



Business opportunity identification for entrepreneur in Finland

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Abstract			
<p>Opportunity identification and selecting the right opportunity for business is one of the important ability of a successful entrepreneur. One cannot speak about entrepreneurship without speaking about opportunity. Entrepreneurship is more than just a business start-up, it is an individual ability to seize opportunities and turn ideas into action.</p> <p>The research study was for entrepreneur opportunity identification in Finland, to study the question of what is an entrepreneur opportunity, and how it is researched. The purpose of the research was to produce information that may guide a prospective entrepreneur to recognize and evaluate business opportunity, to better understand market situation, and to realize the potential economic.</p> <p>The thesis consists of literature review which was conducted to formulate the theoretical framework. The main research method was qualitative standardized open-ended interview. The data from both primary and secondary research were combined and analyzed to see whether the results achieve similar conclusion.</p>			

Keywords
Opportunity identification, opportunity assessment, evaluation, entrepreneurial opportunity

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1 INTRODUCTION

Entrepreneurship is one good way that many people, especially graduated student could get employed and starts their career in business. An entrepreneur may start with a new business idea, or with new innovation, or implementation of an existing business model. When considering a new business it is important to look at whether or not the idea is in the growing sector/ industry. (Lecture, 2012.)

To be an entrepreneur and to establish a new venture it is essential to start from opportunity recognition.

There are three key issues in entrepreneurship:

1. The ability to identify or recognize opportunity
2. The ability to assess opportunity
3. The ability to successfully realize opportunity. (Klemm, 2013.)

Identifying and selecting the right opportunity for new business is very important to invest in a profitable venture, also it is among the most important abilities of a successful entrepreneur. There are some factors which help in the process of opportunity recognition which lead to business formation, it is important that the entrepreneur is alert to opportunities, is able to create social network and connections, and is creative. (Lecture, 2012.)

The main topics discussed in this thesis research are: entrepreneurship and opportunity identification.

The objective of the research work is to produce information that may help someone who is interested in starting a new business, and to help businesses realize the potential economic. The research information may help a prospective entrepreneur to understand market situation and needs, and to recognize possible opportunities in the market.

The research is focused on opportunity identification as an important content area of entrepreneurship. The thesis discusses the concept of an entrepreneur and how to understand the meaning of business opportunity, and how to know the various sources related to it by identifying the different steps in the process of opportunity identification.

Research problem definition is: how to identify-evaluate-assess business opportunities for an entrepreneur? This thesis includes six chapters, the introduction chapter is

introduction to the thesis work, and it defines the thesis research objectives, and an outline of the whole thesis structure.

The second, third and fourth chapters are about the theoretical framework, they are background for the research. The theory part plays a vital role in this thesis. Second chapter examines the concept of entrepreneurship and how it is important for the economic growth of a country, the same chapter describes the entrepreneur's traits and personality, and entrepreneurial successful strategies.

Third chapter addresses the concept of opportunity, opportunity identification process, and business opportunity evaluation methods, fourth chapter examines what factors are behind the opportunity identification and business establishment, and also about the Finnish market situation.

Fifth chapter is the presentation of the research work, the description and analysis of the collected data from the interview, sixth and last chapter is the research conclusion.

2 ENTREPRENEURSHIP

Entrepreneurship is described as a process which includes the identification and assessment of business opportunities, the decision to exploit and utilize the available resources to develop strategies and create new business projects. Entrepreneurship is the process to seek and follow opportunities whether by individuals, or individuals on their own within organizations. It is claimed that many business men and managers have adopted entrepreneurial behavior to develop their strategies in their firms. Entrepreneurship affects firms and organizations regardless of its size or whether it is public or private. (Deakins 1999, 4.)

Ekmekcioglu defined entrepreneurship in his research work that entrepreneurship is the process of seeking opportunity, believing that there is a significant chance to start a new business and earn profit. Even though the practice includes lots of risks and uncertainties. The impact and benefits of entrepreneurship is not just for individuals but it also have a great impact on economic growth in different ways. The connection between entrepreneurship and economic growth is measured in terms of performance. Through entrepreneurship it is possible to invent and produce new and more efficient products and services, bring good competition to the market and also create new jobs. (Ekmekcioglu, 1-2.)

Entrepreneurship can be an alternative to start a career in life, it is possible to start with own business idea, build own business concept, or franchising by buying other company's concept. Or someone can buy a company if for example the earlier owner has retired. (Lecture, 2012.)

Researchers have found three good motives for entrepreneurship which are; Independence, opportunity, and to earn money well. (Lecture, 2012.)

Entrepreneurial types

There are four types of entrepreneur defined by studies and research:

Lifestyle: is someone who start-up firms to satisfy own personal motivation. (Szycher, 2015, 86.). Someone who wants to be responsible for his/her own income, benefits and risks. This individual is actively seeking knowledge to secure own business and own place in society. Lifestyle is known also as external entrepreneur. (Kinkki, & Isokangas, 2006, 324-325.)

Empire builder: those who start their business based on clear future vision, they are curious to understand the world and find solutions; good example of an empire builder is Bill Gates, founder of Microsoft Corporation. (Szycher, 2015, 86.)

Innovator: those who start and operate their business and focus on using their company to improve the world. (Szycher, 2015, 86.)

Serial: the entrepreneur main motivation is focused on sale and cash payout (Szycher, 2015, 86.)

