

KARELIA UNIVERSITY OF APPLIED SCIENCES
Degree Programme in International Business

Tiia Koskinen

BUSINESS PLAN FOR A HORSE TRAINING CENTER

Thesis
May 2020



THESIS
May 2020
International Business

Tikkarinne 9
80200 JOENSUU
FINLAND
+ 358 13 260 600

Author
Tiia Koskinen

Title
Business plan for a horse training center

Abstract

The objective of this thesis is to create a business plan for a horse training center located in North Karelia, Finland. The business plan focuses on the profitability of a new business by studying the cost structure of the different revenue streams in the horse training center and finding out the typical market prices for the services.

The research is executed as a case study and it follows the definition of an empirical research. The empirical evidence is gathered and analyzed by using qualitative research methods. The interviews are conducted as semi-structured phone interviews.

The business idea changed during the research process due to the findings from the interviews. At first, the idea was to import sport horses to Finland and sell them forward, but the services that remained in the final business plan are stall rental services, training young horses and coaching riders in North Karelia. The conclusion of the calculations for the horse training centre is that the business would be profitable.

Language

English

Pages 80

Keywords

business plan, equestrian industry, horse business

CONTENTS

1	INTRODUCTION	5
1.1	Aim and purpose.....	5
1.2	Background.....	5
1.3	Previous studies.....	6
1.4	Structure.....	8
2	EQUESTRIAN INDUSTRY.....	9
2.1	Training a young horse	11
2.2	Horse transportation.....	13
2.3	Horse import and export	14
3	SUCCESSFUL BUSINESS PLAN	16
3.1	Types of a business plan.....	17
3.2	Business plan outline	20
3.2.1	Executive summary	20
3.2.2	Industry, customer, and competitor analysis.....	21
3.2.3	Company and offering description	22
3.2.4	Marketing plan.....	23
3.2.5	Operations and development plan	27
3.2.6	Team.....	28
3.2.7	Critical risks	29
3.2.8	Financial plan	32
3.3	Financial statements	34
4	OBJECTIVES	39
4.1	Business idea introduction	39
4.2	Objectives and results of the thesis.....	40
4.3	Research questions.....	40
4.3.1	Question one: What is the cost structure in the different revenue streams of the horse training center?.....	40
4.3.2	Question two: What are the typical market prices for each service to make the horse training business profitable?	41
5	EXECUTION	42
5.1	Research strategy and type	42
5.2	Research methods	42
5.3	Research process.....	44
5.4	Validity and Reliability	45
5.5	Ethicality.....	46
5.6	Limitations.....	47
6	RESULTS.....	48
6.1	Question one: What is the cost structure in different revenue streams of the horse training center?	51
6.2	Question two: What are the typical market prices for each service to make the horse training business profitable?	54
6.3	Business plan for a horse training center	58
6.3.1	Business idea.....	58
6.3.2	Know how	59
6.3.3	Offering.....	59
6.3.4	Customer.....	60
6.3.5	Industry and competition	62
6.3.6	Marketing and advertising.....	64
6.3.7	Risks.....	65

6.3.8	SWOT – analysis.....	66
6.3.9	Profitability calculations	68
7	CONCLUSION	74
7.1	End results versus goals	74
7.2	Difference compared to other studies	74
7.3	Execution process and methods.....	75
7.4	Ethicality and reliability	76
7.5	Personal learning and improvement.....	77
7.6	Further research possibilities.....	77
	REFERENCES.....	78

1 INTRODUCTION

The equestrian industry is growing in Finland. The number of hobby-riders and their requirements and wishes related to their hobby are developing all the time. Horseback riding is already a hobby for 81,000 people in Finland, and in the end of 2017, there were 74,400 horses registered. The number had increased by 200 compared to the previous year (Ratsastuksen tunnuslukuja 2017). This chapter gives a brief introduction of the thesis.

1.1 Aim and purpose

Even though horse related business is growing in Finland, it is centered in the south of the country. The aim of the thesis is to benchmark the opportunities for a horse stable business based in North Karelia to find out the possibilities for a new business. In North Karelia there are 45 stables (hevostalli.net2020) but none of them offer professional training services for sport horses and the premises needed for that. There is also no place that organizes clinics or bigger competitions, which would bring added value for the horse owners and riders in the area.

As a result of this research there will be a complete business plan focusing on profitability through financial statements of starting a horse stable business in North Karelia.

1.2 Background

The equestrian industry is a globally growing industry sector, which provides an increasing number of jobs around the world every year. The trend is no different in Finland, which gives a good basis for starting a new horse business in North Karelia.

The idea for the research came from the author's personal interest in horses and establishing a horse stable business in the future. The author has been around horses since childhood, and later she competed up to 135cm in show jumping nationally and internationally. She has worked with young horses in professional stables in Germany and Italy. These experiences have taught her valuable knowledge about horse training. The author has made connections in the horse world around Germany, something that will help in selling talented young horses to good riders around the world. The author's personal experience in the equestrian industry and more precisely with sport horses, combined with the business studies will provide a good knowledge base for running a successful horse stable business. In North Karelia there is a place for a professional stable with high quality care for horses, as well as training top class sport horses to be sold on international markets.

1.3 Previous studies

In this section the author examines internet databases in case of previous studies around the topic. She chose three studies to more specific evaluation and compared them with the study in hand.

Typing "horse business" in Theseus gives 573 results, whereas "sport horse" gives 550, and "equestrian" 173 results (theseus.fi 2020). From all the results, the author chose three different theses that seemed to be the most relevant to her study.

The first study is a business plan for a horse stable based in Jyväskylä, *Hevostallin yritystoiminnan suunnittelu* (Nyyssönen 2019). It is a short and pithy overview of the equestrian industry, and its purpose is to make a business plan to start a horse stable business in Jyväskylä. There are a lot of similarities the author of this study can utilize, but the added value comes from a more detailed text about the equestrian industry and the profit and loss analysis of a horse stable.

Also, the geographical location is different, and the revenue streams will differ from many parts.

The second thesis to compare to is *Hevostallin kannattavuuteen vaikuttavat tekijät* (Varila 2014). The author chose to take a closer look at this study, because of its focus on the variables affecting the profitability of a horse stable, since it is also one main goal of this current study. The purpose of the study was to find out what variables negatively effect on the profitability of a horse stable. A business needs to be profitable to run, and the same principle applies when running a horse stable. The study also asked stable owners what they have done to improve profitability. It is useful for the author to go through the results and maybe utilize some ideas when writing her own business plan to make it profitable. However, Varila (2014) does not focus on certain types of horse stables but collects the results from stables that are very different from each other. This makes the results a little bit unreliable because the cost structure and problems with profitability are different in a riding school or private stable as an example. The author of this study will focus on the profitability of a private stable with training and reselling quality sport horses, which enables more specific and reliable calculations.

The third study that the author went through in more detail is *Liiketoimintasuunnitelma hevostalliyrittäjälle* (Salmela 2011), because it covers a business plan for a horse stable. Salmela's study (2011) focuses on western riding, which is considered the second most common riding style after the English riding style. I will explain the differences of these two styles in more detail in Section 2.2 "The Equestrian Industry". The business plan that Salmela (2011) provides to the entrepreneur is very brief and lacks information. Unfortunately, the business plan was made by a single person who goes around teaching in different stables instead of running an own stable, as the headline of the study states.

Even though there are over 500 studies in Theseus under the word "horse business", it does not take the need away from the author to write her business

plan. Every horse stable is unique, and ways of making revenue around a horse are almost endless.

1.4 Structure

The thesis is structured so that first comes the knowledge base, where the author introduces the reader to the equestrian industry and a successful business plan. There are four topics under the industry that the author explains in more detail: English riding style, training a young horse, horse transportation and importing horses. All these topics are relevant from the research point of view and for the business plan executed later.

The second major part of the knowledge base is the business plan section, where the author introduces different business plans, and the relevant parts of the business plan outline it to make it successful. Special attention is given to the financial statements of a company, because of the focus of the thesis. All three crucial financial statements have a section of their own.

After the knowledge base and the chapter about financial statements comes the objectives section, where the business idea and the research questions are introduced in more detail. The fifth chapter, "EXECUTION", is about research strategies and methodologies used in the thesis. Also, the research process, validity and reliability, and the ethicality of the research are part of the execution chapter.

The sixth chapter is about the results of the research. It gives answers to the two research questions and includes the business plan of the horse training center executed by the result of the research. The final chapter is conclusions, where the author reflects on the results of the goals of the research and gives ideas for future research on the topic.

2 EQUESTRIAN INDUSTRY

The equestrian industry is a globally growing industry sector that provides an increasing number of jobs around the world every year. The number of riders in Europe is increasing every year by 5% (FEI 2017). More than 20,000 equestrian events are held in Europe every year, and the impact of the equine industry is “6 billion euros with 80,000 horse races per year in 3 disciplines, flat, jump and trot in 500 racecourses in Europe” (EHN 2017). In 2014 the estimation of the horse population in the world was nearly 60 million (Horsetalk 2017).

The trend is no different in Finland, where the number of riders and horses is developing all the time. Horseback riding is already a hobby or profession for 81,000 people in Finland, and in the end of the year 2017 there were 74,400 horses registered. The number had increased by 200 compared to the previous year (Ratsastuksen tunnuslukuja 2017.)

The equine industry has a very complex structure in the sense that it has grown up around a single species. It is also an industry where all the sectors affect each other, no matter in which part of the industry a company is operating.

The core of the equine industry is breeding and manufacturing. Without breeding, there would not be horses, which are the core of the business, and without manufacturing there would not be raw materials and goods to consume in horse stables. In the end breeding is also a part of manufacturing, where breeders are the manufacturers. In addition to horses, manufacturing includes timber, grain, clothing, rugs, feed, and stable construction. (Eastwood 2006.)

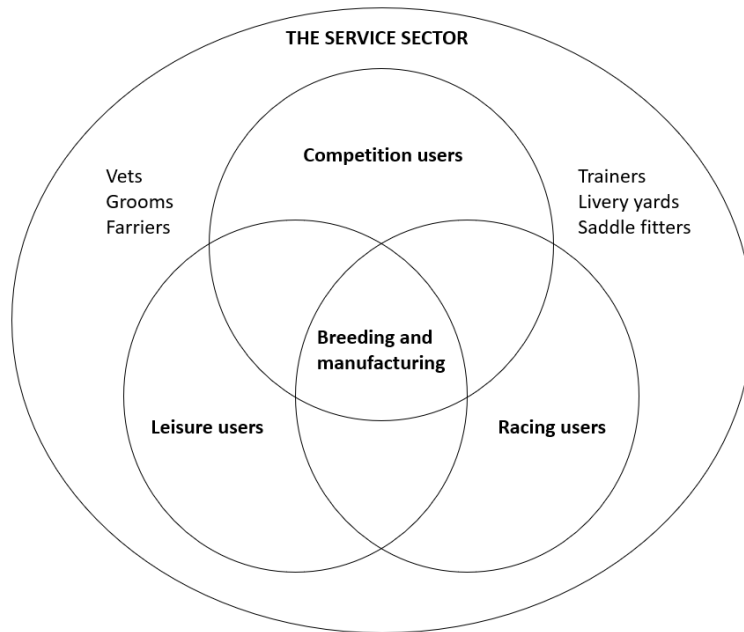


Figure 1. The Equine Industry (Source: Eastwood 2006).

Eastwood divides the users of breeding and manufacturing into three categories, which are competition -, racing -, and leisure users. In this research it is relevant to focus on competition users, as the horse stable business will focus on importing, training, and exporting quality sport horses for competition use.

Inside the competition user group there are riders from various disciplines. Riding is roughly divided into English and Western style riding, and both have different equine sports under them. English style is the most common around Europe. It includes show jumping, dressage, and eventing, which are also the disciplines that the horse stable business will focus on. Show jumping will play the major role when selecting the bloodline of the horses for breeding, but sometimes they become good eventing or even dressage horses.

Service providers are located on the outside ring in the picture of the equine industry. They include for example trainers, saddle fitters, physiotherapists, dentists and so on. The horse stable business that this research is preparing will strongly be a part of the service providers group, hence training services.

Federation Equestrian International provides a bit more precise listing of all industry participants and centers of revenue under the term equine industry. (Table 1).

Table 1. The Equine Economic effect (Source: FEI 2013).

Industry participants		Equestrian sport centres of revenue	
Breeders	Employees	Ticket sales	Associated advertising
Owners	Insurance industry	Events	TV revenues
Trainers	Builders	Merchandising	Licensing
Riders	Feed farmers	Related equipment	Tack
Grooms	Sadlers	Professional fees	Sponsorships
Veterinarians	Media	Travel	Food sales
Farriers	Auction staff	Accommodation	Support professionals
Nutritionists	Transport companies	Food and catering	Horse sales
Researchers	Volunteers	Construction	Media sales
Managers		Designers	Waste disposal
		Veterinary	

2.1 Training a young horse

There are as many ways of teaching a horse as there are people and horses, because every person and horse is an individual. Also, cultural differences around the world give their own twist when it comes to training horses. The author has gained experience around young horses at home and from many trainers with a lot of experience. This chapter is about training a young horse to be a showjumper. The goal is to have a happy horse who is cooperative and wants to work (Suomenratsut, 2017).

The process of training a young horse to carry a rider and become an athlete is a long process, which starts right after the foal is born. At first the foal needs to get used to being touched and to be around a human. The most important is to find the trust between the foal and the human so that the future training would become easier. Within the first year the foal should get comfortable with walking in halter, brushing and lifting legs when asked.

Lifting the legs is important to make the blacksmith's work easier when the time comes to start cutting the hoofs and put the first shoes on. Also teaching the horse to stand still and to move with the trailer or truck is easier when the foal is small. The foal will be separated from the mare when it is around one year old. It is usual that the mares and foals are together on the field during the first summer so that the foals have someone to play with and their balance and coordination develops. (Suomenratsut, 2017.)

