entrepreneur's home facilities are sufficient as the physical space in the beginning. Distribution facilities are "outsourced" to the post office.

❖ Intellectual

The intellectual resource of the company is in its development phase. By registering the company, the trademark name Lauriida will be registered. Once new unique designs, sewing patterns and decorations are created, they will be protected with patents. The company aims at building the Lauriida name a distinguishable and positive brand.

❖ Human

As the company starts as a one-man-company, only the entrepreneur represents the human resources of the company. The entrepreneur takes care of the company's accounting by herself. The transportation of the company is outsourced.

❖ Financial

TABLE 5. Expenditure requirements.

<u>Expenditure requirements</u>	
Business premises	█
Means of production	█
Sewing machine	█
Overlocker	█
Coverstitch machine	█
Materials, furniture	█
Fixture and carriers	█
Office supplies	█
Total	█

The business will be run from the entrepreneur's home. Thus no investments for buildings or offices are needed. The same applies to furnishing and other interior design. The main investments are needed for machinery.

TABLE 6. Working capital.

<u>Working capital</u>	
Cost of establishing the business (PRH)	██████████
Marketing	██████████
Internet-based advertisement	██████████
Business premises	██████████
Insurance (YEL)	███
Cash reserve	██████████
Inventory	██████████
Total	██████████

The highest working capital cost comes from registering the company to National Board of Patents and Registration of Finland (Patentti- ja Rekisterihallitus). Marketing is done through the Internet, so resources for marketing are not needed. As already found out, the entrepreneur's home is a sufficient for starting the production in the beginning. The YEL insurance field has been marked with a star (*), because the fact whether the entrepreneur needs to pay the insurance or not is dependent on the annual profitability of the company. Some cash reserve has been set. Inventory is kept as small as possible since the fabrics are bought on the base of demand.

TABLE 7. Total investments to the company.

Grand total	██████████
--------------------	------------

The total investments to the company are worth [REDACTED]. As a part-time home business, it does not have much start-up or maintaining costs related to the physical space or inventory. The most of the establishment costs are related to machinery and the company registration fee.

TABLE 8. Sources of funding.

Sources of funding	
Equity	[REDACTED]
Personal cash investments	[REDACTED]
Property given as a capital contribution	[REDACTED]
Loan capital	[REDACTED]
Subsidies and other sources	[REDACTED]
Total sources of funding	[REDACTED]

The machinery required for running the business is already in the entrepreneur's ownership, so she can transfer her machinery and inventories into her business. She can also fund the company on her own. Thus loans, subsidies or other sources of funding are not needed.

5.2.7 Key activities

Production activity is the core function of this business. The company designs and makes the product and sells them to the end customers directly. Creating comfortable models and distinguishable, beautiful designs require problem solving skills.

Lauriida needs to develop networks as well. It is not able to perform all the required functions such as raw material production, distribution functions or financial management alone. Thus the company has to find the most suitable key partners to run the functions outside the core business idea. The Internet may be

considered as one of the company's key network as well, since its functions are mainly based on interactions on the Internet.

5.2.8 Key partnerships

As a micro company, the entrepreneur is not able to perform all the business running functions herself – nor is obligated to. Thus finding key partners is crucial to Lauriida's success, especially in the beginning but also in the future. Finding the correct contacts has a lot of impact on the visibility of the company. Key partners that the entrepreneur ought to find are material suppliers, machine maintenance professionals (in case of severe malfunctions which the entrepreneur is not able to manage), product distributor (which is the post office in this case), and an accountant.

Cooperating with other handicraft entrepreneurs (not necessarily in the field of children's clothing) should be considered as means of promotion. For instance, sharing a stand in handicraft fairs brings more visibility to all the partners. The partner A brings the partner B in the reach of his own customers without damaging his own business, and vice versa. In addition, sharing the mutual space shares costs. Some marketing campaigns could be performed together, and even retailing others' products can be considered. Making strategic partnerships with straight competitors ("coopetition") should not be excluded, especially if the geographical competition is not too strong.

5.2.9 Cost structure

As already mentioned, the entrepreneur wishes to start the business on a small scale in order to test her products' demand. In other words, the entrepreneur starts the business as a part-time work. The calculations are only rough estimates and may change once the business starts.