Internal entrepreneurship, intrapreneur: is the individual, who works and is part of a large organization, but has an entrepreneurial way of thinking and acting. This intrapreneur works with others to find innovative solutions within the organization, no matter what kind of hierarchical structure the organization have. (Kinkki, & Isokangas, 2006, 324.)

2.1 Entrepreneur

Entrepreneurship does not develop by itself, in the background there is always an entrepreneur who has ventured his own fortune, using his/ her ideas and skills. (Deakins, 9, 1999.)

The question of an entrepreneur has been taken by researchers and theories for some time, the question of the possibility of anyone to be an entrepreneur. Can anyone start a business? Or are there some special skills needed for that? Is an entrepreneur someone who is different from other individuals? Theories on what makes an entrepreneur are from the early industrial revolution. (Deakins, 1999, 9.)

Basically, there are three sources in which the literature concerning entrepreneurship can be seen. First: the source of economic writers and experts and how do they see the role and importance of the entrepreneur for the economic development and growth. Second: the source of the psychologists, which tells about the personality, traits, and characteristic of an entrepreneur. Third: the source of social behavior, which stresses the influence of the social environment and also personality traits. (Deakins, 4, 1999.)

Many economic writers have contributed to the development of views on the concept of the entrepreneur, and also agreed on the personality characteristics and traits of a successful entrepreneur. (Deakins, 1999, 11.)

The entrepreneur is someone with additional skills and knowledge which permits him or her to take advantage of profitable opportunity, someone who is alert to profitable opportunities for trade. The entrepreneur has the ability to recognize and exploit the opportunity which may have been available all the time, someone who is creative enough to use this opportunity for exchange, to benefit himself and the society. (Deakins 1999, 11.)

Entrepreneur is an innovator, special person who brings changes by creating new economic entity, with new product, service, or processes. He or she can develop a new technology. Entrepreneur is prepared to undertake risks that cannot be transferred through insurance. He or she is confident enough to believe that no matter what the uncertainties or risks are the future will bring reward and profit. Entrepreneur is concerned with problem solving and innovation. (Deakins 1999, 11-13.)

Entrepreneur is someone who is original and creative to imagine potential opportunities for profit, taking into account available resources which can lead to the decision to produce goods or services. There are host of factors which influence participation in entrepreneurship such as access to resources and facilities in the local environment. Other factors such as background, education and attitudes prepare the entrepreneur to recognize opportunities which may be arising from economic change. (Deakins 1999, 14-16.)

In addition to these traits and skills and entrepreneur is believed to:

- Have a vision, an initiative approach and achievement orientation.

- Have an innovative behavior and ready to take risks for that.

- Have flexibility

- Someone who is committed to his/her vision and also committed to others. (Deakins 1999, 18-20.)

Not all economic writers believe in a specific personal or behavioral attributes that separate entrepreneur from non-entrepreneur, they think that anyone who get promoted or make achievement in any occupation is an achiever whether he is an entrepreneur or not. They believe that qualifications and skills can be developed. However, many economic writers agree that entrepreneur is ambitious and has strong need to achieve something, and to be successful. Entrepreneur also have a desire to be independent, to be in control of their own fate, to achieve financial success, innovation, recognition, and respect of friends and others. (Bygrave & Zacharaksi, 2014.)

2.2 Entrepreneurship and economic growth

The history of entrepreneurship has been from the stone-age, it is only the definition has changed, but entrepreneurship has been part of economic activity and growth for a long time. People were self-sufficient and they produced what they wanted by themselves. Later they recognized the importance and benefits of being more specialized, certain individuals can specialize in what they know best. This way community made transition from self-sufficient economy to exchange economy. (Kinkki & Isokangas, 2006, 318.)

Cuervo, Ribeiro, and Roig (2007, 5) addressed in their research work that entrepreneurship plays a key role in the economic growth. Entrepreneurship importance can be seen when assessing business opportunities, when creating new entities, or renewing the existing ones, by implementing dynamic way of business operation, that leads to innovation and drives the economy forward, creates job opportunities and improves the welfare of the community.

According to *Global Entrepreneurship monitor 2000* report there is a strong relationship between entrepreneurship and economic growth at a global level; most countries which record high level of entrepreneurship activity have also recorded above average economic growth. Entrepreneurs have realized the value and importance of equity creation; they create new technology/ product, they create value with high potential growth and job opportunities. Entrepreneurship creates equal opportunity, it rewards performance and economic improvement, giving high potential for poor people to get rich, no matter what race, sex, religion, background is, not even the geographic area. Government and policymakers around the world have seen the expansion of new business and the effect of entrepreneurship on economic growth and improvement therefore they put more emphasis on social and political activities to more support entrepreneurs. (Timmons & Spinelli, 2003, 15-16.)

Decision making

As discussed earlier, entrepreneurship is someone who sees the opportunity and establishes a company or organization to follow it. This process includes actions, work, and activities to pursue the opportunity and utilize from it. Enterprises are not born just by accident and they are not subsequent to success or failure. There are many factors behind and also decision-making skills, therefore, science of

entrepreneurship is taught and it has become the most growing field of studies among universities. (Chell, 2004, 114.)

It is assumed that decision-making is intentional, it is the judgment that based on individual's interest, wants, and expectations, and also consideration of different information associated with different alternatives of possible solutions. Decision-making is to identify and select the most appropriate alternatives from other ones. (Chell, 2004, 114.)

