

Hardi Hall

**IMPORT OF FRUITS FROM SPAIN TO FINLAND.
CASE KARAMELO CITRUS S.L.L**

Thesis

**CENTRAL OSTROBOTHNIA UNIVERSITY OF APPLIED
SCIENCES, YLIVIESKA UNIT**

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Thesis Abstract

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Name of Thesis How to organize import of fruits and vegetables from Spain to Finland and why?		
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<p>The research is made for company named Karamelo Citrus S.L.L. It has already business links to many countries and they are working on the link to Finland when my help was needed to finish this project. As the project is huge it was divided in two parts. My part is registering company and start import fruits/vegetables to Finland.</p> <p>This is part number two and it will show how to import fruits/vegetables from Spain to Finland and what techniques are needed to provide fruits for the Finnish market. Also market research, risk analysis, PESTEL analysis and customer selection are included. Company forms in Finland and the main motto of establishing a company in Finland are discussed.</p>		

Key words

Import, fruits, vegetables

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1. Introduction

Importing and selling fresh fruit products is a profitable and satisfying business; however, risks are involved. Before investing money, time, and energy into any new business, it is needed to evaluate personal skills, financial resources, market conditions, and overall project implementability. Support for evaluating risk from both technical and management aspects is open from many of sources, including Iowa State University Extension, local and regional organizations that focus on economic development issues, small business development centers, state departments of agriculture, economic development agencies, banks, tourism agencies, universities, and community colleges. Basically they are focusing on all economic issues.

As fruits and all kind of vegetables are highly perishable, they need care and continuous care during production and marketing. The loss of fruits is loss of customers. Labor is always the major expense in fruits business. Growing fruit and vegetable plants/trees requires hard and long work. Extra labor help must be available all the time. Un- expected weather can cause harm in fruit fields. Offering quality products that always meets market demands and returns a profit needs clear planning and scheduling that allows for un- expected weather variations.

Persons who have successful fruit/vegetable business offer high quality fruits/vegetables and fulfill the market demand. They are aware of their customer needs. They know well how to manage money, labor and customers. Developing and growing fruit business is successful business. As statistics shows Finland is importing most of the fruits/vegetables from abroad because it doesn't have suitable season. Finland is cooperating with bigger foreign suppliers and importing fruits/ vegetables from abroad. Import of fruits is the creative feature of our business plan according to the offered price list. Further in chapters 2 and 3 are describing products and investigating the company form. Transportation planning and Finnish market are analyzed in Chapter 4 and 5. Chapter 6 and 7 will show possible risks in business and analyzing whole project by PESTEL analyses. Thesis helps to understand the current fruit business situation in Finland. Further on the way of importing fruits and vegetables from Spain (Murcia) to Finland is discussed. The valuable features for both markets are level of quality and price list.

(<http://www.extension.iastate.edu/Publications/PM1887.pdf>).

2.2 Oranges

The orange history is very long about 4,000 years. A bitter orange, citrus aurantium is the leading of today's sweet orange. The second sweet orange citrus sinensis, is very juicy and sweet. The highest quality of juice has sinensis.. The navel orange is the easiest to peel. Orange oil is really popular. From oil distilled terpenes, are used for both the solvents of weighting agents and the cloud source for the disperse phase for clouding agents. Orange essence oil is lighter than water and it comes to the top. And it is very easily collected. It has to be noted that orange oil is starting material for many natural chemicals. Chemicals like finite fractions contain ethyl butyrate, acetaldehyde, hexyl aldehyde, octanol, and others. These fractions are used as a sources of natural chemicals. (Karamelo Citrus).
(www.answers.com/topic/orange-sweet-citrus-sinensis-1-psbeck-c-aurantium-vardulcis-1)



PHOTO 1. Orange (Karamelo Citrus).

TABLE 2. Vitamins and minerals contained in an orange, weighing 130 grams. (Karamelo Citrus).

Vitamins	Minerals
Vitamin C - 70 mg	Potassium - 237.11 mg
Vitamin B1 (thiamine) - 0.11 mg	Calcium - 52.4 mg
Vitamin A - 269 IU	Phosphorous -18 mg
Folate - 39.7 mg	Magnesium -13 mg
Pantothenic Acid (vitamin B5) - 0.33 mg	Selenium - 0.65 mg

2.3 Mandarins

Mandarinas (*Citrus aurantioidea*)

Spain has important position in the production of citrus fruit, being the world's second largest producer of producing citrus fruits. The mandarin (mandarin orange) came to Europe in the 19th century and was founded firstly in the province of Valencia in Spain. Today the Valencia is the the most popular growing area.



PHOTO 2. Mandarins. (Karamelo Citrus).

Mandarin is a very popular fruit because of its sweet taste, small weight, ease of peeling and its easy-to-separate segments as popular for Christmas time in Europe. The classic mandarin gives a superior taste and smell but has many seeds. So it has largely been ousted by new varieties such as Clementina, Satsuma, Fortuna, Clementina-Hernandina, Clemenvilla, Clausellina, Ortanique and Ellendale.

During the last twenty years, the Clementina has taken the leading position over the other oranges. The mandarin grows mostly in the Mediterranean province. The climate needs to be soil. The first seedless mandarins “Clementina” were developed in Spain.

In 1950 the mandarin Satsuma was brought to Spain, and it is most suitable for canning. Nowadays Satsuma is Spain's second most important canned fruit. (Karamelo Citrus).

2.4 Lemons

Lemon production is very limited by countries because of lack of low temperature warehouses. In Spain the most popular area for lemons is Murcia and some neighboring provinces of Alicante and Almería.

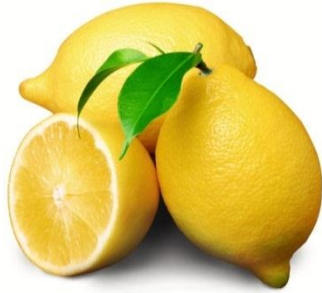


PHOTO 3. Lemon. (Karamelo Citrus)

Arabs were the first who brought lemon to Spain and after it became a traditional Spanish fruit. Nowadays lemon is sold to both domestic and international markets. Main exports are going to the European Union.

Verna and Fino are the most popular Spanish lemon types and most widely-grown. The Verna produces very good size, has very tasty juice and with not too many seeds.

The lemon Fino is smaller than the Verna. It is smoother and has thinner rind. Fino has become very popular in export market because of high juice content. The Verna is available from September to March and the Fino from March to September, this fulfills demand in market whole year. (Karamelo Citrus).

3. Company Plan

3.1 Foreign entrepreneur in Finland

In Finland, a person's permanent place of residence is determined by the information entered in the Population Register. EU citizens and citizens of Iceland, Liechtenstein, Norway and Switzerland are entitled to stay and work in Finland without a residence permit for a maximum of three months. If the term of employment exceeds this limit, the employee must register his right to reside in Finland, but they do not need a special residence permit. People from countries outside the EU may stay in Finland as tourists for three months without a permit. If they wish to work in Finland, they need to apply for a residence permit, even if the period of stay is shorter than three months. EEA and Swiss citizens, their spouses and children under 21 years of age or dependent on their parents' care do not need a work permit. If those rules are done it is possible apply to become an entrepreneur. (www.ytj.fi).

3.2 Current company forms in Finland

Private entrepreneurs are also called sole trader. Operating as a sole trader means that the person carries out business operations alone or together with his/her spouse. The business is registered under the name of one person even if there are two persons running the business. The person is liable for all commitments which means that all her/his assets are at risk. The entrepreneur may invest money but he/ she can't pay salary to him/ herself. Trader must use double-entry bookkeeping. Establishing your firm is simple. It is needed to fulfill the Y-3 form, see appendix 1. There is a charge of registration 75 EUR. You operate immediately. (www.ytj.fi).

General partnership/ limited partnership- in case at least two partners are involved. At least one person from partners must have a permanent residence. Both partners can invest money, assets or work to the business and they are fully responsible for the partnership commitments meaning on all their personal assets are at risk. In limited partnership there are two kinds of partner; active and sleeping. The active partner is liable of commitments and assets are at risk. Sleeping partner is investing money to the business and receiving interests from earnings. Sleeping partner don't have access to the decision makings in company. The partners create the "Articles of association" which show the partnership's business name, its domicile, line of business, the names and addresses of the partners and

their investments in partnership. The articles are needed to write and with special care using expert help. The partnership must be registered in the Finnish Trade Register and with the Finnish Central Tax Administration using Y2 form. Charge of registration is 180 EUR (www.ytj.fi).

Limited company- can be established by one or more people. When the company is set up founders will register all shares of company. The capital of establishing company is 2500 EUR. The capital of company is shared and basically the person who has more shares is dominative of making decisions. The limited company must have a board of directors who will elect the leader of company if it is not agreed in the moment of signing the company. At least one of the board member or deputy member must have permanent residence in EEA area. Establishing the business the articles must be appended. The three items: the name of the business, its domicile and the line of the business are necessarily needed for signing the company. The charge of company is 350 EUR + capital 2500 EUR in account.

