WRITING BUSINESS PLANS

IS IT POSSIBLE TO DEFINE THIS TASK AS “EASY” OR LESS CHALLENGING FOR FIRST–TIME ENTREPRENEURS (FTEs)?

Master Thesis within Entrepreneurial Management
Author: Niyan Kwame Omari Fraser
Tutor: Tomas Karlsson
Jönköping June 2009
“Information is the seed for an idea, and only grows when it is watered”

(Heinz V. Bergen)

“A clear vision, backed by definite plans, gives you a tremendous feeling of confidence and personal power”

(Brian Tracy)

“What is now proved was once only imagin’d”

(William Blake, poet)
Acknowledgment

I would first like to thank my tutor Tomas Karlsson for the ideas, support and guidance that was given to me during the writing of this thesis. I know I definitely could not have done it without your insight and feedback. Thank you so much for that.

I definitely want to thank my family. Mum, Dad, Tanya, Niara, and now little Malia you guys sacrificed so much for me over the past two years and even though my education took me away from you guys and I have not seen you, I knew that you were always there for me.

Thank you to the respondents for taking the time to provide me with the necessary information which helped to enhance my research study.

Sarah, thanks for encouraging me to work hard throughout this entire process. We were really there for one another and I could not have done it without you. To all the people I have met here over the past two years. You all in some way contributed to the idea I had for this research study. Thanks guys.

Finally I would like to thank everyone who contributed to my experience here at the Jönköping International Business School and here in Sweden. This experience helped me to learn and grow as a human being and gave me insight into the field of Entrepreneurship without which I would not have been able to complete this Master thesis. Irie Mon!!!

Jönköping, Sweden, June 2009

Niyan Fraser
Abstract

Introduction Some researchers believe that Business plans are critical to the development of a new business idea and thus a new venture. However, others are of the view that these documents are completely useless to the business planning process. With these conflicting views existing, and the occurrence of various factors, the process of deciding to write a business plan and actually writing one can be quite challenging for First – Time entrepreneurs (FTEs) without any influence from background, education and training. This can increase the levels of complexity experienced by many new entrepreneurs.

Purpose The aim of this research study is to first investigate the task of writing a business plan experienced by FTEs, then compare the personal experiences and observations of the author to those of others who have participated in this process, and finally compare the collective results to relevant theories and the views and beliefs of experts in writing business plans or creating new ventures. Furthermore, the main aim is to identify exactly if the writing process can be considered less challenging for FTEs, given the inclusion of certain factors, and what is actually meant by the term “easy”.

Method To do this, experiences and personal opinions and observations have been collected from the author and former FTEs through the use of self – observation and narrative research techniques coupled with a series of open and probing questions. These were then compared to a collection of relevant literature, and views and opinions of the experts working with the industry.

Conclusions With the inclusion of knowledge, literature and expert advice, the process of writing a business plan becomes easier for FTEs. What this means is that FTEs are more prepared to undertake the writing process due to the absence of uncertainties and increased insight, and as a result, they execute the process more efficiently and better informed as to what tends to occur. In this perspective, the writing process itself becomes “easy”
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1 Business Plans and the Entrepreneurial Process

This chapter describes the problem which this research study will address, the reasons why it was selected and background information to the problem. It will also state the objectives of this research and the methods that will be used to achieve these.

1.1 Background

Entrepreneurship is not a new phenomenon. In recent years, activities in this field have accelerated at a high rate. However, stating what entrepreneurship is difficult due to the variation in definitions which exist today. Entrepreneurship can be defined as consisting of a new entry (Lumpkin & Dess, 1996). It can also be seen as the creation of new enterprise (Low & MacMillan, 1988) or the creation of new organizations (Gartner, 1988) (cited in Davidsson, 2004). Stevenson & Jarillo (1990) also define entrepreneurship as the process by which individuals pursue opportunities without regard to the resources they control (cited in Barringer & Ireland, 2008). The whole idea behind the final definition is that opportunities are seen and strategies are used to take advantage of such opportunities.

Despite the various meanings of entrepreneurship, it has been found that the definitions actually address two main issues. The first of these, is that people prefer to become self-employed and own their own venture rather than working for someone else. The second, relates to the fact that entrepreneurship explains the development and renewal occurring within a society, economy or organization where actors decide to make things happen (Davidsson, 2004). From these, it can be said that entrepreneurship is all about change.

Change has been occurring throughout the world economies. Entrepreneurs themselves are considered to be aggressive catalysts for change (Kuratko & Hornsby, 2009). This can mean that they act as drivers which practically force the occurrence of change. Change with regards to entrepreneurship occurs in two main areas: either an entrepreneur or team of entrepreneurs establishing a new venture, or renewal activities for existing companies (Barringer & Ireland, 2008). Having two types of entrepreneurial change results in the use of business plans oriented to two different foci. These business plans, in a sense, guide the occurrence of change. For existing companies, business plans tend to be based on existing product/service trends. New ventures, on the other hand, require entrepreneurial business plans. These plans predict future changes in the existing market, and serve to convince potential investors about the feasibility of a new idea and probable benefits of participation (Legge and Hindle, 2004). Without the business plan the chances that the new venture is launched, or attracts the necessary resources to be sustained, become greatly reduced. However, actually writing a business plan may sound easier than the task it really is.

What a business plan entails differs from one author to the next and this can be a daunting task for First-time entrepreneurs (FTEs) who participate in the process. Research has shown that the entire process can be problematic and situations may arise which can create various challenges for writers. From the arisal of these situations, researchers have provided specific tips and guidelines which can be generalized to all business plans, differing of course to some degree. The main challenge here for writers is trying to avoid the occurrence of these situations.
These situations can take various forms. Authors state that Business Plan should not simply be written and laid to rest once the business is up and running. As the company evolves, changes must occur accordingly. The business plan is thus a continuously growing document which is updated as more knowledge is attained and opportunities evolve (Harris, 2006). Once a review is executed, changes must be made in the document since it operates as a guiding light to success. From this, it can be deduced that keeping a business plan current in chaotic periods can potentially be difficult.

Another situation that entrepreneurs face is the art of making credible estimations. The business plan requires that estimations be made in the financial plan and forecasts and these can sometimes be difficult to make. Maul and Mayfield (1992) state that one of the most common mistakes made by entrepreneurs is the underestimation of the cash required for the company to operate. Many books suggest the use of data from other companies operating within the industry. (Barringer, 2009, Kuratko & Hornsby, 2009). However, since these companies already exist and have been conducting business for a period of time, this data may not be suited to a start-up. Since business plans are guides to the progression of business activities, it is important to make sure that the numbers stated in business plans are as close as possible to those that will potentially be received. Deriving credible numbers can thus be complicated.

Language can also be a major issue. O’Gorman and Cunningham (1997) advocate the use of simple language within business plans since many readers may not understand the more specific and technical language. The World Intellectual Property Organization (WIPO) (1997), on the other hand, believes in the use of business language. It is then important for entrepreneurs to know who their audience is when writing the business plan. At the same time, if an entrepreneur has to reach different groups of individuals it is especially difficult to tailor a single business plan to meet these various groups.

There are situations where some entrepreneurs may lack the confidence to actually write a business plan and may prefer to let someone else do the task for them despite the fact that sometimes it is not advised to hire external individuals to write the business plan for a new venture. According to WIPO (1997), the passion and determination of entrepreneurs must be demonstrated to potential investors. The only way that this can occur is if entrepreneurs themselves write the business plan. The ideas must come from them. However, external advisors can be used to assist in the overall final presentation. This can be a complex task for entrepreneurs who lack the relevant business knowledge.

Entrepreneurs need to avoid being “Me – focused”. Mullins (2003) writes that business plans should avoid leaning towards a focus upon the entrepreneur, his idea and the benefits gained from his idea. Instead, the focal point should be the customers. They are the ones that largely influence the potential success of any new venture. Investors tend to be more concerned with profit and growth potential and the business plan must identify how it addresses specific needs of prospective clientele. Simultaneously, the business plan must show the entrepreneur’s passion for the business concept. It is thus essential that a proper balance is created between the two foci.

To attract capital, entrepreneurs tend to write only good aspects about the opportunity in business plans. Mullins (2003) indicated that conditions are not always great but just a few may have benefits that outweigh all of the bad aspects. He then suggested that entrepreneurs should avoid stating only positive elements since it minimizes plausibility. This again
deals with the whole idea of belief and passion in the business concept. If entrepreneurs have strong beliefs in their ideas, they will prefer that potential investors remain unaware of the reality of the situation. This however, in the long run, does not support the progression of the company.

The challenging tasks faced by entrepreneurs reflect the problems and trends that researchers have discovered to exist in the business writing process. Very few books have spelled out any evidence of these mistakes. However, since many FTEs may not have the relevant business knowledge or experience, it is possible that the appropriate format of a business plan may be difficult to write at the beginning. This could also be the situation occurring when these entrepreneurs become overwhelmed during the process. However, it is essential to note that the relevance of these problems depends not only on the intended audience but also on the type of business plan that is written. Besides the pointers that some researchers give due to what has been seen during the process, there is little documentation as to the actual challenges that tend to be faced by FTEs. This is something that they should be aware of. Knowing that someone else has gone through it can ease the build–up of pressure which may be experienced by many.

Literature on Business Plans can be somewhat confusing. Guidebooks on the market tend to guarantee success through the use of given templates. Others express different views and believe that business plans are not useful at all. Legge & Hindle (2004) compare business plans to a tall man with a suit that is too small.

“The suit won’t fit the man. The plan won’t suit the business” (p 164).

This means that conforming to a generalized template would not be compatible with a new venture and thus will result in a less than stellar business plan. With the conflicting views on business plan it is not hard to understand why FTEs experience difficulties. It is not easy to know what to do and what is deemed to be useful in individual situations.

1.2 Problem Statement

A business plan is an important step in the creation of a new venture. It is the end result of business planning, which forces entrepreneurs to analyze all aspects of their venture and to prepare an effective strategy to deal with the uncertainties that may arise (Kuratko & Hornsby, 2009). It is thus a way to help individuals who are planning to begin a new venture to avoid any choices or activities that may inevitably result in failure. Potential entrepreneurs either have business knowledge or possess none at all. However, it is possible that to entrepreneurs belonging to each category, the whole idea of writing a business plan may be completely new. At best, many FTEs may have just an idea and would thus require substantial knowledge in order to initiate the writing process.

As a result, many authors have published books on how to write a business plan, the necessary steps that must be taken, and the relevant information that must be included. Examples of such books include Preparing Effective Business Plans by Bruce Barringer, Creating a Business Plan, which was released by the Harvard Business School, and Business Plans that work, by Timmons, Zacharakis, and Spinelli. These books and many others have indicated that writing a business plan is easy and can be done once the steps given are followed. However, many fail to provide any identification about the challenges that may be faced or
even the problematic nature that can characterise the business planning process. Simultaneously, it may be that these books do not include this information because the authors believe that by using these books there will be a low possibility of coming face – to – face with any challenges.

The task here will be to investigate the process of writing a business plan and attempt to determine the extent to which it can be considered as “easy”. Focus will be placed on the part played by knowledge when it comes to business plans and the challenges that may arise at any point before or during the process. From these, an analysis will be conducted where findings are compared to relevant literature and practical experiences, with the final aim being to determine an overall view of the process of writing business plans.

### 1.3 Purpose Statement

This thesis intends to achieve two main objectives. The first involves the investigation of the business planning process by writing an actual business plan. The second objective is to compare the personal experiences of the author during the process to those of others who have participated in, and have experience with, writing business plans. Once these are collected, they will be compared to the views and beliefs of relevant players working in the field of entrepreneurship and the creation of new ventures.

The author’s intent is to first determine the roles played by knowledge and applicable literature when it comes to first – time entrepreneurs writing their business plans. Following this, the next goal will be to identify if there are any challenges faced during the process and whether or not these challenges are isolated to individual entrepreneurs. This will be accompanied by a discussion of addressing the challenges and overcoming them. Finally, an attempt will be made to see if any relationships can be determined and any conclusions derived from the overall experience.

In order to evaluate the findings, and of course guide the progression of the thesis, the following questions will be used:

- What are the roles played by Knowledge and Literature when it comes to writing a business plan for the first time?
- What challenges does one face when writing a business plan? How does one overcome these problems?
- Are these challenges unique or have they been experienced by others doing the same process?
- What relationships can be identified in the planning process and what conclusions can be drawn from the whole experience?

In the end, this study will identify the factors that can create a challenging process and determine what conditions are vital to entrepreneurs if they want to be able to deal with the challenges faced when writing business plans for the first time. The final result will be to determine if it is possible to state that the task of writing a business plan is easy for FTEs given the available literature that advocate this belief and determine the extent to which it can actually be referred to as “easy”.
1.4 Defining “Easy”

When something is easy, it means that something is relaxed, not causing any problems or difficulty, or not really entailing a high amount of work or thought. The way that “easy” is used in this research study can be aligned to this. Here, when the question asks if it is possible for the process of writing a business plan to be viewed as “easy”, it is essentially asking whether or not FTEs can find the means by which they can make up for their inexperience and become prepared and more capable to undertake the task of creating a business plan.

1.5 Selection of Research Study

The author had a business idea for the field of Tourism for over two years. During his studies in entrepreneurship, he recognized the importance of planning in order to find direction. This led to the need for the creation of a business plan. However, the author also wanted to know more about business plans since it was the first time that he was doing such a task. He wanted to know what to expect. This research study became the ideal opportunity to create a project where a business idea could be developed while simultaneously the process of creating a business plan could be investigated. The overall aim was to have the necessary tools to create a much better business plan.

In trying to find books and articles about business plans, several sources were uncovered. The trend that was noticed, however, was that there was a lack of literature which focused specifically upon what new entrepreneurs have gone through. The author, being a new entrepreneur himself, wanted to gain this insight as well as contribute to this research area.

1.6 Definition of Terms

This research study will use three main terms: Business Planning, Business Plan and First – Time Entrepreneur. To avoid any misunderstandings concerning the usage of these terms, the following definitions are given:

**Business Planning**

Business Planning is a process which focuses on the strategic development of small firms or business units (Richardson, 1995).

**Business Plan**

A Business plan is a written document that carefully explains every aspect of a new venture (Honig & Karlsson, 2004).

**First – Time Entrepreneur**

A first – time entrepreneur, or FTE, is the term used to describe an individual who decides to develop a business idea or launch a new venture with the hope of achieving some level of success.

1.7 Organization of Research Study

This research study consists of a total of seven chapters. Chapter 1 introduces the basic background of the topic selected as well as a description of the research aims, and useful
information which must be known in order to navigate through this thesis. The remaining six chapters will be categorized as follows:

**Chapter 2** focuses on the theoretical framework and background of business plans. Here a definition is given and the different types of business plans are explained. It also provides two opposing views of what a business plan is supposed to entail or focus upon so that success can be achieved.

**Chapter 3** continues the introductory information and discusses the views and observations of Samuel Jensen (name changed to protect identity) who works on a daily basis with the creation of business plans and the launch of new ventures. This chapter was used as the basis for the analysis of the empirical findings.

**Chapter 4** explains the research method utilized in this study. It describes the method and research study choices used, the data collection methods which were suited to this type of study, how analysis is of the data was conducted and finally the limitations characteristic of the research techniques employed and data collected.

**Chapter 5** presents the empirical findings of the research carried out. In this chapter, each of the respondents get the opportunity to share their stories of what they went through when they wrote their first business plans.