When the foal is 1-2 years old, it needs to be launched on the circle, first without and then with the tack (bridle and saddle). There are differences in how to make the horse comfortable to wear the tack, but it needs to be done before the launching starts. Free jumping is also good to start before the foal is two years old to make the young horse comfortable with the fences. It is also a very good workout and helps the horse to build up its muscle balance. Young horses need to be handled and worked with often, but only a little bit at a time. (Suomenratsut, 2017.)

Breaking in the young horse usually happens during the spring when the horse turns three years old. Breaking in means the teaching process where the horse learns to carry a rider. The speed of the learning process depends a lot on the horse. Some of the horses are calm and accept the rider right away, which means that they do not need as much repeating as others. Suomenratsut (2017) gives advice to work 15-20 minutes at a time, 3-4 times a week in January and February, give a holiday in March and work again in April and May. Summer is for resting and growing up on the field, hopefully with friends. During the autumn, the time under the saddle grows up to 30-45 minutes at a time and the horse will learn to go over small fences with a rider. (Suomenratsut, 2017.)

A four years old horse usually needs to start working regularly from three to four times a week. It is important to build up the condition and sensitiveness to the aids (leg, hand, seat) so that the rideability develops. Four years old horse goes to its first competitions during the summer, so it is important to build up the conditions and teach the horse to jump a full 8-10 fences track.

For Finnish cold blood horses, the level of first competitions is 80-90cm in show jumping and easy B-A in dressage. (Suomenratsut, 2017.) With warm- and halfblooded horses the level is a little bit higher, 90-100cm in show jumping, but the dressage level is the same.

The level in competitions rises a little bit every year when the horse gets older. Seven years old horse is the oldest to take part in young horse shows. According to the FEI jumping rules (2020), to enter the Olympic games, World Championships or FEI World Cup™, the horse must be at least nine years old. The height of the fences in that level is 160cm. (FEI Jumping rules, 2020.)

2.2 Horse transportation

Horse transportation is a relevant part of buying and selling horses. Animals need special care when they are moved long distances, and there are some regulations concerning horse transportation. For safety reasons, a horse needs to be transported with a halter and rope and it needs to be tied up in a limited space during transportation to avoid extra movement. The transportation vehicle needs to be registered for animal transportation. During the journey it is important to make sure the horse is comfortable. (Hippos 2020.)

The Central Union of Agricultural Producers and Forest Owners (MTK) states in the regulations of animal protection the requirements of circumstances in animal transportation. It includes rules and regulations of feeding and observation of the horses along the way, and how sick – or pregnant horses, and horses with foals need special care. The Finnish Transport and Communications Agency (Trafi) offers advice and information of the vehicle combinations and weight limits in animal transportation. (Hippos 2020.)

There is a law (Neuvoston asetus (EY) N:o 1/2005) that requires permission for commercial animal transportation. Activity is commercial when the transported horses are used for making money.

The transportation permission is always personal, and the person transporting animals needs to have a qualification certificate of a driver and an animal attendant. In addition to personal documents, the company transporting animals needs to have permission for that as well as a transport document. (Hippos 2020.)

2.3 Horse import and export

In addition to the documents needed for the transportation company and the driver, each horse needs its own documents when transported. According to the rule of the commission of European Union (EY) 504/2008 all the horses in the EU area needs to have an identification document. If a horse is transported from one EU country to the other, it also needs a TRACES health document, and horses transported from outside EU, a border control (CVED) document. Every transported horse that will be in the EU country more than 90 days needs to be registered to the database of that country. In Finland, the controller of that database is Suomen Hippos ry. (Hippos 2020.)

The regulations of horse import and export differ from country to country. The Finnish Food Authority (2020) has collected instructions for horse transportation between EU and ETA countries, and if the transportation happens to outside of EU. Horses can be transported freely between EU countries, Norway, and Switzerland. However, they cannot have symptoms referring to a clinical illness before transportation. A veterinarian will make sure that the transported horse has not been in contact with another animal with infectious disease in the past fifteen days before transportation. The vet check needs to be made a maximum of 48 hours before transportation. (Ruokavirasto 2020.)

The horse training center planned to be established in North Karelia will be importing horses from breeders in Europe and Finland and exporting them to customers hopefully all over the world. In addition to buying and selling horses, dealing is also a possibility.

Transportation will be outsourced to professional transportation companies. The basic rule is that the buyer pays for the transportation of the horse.

To open the process of importing a horse to Finland a little bit more, the author collected a list of actions. The first scenario is that the horse training centre buys a young horse preferably straight from a breeder without knowing the future customer. In this case the chosen breeder sends a pedigree and other relevant information of the foal/horse (age, sex) to the buyer, and the decision of the purchase can be made based on a video, pedigree, and a health check. If the breeder is not very well known and there is no trust bond made between the buyer and the seller, it is a common way to travel to see many horses at once and see them live before making the purchase decision. If the horse passes the vet check, the buyer and seller can write the contract of sale, and with a Traces document and passport the horse is ready to travel.

3 SUCCESSFUL BUSINESS PLAN

The equine business is one of a kind, but it includes the same principles of business as any other. Success requires planning, and to create profitable business with intentions to grow, there must be a good plan to start with.

A business plan describes how the idea will function in the operating environment and meet its objectives (Uusyrityskeskus 2020, 18-19). It is a roadmap or a handbook for the company, giving direction, maximizing success, and minimizing the risks of the business. The business plan is always tailored to the needs of the business to meet ideal results. The plan can be made for a start-up or a big corporation. It can be done for an internal purpose or for seeking funding from external investors. (Chron, 2018.) In Finland, the business plan is also needed in order to get a start-up grant from TE Services, business support from ELY Centre (Centre for Economic Development, Transport and the Environment), or a loan from a bank or Finnvera (Uusyrityskeskus 2020, 18-19).

A good business plan helps the entrepreneur to understand if there is an opportunity to turn a business idea into a business successfully. Business planning not only tells if the idea is good, but it helps to shape the original idea to meet the customer needs better. All the critical questions force the entrepreneur to search for answers, which come from a proper market research. The business plan is not fixed once it is done but will be updated as the business grows or changes. "The process can sharpen thinking and strategies that define the risk and reward and ultimately the odds for success" (Timmons et al. 2004, 39-40).

One of the tools to showcase the opportunity of the business is to use a SWOT – analysis. It is a simple matrix that tells the strengths, weaknesses, opportunities and threats of the entrepreneur and the business idea. The upper part of the matrix illustrates the present situation, where the lower two boxes are to forecast the future (Figure 2).

The analysis helps to examine how to improve the strengths, remove the weaknesses, benefit from the opportunities, and tackle the threats. (Uusyrityskeskus 2020, 22-23.)

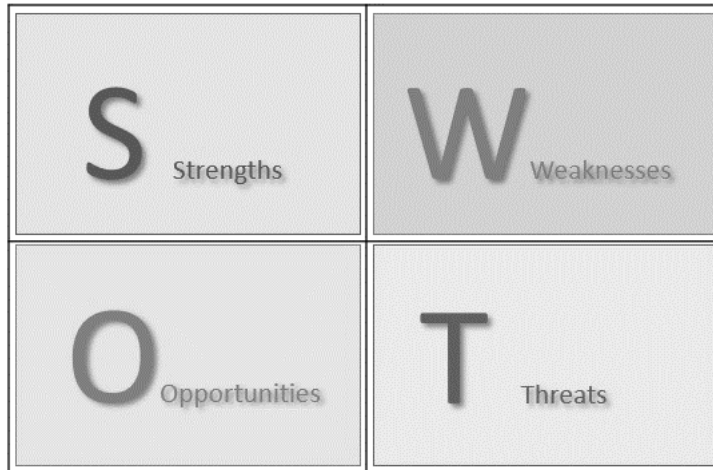


Figure 2. SWOT – analysis matrix (Source: Uusyrityskeskus 2020, 22-23).

3.1 Types of a business plan

A business plan is always tailored for the business idea on hand, but there are different ways of doing it depending on the purpose. In this section the different types of business plans and their purposes are described in more detail.

Timmons et al. write in their book, *The Business Plan That Works* (2014), that there are three types of business plans: a dehydrated business plan, a business plan geared toward equity investors or debt providers, and an operational business plan.

A dehydrated business plan is meant to test the reaction towards an idea on hand with business friends etc. to collect feedback and ideas. The plan is no longer than ten pages and it includes only the draft of the idea, conception, the opportunity, and the finances required. The entrepreneur can start building a more precise plan based on the dehydrated plan.

A business plan that is made to collect capital is already longer and more detailed compared to a dehydrated plan. The purpose of the business plan is to get investors interested in and investing in the new business venture. It is also a tool to communicate the value of the company to important stakeholders such as suppliers or customers. Less is more when it comes to finding investors, and it should not be longer than 40 pages.

An operational business plan is the longest and most detailed of the three plans mentioned here. It is meant for the entrepreneur and to the team to give detailed guidance on development of the company. The structure is mainly the same compared to the other two, but the operational plan is much longer. "This is where the entrepreneur gains the deep understanding so important in discerning how to build and run the business" (Timmons et al. 2004, 41).

The horse training centre will be located in Finland, so in order to get a start-up grant from TE Services, a business support from ELY centre (Centre for Economic Development, Transport and the Environment), or a loan from a bank or Finnvera, it is recommended to use a business plan template recognized by these organizations (Uusyrityskeskus, 2020, 18-19).

One official template for a business plan creation is provided by Oma Yritys-Suomi (owned by ELY centre), where a person can make a free account and fill out a step by step business plan. It includes background questions, like for whom and why the business should exist, how is it better than competitors, what are the products or services, how the business would operate and where it would be located. A vision about the development of the company, markets, growth, and development needs to also be described in detail, not to forget the most important, financial matters. (Oma Yritys-Suomi 2020.)

Uusyrityskeskus (2020) published a full guidebook about how to start a business in 2020 in Finland. The author chose Uusyrityskeskus (The Finnish Enterprise Agencies) as a reference because it has a nationwide network of 150 qualified business advisors and 1500 experts who have helped to establish more than

140,000 new enterprises in Finland since 1989 (Uusyrityskeskus 2020). The guidebook includes, among other useful information, the parts that a business plan should include to make the business successful and get funding.

1. Business idea: What, for whom, how and why?
2. Know-how: Education, experience? What needs to be learned?
3. Product: What products and services? How do they differ from competitors?
4. Customer: Who and where are they, and how many of them are there? Why would they choose a company? What are the needs of the customer? How are they satisfied?
5. Industry and competition: What is the industry? What is the competitive situation? Is the industry growing?
6. Markets: Target markets, segments, number of customers, growth possibilities and limitations?
7. Marketing and advertising: What? For whom? How? What kind of brand is hoped for?
8. Risks: What are the risks now and in the future? How can they be minimized?
9. Immaterial rights: How to protect them?
10. Calculations

There are more of the guidebooks and templates available on the internet, but in this thesis the author will utilize the information from the three sources mentioned above. The structure and the content of a business plan is explained by combining the information from the guidebook by Uusyrityskeskus (2020), the website of Oma Yritys-Suomi (2020), and the book *The Business Plan That Works* (2014) by Timmons et al.

3.2 Business plan outline

The business plan should cover the product attributes, customer segments, competition on the market, strengths of the entrepreneur or team, how it will handle marketing, evaluating the profitability and the need for funding (Uusyrityskeskus 2020, 18-19).

Timmons et al. (2014, 60) advise in their book to start the business plan writing process by completing a 25-word statement of the vision on hand about the business. It gives a direction to follow as the planning process starts. After that, the vision should be expanded into a longer summary of 5-6 pages to get more content to start with filling out the plan. Finally, after the first draft of the business plan is ready, it is time to go back to the summary and summarize it into 1-2 pages. Then the document starts to live, as the idea gets crystallized and more precise.

The following business plan outline is written in the same order as it is in the book *The Business plan that works* (Timmons et al. 2014) and fulfilled by information from the guidebook by Uusyrityskeskus (2020) and the website of Oma Yritys-Suomi. Examples from equestrian industry are included in the outline.

3.2.1 Executive summary

By Timmons et al. (2004, 51) the executive summary is for capturing the reader's attention and therefore is the most important part of the business plan. The most attractive business opportunity should be said within the first paragraph. An executive summary should include a description of the opportunity, business concept, industry overview, target market, competitive advantage, business model and compelling economics, team, and offering.

However, neither Uusyrityskeskus or Oma Yritys-Suomi advise for writing an executive summary, so it is not necessary when applying for financial support or loans from Finnish equity providers.

3.2.2 Industry, customer, and competitor analysis

Industry, customer, and competitor analysis aims to exemplify the opportunity and show the markets available to the offerings of the company. It should include the size of the industry and the size of the sector in which the offering will be operating. (Timmons et al. 2004, 57-69.) It is also important to find out and mention if the industry is growing in the future (Uusyrityskeskus 2020, 18-19).

Segments and the target market of the offering should be explained by using the same protocol as in industry description: definition, size, growth, major players, and trends that affect directly or indirectly in the entry environment (Timmons et al. 2004, 57-69). When scanning the major players on the market, the entrepreneur should think about how to position itself on the market and if there is room for a new player (Uusyrityskeskus 2020, 18-19).

As a part of the target market analysis, the target customer needs to be defined in detail to be able to understand their needs and wants, and to be able to design the offering accordingly (Timmons et al. 2004, 61). Good questions to ask and write down are: Who and where are the customers?, How many of them are there?, and Why would they choose this company over the competitors? (Uusyrityskeskus, 2020, 18-19). All these questions are applicable when planning a horse training centre. Specializing in the equestrian industry comes when selling horses, as every horse is an individual. As an example, when buying a young horse, the blood line can be chosen, but how the horse turns out in the training is always a surprise. That is why when selling horses, the target customer is not the same for each horse but must be selected according to the abilities of each individual horse.

Timmons et al. (2014) claim that the competitive analysis needs to be formulated directly based on the customer analysis. Depending on what the customers wants, the offering attributes can be compared with the direct and indirect competitors.

They introduce a competitive profile matrix as a tool to communicate differences between competitors, and the extra value of the specific offering in the eyes of customers. To make a quality competitive profile matrix, there needs to be enough knowledge of the success factors that the customers value the most.