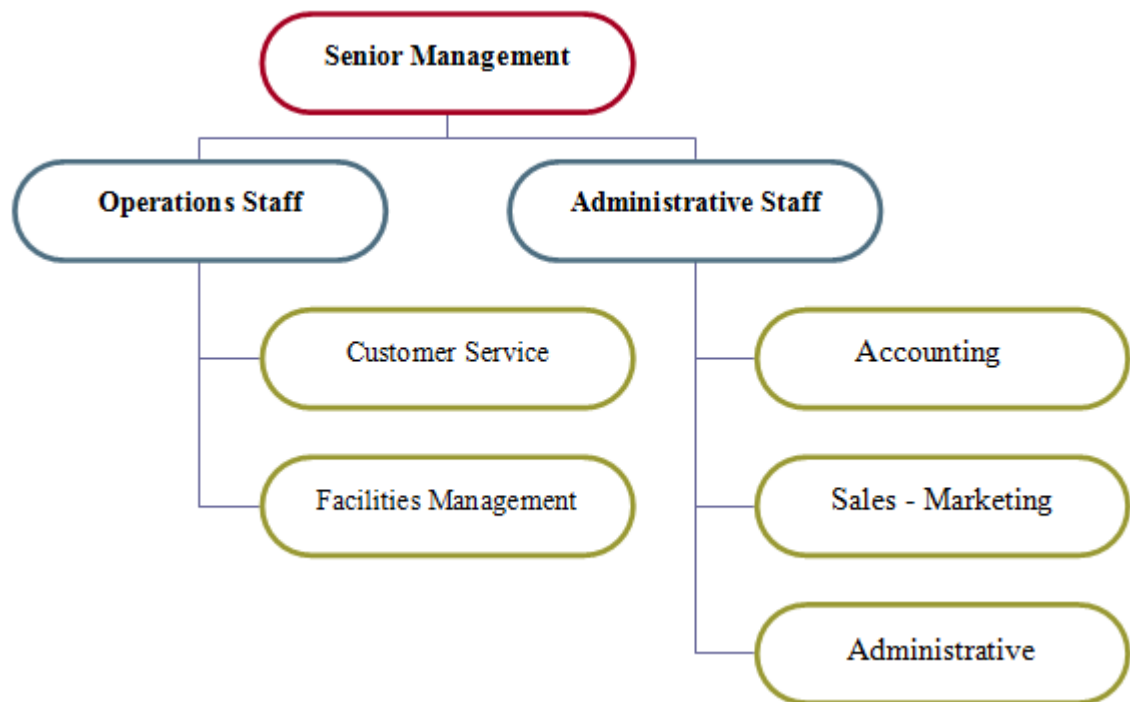
CO-operative- is an independent association. Members can manage everything together and democratically. To establish a co-operative at least three people are required. The members are liable for the commitments of the co-operative by money they have invested to the company. It is done by Y1 form in webpage www.ytj.fi. The name of co-operative, domicile and the line of business, have to be registered in Finnish Trade register. There is a charge for registration, latest in 2011 it was 350 EUR of registration fee (www.ytj.fi).

3.3 Registering a company and company description

The office and management will be close to Helsinki. The name of company will be named as word "Fruit", it clearly says the type of business. The style of company will be OY (Osakeyhtiö). Creating OY in Finland I need to invest 2500 EUR to my company account and registration fee will be 350 EUR. The working capital of 2500 EUR is my starting up money. I will take capital to use straight after registering OY for myself. Company will be dealing with fruit business between Spain and Finland. My capital will be used for the first order of fruits. The main idea is to transport and sell fruits and vegetables to wholesalers in Finland, later on to end customer. Import of fruits to Finland from Spain(Murcia) and export of Finnish forest berries to Spanish fruit and vegetable market. There are various lines of import and export of fruits. Both markets are not fully filled by all kind of fruits/vegetables. There are opportunities how to develop and enter to the existing fruit and vegetable market as described Chapter 5. (www.ytj.fi).

3.4 Organizational Plan

The company's organizational plan is given in graph 1. The plan is for opening the company and for the first and half years. Later on there will be development change and more personnel will be involved.



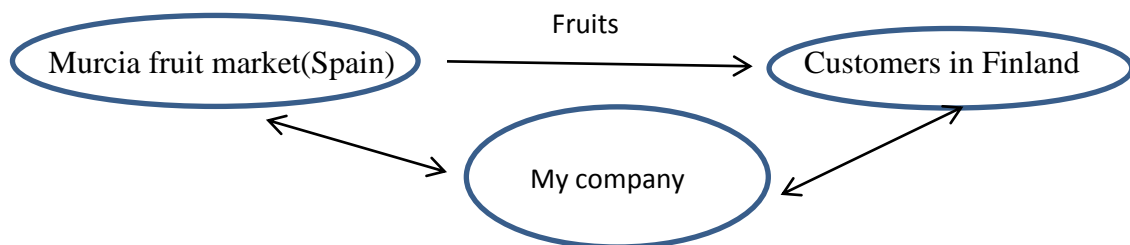
GRAPH 1. Organizational Plan (www.thefinanceresource.com).

As we see from GRAPH 1 organizational planning is very important responsibilities of a management team. It is clear to see how departments are involved to each other and how the responsibility is shared. Senior management is responsible for the whole company. Salary of members is described further on in Table 3. The main persons for our company are an accounting person, who will be responsible of all financial reports. Sales and marketing person. The Sales department size depends on the demand in market. Customer service is very important department in our company. At the beginning it will be handled out by my- self.

3.5 Location and Planning

The business location will be in Helsinki as mentioned before. Helsinki is an important location for me because it will be the cargo destination from Spain. My company idea is to have a clear and strict survey of quality after transport and before transport as mentioned in chapter 6. I am conducting my business partner in Spain who is dealing with my orders and quality issues. He is responsible for loadings and quality issues. As a business partner he will be dealing with farms and whole sellers in case to find better and cheaper fruits/vegetables. The planning looks very simple. As I explained I have a business partner in Spain. He will be responsible for all duties in Spain. I am sending orders based on demand to Spain. He will be conducting and collecting the amount of fruits needed. After receiving message of fruits availability he will send transport to pick it up. The loadings will be handled by my Business partner who will view the quality requirements. Cargo loaded and insurance made the transportation from Spain to Finland will start. It takes 5 up to 6 days to reach Helsinki by refrigerated truck. The EU driving rules are very strict and motorists are under strict control. Rest times and sleeping times are controlled very frequently. (http://ec.europa.eu/transport/road_safety/observatory/traffic_rules_en.htm)

Fruits arrive in Helsinki after five to six days delivery. I will be sign the fruits at the customs if there are some specific problems with fruit import to Finland. The truck will deliver fruits straight to the whole seller in Finland. I will be taking care of the quality policy after delivery. My idea is to see how the fruits were loaded in Spain and how they survived the way. After un- loading fruits the whole seller is responsible to cover expenses to my company. The location is perfect to me because wholesalers are located near Helsinki.



GRAPH 2. Fruits movement through business activity.

3.6 Personnel

The company's personnel is not big at the moment of registering the company. The following table will show the personnel and the wages per month and per year:

TABLE 3. Month and year salary of personnel. (Karamelo Citrus).

Person	Month salary „EUR“	Salary per year „EUR“
Executive Manager	4500	54 000
Business Partner	3200	38 400
Accounting Person	1500	18 000
Sales and Marketing	3000	36 000
Total people	4	4
Total Payroll	12 200	146 400

3.7 Products

The company is selling and delivering fruits/vegetables from Spain (Murcia) to Finland (Helsinki). There are various types of fruits. Table 1 describes the types of fruits/vegetables and their availability time per year „Seasonality“(Karamelo Citrus).

Fruit demand sales in the beginning of business:

- Berries(garden and forest berries)
- Exotic fruits(pithay to mango)
- Melons(galia, cantaloupe and others- whole and sliced)
- Herbs(basilika, rosmarine, thyme(aed- liivatee))
- Stone fruits(nectarines, peaches, plums, apricots and cherries)
- Grapes(victoria, thompson, sugraone)
- Vegetables and root vegetables(from carrots to paprikas)
- Mushrooms(chanterelles, and other forest, lovely goodies)- armsad maiuspalad.

The market demand is very different. It is very necessary to be ready for the seasons of increase in demand. The main season is at Christmas time. The main fruit for Christmas is mandarins (klementiini). The Christmas time is the biggest availability of mandarins in market.

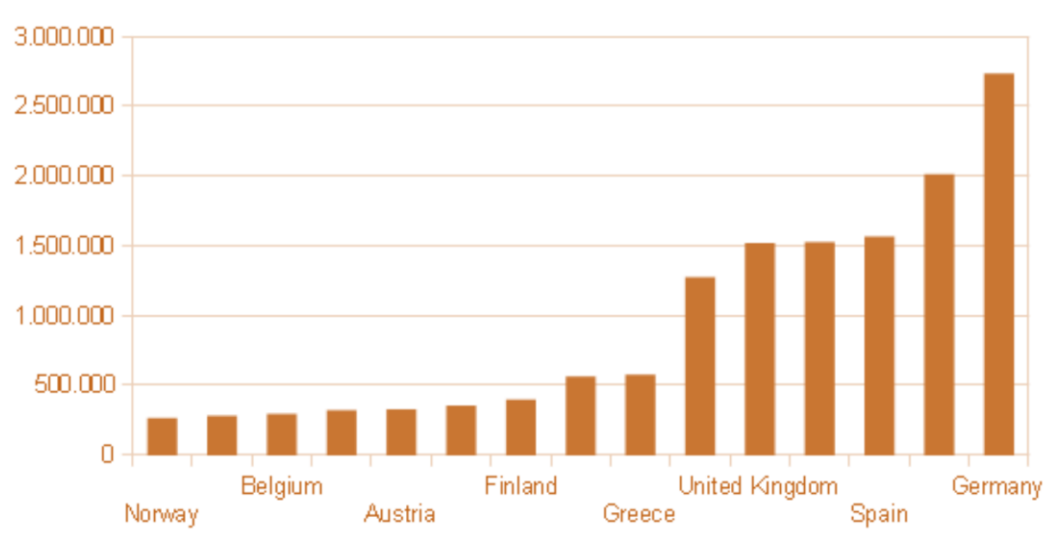
Customers/whole sellers are ordering fruits from me according to the season. I am buying them from Spain and business partner is taking care of loadings. There are two options: customer/ whole seller will manage transport or we will be taking care of delivery. It will be agreed and signed by contract before starting the business. Our duties to be sure on exact amounts and quality policy. The order has to be paid at the moment of loading starts. (Karamelo Citrus).