2.3 Factors for starting a business

There are many factors -personal, sociological, organizational and environmental behind the entrepreneurship and business establishment. These factors have their impact from earlier stages from the beginning of idea formation until start-up of new enterprise. A person may get a business idea for a profitable business; the idea may come through active search or just by accident. The decision to develop the business idea depends on factors like alternative job, clear vision about what to achieve. Other external factors also affect such as the economic situation, family situation, role model and friends and of course the available resources. (Bygrave & Zacharakis, 2.)

There is always an event behind firm's establishment, it may be that a person has no chance for a good job, but just working on minor ones, or never get promoted or even laid off or fired, this can always happen as a result of companies merger. Therefore many people decide to be entrepreneurs and to start their own business. Many people also believe that entrepreneurship is deliberate and intentional career choice. A study on growing companies found that many business founders get the business idea from the industry that they have worked in earlier, or somehow related to the earlier industry, in which the entrepreneur has a previous experience. (Bygrave & Zacharakis, 2014, 2.)

The external environmental factors also have great influence on an entrepreneur. It may be that everyone has business idea but not everyone has the necessary means and facilities to process and peruse it. An entrepreneur needs venture capitalists, bankers and financial institutions to finance the business idea, before bankers can lend any amount of money they need to trust that they are investing in a profitable business. An entrepreneur needs also good lawyers to help him in regulation issues and to protect his intellectual property. He needs landlords to rent a real estate, he needs suppliers who are willing to sell their goods on credit to company which does not have a credit history yet. The economical and the political system in the country, and the government support

are among the factors which influence entrepreneurship decision. (Bygrave & Zacharakis, 2014, 2.)

Someone may decide to be an entrepreneur to run business-owing family, just following the family tradition, in this case the challenges are less because there are some pre-work done before. (Bygrave & Zacharakis, 2014, 2.)

Family responsibilities and age may influence entrepreneurial decision. Someone at younger age, with limited responsibilities it may be easier for him to decide on being entrepreneur, compared to someone who has family with big expenses, consumption loans, insurances, etc... (Bygrave & Zacharakis, 2014, 2.)

2.4 The potential profit

The level of a reasonable profit that each firm wishes to achieve depends on the type of the business. A business must be profitable enough to cover all the possible expenses and earn reasonable return on investment, including salaries for the entrepreneur and any family member or people working in the business. It is possible that in the early years of business, even the profitable one that it is not able to generate enough cash flow to sustain its growing needs, such as long term-assets, the working capital and the purchase. So it is very important for the business which have high potential for growth to predict its needs for future investment and enlargement, and to make good cash flow so there would be little remaining for the entrepreneur. (Bygrave & Zacharakis, 2014, 5-6.)

Not all the businesses have the potential to go public, not all the owners ever intent to sell their business and get return on investment. However, there are two ways for the owners to get return on their money they have invested, and to be satisfied with that. For entrepreneurs, to start their business they need to think about the amount they intend to invest, and they should invest as little as possible at the beginning, to make sure that they are able to pay enough dividends and generate cash from business operation before that dividend. The successful entrepreneur is the one who will be able to generate more cash than needed to sustain business operation and purchase assets to keep the company growing. (Bygrave & Zacharakis, 2014, 5-6.)

When starting the business the entrepreneur is the most important factor, and then comes the market. Successful business should focus on their specialized market, the one they know the best. Nowadays the market is growing faster and faster, there are many of large firms specialized in their businesses and also many new entrepreneur

businesses. The business has also changed, government rules and regulations also keep changing, customers are more aware of what they want, and they see the alternatives in the market. So, for any new business to survive it has to face the change and to keep an open mind, to be fast and more flexible in making quick decisions and implement them wisely. Entrepreneurial companies should be friendly companies and make customers satisfied with their product/service, because customers are the ones who drive growth and bring profit, companies also should keep the costs down. Successful entrepreneur is able to find more customers and motivated employees to keep growing. (Bygrave & Zacharakis, 2014 chapter 2 pages 5-6.)

An entrepreneur about to access new markets also to be concerned with access of resources and finance. Marketing strategy is one of the key successes if an entrepreneur wants to develop in future. It is important to choose a specific market and to be specialized in it. A market in which the entrepreneur is able to be more flexible, to have quick react and respond to market changes. (Deakins, 1999, 16-18.)

3 OPPORTUNITY IDENTIFICATION

This chapter focuses on the concept and theory of opportunity identification for an entrepreneur, the evaluation of business ideas and what methods are used for evaluation.

3.1 Business opportunity

One of the key elements in business creation process is the ability to move from idea stage into a business opportunity. The idea has to be right one, and entrepreneur should be confident to explore new opportunities. The economic situation and the culture should also support an entrepreneur to take risk. (Deakins, 1999, 53.)

Business opportunity can be described as a potential business which involve the sale of products or services that meet customer's need. A good business opportunity should solve problems and create changes; it can also be a solution that can cope with the continuous changes in the world. This can lead to new invention, unique knowledge and innovation. (Mariotti, 2010, 2.)

Tommi Rimpiläinen wrote in his thesis "Opportunity identification at the base of the pyramid" (2013, 14) that opportunity definition does not just include what business is being done but rather how things are being done and improved in practices. Baron (2008) adds that opportunity is not limited to production of new products or services but it can take many different forms such as new raw-materials to suppliers, new way of distribution, customer relationship and communication, or new way of internal relationship, work organization or production.