The competitive profile matrix can be used when filling out a business plan in Oma Yritys-Suomi; however, it is not required. In the template provided by Oma Yritys-Suomi (2020), the questions about competitors are included into the environment where the company will be operating. There are such questions such as: define the most important competitors and their strengths and weaknesses, what are the most important competitive advantages of the offering against competitors?, and who are the key stakeholders?

Industry, customer, and competition analysis creates the basis for introducing the vision (Timmons et al. 2004, 61). It is like training a young horse. If the groundwork is done correctly and with patience, it is much easier to work with the horse in the future, and it will become a top horse instead of an average one.

3.2.3 Company and offering description

The company and offering description of the business plan is for underlying the competitive advantages to sell the vision of the company as passionately as possible. It should cover, company -, and product description, competitive advantages as well as entry -, and growth strategies. (Timmons et al. 2004, 71-77.)

A company description identifies what the company does or is aiming to do and it also gives a sense of its mission. If the company has already been operating for some time, it can highlight some of the key milestones accomplished along the way. (Timmons et al. 2004, 71-77.)

Uusyrityskeskus or Oma Yritys-Suomi on the other hand, have not included a company description in the business plan (Uusyrityskeskus 2020, 18-19; Oma Yritys-Suomi 2020). In their templates the focus is more on describing the offering. Timmons et al. (2014, 71-77) also advice making a product or offering description more detailed than the company definition. It should give an overview, and then go into deeper details and underline the value proposition of the offering. Why will people buy the product? (Timmons et al. 2004, 71-77.) In the equestrian business, everything else can be described beforehand, but again when selling horses, the offering is not standard.

An entry and growth strategy tell how a new company will start its operations, or how an older company will launch a new product for example. This section answers questions such as how to start the operations to meet the primary target audience (PTA), what the growth possibilities are and what could set boundaries to enter the market or grow. This also involves keeping in mind how to minimize risks and maximize success while doing that. (Timmons et al. 2004, 71-77; Uusyrityskeskus 2020.)

3.2.4 Marketing plan

Where the first section of the business plan creates the bases by introducing the reader to the industry, customer, competition, company, offering and how to enter and succeed on the market, the second part is all about making a strategy how to reach its potential. (Timmons et al. 2004, 79-80.)

The target market strategy is based on the knowledge gained from the target market analysis, and the product needs to be positioned according the analysis. Timmons et al. (2014, 79) describes that all offerings fall on a continuum stretching from rational to emotional purchases. The entrepreneur needs to decide in which point of the continuum the offerings fits as it affects the other parts of the marketing plan.

The product or service strategy explains how the offering is differentiated from the competitors to meet customer needs, wants and expectations. There are few questions Timmons et al. (2014, 80-81) advise entrepreneurs to ask themselves. What attributes are important to the customer now and in the long run so that they are willing to pay the required price? How will the offering attract new customers, and how to keep them satisfied to use the services again? In this section it is important to explain all the attributes and dimensions the offering has as they need be taken under consideration when opening the pricing strategy.

Uusyrityskeskus and Oma Yritys-Suomi use more straightforward approach than Timmons et al. (2014) when making the business plan. The target market- and product or service strategy are asked about but in a simpler way. In the template from Oma Yritys-Suomi (2020), there is a section: for whom and why, which covers the target market strategy. It has sub-questions such as:

- Who are the most important customers / customer segments?
- Why and for what need would the customers buy the products?
- Which factors effect on the customers' buying decision and why would they choose one company over the competitors?
- What are the major risks related to the customers and how can they be minimized?

The product or service strategy is done by adding the products or service categories one by one. Each product or service is named, the most important attributes are described briefly, as what is the added value for the customer and against competitors. (Oma Yritys-Suomi 2020.)

According to Timmons et al. (2014, 81) the two main approaches when making a pricing strategy are cost-plus pricing and market-demand pricing.

Cost-plus pricing means that all the estimated costs are calculated together, and on top of them comes a margin that will ensure a profit that is left after meeting the breakeven point. The problem is that most of the start-ups underestimate their real costs, and the margin is too small to be able to make profit. Too big of a margin on the other hand, might lead to overpricing the offering compared to competitors. Therefore, market-demand pricing is a better method to design the perfect price for the target customers according the position of the offering in comparison to competitors.

To create reasonable pricing for the offerings of the horse-training centre, the author would utilize both methods together. As an example of buying and selling horses, it is crucial to make a cost-plus pricing to cover all the costs and then compare the horse to others on the market to set the price high enough. In other service categories, the price will be more stable.

The distribution strategy identifies the journey to reach the target customer (Timmons et al. 2014, 84).

Advertising and promotion strategy will showcase how the company will communicate with its primary target audience (Timmons et al. 2014, 84). The questions which the Uusyrityskeskus (2020, 18-19) advise asking in their guidebook are:

- How are you going to reach your customers and convince them?
- How your customers will find you? (online, print, etc.)
- How the name of the company and the image fit together with its operations?

Like a business plan in general, the communication will also change over time as the company grows. Timmons et al. (2014, 84) advise the entrepreneur to create a detailed schedule of actions, as all the advertising will not happen at once.

The sales strategy illustrates the level of effort the company will make to reach new customers, and how much human capital is needed (Timmons et al. 2014, 84). How will the company sell, where will it sell, and who will sell it (Oma Yritys-Suomi 2020)? Based on the author's internet search and interviews, most of the horse stables employ under five people, and usually the entrepreneur itself also operates the sales among everything else. That is why connections are very important to be able to share a post in social media and it will reach the needed audience, as an example.

The sales and marketing forecast show the revenues in the future and the viability of the opportunity. Timmons et al. (2014, 84) introduce two ways to determine the numbers. The first one is the comparable method, which is done by comparing other companies' achievements. The company to compare with should be around the same age and size, and the product attributes should be similar. The entrepreneur should choose more than one company to compare with and then explain what will be done differently in his/her company.

The second one is the build-up method, where the entrepreneur identifies all the sources of revenue and then estimates how much revenue each source can generate in a small period. These two methods can be also used together to get a more reliable forecast. However, the results will never be 100 percent accurate, but a well-investigated estimate gives good direction.

The marketing plan can be considered as the most important part of the business planning process; hence, it communicates the strategy of reaching the target customers. Especially investors will pay attention to a marketing strategy because the more details it provides, the more credibility it gets. (Timmons et al. 2014, 92.)

3.2.5 Operations and development plan

According to Timmons et al. (2014, 93) the main purpose of operations and development plan is to explain operational competitive advantages and show the value provided to the customers. Also, the production cycle should be included in this section, meaning the investment from inputs until the product is ready. In the case of equestrian industry and breeding it could mean for example the time and money spent from purchasing sperm for the mare and inseminate it, until the foal is born and ready to be sold. What is also important to keep in mind is “when does the customer buy the product, and when does the customer pay for the product” (Timmons et al. 2014, 93).

Operations plan can be divided into the operations strategy, the scope of operations and ongoing operations. An operations strategy provides the overview of the strategy. This section should explain how the company positions itself in dimensions of quality, cost, flexibility, and on-time delivery for example, to gain a comparative advantage on markets. Also, the geographical location and facilities should be included here, along with how they add the company's competitive advantage. The geographical location is asked about also in the template in Oma Yritys-Suomi (2020).

The scope of operations means the production process of the product or service, what is in the house and what is outsourced. This section also keeps inside partners, suppliers and other possible stakeholders involved in the process. (Oma Yritys-Suomi 2020; Timmons et al. 2014, 95.)

The last part of the operations plan is ongoing operations to explain the day-to-day activities of the inputs needed. It should illustrate how the production impacts cash flow, and Timmons et al. (2014, 96) advise to do it graphically by making an operating cycle overview diagram.

A development plan should keep inside a development strategy and - timeline. It is an important part of explaining the journey from the company's current position towards the future. (Timmons et al. 2014, 97). For example, if a stable selling sport horses wants to start offering rehabilitation services to disabled children, the development plan would keep inside the strategy and steps on how it will be done.

Operation and development plans are not necessarily needed in the business plan in the early stages or even when seeking funding. This section is more useful when writing a full operational business plan to support the company and team in their daily work hence its direct cost implications. Therefore, these parts are not asked about in the guidebook of Uusyrityskeskus (2020) or Oma Yritys-Suomi (2020). However, Timmons et al. (2014, 101) states that, "planning all the details needed to launch a business is imperative to success."

3.2.6 Team

The team description adds credibility and helps the entrepreneur to sell the vision of the business to the investors successfully. When filling out the business plan, the different skills needed might appear. This is a strategically smart way of building a successful team to focus on the needed skills. However, when the business is starting its operations, it is not financially viable to start with a full team. Timmons et al. (2014, 104) advise selecting two to five key people needed to succeed and build from there when the profit-loss statement allows having more people. When introducing the team, the ownership and compensation percentages should also come up from the text. In addition to introducing the entrepreneur and team, the team section should include external team members that support the company to succeed. It can include the accounting firm the company uses, as an example. (Timmons et al. 2014, 103-109.)

One example of a team working on a horse stable came out while doing the interviews.

It was a good example of a family business, where the daughter was training the horses, the father did the field work and machine maintenance, the mother was feeding the horses and taking care of the mares and foals, the husband of the daughter was mucking out the stables, the brother did something and so on.

3.2.7 Critical risks

Understanding the critical risks the new business might face includes the health insurance of the company. It is not possible to forecast everything that might happen, but to have a plan for the most possible scenarios will prepare the company to make changes faster and adapt to the situation. Timmons et al. (2014, 111) gives an example where the primary target customer will not buy the product as expected. To avoid the worst-case scenario of a negative cash flow, the entrepreneur should be able to redirect the efforts to a new customer group as quickly as possible. It is possible if there is a ready contingency plan for this type of risk.

The possible risks listed by Uusyrityskeskus (2020, 24-25) in a business can be contract -, responsibility, environment - or information related. They can also be divided into strategic, economical, operative or accident risks. Good risk management is proactive, systematic, organized, but still taking good insurance is recommended in order to transfer the risk to the insurance company. (Uusyrityskeskus 2020, 24-25.)

Every business has its own possible risks, but the author lists and introduces the common risk categories mentioned in the book *The Business plan that works* by Timmons et al. (2014, 111-112) here briefly. However, the entrepreneur should think outside of the box and challenge the team to think about the best mix of risks related to their business.

Table 2. Common risk categories (Source: Timmons et al. 2004).

Common risk categories	Risks in the category	Methods of countering the risk
Market interest and growth potential	No one will buy the product	Market research, focus groups, test the product on market. Identifying not only primary target customer but also secondary and tertiary
Competitors; actions and retaliation	Underestimating competitors	Market research Have room in gross margins and cash available if competitor runs over Identify strategies to reposition the company
Time and cost development	Underestimating the costs of delay in development	Have room in gross margins and cash available in case of delay in development
Operating expenses	Operating expenses grow over the estimation	Monitor and manage sales and administration, marketing, and interest expenses Strategy on how these expenses were forecast (comparable companies and detailed analysis)
Availability and timing of financing	Difficulty obtaining needed financing, equity, and debt	Follow-on financing → identify alternative sources that are viable

In the risk category of market interest and the growth potential, it is relevant to think of the potential target market and customer, but in reality, every horse is an individual. Based on the attributes of the horse, the right customer can be found. The problem, or risk in selling horses comes from the fact that a horse is not a guaranteed product. Even though the seller knows the horse at home and how it performs with the current rider, performance in the new place with the new owner cannot be guaranteed. (Kivipelto 2016, 51.)

Also, the other major risks in buying and selling horses are related to the fact that a horse is a living and constantly changing animal. A horse can break its leg the day before a customer is coming with the money, and the only possibility to save any money is by having good insurance.

The risk of underestimating the competitors can be countered by making a proper market research, because an entrepreneur can never know its competitors too well. One of the tools to get to know the competitors better is to use SWOT-analysis. Entrepreneur Europe's (2020) definition of a competitive analysis is as follows: "Identifying your competitors and evaluating their strategies to determine their strengths and weaknesses relative to those of your own product or service."

The management of time and cost development is crucial to minimize the risks in buying and selling horses. As mentioned before, horses are individuals and they do not develop linearly. Some horses are ready for competitions by the age of four, where others are slow developers and not ready to compete in the same age category with other youngsters. This means that a fast-developing horse can be sold at a reasonable price faster than the one who needs more time to grow. Obviously, the less time a horse spends in the ownership of the company, the cheaper it becomes for the entrepreneur. One of the entrepreneurs interviewed for the thesis said that, "with young horses the horse business is always lottery, because every horse is an individual" (Interviewee B 2020).

To forecast operating expenses, the comparable method introduced by Timmons et al. (2014, 121-125) is a good way to start with to get realistic numbers from existing and operating companies. Fixed costs are easy to predict for a horse stable, but variable costs can create surprises. If a horse gets sick or a machine breaks down suddenly, the company should have room in the balance to finance so-called unpredictable costs.

3.2.8 Financial plan

The financial plan tells the story, the mathematical equivalent, of the company in numbers. Going through the critical numbers of expenses and revenues helps the entrepreneur to understand the business and make clever choices; hence, the financial statement reflects actions taken in the company. Timmons et al. (2014, 121-125) introduce two models to build up realistic financials: comparable analysis and the build-up technique. (Timmons et al. 2014, 121-125.)

The comparable method means that the entrepreneur makes projections based on existing companies' actual performance. Two companies are never one hundred percent alike, but it gives credibility in the eyes of investors if the entrepreneur can make a reasonable comparison of the company's finances with another already existing company from the same industry. This is a starting point that requires the analysis and explanation of competitive advantages in the company compared to another and marking the weaknesses.

Table 3. Example of common-sized income sheet comparison (Source: Timmons et al. 2014, 123).