4. Transportation

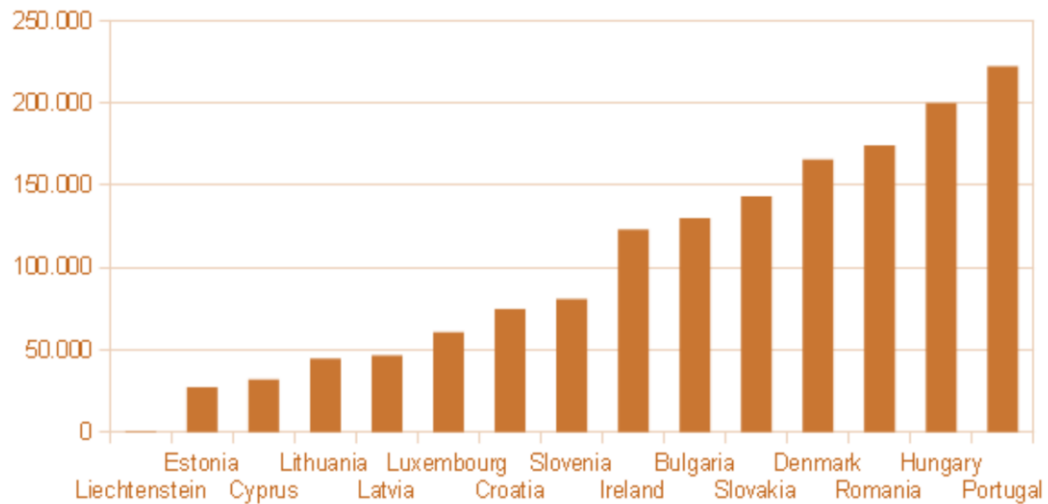
4.1 Introduction about transportation

As my business partner Artem Solovyev mentioned in his thesis: “direct transportation between Spain and Finland is a rare thing.” It is not a main problem that the distance is too long and it requires for drivers to make long breaks, and which has them spend many days to deliver one cargo. The main problem is the lack of return loads to Spain, because there are not so many businesses transports between Finland and Spain. The main solution for transport is to change companies on the way, mostly in Netherlands, Belgium or Germany. Spanish trucks leave goods in logistic centers which are located in these countries, especially in the Netherlands it is one of the most comfortable places in Europe for redirecting goods.” It is the best way of delivering fruits from Spain to Finland but in case there are longer lead times. Transport centers have two minus sides. Firstly they ask extra money for dealing with transport change. Secondly there is a longer delivery time what can be harmful for the fruits& vegetables to last longer. There are couples of companies who deliver refrigerated cargo straight from Spain to Finland. They are expensive but trustful. (Karamelo Citrus).

Transport statistics by road comparing miles (1000) by tones of fruits (Karamelo Citrus).



GRAPH 3. Road transport in 1000 miles of tones in EU countries (Karamelo Citrus S.L.L)



GRAPH 4. Transport by road in 1000 miles of tons in EU countries (Karamelo Citrus S.L.L).

4.2 Transport companies in the Northern EU- countries.

Ibertrans has more than 15 years of experience of road transports to Spain and Portugal. The company is well-known for its reliable, fast service and the flexible, individual transport solutions it provides.

Facts

- Member of Nordic Association of Freight Forwarders
- Member of Chamber of Commerce of Helsinki
- Turnover € 5 million
- Quality standard SFS EN ISO 9000:2001 followed (defined quality and follow-up standards)

Growth from year 1992 Ibertrans started operating in 1992 with only a few truckers and frigo-trailers. Today the amount of trailers is around 30. Since Ibertrans was established, the strategy has been to provide reliable and constantly improving service in transports to the Iberian Peninsula.

Tailored transportation is a part of their service. They use frigo-trailers which are suitable for refrigerated transportation.

Shipments arrive on time as their experienced drivers are aware of the European roads well.

Different products need a different temperature. Ibertrans offer different trailers, from normal palletized goods all the way to vegetables/ frozen food. The driver is able to control the transport temperature all time. FNA-classified trailers are meant for carrying vegetables and fruit.

Transportation temperature is between +12 to 0 degrees Celsius. FRC-classified trailers temperature can be adjusted from +20 degrees to -20 Celsius, so these trailers are suitable also for frozen food.

(http://www.ibertrans.fi/en/transport_between_finland_spain_portugal/).

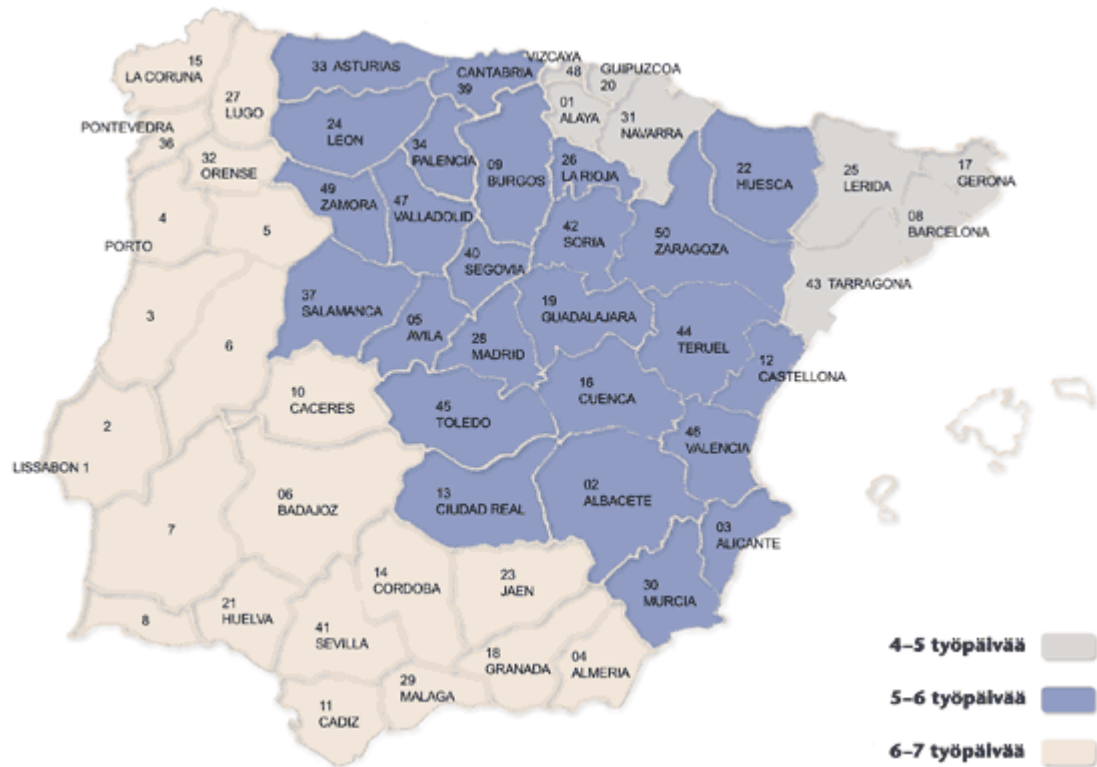


PHOTO 4. Delivery times from Spain to Finland

(http://www.ibertrans.fi/en/transport_between_finland_spain_portugal/).

The PHOTO 4 describes the delivery times from Spain to Finland by road transport (Light-heavy truck transport). Spain is divided in three parts and each part have certain delivery time as seen on the PHOTO 4. Työpäivää- workday.

Contact information Ibertrans Oy

Vanha Porvoontie 231 A-talo E1

FI-01380 Vantaa

Finland

Tel . +358 9 7742 820

Fax +358 9 7742 8210

info@ibertrans.fi (http://www.ibertrans.fi/en/transport_between_finland_spain_portugal/).

DFDS Logistics Finland is specialist of delivering goods from door-to-door- especially in corridor between Finland, Belgium, France and Spain. They are offering road, sea and rail transportation. DFDS transport is market leader in trailer traffic between Finland and France. They offer combined transport from Benelux, Spain, Italy, UK and Ireland. DFDS Logistics has strong customer satisfaction by offering different transportation needs for their client. (http://www.dfdslogistics.com/logistics_markets/finland/).

Containers

DFDS Logistics has an approximately 4000 containers and their own workshops for container repair. They offer solutions for transportation of forest products, chemicals, steel and other metals, and temperature-sensitive products. Containers seen in PHOTO 5.

DFDS Logistics offers the following container types: Dry containers

- 20 feet Container
- 40 feet and 45' Palletwide Container 9ft6

Reefer containers

- 45 feet Palletwide Reefer Container 9ft6

Special containers

- 20 feet Flatrack 8ft6
- 40 feet Flatrack 9ft6
- 45 feet Flatrack 9ft6
- 20 feet Open Top Container 9ft6
- 40 feet Open Top Container 9ft6
- 45 feet Double Curtainsided Container 9ft6



PHOTO 5. DFDS containers

(http://www.dfdslogistics.com/logistics_equipment/containers/).

4.3 Costs of transportation

Based on my business partner estimation the transport from Spain to Holland has a regular price €2500/2700. Christmas time it can reach up to €3500. The table 4 will show the transport price with included sell price and VAT in Finland.

TABLE 4. Transportation price with sales price included and plus VAT (Karamelo Citrus S.L.L).

We	$0,45+5\%= 0,4725$ $0,4725*9,7*2259= 10353,56$ Eur (full truck) Earnings: $10353,56- 9860= 493$ Eur
Mr Fruit	$0,4725+69,8\%=0,79852$ $0,79852*9,7*2259=17497,52$ Eur(full truck) Earnings $17497,52-5000(\text{transport})- 10353,56(\text{fruit price from us})= 2143,9$ Eur
Market	$0,79852+6,278\%= 0,8613$ Eur $0,8613*9,7*2259= 18873,1$ Eur Earnings: $18873,1-17497,52=1375,58$ Eur
Market with VAT	$0,8613+13\%$ $= 0,9734$ Eur/kg The present price in market: 0,99 Eur/kg

Table 4 is showing the profits for each partner in fruit/vegetable chain. Price and profit is calculated based on one kg oranges from the beginning (We) till end customer (Market)

4.4 General Import clearance Information „Customs“

Clearance Process

In Finland all Imports must be cleared and in written format, using forms provided by the National Board of customs in Finland. The customs declaration form must be filled out by the holder of the goods or by an authorized agent. A declaration for imports must be attached to the customs declaration of imports exceeding the value of 5,045.64 EURO. A copy of the commercial invoice must be attached to the customs declaration, and must include all the following information:

- Exporter's - seller's/buyer's name and address
- Date of the invoice
- Identifying marks, the numbers, quantities, types and the gross weight of packages, including unit of measures
- Description and quantity of the goods
- Value of each item
- Term's of delivery and payment

Customs may pull any shipment at any time for review or investigation, which could result in clearance delays. The Importer of Record or a licensed Customs Broker may account all goods. According to the Importer of Record's profile FedEx GTS Finland will either provide notification upon arrival of shipments to the Importer's designated Customs Broker or clear and advance payment of any duties and taxes levied for the shipments on behalf of the importer.

(http://www.tulli.fi/en/finnish_customs/publications/general_information/general_information/019_business.pdf).

5. Marketing Plan

5.1 Import

Finland is a member of the European Union (EU). The Union is a Customs union, which means that the member states have a common trade policy. All the member states have the same customs tariff. The idea is to ensure the same duty rates for importing and exporting the goods.