The business is done at the entrepreneur's home. However, calculations do not take household work reductions (kotitalousvähennys) into account. In addition, space costs have not been estimated either.

For estimating revenue, it has been presumed that ■ bodies, ■ caps, ■ dresses, ■ pants, ■ shirts and ■ jumpsuits are ordered monthly. According to these product amounts and times spent on them, the entrepreneur works about ■■■■■ per month (or ■■■■■ per week). If the sewer's hourly wage is ■■■/hour, the monthly salary is ■■■/month, which means ■■■■/year. Thus the entrepreneur's yearly working contribution is under the entrepreneur's pension insurance (YEL) lower limit of ■■■■■ year), so the entrepreneur is not required to pay the pension insurance for the self-employed.

The entrepreneur is going to manage bookkeeping by herself, so this will not add any extra costs. Since social media is used as a marketing channel, no costs are caused by advertisement. Also the web store does not cost anything since it will be based on a blog template. The most remarkable costs are variable costs related to the production. The monthly net profit before taxes is in this case ■■■/month.

TABLE 9. Profitability calculation for the 1st year as a part-time entrepreneur.

Profitability calculation (1st year estimation)	Part-time
Net turnover	
Revenue	■■■■■
VAT	■■■■■
Variable costs	■■■■■
Operating margin	■■■■■
Fixed costs	
Working space	■■■■■
Communication costs (phone, Internet)	■■■■■
Books, magazines, training	■■■■■
Office equipment	■■■■■
Bookkeeping	■■■■■
Marketing (Internet)	■■■■■
Insurances	■■■■■
Other costs	■■■■■
Net profit before taxes	■■■■■

Let's presume that the entrepreneur starts to work as a full-time entrepreneur and spends ██████ per month (or ██████ per week) for sewing only. To make profitability calculations easier, let's also think that the product demand grows in the same proportion (█ bodies, █ caps, █ dresses, █ pants, █ shirts and █ jumpsuits).

Now the entrepreneur's working contribution grows from ██████/month to ██████/month, which equals ██████/year. The entrepreneur becomes obliged to pay YEL insurance. The entrepreneur is a beginner and under 53 years old when starting the business. The monthly YEL payment is then ██████/month. Again, most of the costs are variable material costs. It is assumed that communication costs slightly rise as the sales grow. The monthly net profit before taxes is in this case ██████/month.

TABLE 8. Profitability calculation of the 1st year as a full-time entrepreneur.

Profitability calculation (1st year estimation)	Full-time
Net turnover	██████████
Revenue	██████████
VAT	██████████
Variable costs	██████████
Operating margin	██████████
Fixed costs	██████████
Working space	██████████
Communication costs (phone, Internet)	██████████
Books, magazines, training	██████████
Office equipment	██████████
Bookkeeping	██████████
Marketing (Internet)	██████████
Insurances	██████████
Other costs	██████████
Net profit before taxes	██████████

5.3 SWOT analysis

The following SWOT analysis table has been prepared in order to complete and sum up this business plan. The SWOT analysis compares the good and bad sides of the business idea from both inside and outside the company.

TABLE 10. The SWOT Analysis for Lauriida.

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> - Brand name unknown to a large audience → possibility to direct the development of the name - Domestic handicraft work - Organic, ethical materials - Flexibility - Good knowledge about the business field, some contacts - High quality - Reliability - Uniqueness: personality, tailored clothes 	<ul style="list-style-type: none"> - Brand name unknown to a large audience → no brand recognition - Hard to make a living as an entrepreneur - Lack of experience as an entrepreneur - Lack of some most important contacts related to own business (suppliers etc.) - No professional background (even though a lot of experience) - Small size
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> - Expansions: new products, retailing possibilities, own fabric designs... - Certifications, patents - Cooperation & “Coopetition” with other sewers or handicraft entrepreneurs - Growing of the business: more customers, more sales - Physical store 	<ul style="list-style-type: none"> - Accidents - Changes in children’s clothing trends - Finding suitable domestic material suppliers - Hard to be unique (accidental copying) - Low entry barriers - Strong competition - Uncertainty about customers

6 FINDINGS AND CONCLUSIONS

6.1 Findings and conclusions

In this chapter, the author answers the research questions given in the beginning of the thesis and analyses the findings. Recommendations for future research are given as well.