**Chapter 6** first presents the author’s interpretation of the respondents’ stories. It then continues with the analysis of the empirical findings and explains them in relation to the views of experts in the entrepreneurial field that was described in Chapter 3. It concludes with describing the relationships and conclusions that were derived from the analysis.

**Chapter 7** presents the conclusions that were derived from the overall research study.

**Chapter 8** discusses areas worthy of future research.
2 Business Plans: the structure & the process

This chapter defines business plans, describes the different types that exist, and also discusses contrasting views as to what a successful business plan should contain.

2.1 Defining a Business Plan

A Business Plan is a written document that carefully explains every aspect of a new business venture (Barringer, 2009). Kuratko and Hornsby (2009) define it as a written document that describes in detail a proposed venture with the purpose of illustrating the current status, identifying expected needs, and showing the projected results of a new and expanding business. With the inclusion of each and every component of the business plan, a clear picture will be shown of the venture and where it is going as well as the necessary steps the entrepreneur plans to use to get to the ultimate end goal. Barringer (2009) goes further to say that besides acting as a physical manuscript necessary to show to investors and other parties, it also is a way of illustrating the passion, drive and energy that the individual has when it comes to his business idea and execution.

A Business Plan can be very important to FTEs as well as to individuals who may stand to benefit or lose from the execution of this idea. Kuratko and Hornsby (2009) view the business plan as the deterrent from failure. It is important that the entrepreneur understand each component of the business plan despite possibly seeking aid from outside professionals and experts. To gain support, the entrepreneur must be clear and focused, and he must of course stand behind his idea and the business plan itself. Kuratko and Hornsby (2009) identify five benefits that entrepreneurs can gain from creation of this document:

- The time, effort, research, and discipline needed to create a formal business plan force entrepreneurs to view the venture critically, objectively, and holistically.
- The competitive, economic, and financial analyses included in the business plan subject entrepreneurs to close scrutiny of their assumptions about the venture’s success.
- Because all aspects of the business venture must be addressed in the plan, entrepreneurs develop and examine operational strategies and expected results for outside evaluators.
- The business plan quantifies goals and objectives, which provide measurable benchmarks for comparing forecasts with actual results.
- The completed business plan provides entrepreneurs with a communication tool for outside financial sources as well as an operational tool for guiding the venture towards success.

Business plans can be used not only to follow the proposed direction of the venture but also to convince the various stakeholders of the potential of the business (Timmons, Zacharakis & Spinelli, 2004). It is thus important to know who the business plan is for and how the target group will react to it. For example, in situations where funding is required, Mason and Stark (2004) suggest that Business plans should be tailored depending on the type of financier that will be approached. Based on their conducted research, a Business Plan should appropriately be customised as follows:
Bankers consider the financial aspects of the plan to be critical and thus place minute emphasis on other issues such as the Market and the Entrepreneur.

If the target financiers are Equity Investors, Capitol Fund managers, Business Angels or Venture Capital Fund managers then it is essential to mutually emphasize the market and financial components.

From this, we can identify that different financial groups are unique in determining what they consider to be important aspects.

The Business Plan is the second step once the idea has been derived. Kuratko and Hornsby (2009) sum up in a few sentences their overall view of this document’s importance:

"...the business plan is the major tool for guiding the operation of the venture as well as the primary document for managing it. Its main thrust is the strategic development of the project compiled into a comprehensive document for outside investors to read and understand. It allows entrepreneurs entrance into the investment process. A subsidiary benefit is that it enables the enterprise to avoid common pitfalls that cause less – organized efforts to fail." (p 77).

What this means is that writing a business plan is a way for the company to create specific directives that can be used to follow a certain development path. This can be used internally within the company or as a means by which external parties can obtain a general picture of what is happening or will happen within the company and track the progression.

### 2.2 Types of Business Plans

Business plans vary in terms of the level of detail used. Schwetje and Vaseghi (2007) indicate that the degree of detail included depends entirely upon the purpose and necessity behind the business plan, and the complexity of the particular business. These authors identify three basic types of business plans: the Short Business Plan, the Extended Business Plan and the Operational Business Plan.

**Short Business Plan**

This type, like the name suggests is condensed and comprised of the same information as other business plan; with the necessitated information outlined in a suitable manner. Short business plans are suited to small start-up companies in their initial stages of development with the main task being to convince prospective investors of the entrepreneur’s understanding of the business and target market. This can also be used by well-established companies but usually it is solely for the purpose of describing a specific investment opportunity for approval before creating an extended version.

**Extended Business Plan**

This version of the business plan usually goes into greater detail than the Short version. The difference here is that the Extended Business plan includes a comprehensive market analysis and the revenue, cost and financial planning for a period of no more than 5 years.

**Operational Business Plan**

This type tends to be utilized by well-established companies. It is used as a way to document the activities of the company as well as show evidence of company objectives which management is supposed to adhere to. From this, management is able to make sure that they actually meet their objectives at every step of the way. This version tends to be very detailed and can be extremely lengthy.
Business Plans, despite being of different types, usually have similar requirements. The information itself may differ depending on the industry or the business idea and concept. However, potential investors look for certain aspects. The task therefore is to determine what information is necessary for the targeted investor.

2.3 Business Plans: The Features that attract Success

The publications available on today’s market tend to contain the same information sometimes grouped into different categories or explained under different headings. Templates have been created which are deemed suitable for use by first – time entrepreneurs, and authors have justified the relevance of the inclusion of certain information. These templates tend to have the content organized in the way that authors believe to be important to investors. However, this tends to differ from one template to the next.

Business Plans generally have ten main components. This number of course varies depending on the creator. All business plans contain an executive summary which serves to capture the reader’s attention and entice them to read more (Barringer, 2009). The second component is an industry, customer and competitor analysis which lays the foundation for the company to introduce its vision to prospective readers (Timmons et al, 2004). There are also a Company and Product / Service description, which describes the new company and the new product or service being offered, and a Marketing Plan, which describes strategies that will be used to achieve success. Business Plans can include sections dealing with the operations of the company, the development over time, the team that will run the company, the risks that can influence survival and the amount of capital that will be needed. Finally, there is a section which shows the company’s intentions expressed in financial terms. These components of the business plan have been further explained in Appendix 1.

Several authors have formulated different structures in writing a business plan, however they all contain the same relevant information and they all maintain that following their frameworks will guarantee the success rate of the business plan. Additionally, to support first – time entrepreneurs, Kuratko & Hornsby (2009) pose a series of questions which could help to determine what information should be included. These can be found in Appendix 2.

With the availability of various books on writing business plans, there is a high possibility that entrepreneurs may experience difficulty in identifying books and templates that may be the most appropriate. At the same time, they may attempt to figure out if it is absolutely necessary to include all of the information proposed by the book despite the fact that it may seem irrelevant based on the purpose and idea. Well, according to William A. Sahlman (2008), it is not the best idea to create a highly detailed business plan. Through research he has found that despite the widely proposed belief that writing a business plan is the only hurdle that must be crossed by entrepreneurs in order to achieve their goals, it is simply insufficient to become successful. He stated that the more detailed the document is, the lower the chance of a winning venture being created.

2.3.1 Writing Business Plans: Sahlman’s Framework

Business Plans are not without their fair share of problems. In many instances, the various information available does not explicitly state these and thus they are not as obvious to inexperienced entrepreneurs. Sahlman (2008) says that there are two main problems with the business plans. The first is that many business plans waste time and effort on including
numbers rather than paying more attention to the information that is really important to potential investors. Secondly, a new venture has too many unknowns and so it is difficult to accurately forecast revenues and hence, profits.

The knowledge of problems can create the ability to derive an appropriate framework. Sahlman (2008) believes that a business model should be created which shows both the break-even level and numbers which prove to readers of the business plan that entrepreneurs have thought of the issues which could, in the end, result in either success or failure. His view is that even though these should be included within the business plan, they should only account for a few pages towards the end. A view that is contrary to those expressed in the content of business plan publications.

Sahlman instead suggests a framework which, unlike the promise of complete success given by many current publications, simply helps a new firm to analyse what he considers to be the four factors critical to all new ventures: the People, the Opportunity, the Context, and Risks and Rewards.

2.3.1.1 The People

The initial component of this framework is basically to get an idea of the people starting the new venture, and external groups and individuals who provide necessary services. There are fourteen questions that investors ask to familiarize themselves with the entrepreneurs (Appendix 3) and the whole aim of posing these questions is to address three main issues: What do they know? Whom do they know? and How well are they known?

A business plan should clearly illustrate the knowledge that each team member possesses about the new product or service offering, the production process and finally the market, with a special focus on competitors and customers. If an entrepreneurial team is well known, a high possibility of the venture being viewed favourably exists. This reassures investors who are usually inclined to avoid taking chances on unknowns due to the high levels of risk and unpredictability that they tend to be associated with.

This reaction towards uncertainty suggests that this section is the most important to investors. According to Sahlman (2008), the majority of venture capitalists pay less attention to ideas and more to the ability to execute these ideas. He provided the following quote by Arthur Rock, a venture capitalist associated with establishment of some of the world’s largest companies, such as Apple:

“I invest in people, not ideas...if you can find good people, if they’re wrong about the product, they’ll make a switch, so what good is it to understand the product that they’re talking about in the first place?” (p. 11)

From this, Sahlman deduced that when writing this section, it is important to provide a lot of information about the people involved. Unlike many business plan books which say that gaps in teams can be filled on later occasions, he believed that if there is nothing special about the knowledge and experience of team members, teams should re-think the venture idea.

2.3.1.2 The Opportunity

The Opportunity section involves a descriptive profile of the new venture. The aim is to describe the products or services the company will sell, the potential target customers,
growth possibilities and the time line through which these may occur, its economics and finally any barriers that can hinder success. Shalman suggested that an ideal business plan should begin by focusing on two specific questions: Is the total market for the venture’s product or service large, rapidly growing, or both? and Is the industry now or, does it have the potential to become, structurally attractive?

It is believed that many investors prefer large or rapidly growing markets mainly because it is easier to become established, secure an appropriate market share and achieve a certain profit level. Using this framework, it is the task of entrepreneurs to ensure that the industry matches their expectations and this must be made aware to potential investors. If the situation is opposite from the desired state, the entrepreneurial team has the task of convincing investors and stakeholders about the profit potential that can be derived. Once investors are aware of these details, the business plan should show how the company will develop its product or service and how it will initiate its presence on the market. To guide this, Shalman proposes nine questions that about the business that should be addressed within the business plan (Appendix 3). These questions can be used by the new enterprise to make an attempt at understanding the potential customers, which may initially be difficult. This understanding must be documented in the business plan.

The Opportunity section of the business plan should address certain issues. It must explain and analyze exactly how the growth of an opportunity can be achieved, the current product or service range, the number of customers, the competitors, and how the overall scope can be developed over a period of time. The overall aim of this section is thus to ensure that the entrepreneur knows the positive and negative trends that the new business may face in the near future.

2.3.1.3 The Context

The Context mainly deals with external factors which, if changed, can seriously affect the opportunity. Entrepreneurs have no influence over these factors. These could include interest rates, demographic changes, government regulations and inflation. Context can greatly influence the entire entrepreneurial process and can create difficulties when it comes to launching new ventures. It can also exerts influence over the entire state of the industry. It is therefore critical that a business plan contains specific issues relating to Context. In business plans, entrepreneurs must show the role of context on the development of new ventures. This helps to exhibit the knowledge with regards to the instability of context, and the methods that will be used to deal with it. It is of course important to state the effects that context can have on the launching of the venture. In the end, the business plan must show what management can do in order to bestow positive influences upon context, of course, this is only if there are any available.

2.3.1.4 Risk and Reward

Risk and Reward assesses every possible thing that can go wrong for the new venture and how entrepreneurs will be able to respond accordingly if, and when, they arise. When analyzing risks, it is important to look at those associated with people, opportunities and context. Investors prefer to see business plans which acknowledge risks, ask questions, and offer suitable and justifiable responses. After analyzing all available risks, the investors want to see the beneficial attributes. For example, investors may want to know whether or not the company can be taken public in the future (Sahlman, 2008). In the end, the business plan should exhibit and prove to them that financial gains do exist.
2.3.2 FTEs and the Business Plan selection process

The assumption behind Sahlman’s framework is that businesses have characteristics and traits which, despite being readily identifiable, can still prove to be difficult to bring together. Moving along the route from idea to venture launch and then to success is, and will continue to be, risky. As a result, the best business plans should demonstrate awareness and the knowledge of how they will navigate along this route. This of course requires the use of appropriate entrepreneurial strategies. An attractive business plan should therefore ideally focus on the many dynamic aspects which are characteristic of the entrepreneurial process.

When a comparison is made between Sahlman’s framework and frameworks and templates that exist in today’s literature it is seen that different frameworks suggest emphasis on different areas. If entrepreneurs are to evaluate dissimilar frameworks when trying to determine a suitable one for the first time, there are chances that the level of confusion increases and the task becomes more complicated. This is especially the case where they are faced with opinions on important factors coming from varying angles. As a result, it could make the process even more challenging. So the important factor is to know what entrepreneurs have to be aware of when facing this task for the first time.

2.4 The Importance of Creating Business Plans

Entrepreneurship, and in particular business planning, is becoming a very powerful force. With the increase in entrepreneurial activities and the number of ventures being established in recent years, it has become vital for business plans to be written based on theoretical standpoints. It is therefore essential to know exactly what a business plan is and its importance to the entrepreneurial process. Additionally, it is important to identify the different types that exist today so that the document that is written matches the relevant business concept.

A suitable business plan is often required depending on the situation, and so investigations must be conducted to determine what is necessary for this document. What is important of course depends on the business idea itself and the type of business plan that is required. As a result, it is crucial to look at and analyze different views on the subject.
3 Industry’s View on Business Plans

This chapter describes the thoughts and opinions of experts with relation to creating and writing business plans.

It is relatively difficult to locate literature on business plans that actually deals with the challenges that are faced by new entrepreneurs. However, if we were to use the experiences of specialists or experts who know what it is like to create a business plan, it is possible to explore what prospective entrepreneurs quite possibly may go through.

Experts are thus important. Their daily involvement with the provision of support and the guidance of newly established ventures has provided relevant insight and given views about the situation of entrepreneurs in when writing business plans for the first time. The industry’s view on challenges faced, the roles played by literature on business plans, and decisions made with regards to suitable templates and guidebooks have all basically highlighted the need for external support by FTEs. The below discussion was based on an interview carried out in May of 2009 with Samuel Jensen (name changed to protect identity) who works with a company that supports the establishment of new ventures based on business ideas and concepts in Sweden.

3.1.1 Knowledge and its role in writing Business plans

It is critical that entrepreneurs never begin the preparations for a business without first having some sort of background information or knowledge. Entrepreneurs launch new ventures with the intention of attaining a certain level of success. This highlights the importance of initially doing a Feasibility study to assess the viability of the business idea. A feasibility study or analysis is the process of determining if a business idea is viable (Barringer, 2009). Although an idea can sound excellent in the mind of an entrepreneur, it is possible that it may be a risky idea when seen on paper. To facilitate this, Jensen suggested the evaluation of different business models so that the money–making potential is determined and strategies as to how to achieve this can all be identified.

Jensen further advocates for the writing of a business plan to facilitate the future planning for a business; a task whose performance he considered to be essential. It is one of the ways to eliminate risks and avoid failure. Many FTEs simply think of an idea, believe that it is good and quickly want the business to be launched. They are blinded by the belief of quick and easy wealth because this is what they have envisioned. Many simply do not want to take the time to thoroughly investigate and analyze the conditions surrounding their idea, which may later prove detrimental. Entrepreneurs, especially those that do not have the relevant knowledge in the field of business, must therefore recognize the importance of planning ahead if they want their business ideas to succeed.