Before I start to import my goods I should know what rules apply's to my particular type of goods. Importing for example foodstuffs or textiles, I may have to present a permit or an import license as described in chapter 7 PESTEL ANALYSIS.

The term import means bringing goods into the Finland from outside the European Union (EU) or from EU for personal or commercial reasons. It is important to understand the differences in the law for the treatment of imports into the EU, as opposed to Intra European Community trade. It is needed to be aware, however, that legislation controlling the importation of goods such as firearms, offensive weapons or drugs into the Finland applies equally to goods from other EU Member States.

The biggest challenges are transporting car, household goods, and personal belongings to Finland or from Finland. Finland is charging very big taxes for it.

(<http://www.schumachercargo.com/articles/shipping-to-finland.html>).

Main import activities in Finland:

- Helsinki
- Tampere
- Turku
- Vantaa

5.2 Entering the market

The plan of creating business is to manage fruits transport from Murcia, Spain to Finland by offering premium class of fruits. Our idea is to make contract with Finnish companies

like Mr Fruit OY who sell fruits to markets, restaurants, factories ect. Our target is to offer a cheaper price for fruits and high quality including the satisfaction. We plan to be a supplier between Spain and Finland.

The list how we are going to enter into the business:

- Face to face meetings and presentation to possible customers
- Registering a company for our self
- Contract agreements with business partners

Our strengths:

- Very good connection with fruit market in Murcia, Spain.
- Lower prices for fruits
- Premium class fruits and vegetables(Quality)
- Companies in Finland who are innovative and looking for cooperation (i.e ready to buy and sell different kind of fruits).

Responsibilities:

- We are taking care of fruit loadings in Spain- to guarantee the quality.
- Exact amounts of fruits and stable price.
- A variety of packages(big, small, wooden)

Contracts:

- Agreement in prices
- Agreement with payments(have to be paid at the moment of loading starts)
- Transportation agreement
- Agreement of amounts by time

5.3 Competition analyses and possible customers.

A Marketing plan is a very important issue in business. It describes how to market my product in the market. In my business the customers are wholesalers in Finland. These are customers who are buying big amounts of fruits/ vegetables and selling them to the end customer. End customers are market chains, restaurants, juice manufactures ect. The first

idea at the beginning of the business is to sell fruits to wholesalers. There are two possible customers in Finland: Satotukku and Mr Fruit Oy. Satotukku is very big company and one of the leading fruit/vegetable seller in Finland. Satotukku can be a customer or a competitor. STC Iberica „A member of STC Greenfood“- supplies Satotukku in Finland. STC Iberica is a Spanish company which is member of the STC GreenFood Group. They are specialized in sourcing, logistics and distribution of Spanish fruits and vegetables. They supply a large assortment of fresh products. Their main markets are Scandinavia and Baltic countries. Their strength lies in combination of good knowledge of Spanish market, strong logistics system and thorough knowledge of the needs of their clients. Satotukku is mainly competitor for me because of I am just a beginner. But in further on Satotukku can be a possible business partner. Also they have built very strong base for the company and the valuable point they have is logistics. They are collecting fruits, storing them and delivering as well. So it is a minus to our business. (<http://www.satotukku.fi/aloitus0107.htm>).

Mr Fruit Oy is good business partner for us. They are not offering all kind of fruits to Finnish market that we can offer (oranges, mandarins, lemons ect). Keeping in mind that their core values are openness, innovation and desire to grow and develop, we are going to give them opportunity to grow and develop bigger assortment of products. It will be valuable for both sides. Mr Fruit will be our first customer in Finland. We will start our business to import fruits From Spain to Finland and export Mr Fruit products to Spain (<http://www.mrfruit.fi/>).

5.3.1 Mr Fruit Oy

Mr Fruit OY was established in 2002 and it is family business. Dealing with berries, fruits and vegetables. Located in SIPOO Martinkylä Helsinki. They are buying fruits and vegetables form foreign suppliers. Berries the main products are grown in Finland and mostly sold in Finland.



PHOTO 6. (www.mrfruit.fi).

They are offering superior quality, reliability and flexible service. The valuable feature of having trustful relations, between domestic and foreign suppliers. 2009 they have grown bigger and established packaging process in their business. (www.mrfruit.fi).

Mr Fruit Oy main products, appendix 2:

1. Berries(garden and forest fruits)
2. Exotic fruits(pithay to mango)
3. Melons(galia,cantaloupe and other-whole and sliced)
4. Herbs(basilika, rosmarine, thyme)
5. Stone fruits(nectarines, peaches, plums, apricots and cherries)
6. Grapes(victoria, thompson, sugraone)
7. Vegetables and root vegetables(from carrots to paprikas)
8. Mushrooms(chanterelles, and other forests, lovely goodies)

Mr Fruit OY Profitability- analyzing the income statement, shows the results of operations for the past year and usually includes both the current and prior year. It lists all sources of revenue and expenses. The statement measures the profitability of the cooperative for a given period of time. Although it does not show timing of cash-flows, the statement best describes the status of the business. Operating profit/ EBIT ratio is 0,2 in 2010 which shows that business is poor. If the ratio is below 5% it shows poor business. The same goes for 2011 when the ratio was 1,9%. Net profit is showing if company is earning or having losses. In 2010 the net profit is -24 080 which means that the company has more expenses than revenue and simply Mr Fruit had losses in 2010. In 2011 the net profit was 52 907, Mr Fruit has earnings. ROA (return in assets) in 2011 was 3,8%, what is poor. It is poor because the ratio shows how effectively the company is using its assets to earn profits. The ratio below 5% it is poor. (www.mrfruit.fi/finance).

Mr Fruit Oy Financial Solvency ratios are of interest to long-term creditors and shareholders. Solvency rates have to prove that business can handle their debts. In 2011 the return from equity was 47,2%, the ratio above 40% is good. The equity is the ability of withstand the losses and ability to fulfill commitments in long- term. Mr Fruit has the ability to withstand the losses. The debt ratio in 2010 was 40,9 what means that the

company is using its asset base of financing the debt. In 2011 the ratio was 52,1% which is half of the company assets and are used to finance debts. The debt ratio around 50% is very good for the company. For example if the ratio is more than 60% the company is not solvent anymore because the debt is too high comparing to other companies. Solvency ratios help the business owner keep an eye on finance and to avoid the bankruptcy. As the Debt/Asset ratio increases, the percent of bankruptcy also increases as the firm is financed more and more by debts. The Z-ratio is -10,4 in 2010 and -8,9 in 2011. It is said that negative Z-Ratio shows the average trade selected randomly had a higher return than the average trade based on own strategy. Mr Fruit Z-ratio is showing that randomly selected trade had higher return. Trade debtors day ratio in 2012 was 0,6%. This is quite good. Generally lower debtor day numbers are better because the payments from debtors are done frequently and earlier. As the main risks are analyzed further in appendix 2 „Failure mode and effect analysis.

The Liquidity is the ability of an asset to be converted into cash quickly and without any price discount. Liquidity describes the best of cash availability in the business. More clearly, lenders are worried whether borrowers will have enough cash to repay loans. Quick ratio in 2010 was 0,1% what is very poor because below 5% is poor ratio. Mr Fruit has difficulties to meet short-term liabilities. Mr Fruit's current ratio is very poor in both years 2010 and 2011. The ratio in 2010 was 0,4 and 0,4 in 2011 as well. The current ratio which is below 1% is very poor. Based on the current ratios Mr Fruit don't have the ability to pay short term obligations. They have difficulties in paying them. Mr Fruit debt equity ratio in 2010 was 14,2% and 32,6% in 2011. If the debt equity ratio is high it means company has been aggressive in financing its growth with debts. If there is relatively small return from investments this can bring company to bankruptcy. See risk analysis Table 9.

Mr Fruit economic situation is more or less stable. Their profitability in 2011 is increasing but previous year they had losses. Taking into consideration that operating profit/EBIt is very poor, in both years, Mr Fruit is able to pay the financial items and taxes very poorly. Mr Fruit's solvency is good taking into consideration that they have ability to withstand the losses because of good return of equity ratio. Also they are using half of their assets to finance debts. It shows company have very good strategy and economically they are stable to survive. The solvency ratio helps to keep eye on the possible bankruptcy.

5.3.2 Satotukku OY

STC Iberica is a Spanish company which is member of the STC GreenFood Group and Satotukku belongs to this group. They are sourcing, dealing with logistics and has distribution of Spanish fruits and vegetables. Their main markets are in Scandinavia and the Baltic countries. They have good knowledge of the Spanish market, strong logistics system and thorough knowledge of the needs of their clients. Their main Products are seen in table 1, consists of all kind of fruits and vegetable what are available in Murcia, Spain. In table1 it is possible to see when and what fruits/ vegetable are available monthly. All of them are driven by the STC Greenfood to Finnish company Satotukku (Satotukku is one of the leading company who is selling fruits in Finland). Satotukku and STC Imberica both belong to STC. Satotukku is our strong competitor but in the far future a possible customer. (www.satotukku.fi).

5.4 Selling strategies

Our company selling strategy will be offers by given in customers as well as presentations and agreements. Selling strategies is based on my idea to sell fruits & vegetables to wholesalers I do not need a clear marketing strategy of supporting the end customer. I am going to create packages of proving premium quality of fruits. The packages will be decorated so that they are attractive.

5.5 Target market

The target market is the Finnish fruit market in Finland. The first big step is conquering the wholesalers and wining them onto our side. I am planning firstly to sell fruits and vegetables to wholesalers. They will sell fruits/vegetables to end customers. Later on when the business is growing I will establish warehouses and start selling directly to end customers. The end customers are market chains, juice manufacturers and restaurants ect. Basically the first step targets at the internal market in Finland. I am planning to take 1-3 % of Finnish fruit market for the first year, continuously growing.

During the business run in Finland I will start to cooperate and sell the fruits to Baltic countries. I am targeting to sell and introduce healthy products, new products like mini kiwi fruit which was created in Brussels.



PHOTO 7. (www.businessesgrow.com)

Before entering the new market I have listed some guidelines to follow up. The following are some examples of aspects that I am considering when evaluating the attractiveness of a market segment:

- Size of the segment (number of customers and/or number of units)
- Growth rate of the segment
- Competition in the segment
- Brand loyalty of existing customers in the segment
- Attainable market share given promotional budget and competitors' expenditures
- Required market share to break even
- Sales potential for the firm in the segment
- Expected profit margins in the segment

(<http://biztaxlaw.about.com/od/glossaryt/g/targetmarket.htm>).