TABLE 11. Research questions and answers

1. What attributes affect to the decision of a suitable business form?	Number of founders, required capital, division of responsibilities, flexibility of operations, continuation and expanding prospects of the company, profit division and loss coverage and taxation system.
2. What kinds of businesses are currently active in the market?	Various kinds of businesses from individual entrepreneurs to large corporation chains.
3. How can a small company stand out from the crowd of competitors?	By being unique, creating something that no one else has invented, or taking a new approach to already invented ideas. Efficient marketing and cooperation is highly recommended.
4. What type of marketing should a small company use in order to minimize risks and maximize revenue?	The newest technology is worth trying. Active presence in social media and keeping in touch with the customers make the company visible (engagement marketing).
5. How to define this business idea?	By focusing on main points with the help of some planning tools. The short definition for the idea would be "custom-made children's clothes with a personal and unique touch".

In most cases, the company does not provide any profits during its first years. The net profit is positive already on the first year in Lauriida's case, but this can be explained by minimal establishment costs. If the company aims at own facilities in the beginning, the asset costs would be higher and external funding would likely be needed.

The business might look profitable at the first sight, but there is a problem with the entrepreneur's actual earnings. If the monthly net "salary" before taxes is around [REDACTED], it does not provide sufficient living. In addition, it cannot be presumed that the product demand is such than what was presented. Some products might be demanded more than expected, and other products may not sell at all. Maybe the production volumes should be higher or the product demand structure different, but then lack of time might become a problem. An extra worker might be needed, which adds labour costs and reduces the entrepreneur's own profit.

There are a lot of challenges from expanded competition. This thesis has presented some ways how to be more visible in the crowd, but the commissioner needs to find her final means out by herself. The business is creative, so it is much up to the entrepreneur how the audience finds the company and how the brand is to be developed. It is important to remember that doing business is not only about defeating competitors: it also includes finding reliable allies. There's no capability (or need either) to do things on one's own. Finding the right contacts may be mostly a matter of luck, but once found, the relationships – whether it was about a business partner or customer relationship – form the key factors of the company.

It cannot be certainly known whether the business is profitable or not if nobody tries it. As it is well known, no business is riskless. The author supports the commissioner's planned approach to the business: testing the demand by working as a part-time entrepreneur first and then expanding, if it seems like the target group is interested in the products. The author suggests that the commissioner focuses on marketing jut the most profitable products (jumpsuits and dresses) in the beginning rather than strongly diversifying immediately. Of course it is a question about tailor-made children's clothes, and there needs to be flexibility on

what kinds of pieces are made. It is nevertheless more beneficial to focus properly on some core products than to divide the limited attention and resources on many things. By the same token: the target group could be narrowed down first to the blog and/or Facebook followers and then, when the demand in this area is proven, expanded little by little to the customers' inner circles. What makes the business plan slightly inaccurate is that the establishment is not current in spring 2013 but probably within two years. The author recommends the commissioner update the needed figures and definitions on the plan before registering the company. If the commissioner becomes serious with the business, an education in sewing should be considered, as professionalism is a good means to add value to the products.

6.2 Suggestions for future research

When conducting this Bachelor's thesis, the author gained a good understanding about establishing a business and new points of view on marketing. Also the author has realized how diverse concept the (handicraft) clothing industry really is. However, the author has only scratched this multifaceted world of the industry, and much more research is needed in order to be a strong competitor on the markets. This part presents some future research suggestions.

The author thinks that it would be interesting to check Lauriida's situation after a few years and then do some further research for the company. For instance, a marketing plan could be prepared. This thesis already gave some tips for marketing, but it did not include an actual marketing plan because the company does not exist yet. Another research suggestion relates to the company functions. Maybe the business will grow so much that it needs to find external facilities. Then the research would focus on finding suitable facilities. Or maybe someone needs to be recruited. If this topic was taken, information about the recruiting process would be gathered, and the case would be about hiring a new worker.

Let's still presume that the business is growing. According to the commissioner's own words, she wishes to add fabric designing to her business when Lauriida gains more visibility on the markets. This would be a great topic for a business expansion study. Perhaps other new products such as accessories will be presented

when the business develops. When the business has grown a lot, maybe re-choosing the business form becomes topical. Expansion plans in general give a lot of opportunities for future research.