	FireFly 2007		Vermont Teddy Bear 2001		Variance
REVENUES	24,2	100 %	37,3	100 %	0 %
COST OF REVENUE	6,4	26 %	13,4	36 %	-9 %
GROSS PROFIT	17,8	74 %	23,9	64 %	9 %
Sales and marketing	7,6	31 %	14,8	40 %	-8 %
Product development	0,4	2 %		0 %	2 %
General and administration	2,2	9 %	4,7	13 %	-4 %
Total operating expenses	10,2	42 %	19,5	52 %	-10 %
Earnings before interest and taxes	7,6	31 %	4,4	12 %	20 %
Interest income	0	0 %	0,3	-1 %	1 %
Net earnings before taxes	7,6	31 %	4,2	11 %	20 %
Taxes	3	-12 %	1,6	4 %	-17 %
Net income	4,6	19 %	2,6	7 %	12 %

The variances in the income sheet comparison can come from the stage of the company's development, size, the kind of revenue streams and the cost structure, for example. The value comes from understanding why the differences exist.

In addition to individual company benchmarks, it would also be valuable to look at industry averages to get a wider picture of the company's financial statements. (Timmons et al. 2014, 121-125.)

The build-up method means that the entrepreneur breaks down the income statement to one day and then multiplies that with the number operating days in a year. The same calculation for income and costs should be done by thinking about the worst possible scenario or a slow day, and for a good day, to get what the difference can be in a year. (Timmons et al. 2014, 121-125.)

The use of the comparable – and the build-up method together allows the entrepreneur to make a more realistic set of financials to create the income statements, the cash flow statements, and balance sheet needed for the full financial statement. The usual time frame that investors are asking about is five years of finances. Most companies are losing money for the first two years, so the first financials should show the chance of survival until the company can be self-sustaining. The three-years after the point of survival should show the growth potential of the company. The financials of the first two years should be in month-to-month regularity to show the needed cash flow and to get a warning of when to seek for more financing. The years after that can be presented in an annual balance sheet in order to get an overview of estimations. (Timmons et al. 2014, 121-125.)

The example of the financial plan in the guidebook of Uusyrityskeskus (2020, 18-19) advises making a financial statement (*rahoituslaskelma*), profitability calculations (*kannattavuuslaskelma*) and a sales forecast (*myyntilaskelma*), where Corporate Finance Institute (CFI) and Timmons et al. use the terms income statement, balance sheet and cash flow. In the next chapter the terms are explained in more detail, but the outcome of the business plan follows the example of Uusyrityskeskus, as the business will be in Finland.

3.3 Financial statements

As mentioned in the previous section, the full financial statement that investors might ask for from the starting entrepreneur consists normally of the income statements, the cash flow statements, and the balance sheet. In this chapter the different financial statements are explained in more detail.

The income statement shows the profit and loss of the company over a period, which usually follows a monthly division. The statement includes the company's revenue, costs, gross profit, selling and administrative expenses, other expenses and income, taxes paid, and net profit (CFI 2020).

Table 4. An example of the imaginary income statement for a one month (Source: CFI 2020).

INCOME STATEMENT	Million €/month
Revenue stream 1	500
Revenue stream 2	200
Returns, Refunds, Discounts	20
TOTAL NET REVENUE	720
Cost of Goods sold	250
CROSS PROFIT	470
EXPENSES	
Variable expenses	250
Fixed expenses	150
TOTAL EXPENSES	400
EARNINGS BEFORE INTEREST & TAXES	70
Interest Expense	2,5
EARNINGS BEFORE TAXES	67,5
Income taxes	11
NET EARNINGS	56,5

Table 4 illustrates an example of the income statement. Revenue, or the different streams of revenue, are displayed at the top of the income statement. Revenue is the income received from the sales of goods or services, and it is the gross of the costs related with creating the goods or services. The costs of goods sold (COGS) or cost of sales (in case of service business) collects the direct costs related with selling the products or services. (CFI 2020.)

The Gross Profit = Total Net Revenue – Cost of Goods Sold

Expenses are separated into fixed and variable expenses. Fixed costs do not change over time. These are for example rent, interest expenses or property taxes. Variable costs are the ones that vary, like material costs, labour costs, or marketing expenses. (CFI 2020.) Table 5 lists the fixed and variable costs in Denise Cummins' horse stable.

Table 5. Sources of income and expenses at Denise Cummins' horse stable (Cummins, 2020)

Income	boarding, training, lessons, clinics, arena rental, products, shows, horse sales
Variable expenses	Hay, feed concentrate, bedding, labour, supplies, veterinary, workman's compensation
Fixed expenses	Mortgage, liability insurance, property taxes, repairs/maintenance, telephone, utilities, website

To make and maintain a profitable horse stable business, the income consists not around one revenue stream, but many of them. At Denise Cummins' stable the sources of revenue are boarding, training lessons, clinics, arena rental, products, shows and horse sales. As already discussed in this thesis, the costs are divided into fixed and variable expenses. In the horse stable fixed costs are those which remain the same regardless of the number of horses in the stable, such as mortgage. The stable management expenses that are variable depend on the number of horses, such as feed and bedding. (Cummins 2020.)

Earnings before interest and taxes (EBIT), or operating income, illustrates the earnings from regular business operations before non-operating income or – expenses, interest, or taxes.

Net Earnings = Gross Profit – Total Expenses – Interest Expense – Income Taxes

The balance sheet, or the statement of financial position, illustrates the company's total assets and if they are financed with debt or equity. The balance sheet consists of two sides. All the company's assets are on the left side, and the company's liabilities and shareholder's equity on the right side (Table 6. The assets and liabilities consist of current and non-current assets and liabilities. (CFI 2020.)

Assets = Liabilities + Equity

Table 6. An example of a balance sheet (Source: CFI 2020).

BALANCE SHEET			
Assets		Liabilities	
Current assets:		Current liabilities:	
Cash	167 971 €	Accounts payable	3 902 €
Accounts receivable	5 100 €	Accrued expenses	1 320 €
Prepaid expenses	4 806 €	Unearned revenue	1 540 €
Inventory	7 805 €	Total current liabilities	6 762 €
Total current assets	185 682 €		
		Long-term debt	50 000 €
Property & Equipment	45 500 €	Other long-term liabilities	5 526 €
Goodwill	3 580 €	Total liabilities	62 288 €
Total Assets	234 762 €		
		Shareholder's Equity	
		Equity capital	170 000 €
		Retained Earnings	2 474 €
		Shareholder's Equity	172 474 €
		Total Liabilities and Shareholder's equity	234 762 €

The cash flow statement illustrates how much cash is generated and used in a time period. The cash flow statement includes operating -, investing -, and financial activities of a venture. One of the main reasons to observe cash inflows and outflows is to compare the cash to net income. The cash flow statement illustrates the real amount of money received from operations and so helps to follow how well the operations are running.

The real amount of money means that the cash flow statement only recognizes cash that is received or used, where the income statement matches revenues and expenses for the accounting period (revenues might not be yet collected, or expenses paid). That is the difference between cash and profit. (CFI 2020.)

Table 7. An example of a cash flow statement (Source: CFI 2020)

CASH FLOW STATEMENT	
Operating Cash Flow	
Net earnings	2 500 €
plus: Depreciation & Amortization	20 000 €
minus: Changes in working capital	9 000 €
Cash from operations	13 500 €
Investing Cash Flow	
Investments in property & equipment	15 000 €
Cash from investing	15 000 €
Financing Cash Flow	
Issuance (repayment) of debt	0 €
Issuance (repayment) of equity	170 000 €
Cash from financing	170 000 €
Net increase (decrease) in cash	168 500 €
Opening cash balance	0 €
Closing cash balance	168 500 €

The financial statements in Table 7 showcase one example to illustrate the profitability of a company, However, the author will use a slightly different approach to show the profitability of the horse training center, while the company will be a tradename, and a simple dehydrated plan is enough in the early stage of the business. Also, the starting expenses does not require investors, so the full set of financial statements will not be necessary.

The statement that the author will use is a simple profit and loss statement calculated as follows:

$$\begin{aligned}
 & \text{Revenue} \\
 & - \text{Variable costs} \\
 & = \text{Contribution margin} \\
 & - \text{Fixed costs} \\
 & = \text{Profit/loss}
 \end{aligned}$$

Contribution margin ratio equals to contribution margin divided by the revenue and multiplying the result by one hundred. The percentage is needed to calculate the break-even point of the company. (Osaava yrittäjä 2020.)

$$\text{Break-even point} = \frac{\text{Fixed costs}}{\text{Contribution margin ratio}} \times 100$$

4 OBJECTIVES

In this chapter the author introduces the business idea and the research questions to find out if the idea is viable. Also, the limitations of the research are analysed briefly.

4.1 Business idea introduction

The equestrian industry is a globally growing industry sector, which provides an increasing number of jobs around the world every year. The trend is also similar in Finland, but it is centered in the South of Finland. In North Karelia there are 45 stables (hevostalli.net 2020) but none of them offers professional training services for sport horses with premises needed for that, so the idea of starting a professional horse training center came up. The idea for the business came from the author's personal interest in horses, and the experience in the industry gives a good basis to succeed in it.

The business idea is to buy young horses, work with them so that the value increases enough and sell the horses forward nationally and internationally. However, buying and selling horses is not enough, especially from the very beginning, so the services will also include training other's horses so that they will return to their owner after the training period, and to help customers to sell their horses. This could also mean cooperation with a breeder so that the foals would come to be broken into the training center and then sold forward.

The plan is to build big enough facilities for own training purposes, but also to organize clinics, training, and competitions for outsiders, which will be an additional source of revenue. These additional services will not only benefit the business itself, but it will also bring value for the horse owners and riders in the area. The big dream is to inspire new people to start riding in the area, which would mean a lot to the industry and local riding schools. A small percentage of these riders will become competition riders and start buying their own horses, which would also bring work to the training center.

Services of the horse training center:

- Buying and selling quality sport horses to national and international markets
- Training horses owned by private customers
- Stall rent for private horses
- Renting the premises for training and clinics
- Organizing clinics and competitions

4.2 Objectives and results of the thesis

It is a vital condition for a business to make profit, and so the objectives of the thesis are to find out if a new horse training center based in North Karelia would be viable. As a result of the research there will be a business plan for a horse training center located in North Karelia with focus on profit loss analysis and profitability.

4.3 Research questions

A research question is the core to guide the research and keep it focused. It states the problem to which the research will find a solution. (Duke writing studio 2020.) The main goal of the thesis is to find out whether it is profitable to start running a horse training center in North Karelia, so the research questions came naturally. Here the author will introduce the two research questions.

4.3.1 Question one: What is the cost structure in the different revenue streams of the horse training center?

To make the business profitable, it is vital to understand the cost structure of the company. Cost structure means the type of expenses the business has, and it can be used as a tool to dig into costs included in every service that the company provides. Cost structure usually consists of fixed and variable costs. Fixed costs are costs that do not change over time. These are for example rent, interest expenses or property taxes. Variable costs are the ones that vary, such as material costs, labor costs, or marketing expenses. (CFI 2020.)

The first research question is: What is the cost structure in different revenue streams of the horse training center? This means that the author will make a cost structure analysis for each revenue stream planned for the horse training center.

4.3.2 Question two: What are the typical market prices for each service to make the horse training business profitable?

When the cost structure for each service in the company is clear, the next step is to find out market prices to make the services profitable. Market price means the current price level on the market at which the service can be sold or bought. In other words, it means the point where the forces of supply and demand meet. (Investopedia 2019.)

The second research question means the author will conduct research regarding market prices on the chosen services that the horse training center is planning to offer.

5 EXECUTION

This chapter gives a general introduction to the research strategy, the methods used in the research and how the data was analysed. The author used a case study as a research strategy and analysed the empirical research by using qualitative research methods. The data was collected by semi-structured interviews to support the gathered secondary data.

5.1 Research strategy and type

The research strategy used in this thesis is a case study, which investigates the practicality of work and how it can be developed. It is part of the process of professional learning and development. A case study includes the recognition of practical problems and the elimination of them, which is an essential part of the purpose of this thesis. (Kananen 2009, 9, 18, 23.)

The research type is an empirical research as it collects new information to create a business plan based on the research. The definition of an empirical research by Bhat (2020) is, "Empirical research is defined as any research where conclusions of the study is strictly drawn from concretely empirical evidence." The empirical evidence can be gathered and analyzed by using quantitative or qualitative research methods. (Bhat 2020.)

5.2 Research methods

The research method used in this thesis is a qualitative research method. Qualitative research methods are used to find opinions, experiences, meanings or reasons for an examined subject and when there is no need for a large amount of numerical data. The most used forms of the methods are interviews, focus groups or experiments where the sample size is usually small. The methods are semi-structured or unstructured conversations to get more in-depth knowledge of the problem in hand. (Bhat 2020.)

The qualitative research methods are used in this study to find out answers to the two research questions. The first research question is: What is the cost structure in the different revenue streams of the horse training center? The data collection was done by using the semi-structured phone interviews and an internet search. A semi structured interview (SSI) is a conversation with one respondent at time to gain information about the question in hand. SSI can be a combination of closed- and open-ended questions and it leaves room for open conversation with follow up how and why questions. (Adams 2015.) The author chose this form of a qualitative research method because it enables free conversation about the topic to get additional information and possibly more value for the study.

The data was collected from literature sources and publications about the cost structure in horse stables and from existing entrepreneurs in the equestrian industry with the most similarities to the horse training center in planning. The author wanted to keep the sample size small so that the analysis of the interviews would not be too heavy to execute. The number of the interview respondents was three. The interviewees were selected based on the reputations in horse sales as well as the location of the business. The data was analyzed by transcribing the interviews and collecting transcriptions to Excel format.

Interview questions:

1. What are the revenue streams of your business?
2. What are the fixed costs in your business?
3. What are the variable costs in your business?
4. Is your business profitable?

The second research question is: what are the typical market prices for each service to make the horse training service profitable? The data collection was performed by using semi-structured phone interviews and an internet search as with the first research question. In addition to searching for information from literature sources and publications, the author studied companies' websites for information on price ranges to support the data collection.

The websites were chosen based on the location of the business as well as their business models. The data was analysed by calculating the price range of market prices in Excel.