The forecast is going to be two trucks full of fruits/ vegetables per week from Spain to Finland. It gives up to 8 truck per month and 96 trucks per year. This is the minimum amount. As mentioned above the future project is to collect many fruit wholesalers to be our customers.

5.6 Methods of distribution and sales promotion.

The distribution is simple. I am going to buy fruits from Spain(Murcia) and deliver them to Finland. The next step is selling them to whole sellers in Finland. The transportation duties are agreed with whole sellers, rather they manage transportation or I will do it. Taking under consideration that transportation from my side adds a higher price for fruits per kilogram. The wholesalers will sell fruits to market chains, restaurants, juice manufacture ect. End customers will get fruits from market chains as Prisma, K-City market, LIDL.

Basically the distribution system is simple. Below we can see the main market chain names and logos. A logo is a graphic mark/emblem used by commercial enterprises, organizations and as well as individuals to aid and promote themselves to public.



PHOTO 8. Distributor logos.

Firstly the promotion is mainly updated in internet on the webpage. Secondly the information will be added on the packages of fruits. Packages will have information about the company who is importer of fruits & vegetables as mentioned in chapter 5.4.



PHOTO 9. Fruit promotion. (http://www.crookedbrains.net/2007/11/creative-ads-with-fruits-vegetables_15.html).

5.7 Pricing

The fruit prices are commonly settled as price per one kilogram. In the market we can see many different fruits and different prices. As well we can see same products but from different countries. The fruit & vegetable price is not stable. The price is jumping frequently in the market. The price depends on demand, season (is it beginning or going to finish), competitors, fruits & vegetables availability (amounts) ect. My prices are compared with finish prices in below. My price list, what I will offer, is cheaper than the prices in market nowadays. (Karamelo Citrus).

TABLE 5. Oranges/kg prices and profit without VAT (13%)- profit by full truck. “Oranges Navelina”

	Spain	We	Our profit	Mr Fruit	Profit	Market	Profit
1	0,45+5%	0,4725	493,06	0,496125	517,68	0,52093125	543,56
	0,45+10%	0,495	986,1	0,5445	1084,66	0,59895	1193,12
	0,45+15%	0,5175	1479,1	0,595125	1700,94	0,68439	1956,08
	0,45+20%	0,54	1972,1	0,648	2366,52	0,7776	2839,83
	0,45+25%	0,5625	2465,2	0,70312	3081,3	0,8789	5059,55

The table 5 describes profit per one full truck of oranges for each customer through chain.

TABLE 6. Market price

%	Final price without VAT	Final price with VAT +13%	Expected price- present market price
5%	0,521	0,589	$0,99-0,589= 0,401$ Eur
10%	0,598	0,676	$0,99-0,676= 0,314$ Eur
15%	0,684	0,773	$0,99-0,773= 0,217$ Eur
20%	0,778	0,879	$0,99-0,879= 0,111$ Eur
25%	0,879	0,993	$0,99-0,993= -0,03$ Eur

The table 6 describes the market price with VAT, what will be the final market price for orange per kg.

TABLE 4. The real prices with transport as mentioned chapter 4.

We	$0,45+5%= 0,4725$	$0,4725*9,7*2259= 10353,56$ Eur (full truck)
	Earns:	$10353,56- 9860= 493$ Eur
Mr Fruit	$0,4725+69,8%=0,79852$	$0,79852*9,7*2259=17497,52$ Eur(full truck)
	Earns	$17497,52-5000(\text{transport})- 10353,56(\text{fruit price from us})= 2143,9$ Eur
Market	$0,79852+6,278%= 0,8613$ Eur	$0,8613*9,7*2259= 18873,1$ Eur
	Earns:	$18873,1-17497,52=1375,58$ Eur
Market with VAT	$0,8613+13%$ $= 0,9734$ Eur/kg	The present price in market: 0,99 Eur/kg

The table 4 is analyzing profits for all members through the chain including VAT. The profits are calculated based one kilogram of oranges “Navelina.” One kilogram of oranges costs 0,45 EUR.

6.Risk Analysis

Risk analysis are to understanding of risk, which is an important step in the risk management process in company. Analyzing risk shows us areas where we should set target to reduce the risk. Risk analysis play vital role in costs. Reducing risks it need investments and sometimes big investments including big changes. This risk handling gives an clear overview of company 's risk analysis, with focusing and assessing business risks, personnel risks and process step risks. Three factors (business risks, personnel risks and process step risks) which help to understand the business and success in business world. Analyzing process step factors based on FMEA, SIX SIGMA, Internal/ External analyses tools and Fishbone.

6.1 Failure mode and effect analysis (FMEA).

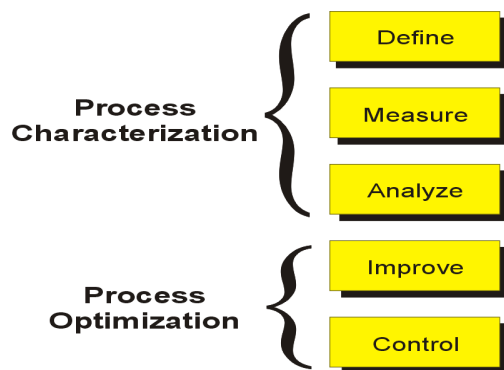
Failure Mode and Effects Analysis is methodology designed to identify potential failure modes for a product or process as seen in appendix 3. Also to assess the risk associated with those failure modes, to rank the issues in terms of importance and to identify and carry out corrective actions. FMEA general benefits are prevention planning, identifies change requirements, cost reduction, increased throughput, decreased waste, decreased warranty costs, reduce non-value added operations. The FMEA table consists of process steps/ inputs. Firstly it is needed to add all process inputs. Secondly will consider and add all possible potential failures for each process inputs. Further on analyzing potential effects of failure. After analyzing potential effects and failures we are able to add or predict the severity. After severity is known we will add the potential causes of failure. After severity I am analyzing the occurrence. Finally it is needed to define the current control with detection, how often this risk is found. And the final table is showing the RPN. RPN is showing the number how serious is the risk in various process input. RPN is calculated by multiplying severity and occurrence and detection together. See appendix 3. (<http://www.fmeainfocentre.com/updates/dec08/FAILURE%20MODE%20AND%20EFFE CT%20ANALYSIS%20%28FMEA%29%20THE%20BASICS%20OF%20FMEA.PDF>).

I am analyzing the personnel risks by FMEA analyses, see appendix 3. I chose the managing director, economic and personnel manager, sales and marketing manager, risk specialist and labour from the company management as seen in chapter 3.4. As seen in Appendix 3.1 all personnel positions have different types of risks and some of them same types. The most risky work is sales and marketing manager position. Why?- because it

shows big RPN(Risk priority number). As well big RPN in marketing, sales and customer area see Appendix 3.1. Those risks are needed to take under consideration and find possible ways to reduce till minimum. As we see on the table the numbers are showing how serious is the risk in company. Severity is showing how serious is the risk in company. Occurrence us showing how often the risk has taking place inside the company. The detection is showing the amount of risk found. The RPN is calculated by formula below and it i showing how serious is the risk in company. The biggest risk is motivation by economic and personnel manager. This risk is needed to eliminate or reduce. In general the managing director is doing well. Of course every position has it's own risks but generally if those risks are found, it's possible to eliminate or reduce them. Companies personnel risks are not showing disaster rates, there are risks that are need to be handled and ways of reduction need to be formed.

6.2 SIX SIGMA analysis

Six Sigma analyses the causes of defects, measuring those defects, and analyzing them so that we are able to reduce those risks. I am analyzing five specific analyses to understand the goal of company.



GRAPH 5. Six sigma toolkit. (<http://www.moresteam.com/toolbox/>).

TABLE 7. Process step template in first version of company planning.

Key inputs	Process steps	Key outputs
official order by email	ordering fruits	receiving list of ordered fruits and invoice
Sales manager in Spain		voucher received
Mr Fruit, supply department		
invoice with amount needed to pay	paying fruits	fruits payed
financial department of Mr Fruit OY		
person(quality manager) being in the place and taking clear overview of fruit	quality control	enough and good fruits received for delivery
testing		quality improved
analysing		
truck with referigator	loading fruits on the truck	cargo loaded on the truck and ready for delivery
labour		
lift-up machine		
fruits		
pallets		
packages		
Straps		
contacting insurance company	insurance process	insurance completed and working whole transportation time.
sending papers		
negotiating		
paying insurance fees		
truck with fruits	transportation	fruits arrived to destination
truck driver		
documents needed for delivery(CMR ect)		
fruits from truck	un-loading	fruits loaded to MrFruit storage
labour		
lift-up machine		
pallets		
storage manager		
quality manager	quality control	quality overviewed
camera(pictures)		quality improved
book for notes		
packages	packing for marketing	fruits packed and ready for customers
labour		
fruits		
packing machines		
pallets		
refrigated warehouse	storing	fruits stored and saved to last
lift-up machine		
labour		
storing equipment		
customers	selling to market	customers fruits received
suppliers		
distributors		
fruits with defects	selling fruits with defects to juice manufacture	all products used
expired fruits from storage		losses kept

Table 7. Process step template in the first version of company planning lists all the process steps through whole chain. Process steps have key inputs and key outputs. Based on the table 7 data I am able to complete table 8 and 9 analysis. Company is having 12 different processes from buying fruits till end customer. Basically it is the resource for the six sigma analyses.