It is important to understand the competitors much better. The commissioner knows her competitors rather well – at least in the case of handicraft clothing entrepreneurs. Other types of competitors such as medium-size and large companies should not be forgotten, since they are even worse competitors than other small companies. Identifying, categorizing and analysing competitors comprehensively would be one extensive research entity. Such research would help the commissioner to understand the competitors better and find out what could be done differently in her company.

Going international may be a far-fetched idea at this point, but it is not a total impossibility. If the brand gets popular in Finland, then it is time to think whether to internationalize or not. The commissioner has a good knowledge in English, French and Russian languages, so going international would not be interrupted by the language barriers (depending on which countries to enter). Company expansions abroad are traditionally done to neighbour countries, so future market areas to examine would be Nordic and Baltic countries and Russia. A market entry research would include studying the target country (or a smaller region), analysing the competition there and finding local contacts. A customer study would be done as well. The research opportunities are practically endless.

7 SUMMARY

The main objective of this thesis is to formulate the dream of a hand-made children's clothing company into a proper business plan. The study also provides information about establishing a business, identifying competitors and finding marketing means suitable for a small starting company. Five research questions are set up in order to meet this objective. The Business Model Canvas provided by Alexander Osterwalder forms the core framework of the study, and qualitative research methods are used to gather information. The data collection is primarily done with interviews and the author's own observations.

Establishing a business includes a lot of phases, but they do not always follow the same order every time. For instance, the company name and business form may have been decided before formulating the idea. The procedures are also different depending on the chosen business form. A sole proprietorship is the easiest one to establish.

The clothing industry is a huge business. The entry barriers are low and the rivalry is tough. Indeed, Creativity in both clothing and advertising means is needed in order to become visible and attractive from the customers' point of view. As a marketing tool, the newest technology is suggested. Traditional marketing channels such as magazines, radio and televisions are losing their effectiveness because of passive reception (or rather ignorance) of the information flow. Social media marketing is a cost-efficient and a personal way to reach the customers and stay in interaction with them.

It is hard to make a living with entrepreneurship and especially in the clothing business since the material costs and taxation are high in Finland. The commissioner's own idea of starting as a part-time entrepreneur is supported by the author. The company could start with a focus on a couple of most profitable products and then expand to other products according to the demand. The case company provides a lot of future research topics once the business starts to operate and grow.

REFERENCES

Written references:

Edited by Holopainen, T. 2012. Yrityksen perustamisopas. 21th revised edition. Jyväskylä: Bookwell Oy.

Kotler, P., Keller, K. L. 2009. Marketing management. 13th edition. New Jersey: Pearson/Prentice Hall.

Osterwalder, A., Pigneur, Y. 2010. Business Model Generation. New Jersey: John Wiley & Sons, Inc.

Saunders, M., Lewis, P., Thornhill, A. 2009. Research methods for business students. Fifth edition. Italy: Rotolito Lombarda.

Takala, T. 2007. (Markkinoinnin musta kirja). Totuus seuraavan sukupolven markkinoinnista. Porvoo: WS Bookwell Oy.

Electronic sources:

Burney, A. 2008. Inductive & deductive research approach [referred 19.10.2012].

Available at:

<http://www.drburney.net/INDUCTIVE%20&%20DEDUCTIVE%20RESEARCH%20APPROACH%2006032008.pdf>.

Business Model Generation. 2010. The Business Model Canvas [referred 16.11.2012]. Available at:

http://www.businessmodelgeneration.com/downloads/business_model_canvas_poster.pdf.

Etera. YEL-laskuri [referred 31.3.2013]. Available at:

<https://www.etera.fi/fi/YELlaskuri/Sivut/default.aspx>.

Facebook. Lauriida [referred 5.3.2013]. Available at:

<https://www.facebook.com/Lauriida>.

Finnish Enterprise Agencies (FEA). Becoming an Entrepreneur in Finland [referred 23.1.2013]. Available at:

http://www.masuuni.info/images/masuuni_opas_en_20110524.pdf.

Infopankki. Yrityksen perustaminen [referred 10.1.2013]. Available at:

http://www.infopankki.fi/fi-fi/yrityksen_perustaminen/.

Kasanen, M. 2011. Media muuttaa maailmaa. Yrittäjä 3/2011, 16-18 [referred 26.3.2013]. Available at: http://issuu.com/yrittajat/docs/yrittaja3_2011.