3.1.2 The role of guidebooks, templates and other literature

Business plan guidebooks assist entrepreneurs who lack the relevant knowledge when it comes to writing business plans. According to Jensen, guidebooks support the less familiar nature of writing business plans and help entrepreneurs to create a document which is readable and comprehensible for external readers, in terms of the layout and content. While some believe that strictly following these guides help entrepreneurs to gather large amounts of relevant information and work through important issues, others express the view that...
the books should only be used as a complement which provides support. Jensen agreed with the latter view saying that these guides, in a sense, work as a document where entrepreneurs can include the facts, pros and cons, ideas and visions which are needed to make a business out of an idea. From this, it can be said that these guides help to first determine the necessary actions that must be included within the business plan by analyzing the idea, and then pose certain questions that must be answered to ensure that the writing process progresses smoothly.

Many versions of business plan templates exist in the field today. However, when entrepreneurs possess minimal knowledge about the overall process, it is difficult to determine which is the best based on the business idea and overall concept. When questioned about this issue, Jensen stated that he believed that it was completely useless to simply “copy – paste” templates for certain types of businesses. Instead, he argued that it is more suitable to collect a number of templates and compare these to entrepreneurs’ views. Doing this can be advantageous. Jensen expressed the view that the comparison between different templates provided information about the areas that may be important to different external parties. Furthermore, he believed that this could provide insight as to whether or not the entrepreneur should proceed with the business idea, and the means by which this should take place.

One of the challenges faced when writing business plans is that it can be rather difficult to determine what information is important. As Jensen stated, entrepreneurs may see some aspects to be less important and so minimal focus is placed on them but, at the same time, what they consider to be less important may be essential to other parties involved, particularly in the case of investors. These may also be key issues that have to be addressed in the later stages of development. As a result, all entrepreneurs should avoid the trend to concentrate on one template and take the good aspects of several.

### 3.1.3 The Difficulties or Challenges of writing Business plans

All entrepreneurs face challenges and difficult periods in the initial stages of the business concept as well as throughout the process. These could come in various forms especially due to differences in backgrounds, cultures and ideas; a sentiment echoed by Jensen. These differences must be taken into consideration, and therefore it is sometimes difficult to generalize the challenges faced by all entrepreneurs.

Despite this, Jensen noted that there are some practical difficulties which tend to be faced by all entrepreneurs who write business plans with complete disregard to the differences that exist. These included the problems associated with the apprehension and estimation of the financial section, the evaluation of the market sizes and the valuations of the product or service that is provided by the company. Furthermore, he made note of the lengthy process involved in the proper execution of these tasks.

### 3.1.4 Investigating the Challenges

FTEs always face challenges in the initial period. They may lack knowledge and find it difficult to see why guidebooks and templates are useful. As a result, they must try and be aware of these challenges and identify ways in which they can overcome them. Going through these struggles and finally beating them could encourage FTEs to reflect on the
overall process and make note of certain aspects they wish they knew in advance. Documenting these can prove to be useful for future entrepreneurs.

Having relevant knowledge, being aware of challenges faced, and knowing the usefulness of relevant literature can generate a conclusion that the awareness of these can help to make the task of writing a business plan much easier for FTEs. However, there is the possibility that this may not always be the case. Using the experiences of those who have written a business plan at some point in time and comparing them to the views expressed by parties involved in the industry may display different experiences which derive similar conclusions and vice versa. Analysis of these comparisons can help to critically evaluate the writing process and determine the way in which the actual process can be considered as “easy”.

3.2 Summary of the Industry View

This process is not always the easiest. Experts in the industry highlight the importance of specific knowledge which is needed for the commencement of writing and the provision of insight into challenges or difficulties that may be faced along the way. They also consider the role of guidebooks, templates and other literature to be crucial since many first-time entrepreneurs lack the individual capabilities to create a successful business plan on their own. It is hence fundamental to be aware of not only what a business plan is but also the factors and conditions that can be implemented so that the business planning process, and thus writing business plans, can both become less overwhelming tasks.
4 Methodology

This chapter describes the methods, research study and research processes that were used in this thesis. It also explains how data was collected and analyzed and the limitations that affected the type of data that was collected.

4.1 Data Collection

4.1.1 Choice of Method

A research study may either be qualitative or quantitative in nature. Quantitative studies require the use of processed data presented in for example, tabulated or statistical formats, in order to draw conclusions and theories. Saunders, Lewis & Thornhill (2007) highlight the necessity for numbers, diagrams and standardized data in order for studies to be quantitative in nature. On the other hand, Qualitative data deals with all non-numeric data or data that have not been quantified and can be a product of all research strategies (Saunders et al., 2007). By conducting this type of study, theories can be developed through the analysis of these types of data. To make sense of this type of data, meanings must be derived from words stated. Since this data can be considered as raw and unprocessed, a qualitative study will first require analysis and categorization. Only then can any meanings be derived.

Writing business plans is not a new phenomenon. In order to understand the challenges that are faced by first-time entrepreneurs, it is useful to know and understand what others have been through in the past. Using their experiences, as well as personal activities and stories, theories can be derived as to the challenges that can occur when a business plan is being written. This is something that cannot be determined through facts and figures. As a result, this thesis was purely qualitative since conclusions made can only come from first-hand experiences and personal observations, and those of others.

4.1.2 Choice of Research Study

There are three main types of Research studies available. The one that is selected for research activities fully depends on what the authors hope to accomplish. It is important that the study approach used is able to achieve the predefined objectives and can generate the particular responses that are required based on the research questions.

The first type of Research study that can be used in an Exploratory study. This type is useful if researchers want to clarify the exact nature of a problem (Saunders et al., 2007). The whole aim behind this type of study is to go in depth, discover the present occurrences, and then search for more or new perceptions. This allows the problem to be further analyzed in new ways using different views. When executing this strategy, three main approaches are used. Firstly, applicable literature is sought out. Following this, relevant specialists are contacted so that opinions and information can be collected. Finally, interviews with sample groups or respondents are done.

Using Explanatory studies, the second type, casual relations between variables are established. (Saunders et al., 2007). The objective here is to analyze a particular existing situation or problem and then use the knowledge to explain the relationships that exist between variables.
Descriptive studies can also be used. These type of studies can serve as a preview or an expansion of exploratory or explanatory studies. What is required here involves having a clear description of the problem or area that researchers will attempt to gather data on. In this case, it is compulsory for this to occur before any data can be accumulated.

Qualitative studies allow the possibility to derive conclusions and relationships from the analysis of non–numeric data. This as a result creates a situation which leads to the occurrence of a level of exploration where data is researched, discovered, and analyzed. This then leads to an in–depth investigation. Due to the author’s decision to use qualitative methods, an exploratory research study was selected. First, literature on business plans was compiled and presented. The literature sought dealt with content and type of business plans, suitable structures, and associated challenges that are faced when trying to create suitable structures. The next task that occurred was to obtain expert views on the whole business planning process. This was vital information which was deemed necessary to enhance the comparisons made between the experiences of the author and sample entrepreneurs. As a result, extracting information from the personal observations of the author, and the stories of former first – time entrepreneurs was the third task.

These tasks were necessary so as to determine the conditions and factors that must be met so that writing a business plan becomes easier for first – time entrepreneurs. In doing this, the question of how challenging the overall process could be was discovered. This provided further insight into the events that tended to be associated with writing business plans for the first time.

### 4.1.3 Data Collection Methods

Data for this thesis was collected using self – observation techniques and narrative research. Self – Observation involves the training of informants to observe and record a selected feature of their own everyday experience (Rodriguez and Ryave, 2002). Using this technique can be challenging to those who attempt it due to the fact that it is crucial for individuals to carry out their normal and natural behaviour without any modifications to facilitate the study occurring. At the same time, the individuals must observe any particular situations where the research topic in question transpires.

Self – observation played an important role in the research carried out. These techniques were critical in the explanation of the author’s experiences associated with writing a business plan for the first time. It was important that everything that happened during the process was noted; both the good and the bad elements. Documenting these types of accounts can prove advantageous since it allows potential entrepreneurs to gain insight into the experiences of entrepreneurs. This can prove to be extremely informative and reduce the pressure which can be connected to the overall process.

Conducting Narrative research was an essential element of this research study. A Narrative is a story or an account of a sequence of events in the order within which they have taken place. Narrative Research, in that case, is then a study that uses or analyzes narrative materials (Lieblich, Tuval – Mashiach & Zilber, 1998). This type of research involves the gathering of data by way of methods which can include stories or field notes. Narrative Research has vast purposes. It can act simply as the object of research or form the basis for further studies. It can be the means by which groups are compared or personalities are investigated and it can also be used to discover more about a particular historical period or social trend.
Narrative research was used in two main ways. First, it was used to find out the views and observations of experts in the field. The objective of using Narrative research here was to establish contact with an expert who worked in the field of entrepreneurship and provided support, advice, information and guidance to entrepreneurs launching new ventures. Using the stories acquired here allowed the author to discover and determine any challenges and tasks that first-time entrepreneurs have endured. These were then used as both a measure to which experiences of the author and other entrepreneurs were held against, as well as a pedestal upon which certain relationships could be developed. The second use was to find out what former first-time entrepreneurs went through when they wrote their first business plans. This was essential since it was necessary for the comparison of the experiences and observations that the author had with his business plan. The combination of these two sets of information were then used for comparison with the expert views previously attained.

To facilitate the use of self-observation and narrative research, the author utilized a series of open-ended and probing questions. Open questions allow respondents to give answers in their own way and allow participants to define and describe a situation or event while attaining more extensive responses (Saunders et al., 2007). Using these types of questions allow for broader answers and can be used to obtain opinions and realistic information or evidence. As a result, respondents can answer questions in their individual preferred ways. The use of probing questions allowed for the exploration of responses that are considered to be highly important to the research topic (Saunders et al., 2007). These are similar to open questions but instead point to a particular direction, and can help to obtain further explanations so that any confusion is eliminated. Using these questions, the author was able to guide the narratives of the respondents so as to avoid the collection of information that may be considered useless to the general research study.

In researching the experiences associated with writing a business plan for the first time, it was important to gather data based on the actual experience and observation of the author. However, once this was combined with the stories and opinions of other entrepreneurs, all of whom have, at one time or another, had to experience the challenges of being a first-time author of business plans, it created a foundation upon which an analysis of the writing process can be described. This then has the potential to make a significant contribution to the area of business planning research and help guide potential and future entrepreneurs during their initial writing process.

4.1.4 Research Process

The research process used followed a detailed format. First, relevant literature about business plans was collected. This literature involved research on a definition of a business plan, the types of business plans that exist today, the content of a business plan, and what was necessary for a successful business plan to be created. Not only was this done so as to develop a background of understanding but it also allowed for the generation of more informative ideas which could be used as a basis upon which questions to experts in the field could be built.

Once the relevant questions were derived, contact was made with an expert who worked on a daily basis with the creation of new ventures in Sweden. Knowledge and information about the importance of guidebooks and templates, as well as opinions about how the creation of suitable templates and previously experienced challenges and difficulties by entrepreneurs in Sweden, were gathered. The author saw these as critical factors which influ-
enced the execution of the planning process and these formed the content of the research objectives and questions.

To enhance the research that was being conducted, and its findings, a business plan was written by the author. This business plan was for an idea for a Travel Venture specifically aimed at Swedish tourists wishing to travel to the Caribbean. During this experience, a personal diary which documented what happened during the process, was maintained. Once this was complete, the author’s experiences were compared to those of two entrepreneurial groups who recently launched new ventures within Sweden; one launched a new website while the other started a business which focused on “green” products. To guide the entrepreneurs who were contacted so that relevant information was given, a series of open-ended questions and probing questions were used which were based on the areas of research important to this topic. Open and Probing questions allowed the author to gather further insight into the overall process and obtain relevant views and opinions all through a narrative format. The author did not want to completely influence their responses but preferred instead to allow them to give their stories. From the information gathered, relevant data was then extracted and included in the research.

The author then presented the stories of the experiences that each respondent had. The information gathered here was then interpreted by the author and compared to the views of the experts in Sweden. The similarities and differences were noted and analyzed, and relevant relationships and conclusions about the knowledge needed when writing business plans, the challenges faced, and the effect they have on the writing tasks, were drawn. This was done so as to determine exactly what makes the planning process challenging.

4.2 Analysis Methods

First, the findings were presented. It was important to introduce the findings with a brief background about the respondents so as to highlight their main differences and then identify the types and purposes of the business plans that they wrote. Findings then had to be shown. Using the information that was gathered from narratives and personal observation, the first step taken was to compare the personal experiences of the author to those of other entrepreneurs, and then secondly, compare these experiences to the views of the expert interviewed. These views of the industry were seen as the measurement value against which the results were compared. Following this, the information was categorized under headings that matched the information gathered from the expert and then presented in this manner so as make the comparisons as explicit as possible. The main aim was to compare the beliefs of the industry to what actually takes place and note the occurrences of any similarities or differences.

In discussing the analysis of the results, the information assembled was grouped according to the purposes of the research questions. This was done to show that the information collected was able to answer the research questions that were posed. On the completion of this, relevant conclusions were drawn about the relationships involved in the overall process as well as important factors which may be needed to make the relationship less complex to first-time entrepreneurs.

In the end, the analysis conducted here not only went hand in hand with the requirements of a business plan but it also derived certain conclusions about the business planning process which today may not be as obvious to individuals new to the world of Entrepreneurship.
4.3 Limitations

Several limitations to this research study were seen. There is the possibility that the use of self-observation techniques may produce biased reports which can be moulded to show only positive reflections of the process. Simultaneously, all occurrences may not be reported, and respondents who use this method may not continuously monitor the process to the best of their abilities. This can lead to flawed information and basically create an unrealistic view of what actually took place. The absent information may actually be crucial. Despite the fact that it may not generate significant importance for some respondents, there is the possibility that it could be vital to external readers.

Narrative research may also be problematic. There could be instances where respondents have difficulty remembering past occurrences, which of course could affect the outcome of the study. There could also be the possibility that respondents provide biased or false accounts of what actually took place which could affect validity. Large amounts of information could also be given which researchers may consider useless. This could lead to the creation of a difficult situation.

Deriving questions that are to be used in the cases of self-observation and narrative research can also be problematic. By using open questions, relatively vague responses may be given and researchers may have trouble identifying what respondents are actually trying to say. This could influence the outcome.

The views of experts who knew what it was like to create business plans and launch new ventures were used as a measuring tool to analyze the experiences of the respondents used in this study. However, these views may be subjective by nature. Their views can be based purely on their feelings and opinions as opposed to factual information and evidence. At the same time, it is possible that the views expressed can be proven by things they have seen during the process or even information which has been documented. As a result, the views can be objective. Having views which can be of any of these two natures may create difficulties for readers since they may not know of which nature the opinions are.

A small number of entrepreneurs were contacted to participate within this study. The study itself is based on individuals who wrote business plans in Sweden and these have been compared to the views of experts in the Swedish entrepreneurial environment. As a result, the author has realized that it may not be possible to make a global generalization unless further research is conducted.

Despite potential problems, the author made sure to obtain accurate information through proper use of the techniques. In addition, each though only a small number of entrepreneurs were contacted, the author ensured that the entrepreneurs questioned actually represented different ideas and all wrote different types of business plans with different purposes. This then allowed for a broader view to make comparisons with when it came to the views of the industry.
4.4 Credibility of Research Study

Research studies must be credible or trustworthy. In order for a research project to be trustworthy, it must be reliable, valid and general.