Business opportunities may emerge as a result of change; in our world today there are many factors which are the engines for change, for instance: the economic situation may be favorable to new business creation, growth and expansion. Good economy and increased purchasing power can open business opportunities to meet the increased affluence and the high demand of product or services. (Deakins, 1999, 53.)

New opportunities may emerge because of the changes in the demographic and society, ageing population structure, increased leisure time, etc., also increased technical change

Can provide opportunity to develop new information technology, or new applications in biotechnology. (Deakins, 1999, 53.)

Sometimes entrepreneurs overestimate the market opportunity and the potential growth, thinking that the new product or service will have wide market appeal which may not necessary be true. Not all people will be interested in the new product and service. That is why it is important to define the niche for the new business and the ideal customers. Market opportunity may be defined by acquiring global overview of the overall market potential, and to know what the current trends are. When the picture is clear an entrepreneur can define the target market and to know how much of the overall market may be captured, to focus on the customers who are interested in the new product/service and are more likely to buy it. (Wilson, 2011.)

Here are some tips and strategic ways to identify market opportunity. It is defined by *young entrepreneur council*, an organization that promotes young entrepreneurs to start new businesses and develop it:

- ✓ Scan the market and spot the trends and try to understand the past trends as well and how they occurred, this will help to track new market opportunity.
- ✓ Read widely and obtain knowledge about what is going around, when you have more information you can process them and this help to spot the opportunity.
- ✓ Use Google trends tool, it help to evaluate the trends and the market, to know what kind of things and items people are searching for, and how it has changed over time.
- ✓ There is room for more than one company in the same industry; a prospective entrepreneur can see if the other companies are running a profitable and sustainable business, if yes, that means there is a chance for him as well to succeed in the same industry, the key is to be able to do something different from others. (Gerber, 2011.)

3.2 Key issues in opportunity identification

Business opportunity recognition and seeking new opportunities is the first phase and the most important one when beginning a new business. Even after the establishment of the business it is good to seek opportunities all the time to develop the business and to stay competitive. (Klemm, 2013.)

The entrepreneur who has the skills of opportunity recognition is the right- brain creative. Opportunity recognition means to look at the same situation that everyone else does yet anticipate and predict something different. It is the ability to see new angles, new opportunities, and new ways of doing things, it is about exceeding the limits and go outside the box and think in non-traditional way, some examples of good opportunity recognition are: Facebook, and Apple, Steve jobs is considered the opportunity recognizer of our era. (Klemm, 2013.)

Opportunity review and assessment is the second phase before business establishment. This phase requires form the entrepreneur to get knowledge of the market and economic situation, and to assess the business models and strategies. (Klemm, 2013.)

Opportunity assessment is non-stop process. It is continuous and this is because the market situation, the external and internal forces always changes. An entrepreneur needs to be aware to this point. (Klemm, 2013.)

Business plan is the next step; a good business plan should contain many things, and should at least answer and assess the following issues:

- ✓ What is the market situation for the new product/ service?
- ✓ Define the customers and their needs and wants.
- ✓ Assessment of competition situation in the market, to know who the main competitors are, and to define the strategic methods to sustain competitive advantage.
- ✓ How the new business is able to be different from others and how to be unique? Many things can determine uniqueness and difference such as: price, value, features and benefits, location, specialization, etc. (Klemm, 2013.)

3.3 Opportunity evaluation methods

Taking the right decision and choosing the right business opportunity can improve the return in investment (ROI), and on the other hand unwise choosing can waste the resources and undermine business development. Everything starts from assessment; the best practice to choose the good investments is to well assess the options. Opportunity assessment is the process of investigating, researching, and examining the

investment opportunity. There are different assessment methods and tools that can help to choose the best opportunity from many other options (liao & Witsil, 2008, 5.)

The business idea should be clear and detailed in terms of what it is going to produce and to define the target market and who will be the potential customers. It is more realistic to assess the success of any business idea from customer's point of view; does the business idea meet customer need and add value? Business idea has to also consider the possibility to establish a business in a chosen area, and to evaluate the competition situation in that area. (Suomen Uusyrityskeskukset ry, 2013, 9.)

According to the scope and goals of *Creative trainer project* there are variety of opportunities and ideas evaluation methods (Rebernik & Bradac, 2008, 16.) This section describes the features of two methods used in opportunity evaluation process. The selected methods are more practical and easier to be used and adapted in small and new business. These two methods are ABC analysis, and A-T-A-R- model.

3.3.1 ABC analysis method

ABC method is beneficial in many business fields. It is easy to be used by individuals, entrepreneurs or groups. This method analyzes the different kind of items and subjects based on the importance level of these items, and how to be managed and handled. These items may be customers, activities, inventory items, etc... The items are ranked and arranged according to system classification of A, B, and C, and according to their estimated importance:-

- ✓ A group: are items with high level of importance
- ✓ B group: are important items
- ✓ C group: are insignificant or less important items. (Rebernik & Bradac, 2008, 18.)

ABC method can be used for opportunity evaluation in two different styles. The first possibility is to first define the criteria for assessing the level for importance, then arrange the variety of ideas bases on the level of importance wethere it is A,B, or C. The second possibility is to choose the ideas and analyze them in two phases. In the first phase it is possible to collect as much ideas as possible and analyze them by using brainstorming methods. Then in the second phase is to classify the ideas according to their level of importance, A, B, or C. (Rebernik & Bradac, 2008, 18.)