Koskenranta, R. 2011 Lapselliset lastenvaatteet antavat mielikuvitukselle tilaa. Yrittäjä 3/2011, 30-33 [referred 26.3.2013]. Available at:

http://issuu.com/yrittajat/docs/yrittaja3_2011.

Live Marketing. Veach, K. 2011. Engagement Marketing Defined [referred 16.3.2013]. Available at:

<http://info.livemarketing.com/blog/bid/63335/Engagement-Marketing-Defined>.

Patentti- ja rekisterihallitus. Private traders' start-Up Notification [referred 15.1.2013]. Available at:

http://www.prh.fi/en/kaupparekisteri/yrityksen_perustaminen/privatetrader.html.

Patentti- ja rekisterihallitus. Trade register price list – handling fees [referred 15.1.2013]. Available at: <http://www.prh.fi/en/kaupparekisteri/hinnasto.html>.

Suomen Uusyrittäjyyskeskus (SUK). 2012. Perustamisopas Alkavalle yrittäjälle [referred 16.11.2012]. Available at:

http://issuu.com/lahtmi/docs/perustamisopas_2012_suk_web?mode=window&backgroundcolor=%23222222.

Suomen yrittäjät. Yritysmuodot ja liiketoiminta [referred 10.1.2013]. Available at:

http://www.yrittajat.fi/fi-FI/yritystoiminnanabc/yritysmuodot_ja_liiketoiminta/.

Tempo Creative. Stiles, C. 2012. 10 reasons to use social media [referred

16.3.2013]. Available at: [http://blog.tempocreative.com/blog/bid/239896/10-](http://blog.tempocreative.com/blog/bid/239896/10-Reasons-to-Use-Social-Media)

[Reasons-to-Use-Social-Media](http://blog.tempocreative.com/blog/bid/239896/10-Reasons-to-Use-Social-Media).

Turpeinen, T. 2012. Käsityöyrityksen markkinointikeinot: Case: Takala Designs [referred 15.3.2013]. Available at:

<https://publications.theseus.fi/bitstream/handle/10024/44180/TiinaTurpeinen.pdf?sequence=1>.

Työeläke.fi. Insurance for self-employed persons [referred 15.1.2013]. Available at:

<http://www.tyoelake.fi/en/vakuuttaminen/tyontekijanvakuutus/Pages/default.aspx>.

Työeläke.fi. Who is covered by YEL? [referred 15.1.2013]. Available at:

<http://www.tyoelake.fi/en/vakuuttaminen/yrittajanvakuutus/kenelleyel/Pages/default.aspx>.

Uusyrityskeskus. Business Plan and Financial Projections [referred 4.2.2013].

Available at: <https://www.liiketoimintasuunnitelma.com/index.php>.

YritysSuomi. Business plan [referred 10.1.2013]. Available at:

http://www.yrityssuomi.fi/web/guest/aihe?pp=polku_Yrityksen_perustaminen&ppa=palp_Harkitseminen_ja_suunnittelu&aihe=1000007.

YritysSuomi. Different forms of business [referred 15.1.2013]. Available at:

<http://www.yrityssuomi.fi/web/enterprise-finland/different-forms-of-business>.

YritysSuomi. Perustamisilmoitus [referred 15.1.2013]. Available at:

http://www.yrityssuomi.fi/web/guest/aihe?pp=polku_Yrityksen_perustaminen&ppa=palp_Kaytannon_perustamistoimet&aihe=1000019.

YritysSuomi. Taxation [referred 15.1.2013]. Available at:

http://www.yrityssuomi.fi/web/guest/aihe?pp=polku_Yrityksen_perustaminen&ppa=palp_Uutena_yrityksena_toimiminen&aihe=1000029.

YTJ. Perustamisilmoitus [referred 15.1.2013]. Available at:

<http://www.ytj.fi/english/services/Notification-forms/2056>.

Blogs:

Lauriida [referred 5.3.2013 and 29.3.2013]. Available at:
<http://lauriida.blogspot.fi/>.

Oral references:

Lindroos, H. 2013. Entrepreneur. Interview 7 February 2013.

Visanen, K. 2012. Commissioner. Interview 19 October 2012 and 19 January 2013.