4.4.1 Reliability

Reliability refers to the extent to which data collection techniques or analysis procedure will yield consistent findings, or be reliable (Saunders et al., 2007). When trying to determine this, one has to wonder if other occasions would produce the same results, if other observers will have similar observations, or if the sense that was made from raw data is actually precise.

The author believes that the findings from this research are reliable. The respondents selected for this study represent new entrepreneurs. Given other circumstances or other respondents, it is believed that similar results will be obtained which will readily produce the same observations.

4.4.2 Validity

The validity of a research study looks at either both or one of the following purposes. First, it looks at the extent to which data collection method or methods accurately measure what they were intended to measure, and second, it looks at the extent to which research findings are really about what they profess to be about (Saunders et al., 2007). Basically, validity deals with how accurate a research study actually is.

Going into this study, the author was aware of the limitations involved such as observer bias, personal interpretation and possible omission of critical factors. Being aware of these encouraged the author to take the necessary steps to prevent them from affecting the findings of the study. As a result, the author’s research has been conducted in high accuracy which helps to increase the validity of the study.

4.4.3 Generalisability

The generalisability of a research study deals with the extent to which the findings are applicable to other research settings (Saunders et al., 2007). This research study was about the issues that new entrepreneurs tend to face when writing business plans for the first time. Gathering new entrepreneurs together into one group may mean that the results can apply to all of them. However, if we were to use different criteria when making the groups, such as past experience, regional context, or cultural context, the possibility that different results are attained does indeed exist. Overall, at this time, it is possible to generalize these findings with regards to all new entrepreneurs. However, further research must take place in order to see if any differences do exist.

4.5 Type of Business Plan used in the Research study

For this research study, a Short Business Plan for internal use was written. The idea in question was for a company planning to enter its first stage of development. The intent of this business plan was to document the ideas of the company so that it knew what it wanted to, and intended to, do. In a sense, it guided the new company’s passage to the
launching point. Through the collection of data, and the analysis of the market, the company identified the necessary steps that had to be taken, the tasks that required funding in their initial stages, and the overall objective or goal that it planned to meet.

Despite being initially used for internal purposes, the business plan written was the basis for a more detailed, extended business plan; the type used to attract funding for the company. This business plan outlined what the company intended to do while the extended business plan will state what will actually be done, show expected sales forecasts, and express this information in both numerical and financial terms. As a result, the business plan that was described in this thesis does not actually contain any forecasted and financial details.

In the end, it is important to note the uses of business plans. They are used as guidelines as to what will or must take place, documents to attract the influx of financial resources, and documents to let the company know what must be done during an annual or monthly basis. It is therefore important to know the type of business plan that must be done and the relevant purpose.
4.6 Summary

Figure 1 summarises the process that will be used in this study and shows how the research and analysis will take place in order to achieve the end result:

Figure 1: The Research Process
5 Empirical Study

This chapter presents the data collected from the experiences of the author and existing entrepreneurs about the writing of their first business plans. It tells their stories.

As stated in the methodology, to attain more insight into entrepreneurs’ experiences with their initial business plans, data and information gathered from a combination of narratives, interviews and personal observations were collected. Their stories are presented below.

5.1 Niyan Fraser

5.1.1 Who He Is

Niyan is a final year student at the Jönköping International Business School of the Jönköping University system in Sweden. He is pursuing a Masters of Science degree in Business Administration with a focus on Entrepreneurial Management. The business plan included within this thesis is based on his idea for a company in the Travel and Tourism industry focused on the provision of information for Scandinavian citizens wanting to go to the Caribbean for different reasons such as vacations. Niyan is the author of this research study and his business plan can be found in Appendix 4.

5.1.2 His Story

I have always been interested in the field of tourism as I have always been attracted to the idea of travelling and experiencing new cultures. As a result of this, it was natural for me to create an idea in this field which was tourism based. What I wanted to do was first come up with ideas and then document them in the form of a business plan. However, before getting this venture launched I wanted to know the areas where I had to carry out research before I could prepare the document necessary for the attraction of capital. Being a final year student pursuing a masters degree in Entrepreneurial Management at the Jönköping International Business School (JIBS) in Sweden, I had to create a final thesis before I could complete my studies. So what I decided to do was merge two projects together: my master thesis and my business plan. What I developed was a research study which looked at the task of writing a business plan as it related to first – time entrepreneurs (FTEs). This thus took the form of a short business plan of about 28 pages for a new service building upon previous services in an existing market. What I wanted to do was create an online service which combined the good elements of both the traditional and online market places.

Even though this was something I wanted to do, I knew I did not possess the knowledge as to how I should create a business plan despite the fact that I had more than 2 years of studies in the field of business and entrepreneurship, worked extensively on a Marketing plan for a small company as part of a special school project, and studied tourism, managerial communications, and microeconomics during my bachelor studies. I knew then that I had to search for a suitable template and guidebook to assist me in the creating of this business plan. So, I took to the library at Jönköping University to see what literature was available to me. Two of the first books I came across were the ones written by Barringer and Kuratko &
Hornsby which were both published in 2009. Being that they were the most recent books available at my disposal, I decided to make use of them. What I did was use the format offered by Barringer and then use questions posed by Kuratko & Hornsby to guide the writing process and ensure that I included the relevant information. However, when reviewed by my tutor, Tomas Karlsson, who has experience in this particular area, the suggestion was made to use a template which was less detailed and more suitable to the task I was attempting to undertake. Basically, that meant hitting the library again so that I can begin a new search for templates and guidebooks. It was during this time when I came across the book written by Timmons, Zacharakis and Spinelli and published in 2004. I remembered learning about the model of the Entrepreneurial process developed by Timmons which was discussed in one of my first courses at JIBS, and so I figured this would be something of great interest to me. While perusing this book, I discovered that it was much easier to understand. So, I decided to use it. At the same time, I realized that this template lacked some of the elements of Barringer's format that I found to be quite useful and important to what I wanted to do. I then made the decision to merge these elements together and still use the questions I had taken from Kuratko & Hornsby to guide my writing.

These helped me. Timmon’s template not only explained the process quite clearly but also showed examples which could be used to both monitor progress and ensure that the right steps had been taken. On the other hand, templates that exist today tend to be more general and not tailored specifically to any idea in particular so I knew that I could not completely follow it. I would thus say that on one hand it helped me while at the same time it did not.

I am currently the only member of my entrepreneurial team which meant two things. Firstly, that the entire process rested solely on my shoulders, and secondly, that there was no one for me to communicate and share ideas with. That can be a bit depressing at times and it is possible that most may give up somewhere along the way. It could also even affect how long it would take to produce the final product. In my case though, it had no influence over the time it took me to write the business plan. I had direction. I knew where I wanted to be, and I had ideas about how I wanted to get to the end goal. As a result, the actual writing process took approximately one week to 10 days, not taking into account the time it took to gather the necessary research.

Writing a business plan is generally not an easy task. Some of the components were pretty challenging to write. The first component that I found to be problematic was the Industry analysis. In this section, I found it difficult to find relevant data and get relevant individuals to respond to my data requests. Problems also occurred in the Development plan section since it was not really easy to determine how long certain aspects will take to be implemented. Now, my business plan did not require the inclusion of a financial section showing projected returns. However, when I sat down and really thought about it, I realized that this section has the potential to be time-consuming and challenging. This section is of extreme importance to potential investors and so there is a high need for accuracy due to pressure coming from external sources. This can be quite problematic for ventures that have yet to be launched. This degree of difficulty could also depend on the industry involved. In
my case, the tourism industry tends to be rather erratic which may result in projected figures not being true representations of future performances. Besides the difficulties faced in the components of the business plan, there were also problems associated with the process of collecting data. In the tourism industry for example, the latest information is not always readily available and in my case, some of the data that was available represented time periods which occurred before the 2008 World Financial crisis. There were also the problems of getting people to respond to data requests or to respond in a timely manner, as I previously mentioned, extracting the relevant data from large amounts available on the topic at hand, and also acquiring data on Sweden that actually was in English since I lack the ability to converse in Swedish.

Throughout this process, I did realize that external support would be important to make this process more beneficial. However, for me, I only needed to document ideas so at the time when I wrote the business plan, I did not need a large amount of external support. This however does not mean that I would not need external support in the future; especially for the Financial section since I am terrible at calculating financial statements.

As I said before, I did face some difficult times while writing the business plan. But I did find ways to deal with them. Determining the best template for my business concept was definitely not easy. Despite this, I recognized the need to combine the best elements of different templates in order to derive one that was suited to my idea. When I experienced difficulty in finding respondents to my questionnaires, I simply continued to search for more and become stricter in my response deadlines. I did mention that I had problems acquiring the latest information. So, all I did was use data from previous years, detect the presence of trends and patterns when needed, and then take into consideration the 2008 World Financial crisis so that I could make some estimated data for 2008 when necessary. Dealing with the problems of finding data that was not in the Swedish language wasn’t too bad. I simply contacted relevant people to either ask them if they could provide me with the information in English or if they could direct me to where I could locate it.

The difficulties or challenges that occur in this process, I believe, are quite common. FTEs without any prior knowledge will try as much as possible to stick to a single template due to proclaimed promises of success. This I consider to be the cases especially when external support is not used. There will also be the problems of attaining respondents which can provide valuable data. For many, this may not be easy. Language problems I foresee as being quite common due to increased globalization and the launch of ventures, by individuals and even companies, in non-native markets and regions.

In the end, I believe that FTEs should be aware of the importance of having such a document in the daily running of their ventures. I have yet to have my business idea realized and launched but I do believe that such a document must grow and change as the business idea and practical component develops. This document can help to guide this development and act as a tool of measurement. As a result, I see my business plan as being a beacon of light steering me to future success.
5.2 Manny Gradenski

(this respondent requested that his identity be withheld and so the name was changed)

5.2.1 Who He Is

Manny is in charge of Sales and Marketing at an IT company operating in Sweden. This company is knowledge-based with a focus specifically on Information Technology. It supports organizations and companies in creating modern and attractive solutions for interaction, knowledge management, and business on the internet.

5.2.2 His Story

The business idea we had developed from our bachelor thesis during our time at the Jönköping International Business School (JIBS), and finally we have had the opportunity to make turn this into reality. The company I developed with my friends and partners was knowledge-based concentrated on providing numerous solutions within the IT industry. The main project we were working on was a website. This website was essentially a major part of our business concept and we knew that since we wanted to develop a new service we should find some way to help us to do this. This basically was why we decided to create a business plan.

Similar to some new entrepreneurs, our first version did not have all of the necessary components which are usually required. It was short and it proved quite difficult to make detailed forecasts. However, what we did know was what we wanted to happen in a year or so. To facilitate this we made use of a Gantt Chart which is a bar chart showing project schedules.

When I say “we”, I refer to myself and my 3 friends who eventually became my partners. Each of us did have some background in business education. I myself had theoretical knowledge and minimal practical knowledge – how gained during my 3.5 years of business studies at the Jönköping International Business School (JIBS). Despite this, me and my partners didn’t have the knowledge to create a business plan although I did have some experience working with marketing plans. The four of us contributed directly to the writing of this plan, with 3 of us working on it daily. However, we did not do this on our own. Instead, we participated in the world’s largest business plan competition known as Venture Cup, a competition that occurs in Scandinavia. My partners and I felt that this would be the perfect opportunity to turn our idea into reality. Because of our participation, a template was given and of course advice and support. This template however had to be changed to fit our business concept. The provision of this template and support from Venture Cup did mean that we did not have to seek out guidebooks and other literature.

Receiving the template was just the beginning. We had a strict deadline that we had to meet which basically reduced the timeline that we had in which to get the task completed. There were actually instances where we had to shift our focus from writing the business plan to other important aspects of the business. However, one thing I realized was that business plans must constantly be re-evaluated and re-worked as time progresses. Thus, a business plan is a dynamic piece of work. In this case, I along with my partners not only had to redefine parts of the business
plan but also the business idea and purpose. This means that the entire process of writing took a few months.

I think that writing a business plan can be quite challenging for many and may cause some sleepless nights. The overall experience can also lead to entrepreneurs not remembering the most difficult components since many revisions usually have to be made before satisfaction can be generated. I know that for many FTEs, collecting and analyzing data can be quite strenuous and time-consuming. It was the same for me but I simultaneously found it to be rather educational. If you do it well, you can get to learn a lot about things you did not know before. It does however consume a lot of time.

For the business plan that we wrote, the task itself was not easy. One challenging aspect was getting it done in order to meet the set deadline. Writing a business plan can be a rather boring part of the running of a business. But, in order to get through this, it is simply important to motivate oneself to do the task. That may not always be easy because when you want to launch a business all you want to do is get out there and get things moving. The difficulties faced I consider to be quite common. However, to overcome them, I believe all that is needed is energy that comes from persistence and the drive to reach goals. I strongly believe in the use of a business plan on a daily basis especially during the start-up phase of the business when people are continuously exploring new ideas and different ways of doing things. It can also be important when the team that is working on the idea consists of creative and innovative people who deliver many new ideas that can be incorporated into the business. For example, the team can come up with additional services that can be added to the main idea of your business, but they may not fit into the purpose of the business idea. In such cases, it is good to have a well-defined business plan to look back at and find the answer to the questions as to whether or not it would be good to incorporate the new idea. I can thus see the business plan as being one of the critical elements to a successful new business.

5.3 Markus Dere and Aaron Castro Gonzalez

5.3.1 Who They Are

Markus and Aaron are the founders of the company Sanitett HB, a environmentally friendly company which seeks to provide sustainable products to two main segments: dental hygiene and personal hygiene disposable products. The company is situated in the Science Park Business Lab in Jönköping, Sweden.

5.3.2 Their Story

Green and Sustainable products are springing up everywhere. This increasing presence showed us that there was some advantages to be gained from entering such a lucrative market. These types of products have been entering various industry sectors but we realized that there was an absence of green and sustainable dental hygiene products and personal hygiene disposable products on the Swedish market. So, we decided to take the initiative and be the first to introduce these types of products to Sweden. This led to the creation of our company, Sanitett HB. Our
company works with other companies and helps them to integrate sustainability into their product portfolios and marketing strategies.

Although these types of products were not available in Sweden, they were still present in many other areas of the world for some time. This then created a need to obtain an overall picture of the market that we wanted to enter. We knew that in order to achieve this, a business plan would be necessary. This business plan also served another purpose. It would prepare us to meet with a business angel who we wanted to win over so that we could convince him to invest in our new company. Once we were aware of our purposes, we wrote a document of approximately 15 pages so that we could keep the interest of the business angel and not overwhelm him with a lot of paperwork. As we wanted to attract financial capital, our business plan had to include a detailed schedule showing forecasts and projected data over the next few years since we knew that this was needed.

The two of us made up the entire entrepreneurial team and we believe that this was quite a good match. We had combined backgrounds in business education of approximately 8 years in business studies. We however did not have any knowledge about writing a business plan and so when it came time to select a template, we searched for several and what we decided to do was actually mix elements from different templates. We used guidebooks, guidelines from Venture Cup, which is a Scandinavian business plan competition, and any other template we could get a hold of. These all proved to be really helpful. Our knowledge was not a complete waste. When it came down to the writing process, it really helped us and we were both capable of contributing to its creation. [Markus] took care of nearly all of the components of the business plan with the exception of the Financial plan which became [Aaron]’s responsibility. One thing we made note of is that we knew that despite all of the literature we used, we still needed external assistance to write the plan. Luckily, we had a friend involved in our project who had experience on writing business plans.