This is a sample template table which can be used to group the ideas into three categories. The table below with three rows shows the three different categories and their level of importance. (Rebernik & Bradac, 2008, 18.)

Table 1: ABC- analysis template (Rebernik & Bradac, 2008, 18.)

Items A (very important)	Items B (important)	Items C (less important)

3.3.2 A-T-A-R- model

This method is not like ABC method which is used for general ideas selection, but the method is highly focused and it tries to assess specific things for best evaluation. The acronym *ATAR* stands for: **A**wareness- **T**rial- **A**vailability- **R**epeat, and is based on concept of diffusion of innovation. (Rebernik & Bradac, 2008, 22.)

The ATAR method can be used for individual/ entrepreneur or groups in estimating the profitable business opportunity and also in different stages of new product development. In the area of marketing it helps to analyze the potential market and estimate who could be the potential customers. The method is focused to assess the following things: (Rebernik & Bradac, 2008, 22.)

- ✓ **Awareness:** it is about how many people, or what percentage of people in the target market is aware of the product/service idea.
- ✓ **Trial:** it is the number of customers who have the product awareness and are more likely to buy the product.

- ✓ **Availability:** how much effort is done by the customer to find the product in the market?
- ✓ **Repeat:** it is the number of the customers who are satisfied with the product and will buy again. (Rebernik & Bradac, 2008, 22.)

Using ATAR method can help to analyze and evaluate business opportunities and ideas deeply, and in many different areas. This method can give good results if it is practiced well, it can give realistic and valid information about the market situation, customer needs, the potential growth and development of business ideas. (Rebernik & Baradc, 2008, 22.)

4 FINNISH MARKET SITUATION AND NEW BUSINESS ESTABLISHMENT

This chapter focuses on some factors which are the engine of change, change that lead to a new business creation. The engines of change are: economic and business change, social and demography change.

4.1 Economic outlook

This information about the Finnish economic describes the current situation and the trend in future, according to National Account data there has not been changes in the economic performance, and the economic growth has been stagnated. The GDP and the outputs were either declining or remaining at the same level compared to the last three or four years, there has not been big growth in economy due to the current recession (Kaaresvirta, Kilponen, Kinnunen, Kivistö, Mäki-Franti, Orjasniemi, Railavo, Schauman, Viertola, 2014, 9.)

The Finnish GDP declined by 1.4% in 2013 and the output has continued to decline and fell by 1% in 2014; also the private consumption came down by 0.8%. In some industries like electronic and metal industry the trend of the output has declined in the last three years, however chemical industry has not changed in its trend, also the new industrial orders witness growth in their output since 2013. (Kaaresvirta et al. 2014, 9.)

Table 2: Factors of change, Finnish economy (Kaaresvirta et al. 2014.)

Population	5,5 million
GDP(PPP)	\$194.2 billion
Inflation (CPI)	2.2%
Unemployment	8.1%
Public dept.	57.0% of GDP

The raise in the food price in Finland has slowed down in 2014. The trend of the price in the processed food and unprocessed food has generally been sustained. The price of the food has decreased specially after the price of vegetables, fruits and meet became low. Also the price of the industrial goods have been raising very slowly in 2013, but in 2014 car prices, consumer durables and consumer non-durables has declined. (Kaaresvirta et al., 2014, 42.)

Regardless of the economic situation, Finland is a good country for entrepreneur and a person who is starting up a business can obtain help in many different ways. The institutional and business environment in Finland is very supportive for an entrepreneur in all the different activities. It creates good entrepreneurial frameworks which help to identify the business opportunities and help to make businesses to grow and prosper. Entrepreneurial frameworks are for instance: the R&D in business, the open market for the new businesses establishment, and how the market supports the new firms to function in an innovative way. The government policies and the financing institutions are competitive. The education system supports the creativity and entrepreneurship in primary and secondary education. The services of the public sectors help the firms to grow, and more support is available for female entrepreneurs and high growth firms. (Stenholm, Suomalainen, Kovalainen, Heinonen, Pukkinen, 2014, 14-15.)

Finnish economic environment and the overall regulatory framework are trusted and competitive. For example: the level of the corruption in Finland is very low. According to *Transparency International's 2013 Corruption Perception Index* Finland was in the second rank out of 177 countries. The quality of the Jurisdiction is high, and the atmosphere to make contractual agreement is honored and trusted. The financial sector is market-driven, and competitive offers wide range of financing option. In the Finnish open market domestic and foreign investors are treated equally. (The Heritage Foundation 2015.)

4.2 Demographics, attitudes, and lifestyle

Data collection about people's lifestyle and attitude is vital to explore business opportunities, searching for data contains absolute number of residents, demographic structure, and consumer spending and about the trade area to help more understand the market and the trends. Most of such information can be obtained from secondary sources. *University of Wisconsin -Extension* gives general guidelines and key highlights

about what kind of information need to be collected to better explore opportunities. (University of Wisconsin -Extension, 2011.)