5.3 Research process

A research process starts from generating the research problem. What is it that the researcher wants to study, and how is the subject confined? The next step is to plan the research process. Who is making the research? What is happening and when? After this, it is relevant to clarify how the material needed to solve the research problem can be collected. When the information collection is done and it responds to the aim and objectives of the research, the material can be analysed. The last part is to represent the results and future possibilities to the receiving organization, which in this case is Karelia University of Applied Sciences. The most important part is to find the purpose for the research and have clear research questions. Then, finding and representing the results is easier, and the study stays in line. The steps of the research process are illustrated in Figure 3 (Mäntyneva et al. 2008, 13-14.)



Figure 3. The steps in the research process (Source: Mäntyneva et al. 2008, 13).

The schedule of this research is illustrated by using the Gantt Chart tool for project management. The Gantt chart is a useful way to represent activities against time. It can demonstrate various activities, the start and the end date of each activity and the whole project. (Gantt 2020.) On the left of the chart (Figure 4) are the activities and on the top is the time scale represented weekly.

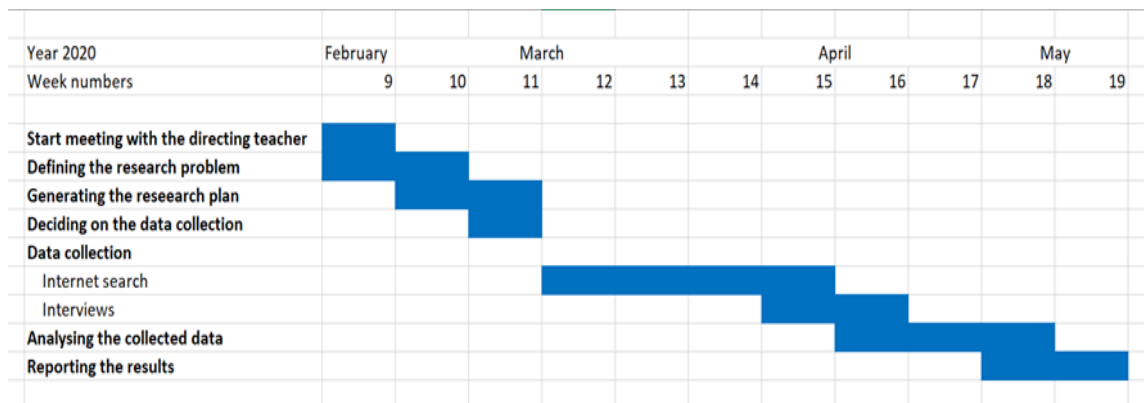


Figure 4. The Gantt chart of the research process (Source: Gantt 2020).

The research process started with a meeting with the thesis supervisor from Karelia University of Applied Sciences and continued with the research process. The overall time used for the research process was ten weeks.

5.4 Validity and Reliability

Validity and reliability are the key factors of a research to assure that it is trustworthy. There are different strategies for each stage of a research to avoid factors weakening the validity and reliability. However, the strategies are not the same in qualitative and quantitative research. (Brink 1993, 35.) This chapter focuses on the validity and reliability in qualitative research and introduces factors that affect the reliability of this study.

Validity means the accuracy and truthfulness of findings in a research, where reliability means the stability, consistency and repeatability of the information gathered.

Reliability also means how accurately the researcher can gather the information. The common errors affecting both the validity and reliability of a research are the researcher, the subjects participating in the project, the situation or social context, and the methods of data collection and analysis. The bigger the errors are, the less accurate and trustworthy the results can be. (Brink 1993, 35.)

The experience and knowledge of the author in the equestrian industry and useful contacts creates credibility for the research.

Other aspects influencing the validity and reliability in the research are the number and the quality of the references, and the number and reliability of entrepreneurs interviewed in this research. The author interviewed long-term professionals in the equestrian industry and believes that the results are trustworthy.

5.5 Ethicality

Fundamental themes in research ethicality are questions related to data collection and the privacy of the respondents / interviewees. The researcher is morally responsible for collecting the data and treating the interviewees in an ethical manner. There are basic rules and regulations that support the trust between the researcher and the respondents and guides the ethicality in a research. (Mäntyneva et al. 2008, 23.)

The rights of the respondents include keeping their identity secret. If the respondent has given permission to use his / her name in the published material, the researcher needs to tell clearly who will receive the information, and for which purposes it will be used. The researcher needs to tell the respondents if the interview is recorded, and the material needs to be deleted after the interview if the respondents wants. (Mäntyneva et al. 2008, 24-26.)

The author follows the common rules of ethicality in a research as the names of the interviewees are not published, and it is impossible to find out their identities.

The interviews were conducted over the phone, and the researcher has introduced herself, explained the purpose of the research, and asked permission to record the phone calls for later use. The recordings were deleted after the transcription was done.

5.6 Limitations

The research will focus on the cost structure of a horse training center based in North Karelia, Finland, which means that the numbers do not apply anywhere else. This limits the usability of the cost structure analysis only to the North Karelia region and for this specific business.

Equestrian industry covers a very wide range of businesses, and this research will focus only on the cost structure of the horse training center based in North Karelia and be applicable only for the service categories of this business. Also, the number of the interviews brings limits the analysis.

6 RESULTS

This chapter introduces the interview questions and how the research questions were answered to utilize the knowledge in the business plan. The author planned to interview five entrepreneurs from the horse industry from which three gave an interview. The interviews were semi-structured, telephone interviews. The author asked questions about the cost structure (fixed and variable costs), revenue streams, and the profitability in the chosen companies. The rest of the discussion was open conversation depending on the business and its service categories. The interviews were not the main source of information for the thesis, but they were meant to support the internet search to answer the research questions. Due to privacy reasons the names of the interviewees are not published so they are called A, B and C in the text.

Interviewee A runs a small riding school and imports horses for sale besides her other work and profession. The tradename is located in Southern Finland. Interviewee A has been importing horses to Finland and selling them for around 20 years. The author chose this company because of its experience in importing horses. However, it was not known beforehand that she is not making her full income from horses.

Interviewee B deals with horses as a main business instead of buying and selling them. He works as a part of the team in a limited company based also in Southern Finland. Additional revenue streams are buying and selling horses and participating in a competition organizing team in the biggest riding competitions in Finland. The limited company is less than two years old, but it was known by a different name and business model previously. What makes this company interesting is the young age and the collection of revenue streams.

Interviewee C is running a stable in North Karelia with her business partner as a limited company. The stable offers stalls for rent, with the possibility for an active stable where horses are living in a herd. In this case the cash flow consists mainly of the rent.

The other revenue streams are training the horses and coaching the riders. The location of the stable was the main reason for the interview together with the young age of the company.

The author wanted to compare the cost structure in different companies due to their different sources of revenue, to create the best possible model for her own business. Unfortunately, the interviewees were not able to offer their financial statements, so the comparison is done based on the conversations.

Table 8. Interview comparison.

	Revenue streams	Fixed costs	Variable costs	Comments
A	Riding school, selling horses	Mortgage and other loans, Road payments, Fixed costs of a truck and a car	Hey, feed, bedding, supplies, veterinary, water, blacksmith, electricity, fixing the riding arena and stable, competition fees, tack, incurances, ilmpor expences (bying the horse, registration, ID numering, vet check)	Most of the income comes from the riding school NOT PROFITABLE
B	Dealing and selling horses, competitions	Labour costs, website	Stall rent, hey, feed, pedding, veterinary, travel, tack, competition fees, marketing	Most of the income comes from dealing the horses PROFITABLE
C	Stall rent, Training horses, Coaching riders	Mortgage and other loans, hey (annual deal), labour costs, insurance	Hey, Bedding, feed, supplies, electricity, fixing the riding arena and stable, incurances	Most of the income comes from stall rent PROFITABLE

The results of the discussions were interesting and eye opening. Interviewee A said straight away that her business is not profitable. She has accepted it but wants to continue out of her love of horses. The author asked the interviewee why she thinks the business is not profitable, but there was not a proper answer to that. Obviously, the cost structure is heavy only by looking at the Table 8. However, interviewee A had accepted the losses because her main income comes from another profession. The author thinks that there would be more interest in developing the business to be profitable if it were the only source of money for the entrepreneur.

When interviewing company B, the author got an answer as to why it might be so difficult for Interviewee A to make her business profitable. Interviewee B gave an example of buying a horse and selling it forward:

Let us assume that you as a company buy a horse worth 5000 euros and import it to Finland. The vet check and the import process cost around 1000 euros. When the horse is in Finland you need to register it and do other necessary paperwork, it costs x amount of money. Then depending on the time, you need to keep the horse (how fast the horse develops / learns or how fast you can sell it), and the costs keep rising. After six months the horse is ready to be sold, and the money you need to make profit is, let me say 10,000 euros. The “but” comes here. Usually the horse you buy as a company is bought from a private seller, so the 5000 euros you paid does not include VAT. However, when you sell the horse, you need to pay 24% of VAT. This means that suddenly you should get 12,400 euros of a horse whose real value is maximum 10,000 euros. – Interviewee B.

The author had not thought about how VAT can make such a difference, so this gave perspective for planning her own business. The example of Interviewee B also explains why their company is focusing on dealing the horses. In this case the customer gets the same horse at a more affordable price. The dealing fee for Company B is 500 euros + VAT 24%, and the vet check and travelling costs are 1000 euros, normally including VAT of 24%. So now the customer gets the same horse as is the example above with total costs of 6,620 euros instead of 12,400 euros.

The financial benefit for the customer is not the only reason Company B is dealing horses instead of buying and selling them. Dealing horses allows more volume to the sales, and the cost structure is significantly lighter compared to the business model which Company A has, for example. A horse dealer does not need its own stable, which cuts out the biggest costs, which come from the premises and feeding and taking care of the horses. However, Interviewee A gave the author a reason as to why she wants to own the horses before selling them.

Most of the horse sellers in Finland are dealers, but I want to own the horses before selling them to have the full responsibility of the “product” I am selling. There is a lot of dishonesty among horse dealers, so I want to fix that. – Interviewee A.

This is her opinion, and obviously Interviewee B gave the opposite opinion. He thinks that if a person owns the horse before selling it there is a bigger motive to lie about the condition of the horse to get the money needed to cover the costs. The author will not take sides here, but she agrees with Interviewees A and B that trust is the most important thing in selling horses.

Company C differs significantly from Companies A and B. The income consists of renting the stalls to private horse owners instead of selling horses. In this business the income is more consistent than in company A or B. This made the author think about adding stall renting as one of the main services in the horse training center. It would provide monthly cash flow to run the operations in times when the other revenue streams have slow seasons. Also, the cost structure in the company C is more comparable to what it will be in the horse training center because of the location.

The business plan is shaped based on the interviews and the calculations of the author. The original plan of importing quality sport horses and selling them at profit will happen hopefully in the future, but first the company needs to build its equity with other means.

It requires a massive amount of equity to buy good enough horses in order to make enough profit.” Therefore, buying and selling horses is not included in the calculations or the business plan. – Interviewee A

The chosen revenue streams of the horse training center are:

1. Renting the stalls for private horse owners
2. Training others' horses, taking them to competitions
3. Coaching riders

6.1 Question one: What is the cost structure in different revenue streams of the horse training center?

All the costs of each service category are separated to get the full idea how they are constructed. Costs are separated into direct and indirect costs, where the direct costs are usually variable costs and indirect costs are fixed costs.

This is vital in creating the cost structure for each service category because the indirect costs are very difficult to derive under a specific product. These indirect costs are fixed, no matter if the service is not happening or the product is not produced. (Accounting Tools, 2018.)

The author uses the model offered in Oma Yritys-Suomi (2020). There the percentage of profit is calculated for each product/service category by subtracting the costs. Here the author will calculate the percentage of direct costs in each revenue stream. The cost structure in the different revenue streams of the horse training center is presented in Excel format. However, it does not tell the reality of the cost structure because of the amount from indirect costs.

Table 9. The variable costs of the horse training and stall renting per horse in a month.

Percentage of direct costs per horse in horse training and renting the stall			
	Incl. VAT14%	Excl. VAT14%	VAT14%
Costs			
Bedding	20,00 €	17,20 €	2,80 €
Hay	50,00 €	43,00 €	7,00 €
Oats and vitamins	35,00 €	30,10 €	4,90 €
	105,00 €	90,30 €	14,70 €
Prices	Incl. VAT24%	Excl. VAT24%	VAT24%
Horse training	550,00 €	418,00 €	132,00 €
Stall renting	390,00 €	296,40 €	93,60 €
Percentage of variable costs in horse training	19 %	22 %	
Percentage of variable costs in stall renting	27 %	30 %	

Table 9 shows that the direct costs of the horse training and the stall renting are the same. This is because horse training includes the stall renting as well. Based on the calculation, taking horses for training would cost 8% less per horse compared to the income than filling the stable with private horses. However, the time of the entrepreneur used for each horse is not taken into consideration in the calculation. Horses that come to the stable for training take approximately twice as much time than taking care of the horses only living there (stall renting). The salary of the entrepreneur is part of the indirect costs and cannot be derived under one service category.

The third service category of the horse training center is coaching riders. It consists completely of indirect costs, which is why it is not in the table above. The calculation of the cost structure in each service category does not give the reliable structure of the costs in the horse training center because the cost structure consists mainly of fixed costs. Therefore, the author filled up a cost structure of the whole horse training center (Table 10).

Table 10. The cost structure of the horse training center.

Cost structure	Month	Year
Fixed costs		
Rent	1 500,00 €	18 000,00 €
Electricity	500,00 €	6 000,00 €
Insurance	80,00 €	960,00 €
Property tax	6,00 €	72,00 €
YEL tax	376,00 €	4 512,00 €
Repayment of loan	100,00 €	1 200,00 €
Bookkeeping	100,00 €	1 200,00 €
Total fixed costs	2 662,00 €	31 944,00 €
Variable costs per horse		
Bedding	20,00 €	240,00 €
Hay	50,00 €	600,00 €
Oats and vitamins	35,00 €	420,00 €
Total variable costs per horse	105,00 €	1 260,00 €

The excel above (Table 10) shows that even if there are no horses in the stable using bedding, hay, oats or the time of the entrepreneur, the fixed costs are relatively high. The salary of the entrepreneur is the only one where to make savings. The numbers are based on the interviews and the calculations of the author in the business plan.