Doing the actual task was not as bad as we expected it to be. It took us approximately one week to finish the document. We had to include and use different models to show the profitability of our product; especially since it was brand new to Sweden. We realized that it was important to use figures if you want investors to take a chance on a new project. However, writing our business plan was not always easy. Sometimes it was difficult and even time-consuming to maintain the structure at all times. Analysis of competition in the global market was also quite a task because this data had to help us to convince the potential investors that our product was the best choice. This was mainly because we had to spend time writing it in a simple way to make it pretty straightforward for investors. So we saw the task of keeping things simple to be quite hard. At the same time, collecting the data for analysis was actually a pretty simple task for us.

One thing that was critical to this process is team work. You need to have a good team in place because when you run into problems, you need to be able to solve it together. That is what we did. Whenever there were any problems we sat down and discussed it. We also sought external support because the knowledge and experience they have can be quite valuable to us. The thing is, one of the main problems that occur is that many believe the process of writing a business plan to be easier
than it actually is and along the way many lose interest in the idea and discontinue. This highlights the need for support throughout the process and entrepreneurs must be prepared to work hard. Having a business plan document could be the best tool any business can have. For us, this helps when we are speaking to retailers and decision holders. We believe that once entrepreneurs recognize the importance of having such a plan, they will be more willing to create one.

Looking back at the process we must say that this was definitely an experience to remember; we definitely learned a lot. There are very few aspects we will change with the exception of going against what guidebooks say and instead actually include really high numbers. We realized that investors like to see these because it means high profit potential. Of course, the numbers must be realistic. This was our experience. However, we do know that the experience of some entrepreneurs will differ from others and potential entrepreneurs must know how to make the situations individual and make it work for their respective scenarios.


6 Empirical Analysis

This chapter presents the analysis of the empirical findings and compares the stories to the views of the industry and other theories.

6.1 Interpretation of Findings

A series of open and probing questions were used to identify and evaluate the different experiences of the respondents. As stated in the methodological section, the views of the industry will be used and compared against the experiences of the respondents. The industry’s view was grouped into four main areas and so the responses that were collected were categorized according to these. This was done so as to provide insight into the actual process of writing business plans, and to understand the approach that was taken to reach the end result.

6.1.1 Knowledge and its role in writing business plans

The respondents all had knowledge in the field of business in the form of education in business studies. Niyan was in the process of completing a two year masters degree in business administration, took courses in Tourism, Managerial Communications and Microeconomics at the bachelor degree level, and studied business and economics in his final two years of high school. Manny had just over 3.5 years of studies in business administration while both Markus and Aaron had approximately 4 years of university business studies. One common feature amongst the respondents was that none had experience in writing business plans. However, both Niyan and Manny, had some level of experience in writing Marketing Plans. These, to an extent, do include some similarities to the business plan writing process and in fact, forms a part of it.

However, even though they had knowledge or backgrounds in the business field they either possessed limited knowledge as how to create or business plan, or had no knowledge at all. Due to the limited knowledge of the respondents, each had to use templates or predefined structures which were found in various publications or created by different organizations. For many FTEs writing business plans for the first time, chances are that these predefined structures are used mainly as guides. Deciding on the best structure, however, is not an easy task as they all vary in their levels of difficulty. Niyan initially used the structure proposed by Bruce Barringer in 2009. However, this structure was difficult to understand due to its highly technical language and the proposed format was unsuited to the intent of the business plan. Despite this, some information was extracted from it for further usage. More use was achieved from the structure derived by Jeffrey Timmons, Andrew Zacharakis and Stephen Spinelli which was created in 2004. That structure, he stated, was less complex in terms of the language used and the proposed view of the layout, and as a result, was relatively easier to comprehend. To this, he added the information previously taken from Barringer’s 2009 format, as well as information from Kuratko & Hornsby’s 2009 format, which he felt supported the information and examples provided by Timmons et al. Markus and Aaron also used a combination of templates. Besides books, they used the templates and guidelines that were established by the Scandinavian business plan competition called Venture Cup. Manny, however, was an exception. His company decided to only utilize the
template provided by Venture Cup but chose not to use any guidebooks on writing business plans.

Knowledge plays some role in the length of time taken to actually write the business plan. Depending on the business idea, the type of business plan, and the amount of data that must be collected, the length of time taken to complete can vary. In some instances, it could take approximately a week to actually write the plan, as in the case of Niyan, and Markus and Aaron. In others, it could be a continuous process over a period of months with the need to meet a strict deadline, as in the case of Manny. This however did not always reflect the data collection process. The length of time taken reflected the first drafts of the respondents’ business plans, which, as shown, varies for business concepts and ideas. However, one common sentiment expressed by all respondents was that business plans were dynamic and had to be constantly evaluated and re-evaluated, and of course modified, as time progressed.

6.1.2 The role of guidebooks, templates and other literature

The reasons for writing a particular business plan directly correspond to the actual type of business plan that is involved. The type simply reflects actual reasons. These reasons of course differ amongst entrepreneurs. Niyan’s aim was to document his ideas for a business in the field of travel and tourism. The idea behind his business plan was not to necessarily attract investors at the point in time when it was written. Instead, it was rather to develop a platform as a starting point of what was to be done and the areas that required further research.

Manny, on the other hand, needed to have a business plan to support the launch of a new product; namely a website. As a result, this business plan was separate from the one utilized for the creation of the actual company. Like Manny, Markus and Aaron also needed a business plan to launch a new product. However, this product was new to the Swedish market although it already existed in other parts of the world. This business plan combined not only the launch of the product but also the establishment of their company. They had two main reasons for writing their business plan. The first was to obtain a broader picture of the market they were planning to enter while the second was to make the necessary preparations to meet with a business investor.

The types of business plan used solely depended on the business plans and the reasons that they were intended for. Table 1 describes the different business plans written by the respondents.

<table>
<thead>
<tr>
<th>Name</th>
<th>Purpose of Business Plan</th>
<th>Use</th>
<th>Type of Business Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niyan</td>
<td>Identification of the activities that needed to be completed and the basic research which had to be conducted in order to prove the validity of the idea</td>
<td>Internal</td>
<td>Short Business Plan</td>
</tr>
</tbody>
</table>

Table 1: Business Plans of the Respondents
Books on writing business plans can be useful on one hand but, for some, it can lead to more confusion than before. This was the view expressed by Niyan, who found that while the book by Timmons et al. was helpful, less detailed, and illustrative in terms of the examples used, it was at some points difficult since the template used was more general and not tailored to any specific business ideas. Markus and Aaron simply stated that these guidebooks greatly helped them and noted that it was important to try and use a combination of books and templates.

Manny on the other hand, found that he did not have to use such guidebooks since not only did he receive guidelines and a template from Venture Cup, he also received help because of the participation in the competition which helped to create the document.

6.1.3 The need for External Assistance

Many FTEs do not possess the capabilities necessary to cope with challenging aspects on their own. This highlights the need for external assistance during the course of the process. Overall, all of the respondents basically needed some form of external assistance due to their levels of inexperience. However, some required more than others. Niyan needed advice in selecting a template but he knew that this was not where it would end. The business plan that he wrote did not include a documented sales forecast and projected earnings, but he did recognize that external assistance will be required to write these parts when he further develops his business plan. Some respondents required and obtained support and advice from external entities. Manny for instance received help from the Science Park Business Lab in Jönköping, which helps many start-up companies to launch successfully, as well as the Venture Cup competition. Markus and Aaron also received assistance from the Science Park Business Lab and, in addition, obtained advice from a friend who had experience in writing business plans.

6.1.4 The Difficulties or Challenges of the Planning Process

When looking at the difficulties experienced during the writing of a business plan, there are certain aspects which can be evaluated. It is important to look at the actual components of a business plan, the process of collecting data and the challenges faced overall.

6.1.4.1 Difficult components of Business Plans

The relevant experiences of entrepreneurs or entrepreneurial teams can assist in tackling certain components of the business plan. This of course differs from one business concept to another. All of the respondents reflected that writing the business plan was challenging and this period of time was not easy for them. Being difficult, it was hard for some, such as
Manny, to determine which parts were more complicated than others. Remembering the exact components which were more problematic also depended on when the first business plan was written. At the same time, the respondents all noted that chapters sometimes had to be revised on numerous occasions before satisfaction was achieved.

Some respondents were more specific when it came to the identification of the difficult components. For Niyau, the industry analysis and development plan proved to be the most challenging sections. For him, the industry analysis was demanding due to difficulty in finding relevant data and receiving responses from applicable players. In the second instance, determining how long tasks will take to be implemented, made the development plan section taxing. In addition, despite the fact that a financial plan was not required in the type of business plan created, the potential entrepreneur predicted this section to be time-consuming and challenging. This he based on the high importance of the financial section, and the required degree of accuracy that will be needed. He also made note of the fact that companies that have yet to commence operations find it difficult to make accurate projections. In this case, the fickleness of the travel and tourism industry meant that any anticipated numbers may not be true representations of the future.

On the other hand, Markus and Aaron found that their difficulties occurred mainly in the Competitor analysis. They noted that competition was globally based since they were the first to introduce their products to the Swedish market and this made the analysis of competitors rather difficult. Besides that, they noted that the whole launch of the business depended on investors and this required the creation of a business plan which had to convince investors that their product was the best choice.

### 6.1.4.2 Difficulties involved in the Data Collection process

The Data collection process can vary from one business concept or industry to another. The respondents all provided different reports of their experiences during this process. Niyau had four main problems. First, it was difficult to attain the latest information due to the fact that the Travel and Tourism industry, which his idea was based within, did not always have the latest information readily available. Secondly, he had to deal with either no responses to data requests, or lengthy time periods before responses arrived. Additionally, he had the problems of first determining the necessary information from large amounts of data, and then extracting the information that was deemed necessary for the business concept. Finally he had to deal with language barriers. Some of the data he needed had to come from the Swedish travel and tourism industry and in some instances, this data was only readily available in the Swedish language. Being a native speaker of English and lacking the fluency in the Swedish language, it made the process periodically difficult.

Others noted that while the data collection process was at times challenging and time-consuming, it was evidently educational. According to Manny, conducting a proper data collection allows one to learn many things that were not previously known. Despite the difficulties that were experienced by other respondents, Markus and Aaron stated that the data collection process, for them, was actually pretty simple. They did however note that problems arose during the analysis process. From their experience, they said that the challenge was not only to analyze the data, but also to present it in a simplified way so that potential investors could readily understand what they were trying to show.

### 6.1.4.3 Challenges faced when writing business plans

Each respondent had different challenges with their first business plans. Niyau had difficulty with the initial template he used, due to its complexity with regards to detail. This
forced him to find a new template. He also had problems trying to match the new template used with the business concept. Markus and Aaron had the problems of trying to avoid the creation of a complicated business plan. As they needed investors, and investors prefer to see things as clearly as possible, they had to continuously try to make the business plan short, simple and easily comprehensible.

Manny’s challenges were mainly having the business plan ready to meet the deadline on time, and trying to find the motivation to actually write it. As he noted, many entrepreneurs do not like to take the time to do the necessary planning. Since they tend to believe in their ideas and the successful execution of these ideas, they would prefer to simply get the business up and running.

6.1.5 Investigating the Challenges

New entrepreneurs or entrepreneurial teams may have known how to handle challenges if they were previously aware of certain aspects before initiating the business plan writing process. This possibly reflected their desire to have known these aspects, or even the areas that required close attention, prior to start of the process. To achieve further insight into this, experts and participants in the field should try and document what their experiences were and what they themselves wished they knew about the whole process before they began writing. Niyan reflected on the fact that with the wide range of publications available that provide guidelines to writing business plans, it would have been nice to know more about the selection process and how to decide on the most suitable. It would have then made the search for a suitable template much easier and less time-consuming.

Markus and Aaron wished they received different advice on certain information that was generally included in business plans. A prime example given related to the fact that many guidebooks advocate against the inclusion of high numbers in business plans due to the possibility that investors may not consider the figures to be realistic. Markus and Aaron provided a different view with regards to this issue and noted that entrepreneurs should not be afraid to actually show really high figures within their business plan because as they stated, “...that means high profit”.

Knowing how to overcome challenges is crucial for any FTE. Entrepreneurs have different ways of dealing with the challenges that they face during the writing period. Manny became persistent and searched within himself to find the energy and drive needed to accomplish the preset goals while Markus and Aaron continuously discussed problems between themselves as well as with their external advisors.

In response to the problem of delayed responses and respondents not replying, Niyan searched for new respondents and set shorter deadlines for responses. Additionally, where the latest tourism and travel information was unavailable, he made estimations based on the trends of previous years while taking into account the occurrence of the World financial crisis. To deal with the problem of sole availability of certain data in the Swedish language, Niyan contacted relevant people within the industry to find out if it was possible for them to either send him the information in English or refer him to a location where he will be able acquire it. The mistake that is sometimes made by entrepreneurs is that they try and stick as close as possible to the templates given. This proved somewhat difficult for Niyan. Instead, he avoided directly using the template and instead first read the information provided, and then used that knowledge to create a business plan which was tailored to suit his business concept.
The knowledge of how to tackle challenges can be quite useful. However, this has a low level of significance unless entrepreneurs can determine how common the challenges that occur are. To understand the writing task and determine how low levels of complexity can be achieved, it is important to know how common the challenges that occur are and potential ways of addressing them. The respondents were asked about their views on the commonality of the occurrences of these challenges and each provided the following responses:

Niyan Fraser

“Writing a business plan will always experience challenges in various elements. Whether it be the problems of finding appropriate templates and making them fit entrepreneurial ideas, or problems relating to the search for relevant data and suitable respondents willing to contribute information, the fact remains that despite the differences that occur in types of business plans, business concepts and purpose, these types of challenges will always be characteristic of the writing process of a business plan”.

(Miyan Fraser, personal communication, 2009 – 05 – 03)

Manny Gradenski

“They are constant...what you really want to do is get it done and get the business running”

(Manny Gradenski, personal communication, 2009 – 05 – 05)

Markus Dere and Aaron Castro Gonzalez

“I believe [that] most people that are going to write a business plan think it’s easier than it will turn out to be. Many lose the interest to continue with the idea they have. Its important to be prepared to work hard”

(Markus Dere and Aaron Castro Gonzalez, personal communication, 2009 – 05 – 07)

6.1.6 Overview of Interpretation

The main similarity seen in the comparison of the respondents’ experiences was that each respondent studied business for a certain period of time during the time spent at university but did not possess any knowledge about writing business plans. The business plans written by the respondents all varied in terms of intent, purpose and type and likewise, the difficulties and challenges experienced, also differed and were dependent on the overall idea and concept. This however does not mean that the degree of difficulty varies according to the business plan.

The responses showed that the differences in business plans influenced certain aspects of the overall writing process. One of these areas was the time involved in the creation of the initial draft of the business plan. The time taken varied from one week to several months and this more or less reflected that the business plans all had different purposes and required different specifications. The data collection process also varied. Two of the respondents found it to be time-consuming while the third found it to be pretty simple. However, they all noted that analyzing the data was a particularly difficult part of the process. What the respondents wished they knew prior to writing the business plan depended on the stage that the business plan was in or the type of business plan that was written. As the
business plan grows and becomes more developed, the prior knowledge that entrepreneurs wished they had also changes and develops in line with the plan itself. This as a result creates a positive relationship between the two. Despite all of this, it is clear that each type of business plan influences basically the same aspects of the writing process with complete disregard to the differences.