Variables such as age and income status determine what kind of product consumer prefer, also what group they belong to? These preferences are based on consumer demographic characteristics, which should be examined in the opportunity analysis. Public sectors provide good data and information about the demographic structure, but the ability to interpret the data is very important. For example: does the data tell about consumer spending habits? How they spend their money and time? What is the trend in the market? The information should somehow give some hints to business opportunities, to better understand the demographic data it is good to analyze the following things :(University of Wisconsin-Extension, 2011.)

- ✓ Population and households: Population is the number of the people living in a geographic area. A household is one or more persons who live together in the same house. Demand is generated by individuals and households. Individuals, and families with different size, or different stage of family life cycle can influence a household purchases. Analysis of population and households can help to understand the current market size, the potential demand and future growth. The data can also indicate the resident's spending power, and purchases preferences in the community. (University of Wisconsin-Extension, 2011.)
- ✓ Educational level and occupation: is also an important figure to consider, because it helps to know the economic status of an area, this knowledge can reveal many business opportunities. Income increases with advancing educational attainment. Areas which have highly educated people they often have good jobs and consume more, they prefer the best quality of products and services. Even areas with less educated populations, who often have lower income, they may also have certain needs and demand. (University of Wisconsin -Extension, 2011.)
- ✓ Age: is an important factor to consider because personal purchases and spending changes as individual grow older. When people are young, in middle age, or when they grow older they have different needs and demands in each stage and lifecycle. (University of Wisconsin- Extension, 2011.)

Also, lifestyle data helps to understand the way people live, their interests, opinions, and activities. To know about their age, income and occupation, and how all these factors influence their purchases. Analyzing lifestyles data can happen by dividing the market to large populations, each population or group of similar characteristic and tastes, this is called lifestyle segment. Lifestyle segments system allows predicting consumer behavior.

It can create demand for specific products and services. As a result many businesses may be established to target potential customers (University of Wisconsin-Extension, 2011.)

4.3 Consumer lifestyle trends in Europe generally

Understanding consumer lifestyle trends in Europe help us to understand the trends in Finland as well. Finland is part of Europe, and European countries are facing the same issues concerning the consumers. For instance, private consumption increases repeatedly, consumers buy not out of need but by temptation or inspiration. The hierarchical society, the social class and the consumer segment has decreased significantly. Many products and services are not just targeted to specific segment but everyone buys everything, maybe not at the same time or the same mood, for example computers, mobile phones, etc.... This situation increases the opportunities in the market. (Jensen, 2011, 4.)

The modern consumers are media generation and multi-tasking. People live their lives online, they shop online, study online, get information by googling or in circles from friends, or friends of friends, with the help of social media and SMS. The modern consumers may have the money to consume but lacking the time to buy is the main reason not to buy. (Jensen, 2011, 13-15.)

The food trends have also changed, people became more aware of health issues, they have less focus on food with high fat or sugar, and they focus more on healthy diet to keep good weight and to avoid health problems. Also people focus more on nutritional value of the overall intake. Furthermore, healthy eating and living became a political demand, children in schools are learning to eat and live healthy, and public sectors are going ecological. Understanding consumer climate and how it change help us to know the significant trends that affect the market and bring the opportunities. (Jensen, 2011, 16-17.)

5 SUGGESTIONS FOR NEW ENTREPRENEUR IN FINLAND

This chapter represents the practical research part of the thesis; the open ended-method was used to conduct the 'by-the-scrip' interview. The interviewee was done with personnel of *Ely keskus* organization which is part of *Yritys Suomi*, the name in English is *Enterprise Finland*.

5.1 Research Methods

The research approach used for this thesis is qualitative; this approach is suitable because the phenomenon requires deep understanding and also to understand different perspectives (Kananen, 2011, 36-38.) This approach suits the general goals of the thesis best.

The methods used in this research and the collected data were both primary and secondary. To collect primary data an interview was conducted with *ELY keskus* organization which is part of *Yritys-Suomi*, the interviewee experience and expertise in advising people starting a new business validates the research results and provides credibility. More information about the interviewees is presented in the next chapter. For secondary data desk research was implemented by collecting reliable materials such as books, publications, and online sources.

Reliability and validity issues have been considered when writing the thesis because it is extremely important in scientific research. Reliability/ validity measures were originally developed in natural sciences that is why it is not easy to apply those measures in social sciences. However, one way to ensure reliability/validity issues is to have a person who is involved in the research to read, interpret, and confirm the result. (Kananen, 2011, 66-68.)