TABLE 8. Cause and Effect analyses for steps (<http://www.bmgi.org/node/1638>)

		Rating of importance for customer																	
		2	2	2	5	6	5	10	8	6	9	8	10	8	10	1	2		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	15
		Process Output																	
		receiving list of ordered fruits and invoice	MF Fruit received the voucher	fruits payed	enough and good fruits received for delivery	quality improved	cargo loaded on the truck and ready for delivery	insurance completed and working whole transportation time.	fruits arrived to destination	fruits loaded to MFfruit storage	quality overiewed	quality improved	fruits packed and ready for customers	fruits stored and saved to last	customer fruits received	all products used,	losses kept		
Rank	Process Step	9	9	3	3	1	9	1	9	1	1	1	1	1	1	1	1	1	
1	ordering fruits from Spain	9	9	9	3	1	1	1	1	1	1	1	1	1	1	1	1	1	212
2	buying fruits	1	1	1	3	9	3	1	1	1	9	9	3	1	1	1	1	1	120
3	quality control	3	9	9	9	1	9	1	1	1	1	1	1	1	1	1	1	1	190
4	loading fruits in Spain	1	1	3	1	3	3	9	1	1	1	1	1	1	1	1	1	1	178
5	insurance process	1	3	3	3	3	9	9	9	3	1	1	1	1	1	1	1	1	172
6	transportation	1	1	1	1	1	1	1	9	9	3	3	1	1	1	1	1	1	288
7	un-loading fruits in Finland	1	1	1	3	9	3	1	1	1	9	9	3	1	1	1	1	1	208
8	quality control	1	1	1	1	1	1	1	1	3	1	1	9	3	1	1	1	1	190
9	packing for marketing	1	1	1	1	1	1	1	1	3	1	1	9	3	1	3	1	1	188
10	storing	1	1	1	1	1	1	1	3	9	3	3	3	3	9	1	1	1	244
11	selling to customers	1	1	1	1	1	1	1	1	1	1	1	3	3	9	3	3	1	200
12	selling to juice manufacturing	1	1	1	1	1	1	1	1	1	3	3	1	3	1	9	9	1	136

Table 8 Cause and effect analyses for steps describe the effect between customer requirements and product requirements. How much the process steps correlate to the process outputs. Firstly we will rate the process outputs in order how important they are to customers. The analyze in whole showing the most risky process steps by total number column. Big number refers to risky process. Table 8 we can clearly see three risky processes as follows: transportation, storing and ordering fruits from Spain. They are pointed out in the total number column. The analyses show that there are no processes without correlation. All the processes are affecting and are connected to each other. These three risky processes (as mentioned above) will be transferred to the next analyses, analyzing correlations between process inputs and outputs. In table 8 it is pointed out the numbers that shows the most risky processes in the company and those processes needing investments to eliminate the risk or reduce the risk. In table 7 the highlighted numbers in total number column are calculated by multiplying all correlation numbers together and dividing by each customer satisfaction numbers and answer is seen in the table 9.

TABLE 9. Cause and Effect analyses for inputs (<http://www.bmgi.org/node/1638>).

			Rating of importance for customer																
			2	2	5		5	10	8	6	9	10	8	10	1	10	1	1	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
			Process Output																
			receiving list of ordered fruits and invoice	Mr Fruit received the voucher	fruits payed	enough and good fruits received for delivery	quality improved	cargo loaded on the truck and ready for delivery	insurance completed and working whole transportation time.	fruits arrived to destination	fruits loaded to MrFruit storage	quality overviewed	quality improved	fruits packed and ready for customers	fruits stored and saved to last	customer fruits received	all fruits used	losses kept	
Rank	Process Step	Process Input	9	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1	1
1	Ordering fruits from Spain	official order by email	9	1	3	1	1	1	1	1	1	1	1	1	1	1	1	1	114
2		sales manager in Spain	9	9	3	9	1	1	1	1	1	1	1	1	1	1	1	1	130
		Mr Fruit Oy supply department	9	9	3	9	3	3	3	1	1	1	1	1	1	1	1	1	176
3	Transportation	truck with fruits	1	1	3	9	3	9	1	1	1	1	1	1	1	1	1	1	188
4		motorist	1	1	3	3	1	9	3	9	3	1	1	1	1	1	1	1	260
5		Documents needed for delivery(CMR ect)	1	1	3	3	1	9	1	1	1	1	1	1	1	1	1	1	178
6	Storing	refrigated warehouse	1	1	1	1	1	1	1	3	9	3	3	3	9	1	1	1	236
7		lift-up machine	1	1	1	3	1	9	1	1	9	1	1	3	9	1	1	1	268
		labour	1	1	1	3	1	9	1	3	9	1	1	9	9	1	1	1	340
		storing equipment	1	1	1	1	1	1	1	3	9	1	1	3	9	1	1	1	200

Comparing the process inputs and outputs shows us the product effect on customer requirements. The correlation can be numbered 0,1,3 or 9. The „0“ shows no correlation and „9“ shows the direct and strong effect on customer requirement. Mr Fruit have three most risky process inputs: motorist, lift-up machine and labour. These are the most risky processes where changes are needed to do. These three processes are selected from the table 9 the highlighted numbers. In this table I am clarifying the most risky processes and comparing them as correlation with process outputs, and how they affect customer satisfaction. It is needed to identify all three most risky processes. The highlighted numbers are found in same way as in table number 8.

TABLE 10. FMEA based on three risky processes

([http://www.fmeainfocentre.com/updates/dec08/FAILURE%20MODE%20AND%20EFFE
CT%20ANALYSIS%20%28FMEA%29%20THE%20BASICS%20OF%20FMEA.PDF](http://www.fmeainfocentre.com/updates/dec08/FAILURE%20MODE%20AND%20EFFE
CT%20ANALYSIS%20%28FMEA%29%20THE%20BASICS%20OF%20FMEA.PDF)).

Process step/input	Potential failure mode	Potential Effects of failure	Severity	Potential causes of failure	Occurrence	Current Controls	Detection	RPN	Recommended actions
Storing: Labour	lazy	causes accidents or loss by handling fruits	7	not focusing on working with fruits	5	continues control during the work process	4	140	
	slow	delays of handling fruits	4	slow working behaviour	5	motivation, teaching, guidelines of easy and safety work	3	60	
	fast	forces to forget important processes.	4	perky, forgets easily, accidents	4	education on safety at work place,	4	64	
	careless	accidents	5	employee simply don't care	3	tests of safety at work place	3	45	
		injuries	5	careless of dealing heavy fruit pallets	3	tests of handling medical care equipment at work place	2	30	
		fruit losses	8	caress of handling fruits, falling from boxes on the ground	5	labour working under camera control	3	120	
	illnesses	absent from work	7	random diseases	6	good climate in storage, enough good work clothes	5	210	taking care of work place climate, work time planning for worker
	accidents	absent from work	7	mistake from employee causes injury	4	safety education hours once per week	2	56	
		lift-up machine failure	6	machine without inspection or control after certain time frame	2	following and controlling the machine technical condition, inspection in right time.	1	12	
		behaviour	interferes work and employees	4	depending on mood and how well the employee is rested ect	4	giving different types of work to pack fruits	4	64
Storing: Lift-up machine	accidents during the loadings of fruits	fruit losses	7	careless lift-up machine driver	1	following the safety rules, keeping distances with moving machines and heavy cargos, keeping safety rules in written format on the wall	2	14	
		equipment loss	7	not careful overview of fruit loadings	1	employee is responsible of taking care of equipment and their condition.	2	14	
		employee injury	7	not following the safety requirements	3	keeping clear safety rules and pictures on the wall or near to the each main working place of dealing with fruits or any other equipment.	2	42	
	high heights to lift-up	dangerous lift-ups, long way fallings and losses	6	not enough place in storage	6	educational hours of lifting up heavy fruit cargo and high level dangers.	4	144	following safety rules, using safety equipment, working carefully
	to heavy fruit cargo	over crowded pallets occurs problems for lift-up machine	5	to big orders or big pallets	3	dividing heavy pallets to small and many pallets	4	60	
						calculating transportation time with motorist rest breaks			
Transportation: motorist	delays	not rested well	5	tired, confused, not aware of work orders	4		3	60	
						keeping in mind of possible delays caused by weather			planning transportation with possible delay times, choosing the best and fastest
						never possible to control the traffic by own needs, knowing of possible delay caused by traffic			choosing motorways what are fast and not over crowded
						not possible to control whole traffic through the way, possible for motorist to be careful on the road by himself			
	accidents	un-expected external things on the way	6	animals on the way, road buildings, weather condition	4		1	24	
						keeping truck in order before each long trip to Spain and back to Finland. After each 50 000 km full service time. Motorist responsible to warn of any problem appear.			
	truck technical condition	not clear inspection	2	luck of money, luck of time, careless	5		1	10	
	behaviour	aggressive driving style	4	depending on the personality of motorist	5	choosing the driver who is calm and keeping calm behaviour in nervous situations.	3	60	