Writing a business plan is just one aspect. Knowing why it is written and being able to recognize its importance in the company’s daily activities are also very important factors to consider. If this is not taken into account, then not only would it not be used efficiently by the entrepreneurs, but it would also not showcase the passion and desire the entrepreneurs have for their business ideas. This can be a critical factor if others are also to believe in it.

6.2 Analysis of Findings

As earlier stated, there is minimal literature available on the challenges and difficulties faced by FTEs. The views of experts can thus be used as a measure by which the experiences of the respondents can be compared to and analyzed. The information gathered from expert Samuel Jensen was about the role played by knowledge and literature in writing business plans, and the recognition of challenges and knowing how to address them. These were then used as headings under which the analysis of the findings was conducted. This section deals with the analysis of the findings.

6.2.1 Knowledge and Literature: their role in Business Plans

Several publications exist today which can be used to help jump start the entrepreneurial process. Many books explicitly state that using their templates will guarantee success. However, based on the experiences of the respondents, it is obvious that this may not necessarily be the case at all times. From the reports, it was found that in some cases the reliance on one template was avoided and instead the best elements of a number of different templates were utilized. It is however not enough to use templates in isolation but also obtain expert advice from specialists within the industry who have, at one time or another, faced the same challenges. This as a result, helped to build the wealth of experience possessed by these external actors. These books, templates and expert advice were thus seen as being necessary for first – time entrepreneurs. The responses show that business ideas and concepts would not have been executed successfully without the utilization of guidebooks, templates and expert advice.

Using literature and expert advice generates knowledge. The information collected from the expert and respondents justifies the importance of knowledge. FTEs need to know what is involved in creating a business plan. Being aware of this helps to place more focus on the task on hand and, without regard for external factors, can influence the length of time taken to complete the task. Timing can be crucial for some entrepreneurs who aim to meet specific requirements posed by potential investors. So, to be able to navigate through this process, and use time in an efficient manner, some level of guidance should be utilized.

However, entrepreneurs must know the extent to which external support can be used. Hormozi, Sutton, McMinn & Lucio (2002) say that when deciding if to write a business plan oneself or use consultants to do the task, both advantages and downfalls for each option must be evaluated. Their research has shown that entrepreneurs who do the writing process themselves gain skills and knowledge on writing business plans, as well as expertise.
in their specific areas. It basically provides an opportunity for learning. Despite this, it is also important to use experts or consultants who have the relevant insight and experience which allows them to critically evaluate the finished product and provide advice on the areas that require improvement. (Hormozi et al., 2002). External support also acts as a knowledge resource base because entrepreneurs themselves learn from others who are more versed in the areas in which they themselves are deficient.

Business plans must match the business concept. Thus the relevance of the business plan and its purpose must first be identified before any valuable writing can begin. However, evidence shows that first selecting the type of business plan and then trying to mould it so that it fits the purpose can further complicate matters. As a result, the sequential steps that must be taken are first knowing the purpose and then finding a plan that suits it. For FTEs, business plan guidebooks and templates play a vital role. As previously stated, the respondents had no prior knowledge about writing business plans. Using books and templates provided the guidance that they needed to select an appropriate plan and decipher the information given so that it met individual requirements. As a result, it is important to select the best literature to facilitate the task.

This however may sound easier than it is in reality. FTEs are faced with a wide assortment of literature and the respondents themselves had to deal with making these sorts of selections. One evaluated different guidebooks, one received a template from an associated organization, and the final used a combination of both. What this highlighted was the need for external assistance. Experts in the field have more exposure and have faced these and similar problems on various occasions. They can identify the ideal features based on the plan itself, they can provide help when writing the various components, and they can even help to reassure, motivate and guide the FTE. This shows that FTEs stand to gain significant benefits from the relationships they have with experts and consultants. The responses showed that the entrepreneurs made special note of, and recognized, the receipt of help from relevant individuals as well as organizations which specialize in assisting new businesses. They credited their state of development today to these external parties. It can therefore be deduced that assistance from those who have experience in the field are critical to a successful business plan and thus a successful venture.

In the end, it can be said that the more usage that can be gathered from books, templates and expert advice and experiences, the more prepared one can be to write a business plan. Despite this, current literature is only helpful to a certain extent. It serves to guide FTEs but it does not serve to provide all of the answers to everything. Rather it acts as a source or pool that entrepreneurs can gather information from to create suitable business plans. All additional information should thus be gathered from the advices of external forces. In a sense, these could be compared to a normal everyday classroom. The experts act as teachers who guide their students along the way using information taken from their textbooks, or in this case the guidebooks and other literature.

6.2.2 Challenges: their presence and how to face them

Challenges associated with business plans can take forms which either affect the practical components of the process or the overall mental capabilities of entrepreneurs. Business plans are sometimes considered to be vital documents to have for any organization. One view here is that a good business plan can help to reduce the odds of failure and not necessarily guarantee success (Crawford – Lucas, 1992). Another is that the presence of a busi-
ness plan within a company and the performance of that company is highly interconnected and this helps to enhance the overall growth of the business (Orser, Hogarth – Scott & Riding, 2000). What these researchers are trying to say is that if a company makes use of a business plan then there is a greater possibility of it becoming successful. This supports the view of some authors that business plans are necessary for the acquisition of external financing (Hormozi et al., 2002, Barringer, 2009). This however is one part of a two – sided argument. Despite the existence of the view that business plans are vital to securing funding for businesses, some believe that investors see business plans as being completely worthless and therefore usually ignore them. The extended belief from this is that business plans will not be able to help in the acquisition of funding (Bowers, 2009). This view was also expressed in the late 19th century when the military strategist Clausewitz said “Planning is essential. Plans are useless!” (cited in the World Intellectual Property Organization Paper, 1997). These opposing views can generate more complex situations for FTEs.

Given these varying views, it is not difficult to understand why the whole idea of deciding to write a business plan can be a discouraging task for FTEs. If they use the view that business plans are critical to achievement, then the promise of potential success generates the need for first – time entrepreneurs to write a winning business plan since their futures rest solely on the pages of a single document. This added pressure can thus create a quest for perfection which could further complicate affiliated tasks.

Research has shown that FTEs experience a number of different problems and challenges. Actually getting the motivation, energy and drive to start the business plan is one problem, and once started, there are the associated problems of the overall length and the number of words included, the type of language, the difficult in meeting deadlines, and the absence of the knowledge of how to edit the writing (Weiss, 1978). Many of these problems proposed by Weiss were seen in the respondents’ experiences when it came to the actual writing process. These experiences thus give support to Weiss’s proposal.

Besides those previously stated, FTEs can also be faced with the problems and challenges associated with the overall writing process, the contents of the business plan, and the acquisition of data. The respondents’ experiences showed that generally the entire process can be seen as a collection of challenging tasks. However, the extent to which it is challenging is dependent on the business concept undertaken. The ideas and types of business plans used by various entrepreneurs differ from one concept to another. Some may believe that, for example, compiling the industry analysis was a overwhelming task. Conversely, for others this section may have been viewed as relatively easy. All in all, it could simply depend on various external factors such as the product or service being offered and the potential market within which it is being offered.

For a business plan to achieve its relevant purposes, appropriate data must be included. However, gaining access to, and collecting data can sometimes be difficult. This again can depend on the type of data that is required. In some cases, the latest information may not be available, it may be in a language other than the native language of the entrepreneur, or it could be so widespread on a global level that it could be difficult or time – consuming to collect. Some investors may also require that a specific set of data, showing certain facts, be presented in a particular way. In some cases, the process of collecting data may actually be easier than the analysis of the data. Charles Ames, who was once the Chairman and CEO of the former Uniroyal Goodrich Tire Company, said that all business plans must know the difference between “assumed facts” and “reported facts”. Any data that is included within a business plan must be factual and easily proven (Ames, 1989). To differentiate between the two, the company must ask itself really hard-hitting questions and the data that cannot
be proven must be eliminated. Where large volumes of data are available, it can be quite a task to extract what is deemed relevant and this can apply pressure on the entrepreneurs themselves; especially when trying to generate financial backing. The important factor that must be noted is that the business plans must present data in a clear and concise manner so as to increase the overall credibility. Thus, data collection and analysis must be conducted in a thorough manner.

Awareness of challenges and difficult tasks is just one factor to consider. Knowing what to do prior to writing and knowing how to overcome challenges faced may be deficient unless it is understood how common these challenges are. Weiss (1978) suggests that the first step that must be taken to overcome problems is to first know the targeted audience. By taking into consideration factors such as education level and knowledge about the subject at hand, the business plan written and the type selected can be the most appropriate to the situation at hand (Weiss, 1978). The respondents all knew who their intended audiences were. They also knew who their readers were and they knew the purposes of the plan. Based on these predetermined conditions, they were able to select the best type of business plan. This however is simply the beginning. Once these conditions are set, the business plan must include appropriate material. The material used for the business plan solely depends on the targeted audience. Determining the amount of material to be used and how it will be collected will depend on the nature of the plan, surrounding circumstances, and the level of knowledge on the subject that was previously acquired. (Weiss, 1978). If we take into consideration Markus and Aaron, their product was new to Sweden and so they had to show data to investors that indicated how the product itself performed in other countries, the level of revenue generated and other essential information that served to convince them about the sustainability of the product to the Swedish market. Of course, since it was a product located globally, much of the data was collected via the internet. Niyan’s business plan was solely for internal use and he needed data that he could use to create a platform upon which further research could be built and eventually prove to external investors that his idea was viable. He therefore needed information showing tourist flows leaving Sweden to foreign destinations so that the state of the market could be determined, as well as the potential revenues that could be gained. He also needed data on Swedish tourist arrivals to the Caribbean region which were compiled by the Caribbean Tourism Organization and individual island tourism organizations. To obtain these, he therefore needed to establish contact with these organizations as well as conduct internet research so that the relevant data could be compiled.

Knowing the thoughts of others with regards to their own personal experiences help to reassure prospective entrepreneurs and let them know that the challenges faced are not isolated to themselves but are also experienced by others. It is, as a result, good for FTEs to know how common some challenges are. The respondents all provided their thoughts and views with regards to how common they felt the challenges they faced were. Access to this sort of insight can assist upcoming entrepreneurs to increase their readiness to undertake the task of writing a business plan. Despite the distinct views expressed by the respondents it can be agreed that these can be all common across the board. Being aware of them may not necessarily mean that the process itself becomes easier, since problems and difficulties will always occur, but it does mean that individuals are not undertaking the task blindly.

Samuel Jensen, the interviewed expert, made note of the fact that the challenges faced by first – time entrepreneurs can either be related to practical components or mental and personal feelings. From the stories gathered from the respondents, evidence of the occurrences of both these phenomena is revealed. This more or less shows that the challenges
faced depend on entrepreneurs and their knowledge, as well their personal capabilities which enable them to deal with issues when they arise. The respondents all faced challenges and these differed according to the idea and purpose. However, despite the differences that exist between business plans, ideas and backgrounds, the challenges that occur remain the same but tend to reflect existing differences. Basically, FTEs tend to face the same challenges but the way that they experience them and the way in which they deal with them may be viewed as being unique to the individual entrepreneur.

6.3 Relationships & Derived Conclusions

It can be presumed that the whole idea of writing a business plan may be a new unknown area for those who want to start a business but lack the formal training or background. It can further be assumed that it is easier for those with some knowledge of business. However, as seen in the results, entrepreneurs with business background still face difficulties. Having a business background or training in the field of business does not necessarily mean that firstly, there is an ability to write a business plan, and secondly that the process itself will become easier.

Honig & Karlsson (2004) found that business education did not exert any influence over the desire to write a business plan. Their study, which focused on entrepreneurs in Sweden, found that entrepreneurs tended to ignore advice obtained from classes in business education due to the heavy emphasis on management in large organizations. Based on this, it can be implied that if these variables actually hold true, then educational background and training have no influence over the ability to write a solid business plan. This basically means that a major correlation between education and training within a particular field, and the capability to write a business plan, does not actually exist.

Based on this, all first – time entrepreneurs have an equal footing in the initial stages. Honigh & Karlsson’s study supported the relationship determined from the respondents’ experiences that even though they all studied business at university level, they were still virgins when it came to the ability to participate in the process of writing a business plan. However, this process allowed for the opportunity to acquire certain information from various sources. To facilitate this, the need for, and the reliance on, templates and guidebooks highly increases. However, first – time entrepreneurs must know how to identify the best components of the different templates, extract this information and create a combination which best suits their respective business ideas. As a result, it all depends on what these entrepreneurs do with the knowledge that they acquire during the process, and the drive and passion that they possess for the business idea and concept. They obviously must strongly believe in their ideas and desire overall success in the future.

From experience, it is best to avoid strict adherence to one template regardless of the success promised by guidebooks. Guidebooks tend to take a more general approach. This is because they are available to all types of entrepreneurs whose business ideas vary from one to the next. As a result, each entrepreneur must take the template and mould it so that it fits his own idea and concept. FTEs may not necessarily know how to do this in the initial stages and so external support has to be given to them so that they are able to cope accordingly. To do this requires advice from external individuals and groups whose experience can help to fill the gaps that most FTEs tend to have. This supports the previous view that the use of advice from external players can help to make the writing process easier.

It is true that the overall process itself does become easier due to increased awareness of potential difficulties. However, what this really means is that the inclusion of the previously
stated factors allows for the avoidance of surprise elements but it has no bearing on the types of difficulties that writing business plans could entail, for example, the problems with data collection and analysis. At the same time, awareness allows necessary preparations to be made which enable FTEs to feel more prepared to tackle the challenges that lie ahead.

It is not easy to generally state whether or not writing a business plan is easy for FTEs. The extent to which this process can be considered challenging can depend on various factors such as determining feasibility, knowing your audience, knowing the type of business plan, the reasons for writing the business plan and hence the applicable data, and using external assistance. From this, it can be deduced that a Commensalism relationship exists. In this type of relationship, one member of the association benefits while the other is neither harmed nor helped. The way in which this can be interpreted in this study is that by including the above elements, the overall writing task is helped while, of course, the elements are not affected in any way. Basically the task of writing a business plan is at its most challenging if entrepreneurs work isolated from external support and guidance, and possess no knowledge about the viability of ideas and the planning process itself. Thus, there is a high level of dependence. As each element is included, the process becomes less challenging; less challenging however simply means making FTEs more prepared and better able to create a business plan. This shows the importance of having knowledge, guides and external assistance. It can therefore be seen that having knowledge, and using literature and expert advice help to make FTEs more capable of addressing challenges that may possibly lie ahead for them.
7 Conclusions

Business plans serve to define the business and give explicit details about expected operations in a given market. They can be used internally by entrepreneurs, when deriving short and long-term objectives and determining how to go about achieving these objectives. Externally, they are used as a means of acquiring financing and as a tool which potential investors and financiers can use to analyze the business potential of the new business idea. (Hormozi et al., 2002).

Business plans produce a range of benefits (Richardson & Jennings, 1988). It can be used as a means to get people to work hard by documenting thoughts on paper. It can be a record of reference which can be used to solve any disagreements with regards to confusion over what should be done. It is a document that can be used to coordinate guidance and control organizational activities. It can be used to attract particular resources from various sources, and finally it can prove that entrepreneurs are serious about what the future holds, conducted a thorough analysis and have created plans to achieve their objectives. (Richardson & Jennings, 1988). Based on this, it is thus an important document for any business to have.