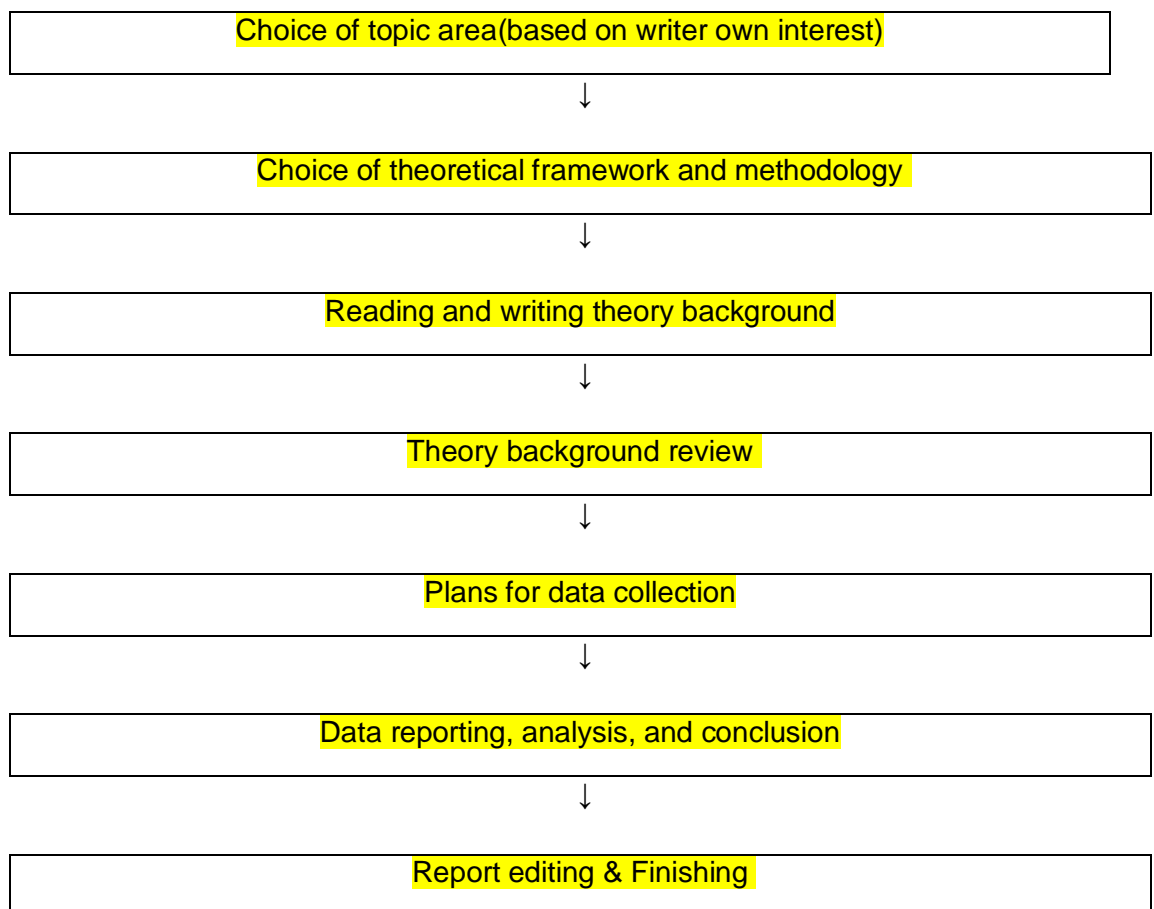
Also, to ensure reliability/ validity issues in the interview process, these techniques have been applied. The theory backgrounds of these techniques are:

- ✓ Reproducible: If someone is using the same topic guide it is more likely to generate similar information regardless of research methods used.

- ✓ Systematic: It is important to be biased and neutral when choosing the interviewees, and when analyzing the data by not only picking the data that supports pre-existing ideas of the solution
- ✓ Credible: The questions and the way of asking questions should be reasonable to help generate valid accounts of phenomena.
- ✓ The research methods which are used should be presented to allow the reader to know how the data were collected and analyzed. (Bricki & Green, 2007, 13.)

The research process is shown in the following figure; it shows the steps how the author has implemented the research from the starting point to the end.

Figure 1: Thesis Process



5.2 The interview

Enterprise Finland helps people to start a business by providing information, advice, services and tools to help evaluate the profitability of the business idea, also they offer business plan tool to the prospective entrepreneur to make a business plan and to make other calculations related to business. The service provides valuable information to help from the start, in issues related to permits and notifications that are required in each business sector. The service is also available to help the new companies in their everyday running of a business. (Enterprise Finland, 2015.)

The interview process: started with a phone call to the company on 24. April 2015, thesis work was introduced and what kind of information are needed. Then permission was asked to do the interview with any expert in the company who can provide me with the information needed. The company has chosen one interviewee for the purpose.

The interviewee candidate was offered two ways of organizing the interview: face to face or in writing. The various options allowed the candidate to decide the most suitable and comfortable way to their schedule, the interviewee chose to answer the questions in writing. The questions were sent with some information and description of the research work, and the purpose of the interview. The interview was conducted in 5 May 2015.

The interview included 8 questions; the purpose was to gain professional opinion on the following topics:

- ✓ The benefits of doing business in Finland, the challenges, and the effect of demography issues such as, gender, age, etc...
- ✓ Things that entrepreneur need to be aware of, and methods for business opportunity identification.
- ✓ Finnish market situation and general trend, competition situation in different business fields, businesses which may have high or low demand.

Once conducting the interview the data is analyzed, the interview response is firstly read through and annotated to achieve an overall idea of the transcript. Then themes are identified and divided into related groups. And finally conclusions are reported. The research was united with the theory to see whether the interview generated similar information as the literature review.

5.3 Interview results

The overall finding of the interview almost concurs with the theoretical framework, many similarities arose in the succeeding subjects, major differences did not manifest.

The appearance of the results do not follow the exact order of the interview questions but they are reported based on the category and the group related topics: starting from the benefits and challenges of doing business in Finland, methods of opportunity identification and entrepreneur awareness, general trend and competition situation in the Finnish market.

Benefits/challenges of doing business in Finland

The biggest benefit for entrepreneurs in Finland is the business environment, and government support. Business environment in Finland is quite stable, and the atmosphere around entrepreneurship is getting better. There are many organizations which help and support an entrepreneur from start to end, providing all the advice and information needed. The interviewee thinks that there are even too many supporting organizations for entrepreneurs. (Interviewee 5. May. 2015.)