As a conclusion, the cost structure of running a horse training center is heavy and needs enough volume to cover the costs and make the business profitable.

6.2 Question two: What are the typical market prices for each service to make the horse training business profitable?

Market prices of the service categories which the horse training center is planning to offer differ a lot based on the location, the number of “additional benefits” for the customer, the experience of the service provider and other immaterial things. The typical market prices are lower in North Karelia than in Southern Finland. The author chose two stables from Southern Finland and four from North Karelia to compare the stall rental costs for the customers.

Table 11. The stall rental prices (Stable Nova, Rusutjärven ratsutila, Equidomi, Kantelesärkän talli, Liperin Ratsastuskeskus, Koivikon ratsutalli 2020).

Stable Nova	Hyvinkää	950€/month
Rusutjärven ratsutila	Tuusula	740€/month
Equidomi	Joensuu	500€/month
Kantelesärkän talli	Joensuu	550€/month
Liperin Ratsastuskeskus	Liperi	535€/month
Koivikon ratsutalli	Kitee	450€/month

The price level of stall rental prices in the South of Finland is more expensive than in North Karelia. All the prices above include the use of an indoor riding arena, which the horse training center is not able to provide in the beginning of operations. Koivikon ratsutalli is the closest competitor from the stall rental point of view for the Horse training center.

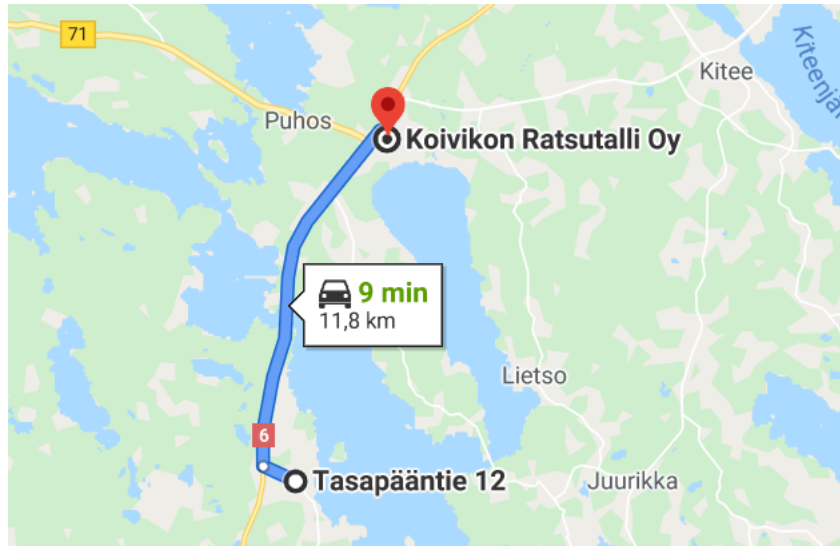


Image 1. The location of the Horse training center and Koivikon ratsutalli Oy (Source: Google maps 2020).

The stall rental price at Koivikon ratsutalli without the use of an indoor arena is 400€ per month, which is already more comparable of a price level when thinking about the pricing at the horse training center. The author found a couple more stables which offer stall rental in North Karelia without access to an indoor riding arena, and then the price range is between 300€-400€ per month. The stall rental price at the Horse training center must be a little bit lower than in Koivikon ratsutalli, because of the distance from the indoor arena and Kitee. However, the Horse training center also provides additional benefits compared to Koivikon ratsutalli. At Koivikon ratsutalli the horses get hay three times a day, where the Horse training center will feed hay four times a day. At the Horse training center, the horses will get water 24/7 also in the winter, where Koivikon ratsutalli does not provide water for the horses during their time in the paddock.

Compared to the typical market prices and the services included for the stall rental, the price for the stall rental will be 390€ per month including VAT (24%). If the Horse training center can finance an indoor arena in the future, the price level of the stall rental can be lifted to 450€-500€ per month.

The second service category is to take horses for training. The price includes the stall rent of 390€ per month, and then the rest of the price depends on the experience of the rider.

There are no stables in the North Karelia area that take a horse for a month or two for training and then return it to the owner. Now many of the horse owners in North Karelia take their horse to Riikka Harjula as an example. She is training young horses in Ypäjä, Finland. Harjula is running a company called Callisto Horses, which provides horse training from breaking in the horse to further training. At Ypäjä the stall rent costs 625€ per month, and Callisto Horses takes 1000€ from training the horse per month, including the stall rent (Callisto Horses 2020). That leaves 375€ for Callisto horses per horse per month. If the Horse training center would take the same amount per month from training the horses as Callisto Horses, the monthly cost for the customer would be 765€/month (390€ + 375€). However, Callisto Horses has a long history and Riikka Harjula is a very talented rider, whereas the Horse training center will be new, and the rider is not yet that well known. Also, the location effects on the price level. Taking the location, the age of the company, the level of the rider, and the solvency of the customers under a consideration, the starting price for the training service cannot be more than 550€ per month. As the rider and the company get a bigger name among horse owners the price level can be again lifted slowly.

The third service category is coaching riders. This is again very difficult to set a price tag on, because it includes a lot of variables. The biggest variable affecting the price is the experience of the coach as a rider and for how long she/he has been teaching. The education of the coach creates reliability and can influence the price as well. The author mapped out the prices by comparing the price level for private and small group riding lessons in different riding schools in North Karelia (Table 12.). The information is easily accessible in the websites of the companies.

Table 12. Prices of riding lessons in the riding schools in North Karelia (Koivikon ratsutalli, Joensuun ratsastusopisto, Jokirannan ratsastuskoulu, 2020)

Koivikon ratsutalli	Joensuun ratsastusopisto	Jokirannan ratsastuskoulu
With riding school horse:	*Lesson without	*Lesson without
*Lesson without subscription 30€	subscription 30€	subscription 28€
*Private lesson 45€	*Private lesson 65€	*Private lesson 60€
*Lesson 2x riders 35€	*Lesson 2x riders 50€	
With own horse:		
*Group lesson 16€		
*Private lesson 30€		
*Lesson 2x riders 20€		

The price for a private lesson is double the price in the two riding schools in Joensuu compared to the riding school in Kitee. One of the reasons in the big price difference is the education, because the teachers in Joensuun Ratsastusopisto and Jokirannan ratsastuskoulu have done the masters level in teaching in the Equine collage in Ypäjä, where the teacher in Koivikon ratsutalli is a lower lever teacher. The lack of education creates also ground rules to set the price for coaching in the horse training center. However, the experience speaks for itself to be able to get enough customers.

The prices at the horse training center:

- Three rider and horse combinations 30€
- Two rider and horse combinations 35€
- One rider and horse combinations 40€

6.3 Business plan for a horse training center

The business plan for the Horse training center was created as the result of the thesis. In North Karelia there are 45 stables (hevostalli.net 2020), but none of them offer professional training services for sport horses with premises needed for that, so the idea of starting a professional horse training center came up. The idea for the business came from the author's personal interest in horses, and the experience from the industry gives a good basis to succeed in it. The structure and the subheadings of the business plan follows the instructions given in the guidebook of Uusyrityskeskus (2020, 18-19).

6.3.1 Business idea

The original business idea was to buy young horses, work with them so that the value increases enough and sell the horses forward nationally and internationally. However, buying and selling horses requires more equity than the entrepreneur would have in the beginning of the business operations, so the plan changed slightly. The main services of the Horse training center will include training other's horses so that they will return to their owners after the training period, rent the stalls and coach riders in the North Karelia.

The main services provided:

- Training horses owned by private customers, Break in / Further training
- Stall rent for private horses
- Coaching riders

The horse training center will provide quality services for the horses and their owners in the quiet countryside of North Karelia. The goal is to be known as the best full-service stable to rent stalls in the Central Karelia (part of North Karelia), which includes Kitee, Tohmajärvi and Rääkkylä. The horses will be the number one priority with the best possible care, and the owners will be served with quality customer service.

When the turnover of the company is big enough to make bigger investments, the plan is to build bigger facilities, including an indoor arena, for the owner's own training purposes, to organize clinics, trainings, and competitions. Also, the horse sales will increase its share of the turnover as the business grows. The facilities will not only benefit the business itself, but it will also bring value to the horse owners and riders in the area. The big dream is to inspire new people to start riding in the area, which would mean a lot to the industry and local riding schools. A small percentage of these riders will become competition riders and start buying their own horses, which would bring work to the training center.

The company will be registered as a tradename that combines the name of the yard where the company will be located, and the provided service.

6.3.2 Know how

The entrepreneur has more than two years of experience working in professional competition stables in Germany and Italy. She was taking care of the day to day care of the horses, including riding the quality sport horses. In addition to the know-how gained from Germany she has had her own horses her entire life.

For the further education, the entrepreneur will study coaching riders and training young horses in Ypäjä Equine College.

6.3.3 Offering

The main services provided by the Horse training center are training horses, renting the stalls, and coaching riders. The stable is located only one kilometer away from the Road 6, and the final kilometer has also asphalt coating, which makes the place easy to access. The facilities include a big riding arena (35 m x 60 m), lounging circle, a horsewalker (the only one in North Karelia!) and a lot of quiet nature around to go riding in the forest. The indoor arena is 10 minutes away (by car) to go free jumping and training.

The stable is a quite countryside stable with big enough stalls. As bedding the company will use shavings. The stalls are mucked out once a day and the paddocks once a month or every time the horse changes.

Table 13. Services of Horse training center. The prices include VAT.

Stall rent	Stall, paddock (full or half day), beddings, hay (10kg/day), oats (up to three litres) basic vitamins, electricity, bucket water 24/7, mucking out of the stall and the paddock, rug up the horse, use of the water box	390€/month
Break in	Teaching a young horse to be under saddle and tacked, get used to lounging, do three clear gaits with a rider, usually 1-3 months	550€/month
Further training	The horse knows the basics but needs further training	550€/month
The use of the horsewalker	Maximum one hour at a time	100€/month OR 10€/time
Training of a horse	One time = 45-75 minutes	35€/time + travelling
Lounging of a horse	20 minutes	10 €
Coaching riders	Quality training with maximum three rider and horse combinations per lesson (flat and jumping)	30€/three riders, 35€/two riders, 40€/one rider
Clipping	Full clip / half clip	80€ / 40€
Boots to the paddock		5€/month
Trailer rent	Fits two horses	40€/day
Extra hay	On top of the 10kg / day	10€ = 6kg
Extra services	Holding the horse for the vet, blacksmith etc.	20€ / hour

6.3.4 Customer

Customers are all the horse owners in Central Karelia who wish to have good quality care for their horses and do not have own stable. The age of the customers is in between 20-60 year-old women and men.

Most of the horse owners and riders in Finland are women, 63% are adults (older than 18 years old) and 37% juniors. (Ratsastuksen tunnuslukuja 2017.)

There are three type of customers for the Horse training center. The first one is a woman who is working with a good income. She owns one to two horses and wants to rent a stall, possibly with extra services. She values the good care at the training centre knowing that her horses are taken care of while she is at work or on holidays out of town. She lives in the Kitee – Kesälahti area, a maximum 35 kilometers from the stable.

The second customer group includes families where more than one person participates in the hobby. The family owns one to two horses. The family needs help with training the horse and the rider–horse combination to succeed in competitions. These customers value the good care and knowledge that the stable provides. The family lives in the Kitee – Kesälahti area, a maximum 35 kilometers from the stable.

The third customer group includes horse owners who want to buy training services for their horses. The horse can come to live to the Horse training center for intensive training (training happens three to six days per week), or the service can be bought to the home stable. The horse owners value the experience and skills the stable can provide. After the training period the owners get relaxed, have developed, and receive happy horse back to home. The price for one training session is cheaper if the horse is living at the training centre. The location of the customers in this segment expands to a wider area; hence, the owner can bring the horse for training from anywhere in Finland. However, the realistic area of the customers is limited to Eastern Finland.

The fourth customer group includes riders who want quality coaching. Their goal is to compete in show jumping, and they want to get better in it. The lesson can be taught at the training center or at other premises the rider wants.

The riders want to buy the service from the horse training center because of the experience and individual focus on the rider and the horse. The coach takes the level of the rider and horse combination into account and focused on improving their teamwork to reach better results. If the coaching happens outside of the training center, the travel expenses are added to the price. The customers are living in Eastern Finland.

The most important thing is the welfare of the horses, and therefore customers want to choose the horse training center

6.3.5 Industry and competition

The equestrian industry is a globally growing industry sector, where the number of riders in Europe is increasing every year by five percent (FEI 2017). The trend is no different in Finland, where the number of riders and horses is developing all the time. Horseback riding is already a hobby or profession for 81,000 people in Finland, and in the end of 2017, there were 74,400 horses registered. The number had increased by 200 compared to the previous year. (Ratsastuksen tunnuslukuja 2017.)

The town where the Horse training centre will be operating is Kitee, which is part of North Karelia and Eastern Finland. In the North Karelia there are 45 stables (Hevostalli 2020), from which around 16% offer stalls for rent (Figure 5). However, most of the stables are in the Joensuu area, which leaves only three stables renting stalls in Central Karelia (Kitee, Tohmajärvi, Rääkkylä). These three stables are the main competitors when it comes to stall renting.

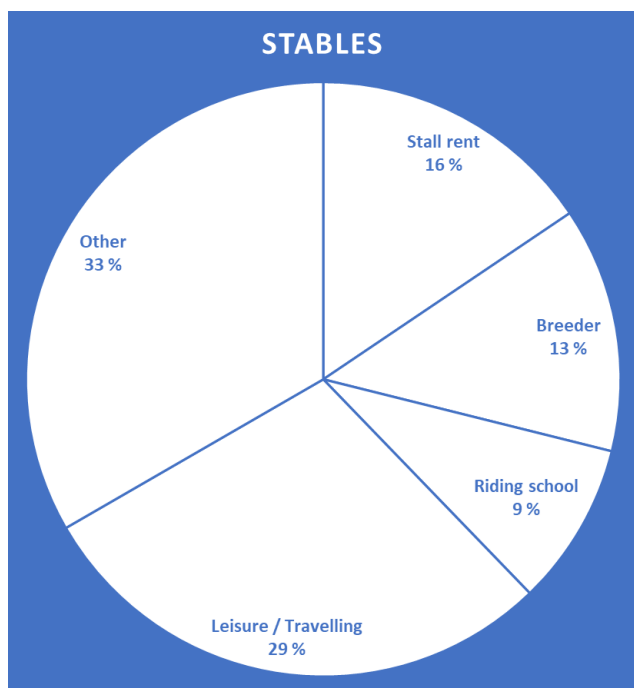


Figure 5. The stables in North Karelia (Hevostalli 2020).