Writing a business plan guides entrepreneurs to the end – point of potential success. In a sense, it is supposed to make the whole path from idea to eventual launch more informative. However, this can be a daunting and challenging task and many publications that exist today make the writing process appear as an easy task that anyone can handle. To investigate exactly how challenging this could be, a business plan was written by the author and the experiences from this were compared to the experiences of others who have written business plans, so as to determine whether or not entrepreneurs go through the same challenges. These were then compared to the insight given by experts in the field to determine just how realistic they were and what was necessary to reduce the level of complexity that the task itself may involve. This then could provide answers to exactly how easy writing a business plan is for FTEs.

Richbell, Watts & Wardle (2006) found that certain factors result in the tendency to have a business plan. These factors included a higher level of education, previous work experience in a medium or large firm, and running a business in sectors outside their previous experience. In this research case, the respondents only satisfied one of these factors, that is the higher level of education. Using this theoretical view, it is comprehensible why these individuals decided to use a business plan to support the establishment of their ventures. From the respondents’ experiences, it was found that in order to create a more flowing writing process, there were certain factors that were needed. The obvious first factor was a feasible idea. It is important to make sure that the idea itself is capable of success and generating sufficient income. Secondly, the type of business plan to be written and the exact reasons for its creation must be determined. The third factor is to collect a suitable mix of good components from different templates and guidebooks. From this mix, a template can be created that matches the intent of the business plan and can be used as a guide to navigate along the path. Finally, throughout the entire process, it is critical to obtain external advice from the point of determining feasibility all the way to the final creation of the first draft. It can be said that the extent to which writing a business plan is easy for FTEs completely depends on how much they collaborate with external actors, and use the advice and information gathered to their advantage.

As stated in Chapter 1, this research study had two main objectives. The first was investigating a part of the business planning process by writing an actual business. The second
was to compare the personal experiences of the author during the process to those of others who have participated in, and have some experience with, the task of writing business plans, and then comparing them to the views and beliefs of those involved in the field of entrepreneurship and the establishment of new ventures. To achieve these objectives, 4 main questions were used.

The first question was to determine the roles that knowledge and literature played when it came to writing a business plan for the first time. Knowledge can be acquired from the advice, guidance, and support of experts in the field while Literature can be viewed as the tools that are used by these experts to facilitate the learning process and gathering of information. The lack of experience that is characteristic of many FTEs means that knowledge and literature are critical to both the initiation of the writing process and the progression of the task itself.

The second question dealt with the identification of the challenges faced when writing a business plan and how these could be overcome. The challenges faced were along the lines of the components of the business plan, the data collection process, and the actual task of writing the document. The way in which these challenges are dealt with can depend on the entrepreneurs themselves and the mental capabilities that they have which allows them to address these challenges. In addition, dealing with requires the importance of knowing how common these challenges that occur are.

Question three was about determining whether or not challenges faced were unique. The respondents each faced certain challenges and despite the differences that occurred, it was determined that the challenges faced were common across the board. Their occurrence depended on the entrepreneurs themselves, their level of experience, and the business concept and type of business plan written.

The final question dealt with identifying the relationships that exist in the task of writing a business plan and the conclusions that could be drawn from the whole experience. The main relationships and conclusions were:

- Entrepreneurs who have a background in business still tend to face challenges and difficulties and do not necessarily have the knowledge that enables them to commence writing.

- There is no existing correlation between education and training within the field of business and the readiness to write a business plan.

- Overall success is highly dependent on the acquisition of information and knowledge from templates, guidebooks, and various external sources, how new entrepreneurs use this acquired information and knowledge to their advantage, and the drive and passion that entrepreneurs have for their business idea.

- Strict adherence to one template should be avoided as templates tend to be more general in nature and have not been created for any specific business idea or concept. It is better, instead, to use a combination consisting of the best elements of different templates in order to create one that is suited to the business idea at hand.

- FTEs need to have the advice and support from experts who have experience in writing business plans. This is because, in many instances, FTEs generally do not have the relevant knowledge and experience to cope with this task on their own.
The process of writing a business plan does not necessarily become easier since challenges and problems will continue to occur. Certain elements (e.g. templates, literature, external support) are needed and as each is utilized, the process becomes easier mainly because these elements provide insight which increases the awareness of FTEs with regards to what happens during the writing process. They are thus not undertaking that task blindly but instead are more prepared.

In conclusion, for the task of writing a business plan to be considered as challenging depends solely on entrepreneurs themselves. The writing process becomes easier as the various factors are incorporated. So, the more of these factors that FTEs include, the less challenging the process becomes which, in the end, makes general matters easier for FTEs. However, the process itself, involving the writing and presentation of the business plan, and the collection of relevant data, remains the same. The challenges faced will commonly occur for a large majority of entrepreneurs who undertake the task. What transpires here is that FTEs themselves, by using the stated factors, become more mentally prepared to face the challenges head on. Documenting experiences provide insight and through this, potential entrepreneurs can see what their peers have gone through and this knowledge can be used advantageously.

With the reduced absence of uncertainties and increased insight, FTEs are better able to arm themselves with the necessary tools which help to increase their confidence levels and make them approach the writing task with minimal fear. As a result, the task of writing a business plan for the first time becomes “easy” for FTEs.
8 Future Research

This chapter takes a brief look at future research possibilities

There are several areas in which further research can be conducted. These could have some influence over the business planning process. An area worthy of research is determining the relationship between education received in school and the business planning process. If there is increased education in entrepreneurial studies at university level where greater focus can be placed on business planning and the writing of business plans, it may be possible that this could exert some effect on the level of complexity which tend to occur in these processes.

Business plans are written by experienced entrepreneurs on many occasions. They are also written for existing companies which may participate in new activities on a regular basis. As a result, it would be useful to find out if companies and entrepreneurs, who have the necessary skills and competencies, face the same challenges as FTEs, despite the different levels of experience when it comes to this topic.

Worthy of research is the various purposes of business plans and the associated difficulties or challenges. It is possible that business plans written for specific individual purposes may face certain problems while those written for other purposes face a different batch of problems.

There is minimal availability of books that deal with challenges faced during the business planning process, and potential solutions that can help to overcome these. So it may be possible that increasing the number of these will generate some reduction in the level of complexity involved in the writing and business planning process. However, there are certain factors that must be taken into account. Most notably is the considerable differences in entrepreneurial activities that occur in the various regions of the world.

The experiences that entrepreneurs face when it comes to business plans have been analyzed in a purely European context, with the focus being placed on entrepreneurship and the writing of business plans in Sweden. It will thus be interesting to note whether or not these hold true in other European countries as well as other regions which differ in terms of culture, background and business practices. In some societies, many small business ventures are able to be launched successfully without the use of a document to guide them.

From this, it can be said that entrepreneurs all over the world differ. Research has shown that this tends to be based on culture and the economic situations of countries. It is also possible that education may play a role in this. In some regions such as the Caribbean, there are instances where those who have higher levels of income simply take the risk of starting a venture, while those who have to make use of small business loans must create a business plan to show vendors before any financial resources can be attained. This thus has an impact on the entire process involved in entrepreneurship on a regional and hence a global level.

Based on these differences, it would be idyllic to analyze the various business planning activities that occur in the world’s regions, and the significance of writing business plans. A comparison could then be made so that a more realistic picture can be created and further insight into the world of entrepreneurial activities can occur.
References


Appendix 1: The Content of Business Plans

Based on the book
by Timmons, Zacharakis and Spinelli (2004)

Several authors use different headings and categories when it comes to writing business plans. However, they all contain the same information. Timmons et al. (2004) identify ten components that should be included in a business plan in order for it to be successful. These include:

- Executive Summary
- Industry, Customer & Competitor Analysis
- Company & Product Description
- Marketing Plan
- Operations Plan
- Development Plan
- Team
- Critical Risks
- Offering
- Financial Plan

**Executive Summary**

The Executive Summary, as the name suggests, gives a brief overview of not only the proposed venture but also the contents of the Business plan. It opens the door and provides insight into what is to be expected. It is essentially a summary of the business plan contents and so must be the final written component.

**Industry, Customer & Competitor Analysis**

The industry, customer, and competition section of the business plan lays the platform for the new company to introduce its vision (Timmons et al., 2004).

The Industry Analysis section focuses directly on the firm’s industry, and its characteristics and trends. Once entrepreneurs are aware of the whole industry they can then select the best segment of the market for them and easily identify particular opportunities that exist.

Once knowledge about the industry is acquired, it is then important to conduct a thorough analysis of the target customer. Kotler (2009) created a framework for segmenting Consumer markets (this table is shown below). The more knowledge there is about target customers, the better able the company is to create a product or service tailored specifically to their needs and desires.

<table>
<thead>
<tr>
<th>Consumer Segment Basis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic</td>
<td>Division of the market into various geographical units (e.g. regions)</td>
</tr>
</tbody>
</table>
Demographic Division of the market into various groups based on demographic variables (e.g. age, income)

Psychographic Division of the market into groups based on social class, lifestyle or personality characteristics

Behavioural Division of the market into different groups based on consumer knowledge, attitude, use or response to a product

Knowing the customers and having an idea of what they want forms the basis of the Competitor analysis. There are generally three types of competitors:

**Types of Competitors**

<table>
<thead>
<tr>
<th>Types of Competitors</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Competitors</td>
<td>Companies that offer a product somewhat or exactly alike</td>
</tr>
<tr>
<td>Indirect Competitors</td>
<td>Companies that offer a product or service that is a close alternative</td>
</tr>
<tr>
<td>Future Competitors</td>
<td>Companies that can become either a direct or indirect competitor at any time</td>
</tr>
</tbody>
</table>

To compare the competitors, Timmons et al. suggest the use of a competitive profile matrix. This matrix is a tool which can be used to describe the needs and desires of customers and show how the competition is dealing with them.

To further enhance this component of the business plan, Michael Porter’s **Five Forces Model** can be used. Porter developed this model in 1985 and used it to analyze industries to determine how firms within the industry achieve profitability. It is important for any new firm to understand its potential industry so as to derive an appropriate competitive strategy.

**Description of Porter's Five Forces Model**

<table>
<thead>
<tr>
<th>Forces</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power of Buyers</td>
<td>Determined by the relative size of buyers and the degree of concentration within the industry. The greater the power, the more flexible companies have to be</td>
</tr>
<tr>
<td>Power of Suppliers</td>
<td>Determined by the relative size of the companies and the factors that influence the power of buyers. The greater the power, the lower influence small firms have over cost</td>
</tr>
</tbody>
</table>
Threat of New Entrants

The greater the threat of entry to a market, the less control over price and bargaining power possessed by companies within the industry.

Threat of Substitutes

The greater the threat of substitutes the lower companies’ ability will be to charge higher prices.

Competitive Rivalry in the Industry

The higher the level of competitive rivalry, the less able firms will be to charge higher prices.

**Company & Product /Service Description**

The business plan must describe the new company as well as the product or service that it is proposing to offer. In the description, the readers must be able to see and feel the enthusiasm for the proposal. They must be able to see not only the attributes of the product or service, but also they must be able to identify what the company is about and where it sees itself in the market.

To address this issue when it arises in a business plan, entrepreneurs can make use of the **Product /Market matrix** which was derived by Igor Ansoff. It serves to position the company itself in its respective market. It helps to identify the type of opportunity it is taking advantage of and thus gives a clearer picture as to the type of business it will be and the strategies that it will have to take in order to succeed in the market place. The table below describes these strategies:

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Penetration</td>
<td>Company enters existing market with the intention of attracting existing and new customers</td>
</tr>
<tr>
<td>Market Development</td>
<td>Company attempts to attract new customers, from either geographical areas or new channels, for current products</td>
</tr>
<tr>
<td>Product Development</td>
<td>Company produces entirely new products or different versions of existing products for current markets</td>
</tr>
<tr>
<td>Diversification</td>
<td>Company produces new products for new markets</td>
</tr>
</tbody>
</table>

**Marketing Plan**

With the knowledge gained from the previous two sections, companies will be able to gain a sense of their future direction. To get there, a company must employ strategies critical to achieving a certain level of success. This is the idea behind the Marketing plan. The entire aim of the marketing plan is to be able to stimulate demand for the new product or service in the target market. A helpful tool that can be used is the **Marketing Mix** and its 4 Ps.
The Marketing Mix is the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market (Kotler et al., 2008). The purpose of this tool is to illustrate all of the options that a company will have when influencing demand for its product or service offering. This consists of four main components:

- **Product** is anything that can be offered to the market that may satisfy a need or want.
- **Price** is the amount of money that the customer will pay to acquire the product.
- **Promotion** is basically all activities that communicate the product or service and its benefits and features to target customers so as to influence purchase.
- **Place** involves all of the company activities that enable the availability of the product or service to target customers.

These 4 P’s represent the sellers’ view of the marketing tools available for persuading buyers. It is thus important to note the affiliated benefits that customers stand to gain from their own perspectives. This is referred to as the 4 C’s as shown below.

<table>
<thead>
<tr>
<th>Four Ps</th>
<th>Four Cs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Customer needs and wants</td>
</tr>
<tr>
<td>Price</td>
<td>Cost to the customer</td>
</tr>
<tr>
<td>Promotion</td>
<td>Communication</td>
</tr>
<tr>
<td>Place</td>
<td>Convenience</td>
</tr>
</tbody>
</table>

**Operations & Development Plans**

The Operations Plan section explicitly shows how the business will be run and how the goods will be produced. The degree of detail required in the operation plan depends on the stage of development that the company is currently in.

The Development Plan deals with drafting a proposed timeline that will take the new venture from its initial phases to the point where it makes sales and, generates revenue. The time taken to navigate along this path differs for individual firms.

**Team**

The Team section of the Business plan is considered to be the most important to investors after the executive summary. This is because investors want to make sure that either competent individuals are involved or that there is a plan to incorporate individuals who can fill the missing gaps.

**Critical Risks & Offering Plan**

The Critical Risks section identifies any risks that can potentially be hazardous to a company’s survival. This, in a sense, reduces the level of bias that some entrepreneurs can have
when it comes to their business ideas and thus proves to investors that they have analyzed the situation from all possible angles.

The Offering Plan indicates the amount of capital needed and the way in which the capital will be used so as to achieve certain milestones. The idea behind this section is to show potential investors exactly the amount of financial capital that the relevant entrepreneur needs and to show that the usage of this financing is known and can be clearly stated.

*Financial Plan*

The financial plan shows the business concept in numbers. Financial projections are always placed at the end of any business plan because it takes the earlier components and expresses them in financial terms. Investors are interested in these results. They want to see how rapidly the business will grow and the size of expected returns. Investors usually prefer to see financial statements forecasted to five years. Any further usually reduces the degree of accuracy.
Appendix 2: Questions by Kuratko and Hornsby (2009)

Questions to guide the Business Planning Process

Customer Analysis
- Who buys?
- Why do they buy?
- What are Consumer Requirements?
- Where do they make purchases?

Industry, Customer & Competitor Analysis
- Who will be your customers? (i.e. who will be your target market?)
- How big is the market? (i.e. what is the number of customers?)
- Who will be your competitors?
- How are their businesses prospering?

Company & Product / Service Description
- What type of business will you have?
- What products or services will you sell?
- Why does it promise to be successful?
- What is the growth potential?
- How is it unique?

Team
- Who will manage the business?
- What qualifications do you have?
- How many employees will you have?
- What will they do?
- How much will you pay your employees, and what type of benefits will you offer them?
- What consultants or specialists will you use?
- What regulations will affect your business?