The major challenges of doing business in Finland are the local market; which is full of many businesses, with different fields, this situation creates quite high competition in different industries. Also, the market in Finland is small, if businesses want to grow and to expand their operations, they should think about internationalization and to go abroad. (Interviewee. 2015.)

For all entrepreneurs in Finland, it is as easy or as difficult to start a business. The business environment and the regulations are quite equal regardless of gender or age. It is used to be that more businesses are owned by men, but the number of businesses owned by women has increased over the last ten to fifteen years. (Interviewee. 2015.)

Foreigners who come from European Union countries follow the same process of starting a business just like Finnish citizens. Foreigners from outside the European Union countries should have residence permit, to work as entrepreneur. In order to get the permit an entrepreneur need to write a business plan, to show what kind of business is to be established. Once permit is issued a business can be established, the foreign entrepreneur is allowed to use all the services provided from the different organizations

in Finland. Learning Finnish language is very recommended if a foreign entrepreneur want to start a successful business in Finland. (Interviewee. 2015.)

Things that entrepreneur need to be aware of before of

Before starting a business, an entrepreneur needs to be aware of what kind of things that needs to be done. Some basic information related to business start-up can be obtained from the websites of different organizations, which have expertise in advising entrepreneurs. In the interviewee opinion the best of these organizations is: www.enterpriseinland.fi which provides information and list of things to be done before starting the business. The other similar organization is Uusyrityskeskus www.uusyrityskeskus.fi, they also have offices in different cities in Finland.

Each organization or financing industry have their own methods for business assessment and evaluation, it is not possible for an entrepreneur to know these different methods just from the websites, but it is recommended to target a specific organization, and to have negotiations with them to apply one of these methods. (Interviewee. 2015.)

Finnish market trend and competition situation

The trend of the Finnish market is hard to predict, the situation in the market changes very fast. For instance, forest industry used to be like yesterday branch, but now it seems to be again a potential branch. However there are some growing branches in Finland which are recognized by many, such as: game industry, clean technology, social and health care, and new digital services.

The growth of many companies in Finland does not depend only on the competitor's number, but it depends on whether the business has the potentiality for internationalization or it just operates locally. Much small businesses in Finland, especially the service business e.g. barbers, beauty salons, restaurants, etc., operate in quite high competition because their market is just local. So it is difficult to expand the business and make it grow more.

The example of some successful companies in Finland show also that these companies are international, and they do operate abroad. These companies are for example: kone (lifts), Rovio entertainment, Supercell (video and mobile game), and also most of the

forest industry companies like UPM, Stora enso, Metsä Board, Nokia tyres (interviewee. 2015.)

6 CONCLUSION

The main findings of the interview compared with the theory part:

An entrepreneur need to be open to all the business opportunities, even though some business areas are mentioned in the interview, which seems to have growth potentiality, but they are not necessarily the only areas for business profit and growth. An opportunity may emerge even from areas which seem to be not growing, like forest industry which was assumed to be yesterday's branch but now it seems to be again a potential market.

The trends and market situation changes very fast, business opportunity may emerge from these changes. Opportunities may also be defined by acquiring overall market potential and also global overview.

Understanding past trends helps to somehow estimate future trends, even though future trend is hard to predict, but it can help at least to see how the businesses has developed and grown through the years.

There are rooms for more than one in many industries, even though the competition may be high in some situations, here comes the entrepreneur creativity to differentiate oneself from the others in the market to stay competitive.

The objective of the thesis are viewed and achieved. The main research questions of "what is entrepreneur opportunity and how it is researched" achieved a positive response from both theoretical review and the conducted research.

The research challenges

One of the biggest challenges in doing this thesis was the topic itself, the research area was very wide. The scope had to be narrowed down several times to make the work manageable and compliant to the main research topic. Another issue was time management. At the beginning it was hard to know from where to start and how to continue? But this issue has declined as the work developed. It was good idea to start from the theory part, because it gave idea for what suitable method can be used in the empirical part.

Another challenge emerged when creating the questions for the interviews. The writer had to make sure that the questions were unbiased, relevant and conclusive, yet concise. This would make the outcome to be up to standards of qualitative research.

Further suggestions

Despite the positive outcome of the work, there is still room for improvement. Several additional interviews would have benefited the work, especially with business specialists and experts, maybe also with some successful entrepreneurs in Finland.

This way more information can be generated. Unfortunately, finding interviewees turned out to be more challenging as anticipated. Thus, business opportunity identification for entrepreneur in Finland is one recommendation for future research.

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Appendix

Interview question

1. What are the benefits and challenges of doing business in Finland?
2. What is the trends of the Finnish market situation, currently and possibly in future, and the possibilities of business?
3. What kind of issues an entrepreneur need to be aware of in business? And what are the sources of this information?
4. Methods for business opportunity assessment and evaluation, how to know if the business will be profitable? Are there any special assessment methods to evaluate the business opportunity in Finland?
5. What business (products/services) have a high demand and are in need to be established? And have the possibility of good profit and growth?
6. Example of some successful business in Finland.
7. How does gender and age issues effect on doing business in Finland? Is there any special process or requirements for foreigners who want to do business in Finland?
8. Competition situation in the Finnish market, is there high competition in one business compared to other, and why?