The companies in Kitee are Koivikon Ratsutalli and Havukkalan hevestila, and the one without a website is located in Tohmajärvi. There might be small private stables that rent their stalls as well, but the author is not aware of them. The only indoor arena is in the same yard as Koivikon ratsutalli, ten kilometers from the horse training center.

Koivikon ratsutalli is the closest competitor from the stall rental point of view for the Horse training center. The stall rental price at Koivikon ratsutalli without the use of an indoor arena is 400€ per month. The Horse training center must set the price a little bit lower because of the distance from indoor arena but keeping in mind the additional benefits the horse owner gets compared to Koivikon ratsutalli. The other stables offering stall rental in North Karelia without the access for an indoor riding arena have set the price in between 300€-400€ per month.

None of the 45 stables in North Karelia provide horse training services so that the horse would come to the yard for training. Some of the stables offer training for the horse with hourly prices.

However, the customer segment covers more than North Karelia. The author does not have the number of professional horse trainers, but the ones she knows work in the south of Finland. Through the connections she knows that owners of young horses in Eastern Finland who wish to have their horse trained professionally take their horses to Callisto Horses in Ypäjä or KM Equestrian in Nurmijärvi. The aim is to build as good of a reputation in training young horses as these two companies have.

In Kitee there are no other coaches than the riding schoolteacher in Koivikon ratsutalli. By looking at North Karelia, the situation is not much better.

6.3.6 Marketing and advertising

The service category and the quality of care in the horse training center are the key competitive advantages against competitors. Also, the level of training the young horses is professional, which cannot be found in any other stable in North Karelia.

For the selling process the entrepreneur will utilize her own connections and network in social media, which covers most of the horse people in the area. In addition to her own connections, there are groups in Facebook that cover thousands of horse people in Finland and abroad. One group example in Facebook is FWB / Finnish Warmblood Horses (Facebook 2020) which has 4,700 members, including the FWB breeders and owners in Finland.

The entrepreneur will build websites for the company, as well as Facebook page. In Instagram, the entrepreneur will utilize her own account. All three channels are utilized for communication outside of the stable, so it will be carefully considered. A WhatsApp group will be the channel for the existing customers of the stable to talk about day to day things and build team spirit.

The brand that the entrepreneur will start working on is a quality horse training stable with world class care in the peaceful North Karelia. Everything starts from the welfare of the horse, and people will trust that their horse gets the best possible care with affordable price.

6.3.7 Risks

The most probable cause of risk at the horse training center will be an accident with horses. Horses, especially young horses can be unpredictable. If the entrepreneur will hurt herself or get otherwise sick, it means that the company needs to hire someone to do the work and it costs money. To prevent the accidents from happening the entrepreneur needs to be careful and handle horsemanship skills. Also, the entrepreneur will insure herself so that if something happens the insurance covers the salary of an extra person. The facilities need to be insured as well in case of fire or water damage as an example.

The second risk for the company would be a bad year for grow hay and feed. When there is not enough supply of feed on the markets the prices get higher. To be able to buy hay and feed also during the bad years, the company should have enough operating profit. However, the problem is not only that the price gets higher if there is not enough supply to meet the demand. For example, this year (2020) there has been a lot of news how Canadian Goose herds are a real threat for the farmers, because they eat everything from the fields.

The third risk would be the lack of customers. It is expensive to keep horses and if something happens to the financial situation of the horse owners, meaning the paying customers, they might not be able to keep the horses. The second reason for customers to leave would be that move elsewhere and take the horses with them. That is why it is important to inspire new people to start the hobby so that the volume of people keeping horses would remain or even grow in the area.

One reason to customers to leave would be the competing stables, so the fourth category is the risk of competition.

Now there is not another stable providing training services for horses in the area, and the stables offering stalls for rent are limited. However, the situation can change and that is why the entrepreneur needs to be alerted of the surroundings and know the competitors well. To keep the horse training center competitive the services need to satisfy the customers, and for that surveys and other ways to ask the customers what they want are good.

6.3.8 SWOT – analysis

The SWOT-analysis of the horse training center (Table x) tries to summarize the strengths, weaknesses, opportunities, and threats of the company.

The strengths of the horse training center include the personal features of the entrepreneur, which are her skills, education, work experience and personality. The long history with horses and the possibility to learn from the good riders has increased the horsemanship skills, as well as improved her riding skills. The studies in a business school enable to make the calculations and marketing right so that the business would succeed. The entrepreneur has also started studying in the Equine College of Ypäjä to create credibility among other professionals and customers. The work experience in international professional stables in Germany also creates credibility together with all the knowledge the entrepreneur got from there. And finally from the personal features the personality of the entrepreneur matters to make the business successful. It requires relentless, willingness, love of horses and long hours of hard work to run a stable. The personal features together with the quality and variety of the services in the horse training center are a major competitive advantage and will increase the possibility to succeed on the markets.

Location is a strength, but also a weakness of the horse training center. Strength it is because of the number of competitors and the amount of space. There are no other training places for horses in North Karelia, and especially the central Karelia area lacks on stall rental places. Also, the need for coaching is real to bring new talents from the leisure riders to competitions.

There would be much more horses in the area if people would have a space to bring their horses and professional help to train them and teach the owners how to ride better.

The location is also a weakness because most of the competitions and equestrian events are focused to the South of Finland. The distances are long to be able to compete, take the horse to a good veterinary clinic or participate in horse fairs. However, with proper facilities the author thinks that it is possible to grow the equestrian industry also in the East of Finland to start organizing competitions and horse fairs also there.

Lack of starting capital is a weakness for the horse training center because with more starting capital the indoor arena could be built straight away, and the import and export of horses could start sooner. That would mean higher price level for the services provided and bigger revenue from the beginning of operations. The third weakness is the namelessness of the business on the markets. The business is new, and the entrepreneur is not known nationally because she has not entered competitions in Finland for five years. However, horse people in North Karelia know her well and through the connections in social media the message of the new stable will spread nicely. Also, the competitions will start in the end of the summer 2020 which means that spreading the message of the horse training center will become easier. The growth of the equestrian industry in Europe, including Finland and North Karelia gives a sign of opportunity to succeed in the future.

The economic situation, urbanization and the risk of an accident creates a combo of threats to the horse training center. There is always a threat of the economic depression and it will effect on willingness to keep horses as it is an expensive hobby. Reasons for the economic depression are for example situations like Covid-19 virus has create around the world. Nobody knows how it will influence on the world economy in the long run.

Urbanization creates a threat because people are moving to the bigger cities and the population in East of Finland is decreasing. However, there seems to be enough population to keep horses and bring customers to the horse training center, at least for now. As a sole trader there is no one else to take the place of an entrepreneur if there happens an accident. This together with the fact how unpredictable horses can be creates the third threat for the horse training center. Luckily, an insurance covers part of the damage, but the financial losses can still be massive.

Table 14. The SWOT analysis of the company

<p>STRENGTHS</p> <ul style="list-style-type: none"> *Professional skills, experience, education, and personality *Quality and variety of services *Location 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> *Location *Lack of starting capital *Namelessness on the markets
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> *The growth of the equestrian industry in Europe *The increase of riders in North Karelia 	<p>THREATS</p> <ul style="list-style-type: none"> *Economic situation *Urbanization *Accident of the entrepreneur

6.3.9 Profitability calculations

The profitability calculations illustrate the needed capital when establishing the company, the cost structure of the company and the sales forecast for the first operating month. Also, the break-even point is calculated to find out the minimum revenue to cover the costs.

The needed capital is based only to the starting investments of the horse training center, so the working capital is not included to the calculations.

The premises exist already, meaning the stable, riding arena etc. It means that the starting investments for the stall renting, horse training and coaching are very reasonable. The money is mainly used for repairing the stable and riding arena and building more paddocks. The entrepreneur will use 5 000€ of her own savings, her family will support by 2000€ and the rest, 4560€ need to be loaned from the bank. The entrepreneur will most probably loan 5000€ from the bank just in case.

Table 15. The need of starting capital

Need of capital	
Founding notice of trade name	60,00 €
Repair of the stable	5 000,00 €
Repair of the arena	4 000,00 €
Building paddocks	1 000,00 €
Horsewalker	500,00 €
Safety net (bookkeeping, insurances, travelling before money comes in from the customers)	1 000,00 €
	11 560,00 €
Sources of capital	
Own investment	5 000,00 €
Family support	2 000,00 €
Bank loan	4 560,00 €
	11 560,00 €

The need of the starting capital would be different if the horse import would be added to it. To showcase why the horse training center cannot start importing and selling horses from the beginning of the operations, the author did a need of capital calculation by adding the importing costs of the horses (Table 16). In the beginning of this chapter, the author wrote the example how VAT effects on the reselling price of the horse. Interviewee A and B said the same thing that the starting investments are too high to buy good enough horses to make profit with selling them.

Table 16. The need of starting capital including the purchase and import of the horses

Need of capital	
Founding notice of trade name	60,00 €
Repair of the stable	5 000,00 €
Repair of the arena	4 000,00 €
Building paddocks	1 000,00 €
Horsewalker	500,00 €
Safety net (bookkeeping, insurances, travelling before money comes in from the customers)	1 000,00 €
Bying two horses	50 000,00 €
Import costs of the horses	2 000,00 €
	63 560,00 €
Sources of capital	
Own investment	5 000,00 €
Family support	2 000,00 €
Bank loan	56 560,00 €
	63 560,00 €

The price example in Table 16 for the horses is the estimation based on the price level of 2-3-year-old foals in the EQUO Reitsport GmbH in Germany. The author was working there during the autumn 2019, and the owner, Axel Wöckener, said that the cheapest 3-year-old horse in the stable was worth of 25 000€. To the comparison, the most expensive horse there was 8-year-old mare jumping Grand Prix and her value was over 500 000€. Equo is selling top show jumping horses to the best riders around the world.

Kauppalenhti interviewed Noora Forstén in 2018, how the price of the horse develops while they grow from a small foal to international top horse. She is working as an entrepreneur, training, and selling horses to international customers. Forstén says that it is difficult to give a horse a price, because there are a lot of expectations and emotions involved in the selling process. The value of internationally jumping top horses is somewhere between 100K to millions of euros, and to find a good horse under that is very rare. A foal can be sold for 10-100K in the best auctions, but the most foals can be found under 10 000€. Living costs for a horse are thousands of euros every year, but also the value of the horse develops by age.

The development of the price is comparative with the pedigree, with the level of training and how well the horse performs in shows. The first competition happens when the horse is four years old, and after that it is also easier to put the horse in a price category. Forstén also comments on the markets to sell the best horses, and they are Middle Europe, North America and nowadays Middle East. In Finland, the markets are very small, and the best horses born in Finland are sold abroad. (Kauppalehti, 2018.)

As a conclusion for importing and selling horses, the horse training center could start by buying and selling cheaper horses, but then the value of the horse would not develop high enough to make profit. The business would end up being like the company A in the interviews, not profitable. Therefore, it is better to focus on stall renting, training, and coaching in the beginning of the operations.

The cost structure and the sales forecast of the horse training center is calculated for 24 horses so that 19 horses would be on a stall rental place and five in training. The sales forecast is a goal how the sales would be after six months of operations. Coaching the riders is not included to the cost structure because the only cost is the time the entrepreneur uses for teaching. Also, the salary of the entrepreneur is left out from the cost structure because the company is a trade name. The profit of the business is the income of the entrepreneur.

Table 17. The profitability calculations of the horse training center

Cost structure	Month	Year		
Fixed costs				
Rent	1 500,00 €	18 000,00 €		
Electricity	500,00 €	6 000,00 €		
Insurance	80,00 €	960,00 €		
Property tax	6,00 €	72,00 €		
YEL tax	376,00 €	4 512,00 €		
Repayment of loan	100,00 €	1 200,00 €		
Bookkeeping	100,00 €	1 200,00 €		
Total fixed costs	2 662,00 €	31 944,00 €		
Variable costs per horse				
Bedding	20,00 €	240,00 €		
Hay	50,00 €	600,00 €		
Oats and vitamins	35,00 €	420,00 €		
Total variable costs per horse	105,00 €	1 260,00 €		
Variable costs for 24 horses	2 520,00 €	30 240,00 €		
Sales forecast				
PRODUCT	Unit price	Units sold	Month	Year
Stall rent	390,00 €	19	7 410,00 €	88 920,00 €
Training of a horse (month)	550,00 €	5	2 750,00 €	33 000,00 €
Training of a horse (time)	35,00 €	4	140,00 €	1 680,00 €
Coaching (3 x rider)	30,00 €	4	120,00 €	1 440,00 €
Coaching (2 x rider)	35,00 €	2	70,00 €	840,00 €
Coaching (1 x rider)	40,00 €	4	160,00 €	1 920,00 €
Total sales			10 650,00 €	127 800,00 €
Profit / loss statement				
Revenue	10 650,00 €	127 800,00 €		
Variable costs (24 horses)	2 520,00 €	30 240,00 €		
Contribution margin	8 130,00 €	97 560,00 €		
Fixed costs	2 662,00 €	31 944,00 €		
Profit / loss	5 468,00 €	65 616,00 €		
Contribution-margin ratio	76,34 %	76,34 %		
Break-even point	3 487,03 €	41 844,38 €		

With the estimated amount of sales illustrated in the sales forecast above, the profit of the horse training center would be around 5 500 €/month. The salary of the entrepreneur is the profit per month because the company is a tradename.

The break-even point of the horse training center is around 3 500€ per month . It is calculated with the mix of services shown in the sales forecast in the Table 17.