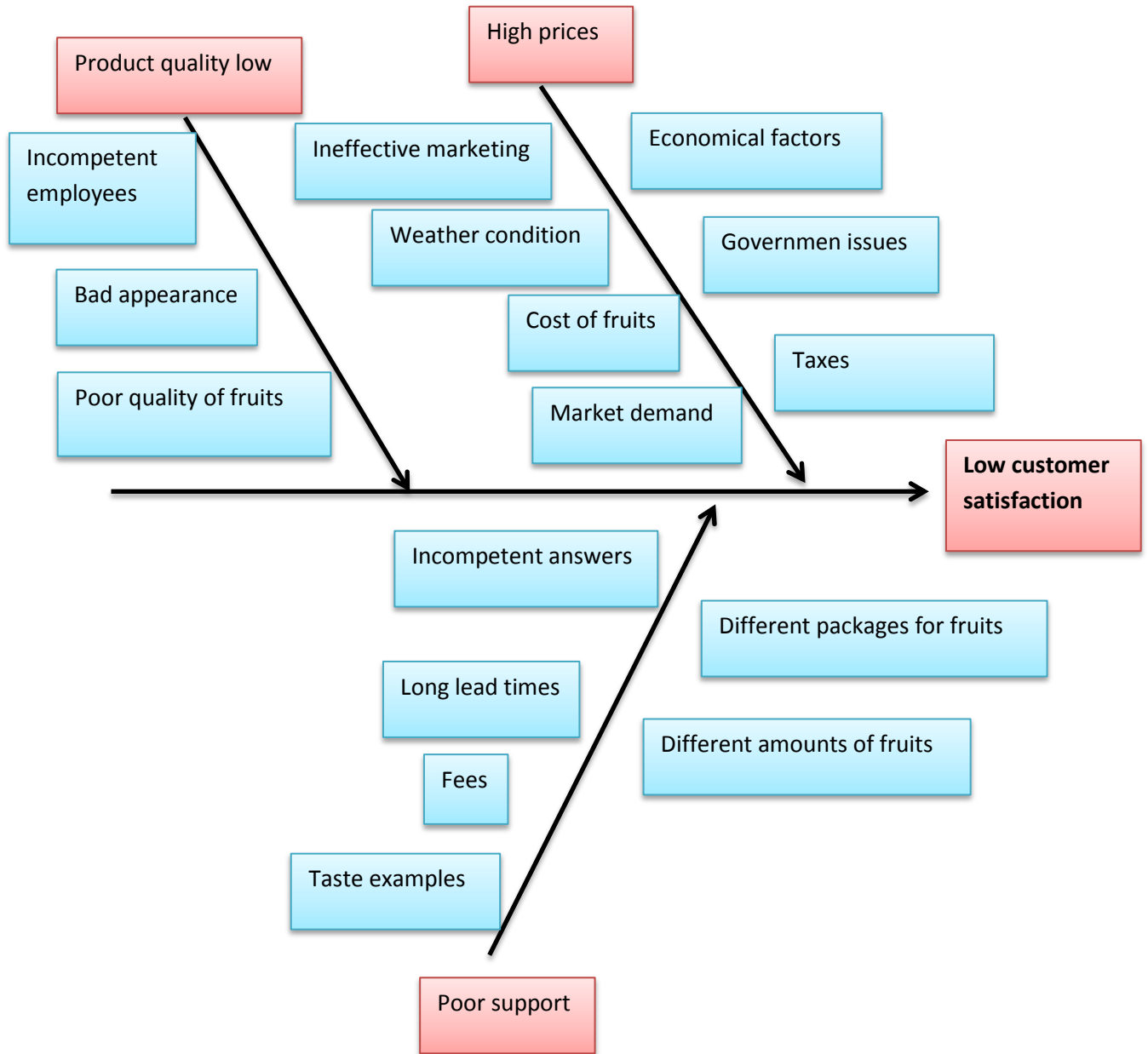
The FMEA created by three most risky process inputs. The FMEA table described in appendix 2. Here I am analyzing the potential failure and effects. It is very important to open the risky inputs and to understand them. The most important things how to decrease the risk in this area. As we see from analysis at the labor, main risk is the illnesses. One of the most typical external factor what affects to the labor work. There is one risky process of lifting- up fruit pallets to high heights. It is important to know the safety issues of using lift-up machine in different work processes. Very risky process is transport. The delays can cause the decay of fruits.

The decay is caused by delays. Delays are caused by traffic and long distances. It is necessary to handle and find solutions for these most risky points. After dealing and developing the risk policy the company will develop and grow rapidly because of knowing all risks. The basic table is same as table number 7 and numbers are found same way as in table 7. The biggest RPN's are showing most risky processes in company. In these processes needed to be decreased or eliminated.

6.3 Fishbone diagram analyses

Table 11 shows a fishbone diagram it is a common tool used for a cause and effect analysis. Here I try to identify possible causes for a certain problem as customer satisfaction. The following printable cause and effect fishbone diagram template may help to understand the problems of low customer satisfaction. The diagram below describes the main guidelines of low customer satisfaction in company.

TABLE 11. Fishbone analysis (<http://asq.org/learn-about-quality/cause-analysis-tools/overview/fishbone.html>).



6.4 Risk assessment

Risk assessment is an important step in protecting my labor and my business, as well as complying with the law. It is help to understand the existing risks in company. Mainly its needed to use cheap and effective measures to protect my workforce. A risk assessment clearly shows what in my work could cause harm for personnel, so that it shows if I have improved my risk reduction or I have to do more. Labor have to feel protection and safety at work place. By law I don't have to eliminate all risk but I have to reduce and work on them to be eliminated to protect labor workforce.

Guidelines how I am going to assess risks:

1. Firstly identifying the hazards
2. Secondly implementing who might be harmed and how that can happen?
3. Thirdly evaluating the risks.
4. Viewing my findings and implementing all of them
5. Reviewing my assessment. (<http://www.hse.gov.uk/msd/risk.htm>)



Photo 10. Risk
(www.albertoalemanno.eu).

7.PESTEL ANALYSIS

Political

There are certain political changes that our company is following. PESTEL ANALYSIS is a help to our business of understanding our rules, rights and place in market. PESTEL is needed to understand to be competitive in market and in fruit/vegetable business. For example EU union gave birth to very good political relationships between countries. As we also have the same currency to handle business more smoothly. All the rules and regulations settled up by the politicians are affecting to our business if we are talking about the food area and imports of food to Finland. All the business profits depend on taxes. As we know taxes change every year according to the amount of GDP by country. The main question in our business is diseases on the fruits and this process is politically under control. Our business is supporting the Finland GDP.

Economical

The business is mainly connected with Finland and Spain. It helps to develop of both country economy and increases the GDP as mentioned in last paragraph. The main thing is that Spain is selling and earning. Finnish demand will be satisfied. Our company needs to follow the quality requirements and delivery, so as to provide products as fresh as possible to hold the market share. Following inflation, availability of loans, average salary, growth of economy, ability to buy/pay, incomes, unemployment and current economy changes. It helps to keep eye on the rapid change to act before.

Sociological

According to the fruit nutritional and health benefits, it's recommended that who are keeping diet should eat fruits/vegetables five times per day and it should be about a third of their daily food consumption.

Fruit and vegetables should be included into every meal. They are healthy and tasty. Statistics shows us that people who eat a lot of fruit and vegetables have lower risk of heart disease and cancer. It is possible to get health benefits from juice.

Technological

Technological development is always renewing all the processes from the past. It makes big changes in all company systems. Basically it is very beneficiary. Our business will be not by affected by big technological changes. The main work is done by labor and transportation.

Environmental

As my business partner Artem Solovyev said in his thesis: “There is the problem that transport burns fuel and it creates more CO2 gas in the air. It is true that trucks are wasting environment very much. There is a good point as this area of business helps Spain to stay green, with help to agricultural sector, and keep environment in good condition.” The nature is producing fresh air. In our case it is no possible to avoid transportation.

From other- side the weather is affecting our business very much. Depending on the weather condition the fruits grow. Basically the weather adds to the real price for the fruits. If the harvest is good enough the price is lower in market. If the harvest is poor the demand is high and price is high as well.

Legal

As it is said by Artem Solovyev: “Competition laws and free movement of goods and people within the European Union allows the free movement cargo. In addition, Harmonization in European politics and quality standards ensures that the goods pass health and the safety controls with similar protocols in all European countries are met.” It is very necessary to be sure at fruit quality. Diseases are one of the main parasites that are traveling with fruits. The quality control is very important process to keep business running and customers satisfied.

(http://www.innove.ee/orb.aw/class=file/action=preview/id=3035/Mis+toimub+ettev%F5ttes_Ettev%F5tte+hindamine+ja+arendamine.pdf).

8. Conclusion

How to satisfy Finnish market by Spanish fruits/ vegetables?

Finnish farmers have luck of suitable landscape and seasons for cultivating exotic fruits and vegetables. Finland needs to import fruits and vegetables from foreign suppliers. The main thin Finland needs is high quality and satisfying prices as seen in table 5 and mentioned in chapter 5.2. These two features are fulfilled by customer expectation and business will be successful. Fruits are popular food in daily life. They are healthy and help to keep illnesses away.

Spain gives quality fruits to Finland.

Spanish fruit/vegetable market gives quality fruits/ vegetables to Finnish market. Fruits are under frequent health and quality control. Finnish legal rules are strict. Spanish fruits are able to pass the health control and be in the market at suitable price for every customer.

Conclusion

Mine and my business partner Artem Solovyev's business plan is analyzed by PESTEL ANALYSIS, market research and customer selection and it doesn't need big investments at the beginning. Artem has analyzed Spanish fruit and vegetable market, it is very necessary information for us. PESTEL analysis is showing our strengths and opportunities in the Finnish market. Our market is based on the competition analysis and possible customer selection. Customer is selected on the basics of availability and market share in Finnish market as mentioned in chapter 5.5. The main part is to introduce ourselves to FIN wholesalers by face to face meetings and presentations. We want to keep high quality and satisfaction. Satisfaction for customers and wholesalers. The main thing is to know the languages: Spanish and Finnish. Economically we are very new in market. This gives us negative features, we do not have history and experience. According to our selected possible customer we have, we are seeing future for us in the Finnish market. The market in Finland is very costly and products are sold at a high price. According to our prices and market quality policy we will be develop in. By time we will make a good name for our company. All the research, plan, analysis and ideas are ready for a start- up. Next step is to START.

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kaupparekisteriin (mukaan kuitti käsittelemästä) / arvonlisäverovelvollist	ennakkoperintär ekisteriin / Prepayment työnantajarekist eriin / Employer	Verohallinnon vakuutusmaksuverovelvolli sten rekisteriin / Register of yritys- ja yhteisötunnusta varten / I am applying for a
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Appendix 1/2

YTJ 1003a 1.2011 **Perusosa, sivu 1 (4) / Basic section, page 1 (4)**

Yritys on perustettu yritysmuodon muutoksen seurauksena (Katsokaa täyttöohje) /	
Edeltäjän täydellinen nimi t. toiminimi/Full name or company name of earlier business	Y-tunnus tai henkilötunnus / Business ID or personal ID

Kaupparekisteriin ilmoitettava toimiala (Täydellinen toimiala kirjoitettuna, ei koodeina) / Line(s) of business (Give a written description only in Finnish or Swedish. Do not use code numbers.)