Based on the calculations the business would be profitable. However, they are estimations and the number of horses will not stay the same over the year. Also, the extra services mentioned in the table x are not included to the calculations, so extra income can be expected from the use of the horsecwalker and other services provided by the horse training center.

If the horse training center is running with good margins after the first year, the entrepreneur will start planning on building the indoor arena. It will increase the training quality during the winter months and enables an increase in stall rental prices. Also, the import of horses will be possible in the future.

7 CONCLUSION

This final chapter will summarize the results of the thesis compared to the goals, how it was different in comparison to other studies, the process and reliability, personal learning, and further research possibilities.

7.1 End results versus goals

The purpose of the research was to create a business plan for a starting horse stable business. The author succeeded in it well, and the business plan serves its purpose. The business plan itself changed on the way compared to the original idea, but it does not take away the value of the plan.

7.2 Difference compared to other studies

As the author wrote in Chapter 1.3, typing “horse business” in Theseus produces 573 results, where “sport horse” provides 550, and “equestrian” 173 results (theseus.fi 2020). There are similarities in this thesis compared to others if looking at the introduction to the equestrian industry as an example, but what makes this study different is that it is tailored for a person thinking about starting a certain type of horse business in North Karelia.

From all the results found in Theseus in the beginning of the process, the author chose three different thesis’ which seemed to be the most relevant for her study, based on the topic.

The first one was a business plan for a horse stable based in Jyväskylä, Hevostallin yritystoiminnan suunnittelu (Nyyssönen, 2019). The purpose of the study was the same as it gave a short overview to the equestrian industry and its purpose was to make a business plan to start a horse stable business in Jyväskylä. There were similarities that the author of this study utilized, but the added value in this study comes from a more detailed text about the equestrian industry and profitability analysis of a horse stable. The geographical location of the business is different.

The second thesis the author looked through was *Hevostallin kannattavuuteen vaikuttavat tekijät* (Varila 2014). The author chose to take a closer look at this study because of its focus on the variables affecting the profitability of a horse stable, since it was also one main goal of this study. The purpose of the study was to find out what variables negatively affect the profitability of a horse stable. The study also asked stable owners what they have done to improve profitability. The information was interesting, but in the end the author could not use much of the information in her work. Where Varila (2014) studied the factors negatively affecting negatively on the profitability of the horse stable, this study focused on the calculations and planning of a horse stable business to make it profitable.

The third study that the author went through in more detail was *Liiketoimintasuunnitelma hevostalliyrittäjälle* (Salmela, 2011). It was meant to cover the business plan for a horse stable as well as the first one to compare with. Salmela's study (2011) focused on western riding, and the business plan provided to the entrepreneur was very brief and lacked information compared to the business plan done based on this study.

Even though there were over 500 hundred studies in Theseus under the word "horse business", it did not take the need away from the author to write her business plan. Every horse stable is unique and ways of making revenue around a horse are almost endless. However, the cost structure stays almost the same in most of the stables. With the help of this thesis the author hopes to help other entrepreneurs planning on starting a horse stable business to create a successful business plan.

7.3 Execution process and methods

The execution process did not stay completely in the time frame as planned, because the original plan was to report the results of the research by the end of the week 19 (8.5.2020).

However, the process stretched only two weeks over time, which is acceptable. Other than that, the research process was surprisingly smooth. The research was executed as a case study and it followed the definition of empirical research where the conclusions of the study were drawn from empirical evidence. The empirical evidence was gathered and analysed by using qualitative research methods.

7.4 Ethicality and reliability

The data was collected and treated in an ethical manner as the author did not even record the interviews but took notes during the conversations. The author asked the willingness of the interviewees to participate into the research before the interview, she introduced herself, explained the purpose of the research, and asked permission to use the information in the research.

The experience of the author in the equestrian industry and useful contacts raised the credibility of the research. Aspects having a negative influence on the validity and reliability in the research was the number of interviewees and other sources of information. The author would have like to interview five entrepreneurs, but only three of them wanted to give an interview. The quality of some of the references is not a hundred percent reliable, as the author was not able to track the original source of information in all the articles utilized from different internet sources. Also, there could have been more references. The factor that adds the reliability of this research is that the author interviewed long term professionals in the horse industry and believes that the results of the conversations are trustworthy.

7.5 Personal learning and improvement

When the author started the thesis process, her idea of the business plan for the Horse training center was more “just a thesis topic” than an actual plan. As the process has slowly come to its end, the business idea has started to live also outside from the thesis paper. That is far more than the author would have thought in the beginning of March 2020 when the idea was presented to the thesis instructor.

The thesis writing process was not easy for the author. When a person is the most comfortable doing physical work with horses, it is almost impossible idea even think of that she could sit down and focus to finish such a process as thesis. But she did.

The renovation process of the facilities has started, and horses are coming in so the calculations done for the business plan will start living as the process proceeds.

7.6 Further research possibilities

The entrepreneur wants to expand the services of the horse training center in the future, so the business plan needs to be updated and requires further research. Now the business plan of the horse training center covers the stall rental, training of other’s horses and coaching, but in the future the plan is to start importing horses from Europe and breed own sport horses, to sell them on the international markets. One possibility is to open an online shop and start dealing treadmills and aqua trainers for horses and dogs in Finland and Nordic countries. The author knows a manufacturer from Germany that could be the supplier. As mentioned in the knowledge base, the business plan is never ready, because it is a roadmap for the company and will be updated along the way.

REFERENCES

- Accounting tools, The difference between direct costs and indirect costs, 2018, <https://www.accountingtools.com/articles/the-difference-between-direct-costs-and-indirect-costs.html>. 14.5.2020
- Adams, W. 2015. Conducting Semi-Structured Interviews. Research Gate, 2015. https://www.researchgate.net/publication/301738442_Conducting_Semi-Structured_Interviews. 31.3.2020
- Barrow, C. & Brown, R. 2001. The business Plan Workbook. 4th ed. London: Kogan Page
- Bhat, A. 2020. Empirical research: definition, methods, types and examples. Question Pro. <https://www.questionpro.com/blog/empirical-research/>. 31.3.2020
- Brink, H.I.L. 1993. Validity and reliability in qualitative research. Conference paper.
- Callisto Horses, 2020, <http://www.callistohorses.fi/>. 29.5.2020
- Chron, 2018. What are the benefits of a business plan? <https://smallbusiness.chron.com/benefits-business-plan-3245.html>. 29.1.2020
- Chron, 2019. 6 types of business plans. <https://smallbusiness.chron.com/6-types-business-plans-2591.html>. 29.1.2020
- Corporate Finance Institute (CFI), Income statement, balance sheet and cash flow statement, <https://corporatefinanceinstitute.com/resources/knowledge/accounting/>. 07.04.2020
- Corporate Finance Institute (CFI), What is a cost structure, <https://corporatefinanceinstitute.com/resources/knowledge/finance/cost-structure/>. 31.3.2020
- Cory Mitchell, what is the market price, 2019. Investopedia. <https://www.investopedia.com/terms/m/market-price.asp>. 31.3.2020
- Cummins, D. 2020. Horse Business Expenses: Do you know all the expenses involved in running a horse business? <https://www.successful-horse-training-and-care.com/stable-magement-expenses.html>. 03.04.2020
- Duke Writing Studio. What is a research question? https://sites.duke.edu/urgws/files/2014/02/Research-Questions_WS-handout.pdf. 01.04.2020
- Eastwood Sharon, Business Management for the Equine Industry, 2006, p. 1-10
- Entrepreneur Europe. Competitive Analysis. 2020. <https://www.entrepreneur.com/encyclopedia/competitive-analysis>. 09.05.2020
- Equestrian Globe 2018. https://www.equestrian-globe.com/en/0_0_0/. 05/03/2020
- Equidomi Oy, <http://equidomi.fi/>. 29.5.2020
- Federation Equestrian Internationale (FEI Sports Forum), 2013. International Movements of Competition Horses. Internet source: https://inside.fei.org/system/files/1_Trends_in_Growth_of_Equestrian_Sport_GCO.pdf. 05/03/2020
- FEI Jumping Rules, 2020, Federation Equestrian International, https://inside.fei.org/sites/default/files/Jumping_Rules_2020_clean.pdf. 31.3.2020

- Google Maps, location of Koivikon Ratsutalli Oy, 2020,
<https://www.google.fi/maps/dir/Tasap%C3%A4%C3%A4ntie+12,+Kitee/Koivikon+Ratsutalli+Oy,+Koivikontie,+82430+Kitee/@62.043637,29.6856911,10.33z/data=!4m14!4m13!1m5!1m1!1s0x469bd028c37bd9dd:0xdabfaa63347ae40c!2m2!1d29.9031754!2d61.9935262!1m5!1m1!1s0x469bc4e72f618daf:0xffff23f7745b4a1b7!2m2!1d29.9529942!2d62.0811027!3e0>. 29.5.2020
- Hevoseläinten tuonti ja vienti EU-maiden, Norjan ja Sveitsin välillä. 2020.
 Ruokavirasto. <https://www.ruokavirasto.fi/yritykset/tuonti-ja-vienti/eu-maat-norja-ja-sveitsi/elaimet/hevoset-ja-niiden-sukusolut/>.
 03.04.2020
- Hevosien kuljetus, 2020, Suomen Hippos.
https://www.hippos.fi/rekisterointi_ja_omistaminen/hevosien_hyvinvointi/hevosien_kuljetus and
https://www.hippos.fi/rekisterointi_ja_omistaminen/hevosien_tuonti_ja_vienti. 03.04.2020
- Hevostalli.net, tallit, maakunta: Pohjois-Karjala,
<http://www2.hevostalli.net/tallit.html?view=public&layout=browse&area=13>. 04/03/2020
- Horsetalk. 2017. World horse population likely to be over 60 million figures suggest. Online address:
<https://www.horsetalk.co.nz/2017/07/10/world-horse-population-60-million/>. 05/03/2020
- Jayne Pedigo Wilson, 2017, English versus western riding - what's the difference? <https://www.equisearch.com/articles/english-vs-western-riding-17557>. 30.3.2020
- Joensuun Ratsastusopisto, 2020, <http://www.joensuunratsastusopisto.net/>.
 29.5.2020
- Jokirannan Ratsastuskoulu, 2020, <http://www.ratsastuskoulu.info/>. 29.5.2020
- Kananen, J. 2009. Toimintatutkimus yritysten kehittämisessä. Jyväskylän ammattikorkeakoulun julkaisuja 101.
- Kauppalehti, Huippuhevoset maksavat miljoonia - Hevosyrittäjä kertoo kuinka hinnat kehittyvät, 2018,
<https://www.kauppalehti.fi/uutiset/huippuhevoset-maksavat-miljoonia-hevosyrittaja-kertoo-kuinka-hinnat-kehittyvat/dd356924-6534-3a0a-847b-bdc1aa78e3db>. 31.3.2020
- Keyser, W. 2018. New venture creation – The Timmons Model.
<https://venturefounders.com/timmons-model-of-new-venture-creation/>. 6.2.2020
- Kivipelto, A-L. 2016. Riskienhallinta hevosalan sopimustilanteissa, Seinäjoen ammattikorkeakoulu. Opinnäytetyö.
<https://core.ac.uk/download/pdf/38139133.pdf>. 31.3.2020
- Koivikon ratsutalli Oy,
<https://sites.google.com/site/koivikonratsutalli/etusivu?authuser=0>.
 29.5.2020
- Liperin Ratsastuskeskus, 2020, <https://www.liperinratsastuskeskus.com/>.
 29.5.2020
- Maa- ja Metsätalousministeriö, Tuet ja avustukset, 2020 <https://mmm.fi/ruoka-ja-maatalous/tuet-ja-avustukset>. 13.05.2020
- Nyyssönen Valpuri, 2019, Hevostallin yritystoiminnan suunnittelu.
<https://www.theseus.fi/bitstream/handle/10024/209624/Nyyss%C3%B6nen%20Valpuri.pdf?sequence=2&isAllowed=y>. 30.3.2020

- Osaava yrittäjä, Katetuottolaskenta, 2020,
<http://www.tieto.osaavayrittaja.fi/katetuottolaskenta>. 21.5.2020
- Perustamisopas alkavalle yrittäjälle, 2020, Uusyrityskeskus,
https://ejulkaisu.grano.fi/grano/perustamisopas_2020#p=1.
09.05.2020
- Ratsastuksen tunnuslukuja. 2017. Suomen ratsastajainliitto.
<https://www.ratsastus.fi/srl/ratsastuksen-tunnuslukuja/>. 04/03/2020
- Rusuthärven Ratsutila, 2020, <https://rusutjarvenratsutila.fi/>. 29.5.2020
- Salmela Hanna, 2011, Liiketoimintasuunnitelma hevoskouluyritykselle.
https://www.theseus.fi/bitstream/handle/10024/26797/Salmela_Hanna.pdf?sequence=1&isAllowed=y. 30.3.2020
- Stabe Nova, 2020, <https://stablenova.fi/>. 29.5.2020
- Suomen ratsut, Varsasta ratsuksi, 2017, <https://suomenratsut.fi/jalostus-ja-kasvatus/varsasta-ratsuksi>. 31.3.2020
- Theseus, Ammattikorkeakoulujen opinnäytetyöt ja julkaisut verkossa.
<https://www.theseus.fi/>. 26/03/2020
- Timmons, J. Zacharakis, A. & Spinelli, S. 2004. Business plan that works. A guide for small business
- Varila Kukka-Maaria, 2014, Hevostallien kannattavuuteen vaikuttavat tekijät.
<https://www.theseus.fi/bitstream/handle/10024/88844/Varila2014.pdf?sequence=1&isAllowed=y>. 30.3.2020
- Verohallinto, Arvonlisäprosentit, 2020, <https://www.vero.fi/yritykset-ja-yhteisot/tietoa-yritysverotuksesta/arvonlisaverotus/arvonlis%C3%A4veroprosentit/>.1
4.5.2020
- What is a Gantt Chart? 2020. <https://www.gantt.com/>. 07.04.2020
- Yritys-Suomi, 2020, Oma Yritys-Suomi, liiketoimintasuunnitelma