Verohallintoon ilmoitettava päätoimiala (toimiala, jota yritys harjoittaa päätoimenaan) / Main operating sector (Main line of business) to be declared to the tax authority

Elinkeinotoiminta aloitetaan myöhemmin (Ei vaikuta kaupparekisterin rekisteröintiin, katsokaa täyttöohje.) /
alkaen, pvm / as of (date)

Verohallinnolle tästä ilmoituksesta lisätietoja antava yhteyshenkilö tai yritys, esim. tilitoimisto / Contact person or company, such as an accounting firm, providing the Tax Administration with further information		
Nimi / Name	Yritys- ja yhteisötunnus / Business ID or Finnish personal identity code	
Postiosoite / Postal address	Postinumero / Postal code	Postitoimipaikka / Town or City
Puhelin / Telephone	Matkapuhelin / Mobile phone	
Faksi / Fax	Sähköposti / E-mail	

Kaupparekisterille tästä ilmoituksesta lisätietoja antava henkilö ja/tai yritys (asiamies)/ Agent (Person or enterprise, providing the Trade Register with further information)		
Yrityksen nimi / Company name	Henkilön nimi / Name of person	
Postiosoite / Postal address	Postinumero / Postal code	Postitoimipaikka / Town or City
Puhelin / Telephone	Matkapuhelin / Mobile phone	
Faksi / Fax	Sähköposti / E-mail	

Lisätietoja / Additional information

Y

Päiväys / Date	Allekirjoitus ja nimen selvennys / Signature and printed name	Puhelin / Telephone
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Henkilötietolain 24 §:n mukainen informaatio lomakkeeseen liittyvistä rekistereistä on saatavissa
Internetistä osoitteesta www.ytj.fi sekä Patentti- ja rekisterihallituksesta ja Verohallinnosta. /
Information required under section 24 of the Personal Data File Act about the registers referred to on

YTJ 1003a 1.2011

Perusosa, sivu 2 (4) / Basic section, page 2 (4)

Verohallintoon ilmoitettava postiosoite / Postal address to be given to the Tax		
Merkitkää rasti ruutuun, jos postiosoite on sama kuin sivulla 1 ilmoitettu yleiseen käyttöön tarkoitettu osoitetieto. Muussa tapauksessa täyttäkää alla olevalle riville osoitetiedot. / Tick this box if your		
Postiosoite / Postal address	Postinumero / Postal Code	Postitoimipaikka / Town or City

Y

Arvonlisäverovelvolliseksi ilmoittautuminen / Registration as a body liable for value-	
Ilmoittautuu arvonlisäverovelvolliseksi / Registering as a VAT-liable body	Ilmoittautuu arvonlisäverovelvolliseksi ostoista tai omasta käytöstä / Registering as a VAT-liable body for purchases or
alkaen, pvm/As of (date)	alkaen, pvm/As of (date)
Ulkomainen elinkeinonharjoittaja ilmoittautuu arvonlisäverovelvolliseksi / Foreign trader	vain ilmoituksenantovelvolliseksi / only for Notification Duty
alkaen, pvm/As of (date)	alkaen, pvm/As of (date)
Harjoittaa ainoastaan alkutuotantoa ja / tai tekemiensä taide-esineiden myyntiä (AVL 79c §) / Only engaged in primary production and/or creation and sales of objets d'art (section 79c of the VAT	

Arvonlisäverovelvolliseksi hakeutuminen / Applying for a VAT liability		
Kiinteistön käyttöoikeuden luovuttaja (AVL 12 § ja 30 §) / Assignor of the right to use property (sections 12 and	Vähäisen liiketoiminnan harjoittaja tai vaikeavammaisen yrittäjä (AVL 12.1 §) / Small-scale business operator or severely disabled entrepreneur (section 12 paragraph 1 of	
alkaen, pvm /	alkaen, pvm / As of (date)	
Ulkomaalainen elinkeinonharjoittaja (AVL 12.2 §) / Foreign enterprise (section 12,	Ulkomainen kaukomyynti (AVL 63 a §) / Distance sales (section 63a of the	Yhteisöhanke (AVL 26 f §) / Intra-Community
alkaen, pvm	alkaen, pvm / As of	
Alkutuottaja ja/tai taide-esineiden tekijä hakeutuu arvonlisävero-velvolliseksi / Primary producer and/or maker of		(pv.kk.vvvv - pv.kk.vvvv) / (day.month.year-day.month.year)
alkaen, pvm /As		
Tilikauden liikevaihto (AVL 3 §) / Sales for the accounting period (§ 3 of		EUR

Ei katso olevansa arvonlisäverovelvollinen, perustelut / I do not consider myself		
Vähäinen toiminta ALV 3 § / Small-scale operation, §	Rahoituspalvelut ALV 41 § / Financial services, § 41, VAT	Yleishyödyllisen yhteisön / uskonnollisen yh-dyskunnan arvonlisäveroton toiminta / Other non-VAT operations, please specify:
Terveys- ja sairaanhoitopalvelut / Healthcare services, § 34, VAT Act	Vakuutuspalvelut ALV 44 § / Insurance services, § 44, VAT Act	
Sosiaalihuoltopalvelut ALV 37 § / Social services, § 37, VAT Act	Esiintymispalkkiot tai tekijänoikeus-korvaukset ALV 45 § / Fees to	
Koulutuspalvelut ALV 39 § / Instructor services, § 39,	Kiinteistöluovutukset ALV 27 § / Real property rights, §	

Vakuutusmaksuverovelvollisuutta koskevat tiedot / Information concerning liability
Ilmoittautuu vakuutusmaksuverovelvolliseksi / Registering as a body liable for tax on
alkaen, pvm / As of (date)

Kirjanpidon muoto / Accounting system	kahdenkertainen kirjanpito / double-entry
---------------------------------------	---

Palkanmaksua koskevat tiedot / Information concerning payment of wages and	
Ilmoittautuu säännöllisesti palkkoja maksavaksi työnantajaksi / Registering as an employer paying wages and salaries as a	Ilmoittautuu merityötuloa maksavaksi työnantajaksi / Registering as an employer paying seamen's work income
alkaen, pvm/As of	alkaen, pvm / As of (

Oma-aloitteisten verojen ilmoitus- ja maksujaksoa koskevat tiedot (Täyttäkää tämä kohta vain, jos toiminnan aloittamisvuoden liikevaihto on enintään 50 000 euroa ja haluatte päästä pidennettyyn ilmoitus- ja maksujaksoon.) / Reporting and payment periods of certain self-initiated taxes
Kuluvan kalenterivuoden liikevaihto (Liikevaihtoon luetaan kaikki yrityksen Suomessa ja ulkomailla tapahtuvat myynnit.) /
EUR
Haluttu ilmoitus- ja maksujakson pituus (Täyttäkää tämä kohta vain silloin, kun haluatte lyhyemmän ilmoitus- ja maksujakson kuin mihin liikevaihtonne oikeuttaisi, kts. täyttöopas.) / Desired length of reporting and payment (Please leave

1 kk / 1 month

1/4 vuosi / 1/4 year

Appendix 1/6

Alkutuottajan ja/tai taide-esineen tekijän ilmoitus- ja maksujakso arvonlisäverotuksessa (Täyttäkää tämä kohta vain, jos haluatte muun kuin kalenterivuoden pituisen ilmoitus- ja maksujakson, kts. täyttöopas.) / Desired length of

1 kk/1 month

1/4 vuosi / 1/4 year

YTJ 1003a Veroviranomaisen kappale, sivu 3 (4) / For official

Process step/input	Potential failure mode	Potential Effects of failure	Severity	Potential causes of failure	Occurrence	Current Controls	Detection	RPN	Recommended actions
Managing director	diligence	to much work, to long working by on small topics/projects, lost business position, advantage for other fruit competitors	6	deeply concentrated, 6 persons characteristics	2	doing the most important work, not let to affect external issues of dealing with fruits, following the work process	2	24	
	loyalty	wrong guidelines of business, unfitted manager	6	stricky personality, not concrete enough	3	moving in direction to develop the business	4	72	
	obedience	failures in mission, profit loss,	4	selfish	3	being concrete and confident	3	36	
	ignorance	knowledge of company fall down, possible losses in profit, possible new begin from "0"	3	stupid, no logical thoughts	5	try to understand all the issues related to all problems or work issues	2	30	
	resignation of fruit market	wrong way, to much attention on certain fruit market area, to rude or friendly,	2	scared, fending person	6	avoiding any risks and dangerous movements what can harm the leader position in company	4	48	speaking and negotiating with different sellers in Spain, knowing and studying the Spanish culture
Economic and personell manager	managing fruit business	sloppy work of dealing fruits, groups of employees,	6	working on wrong topics, 6 to much twirling	6	education yourself with business manager courses	3	108	safety and education hours once per week, showing up safety work processes and control,
	employees as a source of risk	unfitted, competences,	3	wrong employees,	6	educating employees once per month to keep their beliefs clear about company's interests	4	144	
	hiring employees	not enough guidelines	2	experiences, skills	4	well prepared employees test educations and tests, as well as upgrading	2	24	
	orientation and hiring	not acting in time	2	late in facts and serious cases	5	searching news and stying from happenings	1	10	

	performance appraisal, compensation, and discipline.		not enough control over work and labour in the company		to much work, complicated time management systems		setting up control over labour and work process systems, clearing them to all employees in company and over controlling.	1	8	
	communication		skills, knowledge, experience.		5 apprehensive person		learning and attending communication courses	3	60	
	motivation		lazy, avoiding work, to nervous.		6 the wrong person		motivating and analysing own skills to understand the weaknesses and strenghts to know the way of developpe	23	414	giving guidelines of easy work processes. Teaching, negotiating, analysing
Sales and marketing manager	communication		lost customer, unreliable,		6 miss of negotiation skills		learning from experiences and attending communication courses.	3	54	
	motivation		over crowded by work duties		6 to many responsibilities		have to have ability to motivate him/her- self and customers/ partners	2	48	educating the sales managers to communicate with different kind of customers and trying to win their satisfaction, language studying.
	customer		satisfaction		critic customer, sensitive customer, allowance to eat all types of fruits		ready to handle different types of customers, of course learning from cases	5	150	
	primary direct-revenue generator		turnover decrease, company		4 trust of partners		being concrete and confident research about market situation, entering new market areas, advertising, promoting, testing and showing up quality tests.	1	12	continues research, finding new customers, improving quality to news.
	sales		not enough sales, profit loss information(competitors, prices, happenings)		6 market "Fruits"		over research of marketing and demand in market	4	120	
	marketing				6 market change			3	108	

Risk Specialist	research	imperfect research, wrong information, information delay, unknown risks, unknown future, reprogramming.	4	business and quality position in market	3	clearly concentrated to the area what needs to be analysed and researched to develop the business	2	24	
	plan and implementation		5	Risks of fruits(disease, over dated.	3	control over innovation	4	60	
Labour	work	to fast, to slow work, not careful with fruits handling	4	serious accidents with fruit production or human	3	control over fruit loadings and packaging.	2	24	
	daily behaviour/ mood	not careful handling of fruits, don't care	3	accidents with employees and fruits can be over dated faster	4	educating and controlling outgoing fruit production	3	36	
	accidents	laziness, not careful, tired,	3	sick-leave, part job worker needed	5	education about safety at work	2	30	