Financial Plan
- What is your total expected business income for the first year? What is your forecast for the next two years?
- What is your expected monthly cash flow during the first year?
- Have you included a method of paying yourself?
- What sales volume will you need in order to make a profit during the first three years?
- What will be the breakeven point?
- What are the projected assets, liabilities, and net worth?
- What are the financial needs?
- What are your funding sources?

Who Are These People, Anyway?

Fourteen "Personal" Questions Every Business Plan Should Answer

- Where are the founders from?
- Where have they been educated?
- Where have they worked—and for whom?
- What have they accomplished—professionally and personally—in the past?
- What is their reputation within the business community?
- What experience do they have that is directly relevant to the opportunity they are pursuing?
- What skills, abilities, and knowledge do they have?
- How realistic are they about the venture's chances for success and the tribulations it will face?
- Who else needs to be on the team?
- Are they prepared to recruit high-quality people?
- How will they respond to adversity?
- Do they have the mettle to make the inevitable hard choices that have to be made?
- How committed are they to this venture?
- What are their motivations?

The Opportunity of a Lifetime - or Is It?

Nine Questions about the Business Every Business Plan Should Answer

- Who is the new venture's customer?
- How does the customer make decisions about buying this product or service?
- To what degree is the product or service a compelling purchase for the customer?
- How will the product or service be priced?
- How will the venture reach all the identified customer segments?
- How much does it cost (in time and resources) to acquire a customer?
- How much does it cost to produce and deliver the product or service?
- How much does it cost to support a customer?
- How easy is it to retain a customer?

Appendix 4: Business Plan

Caribbean Life: One People, One Culture, One Lifetime Experience

Introduction

This business plan is for a prospective company called Caribbean Life which will attempt to commence operations in the field of Tourism. This concept has been in idea format for approximately two years. The purposes of this business plan were mainly for internal use and so it shows the documentation of the author's ideas and the creation of a platform which served as a starting point of the tasks that needed to be done and the areas that required further research. At present time, the business plan itself was not developed to attract investors. It does however lay the groundwork for the creation of a business plan that will meet that intention.

The business plan itself was written using the format proposed by the authors Jeffry A. Timmons, Andrew Zacharakis, and Stephen Spinelli (Business Plans that Work, 2004), and was partially used as a template along with the inclusion of the related models and theories of the Product / Market matrix, Porter's Five Forces model, Consumer Market Segmentation, and the Marketing Mix in the relevant sections (refer to Appendix 1 for more detail about business plan content and these related theories). In addition, relevant information was taken from the formats proposed by Bruce Barringer (Preparing Effective Business Plans: An Entrepreneurial Approach, 2009), and Donald Kuratko and Jeffery Hornsby (New Venture Management: The Entrepreneur's Road Map, 2009).

Using information from all three guidebooks allowed for the creation of a business plan suited to this business concept and the purposes previously stated by the author.

Data Collection

Primary and Secondary data were collected for use in this business plan. The use of primary and secondary data can be critical to any business plan and the importance can vary depending on the type of business or the type of industry. In order to obtain primary data, information with regards to the personal views and thoughts of Swedish individuals on both their respective travel habits and the Caribbean region as a potential tourist destination for the Swedish market were gathered. Executing this required the taking of population samples which represented the variety that characterised Sweden, for example, background, income level and social status. A total of 150 questionnaires were distributed through the internet and in person, while personal interviews were conducted with randomly selected individuals. Of the 150 questionnaires distributed, a total of 75 responded. The respondents selected represented the various cultures and backgrounds, income levels, regions and other areas of importance in Sweden. This was done to gather input from as many different types of people as possible.

At the same time, secondary data was necessary. Evaluation was carried out on data showing Swedish travel trends and information was used from the annual report of the Swedish Agency for Economic and Regional Growth (Nutek). Additionally, information on world tourist arrivals from the Caribbean Tourism Organization (CTO) and the Tourism organizations from individual Caribbean nations were collected. Finally, conclusions were drawn
from research articles on topics explaining the reasons for certain travel behaviour and added so as to give a broader picture of this potential new opportunity.

These types of data will help to provide a clearer view of the Swedish market as potential customers, as well as assist readers of the business plan to understand why the Caribbean may be considered as a promising destination for Swedish travellers. In addition to this, the data can be used to describe the current state of the Caribbean region as a market as well as the Caribbean tourism industry, for example, it illustrated whether or not the region’s industry is in decline or if it is currently in a period of rapid development. Overall, collecting this type of data helped to make the Business plan itself more credible and determine the level of success it had the ability to achieve.

**Data Analysis**

For the business plan, one important activity that occurred was the comparison of tourist arrival figures to the Caribbean region. Here, not only was it the intention to show the figures arriving from the Caribbean largest markets, namely the USA, Canada, other Caribbean nations, and the United Kingdom (UK), but also to make a comparison between the numbers of visitors coming from the UK and from the rest of Europe. In addition to this, the numbers of Swedish tourists who visited a select number of Caribbean destinations were analyzed and relevant comparisons to the rest of Europe were made. In order to make the analysis clear, findings were illustrated in tabular format.

The use of these numbers, coupled with personal conversations with local citizens here in Sweden, helped to suggest different reasons to account for low visitor numbers. Knowing these reasons also allowed for steps that could be taken to raise this level. At the same time, analysis of the number of visitors who come to the Caribbean each year for a specified period, determined what stage the tourism industry was in. It also provided insight as to the markets which needed a greater concentration of marketing efforts.

Combining the data from both areas allowed for the identification of strategic fit possibilities between the markets, where Swedish tourists potentially had a new destination and the Caribbean region designated as a potential new market.

**Limitations**

There were some limitations which affected the type of data that was collected. First of all, in Sweden, total numbers are calculated on a bi – annual basis. As a result, the current and available figures are from 2007 which were from before the occurrence of the World Financial Crisis of 2008. At the same time, data for 2008 from the Caribbean is, for some destinations, preliminary. Despite this, estimations made were based on the trends and figures compiled by the Caribbean Tourism Organizations and the World Tourism Organization.

Secondly, some islands in the Caribbean categorize data on Europe as belonging to the United Kingdom and the Rest of Europe which makes it relatively difficult to determine the actual performance of Sweden for these islands.

A third constraint is that some individuals did not respond to the questionnaire which reduced the breadth of the sample size and may have created limited results. Of the 150 questionnaires distributed via the internet, only 50% of them were actually returned. Despite this occurrence, the conclusions drawn were based on information that was gathered as precisely as possible given the information that was readily available.
BUSINESS PLAN

FOR

CARIBBEAN LIFE

One People, One Culture, One Lifetime Experience
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INTRODUCTION

The Caribbean region is an area consisting of the Caribbean Sea, its islands and the adjoining coasts. It is located towards the south – east of North America, east of Central America and north of South America. It has an excess of 7000 islands, islets, reefs and cays. The region has an ancestry of European, African, Asian and Indigenous peoples and cultures.

Sweden has had a link with the Caribbean since the late 18th century when it was involved in the Trans – Atlantic slave trade and practiced slavery. It owned the now French colony of St. Barthelemy, formerly known as Sankt Barthelemy in the Swedish language, and briefly owned the overseas French department of Guadeloupe. Traces of Swedish culture can still be found in these islands and can be seen in the architecture and reflected in the street names. As a result, the influences of Sweden have added to the unique mix that is the Caribbean culture.

Swedish nationals have often thought about visiting the Caribbean, however there is a specific mindset that exists where it is believed that the Caribbean is an exclusive playground for wealthier tourists. However, this is not the case. The Caribbean caters for all types of individuals but this has yet to be properly shown in Sweden. This business plan will outline an idea for a company called Caribbean Life which will provide vast information for people wishing to visit the region. The main aim is to show that the Caribbean is for everyone and that it is more than simply Sun, Sand and Sea.
EXECUTIVE SUMMARY

INTRODUCTION

Caribbean Life is a company which aims to provide detailed information about the Caribbean region to prospective visitors coming initially from Sweden. It will mainly operate within the electronic market place. In the initial stages, it will not actually provide online reservation services but instead focus on primarily being an online venture providing support services to travellers; services currently only being offered by tourism businesses operating in the physical market place. To increase the strength in this area, Caribbean Life will establish partnerships with local travel agencies in Sweden and online travel companies who are able to handle reservations, and also provide website and contact information for businesses in the Caribbean where they can make reservations.

OPPORTUNITY

The person behind this idea is Niyan Fraser, a native of the Caribbean region. Upon moving to Jönköping in Sweden in 2007, he met many people from all areas of the world and especially Sweden. What was noticed was that many Swedes expressed interest in the Caribbean but did not have knowledge of the different islands, languages, cultures, prices or even the routes to get there. After experiencing this for about a year he came up with the idea to help Swedes obtain the necessary information so that they can plan their trips to the Caribbean. From this arises another opportunity. With the expected increase in tourism products and services being traded electronically, companies need to offer not only the convenience of online purchasing but also the information and support services of physical companies in a virtual setting. Caribbean Life aims to be among the first companies to do this in Sweden.
BUSINESS CONCEPT

Caribbean Life will have a “one – stop” focus where people can find detailed information to help them to plan vacations to the Caribbean, and eventually information about work and volunteer opportunities, and property purchasing in the Caribbean.

INDUSTRY OVERVIEW

Caribbean Life will operate in both the Swedish and Caribbean Tourism industries. In Sweden, the receipts from tourism consumption were approximately 195,000 SEK Millions in 2007 and an estimated 215,000 SEK Millions in 2008. In the Caribbean, more than 22 Million tourists arrived in the region in 2007. This figure declined in 2008 due to the World Financial Crisis, where only 18.4 Million visitors arrived. Despite these, the World Tourism Organization (WTO) predicts growth in the near future as world economies begin to improve.

TARGET MARKET

Caribbean Life aims to be nationwide in Sweden. It will first segment the country based on income level and following this, it will divide each class into the following categories: Honeymooners and Newlyweds, Adventure Seekers and Sports & Activity Enthusiasts, Fun and Leisure Seekers, Family Vacationers, Culture Seekers, and Business Travellers.
To initially reach customers, the company will use a combination of methods including Public Relations and Word – of – Mouth, Referrals and Posters. Later methods will consist of Special Events and Videos and Television shows.

COMPETITIVE ADVANTAGE

Caribbean Life will have two main competitive advantages:

1. The Personal knowledge and experiences of the founder which will be used to provide better informed insight.
2. The provision of not only detailed information but also support services that are currently not being offered by many tourism companies operating in the electronic market place.

MANAGEMENT

The company so far has only the involvement of the founder, who will work in the areas of Marketing and the generation of business involvement from the Caribbean. Future roles that will have to be filled include the General Manager, Marketing, Financial Controller, Website Coordinator, Sales Manager and Sales team members.

STATUS & OFFERING

Caribbean Life is in the idea phase. No milestones have currently been achieved. At this point, the company knows what it has to do and intends to proceed with this. It knows however that it needs funding for elements such as website creation, travelling, advertising and promotion, and initial salaries for employees.
INDUSTRY, CUSTOMER, & COMPETITOR ANALYSIS

INDUSTRY ANALYSIS

Industry Description

Caribbean Life will initially provide services in two industries: the Travel and Tourism industry of Sweden and the Tourism industry of the Caribbean region. These two industries are somewhat different. According to the Swedish Agency for Economic and Regional Growth, the Swedish industry is defined by the number of people who consume travel and tourism related products rather than what is produced and who is producing. The Swedish tourism and travel industry has blossomed over the last 8 years. The following figures have been documented since the year 2000:

Table 1: Tourism Receipts from the Swedish Travel and Tourism Industry 2000 – 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourism Receipts (SEK Millions)</th>
<th>% Change from previous year (Approximate Values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>151,700</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>165,761</td>
<td>9</td>
</tr>
<tr>
<td>2002</td>
<td>171,084</td>
<td>3</td>
</tr>
<tr>
<td>2003</td>
<td>170,989</td>
<td>-0.06</td>
</tr>
<tr>
<td>2004</td>
<td>176,100</td>
<td>3</td>
</tr>
<tr>
<td>2005</td>
<td>194,415</td>
<td>11</td>
</tr>
<tr>
<td>2006</td>
<td>215,502</td>
<td>11</td>
</tr>
<tr>
<td>2007</td>
<td>195,454</td>
<td>-9</td>
</tr>
</tbody>
</table>

Since the beginning of the 21st century, business and leisure travellers have spent more than 150 billion SEK and this industry continues to be one of the few sectors to have experienced positive growth within Sweden.
On the other hand, the Caribbean Tourism Organization (CTO) views the tourism offering as dealing with the creation of particular experiences through trips made for various reasons including, for example, sports, gastronomy and wildlife.

The Caribbean as a destination can be explained using Butler's Tourism Area Life Cycle (TALC) model introduced in 1980, which can be used to follow the evolution of any travel destination.

**Figure 1: The Tourism Area Life Cycle Model**

This model explains that a destination follows three stages:

1. Exploration: a destination starts out as being relatively unknown with only a small number of visitors restricted by a lack of access, facilities, and local knowledge
2. Development: a destination improves its facilities and attractions as more visitors arrive in larger numbers and the word spreads to other potential visitors
3. Stagnation: the number of visitors begins to grow rapidly until capacity is reached and this can create several problems to the destination, such as environmental problems

Once the Stagnation stage has been reached, two paths can be followed. The destination can either achieve Rejuvenation, where technological development and infrastructure improvements have allowed the destination to increase its carrying capacity, or it can follow the path of Decline, where some sort of phenomena has resulted in rapid decrease in numbers. This can be in the case where, for example, destinations are recovering from natural disasters and are not able to accommodate visitors as that time.

The Caribbean, as a destination, can be viewed as being in the Development stage. In recent years, due to the decline in the industries such as agriculture, the Caribbean nations have increased their dependence on tourism as a means of survival. Governments have invested millions in the development of infrastructure and facilities so as to be able to accommodate a greater number of visitors.
Tourism is the fastest growing sector in the Caribbean today. The below table shows the performance of this region over the past 9 years since 2000:

Table 2: Tourist Arrivals to the Caribbean 2000 to 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourist Arrivals (Millions) Approximate Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>20.3</td>
</tr>
<tr>
<td>2001</td>
<td>19.5</td>
</tr>
<tr>
<td>2002</td>
<td>19.0</td>
</tr>
<tr>
<td>2003</td>
<td>20.4</td>
</tr>
<tr>
<td>2004</td>
<td>21.8</td>
</tr>
<tr>
<td>2005</td>
<td>22.2</td>
</tr>
<tr>
<td>2006</td>
<td>22.2</td>
</tr>
<tr>
<td>2007</td>
<td>22.7</td>
</tr>
<tr>
<td>2008</td>
<td>18.4</td>
</tr>
</tbody>
</table>

The Caribbean tourism industry consists of several products and services touching vast areas. This ranges from the services of tour groups and tourism organizations to Souvenir stores, hotels, restaurants and airline services. The provision of these allow for consumption while simultaneously creating experiences.

With Sweden, the important aspect is high numbers of people spending and with the Caribbean it is the offering of a memorable experience. This creates a fit between two somewhat different industries.

**Profitability within the Industry**

To see how Caribbean Life will be able to achieve a level of profitability, the Porter’s Five Forces model can be used.

**Barriers of Entry**

It is easy for companies such as Caribbean Life to enter the market. Several similar companies such as Travel agencies already exist. Based on this, it can be perceived that the market has relatively low barriers of entry. At the same time, being that the founder of Caribbean Life is not a Swedish citizen, there will be rules and regulations issued by the Swedish Migration board that must be met before the business concept can be executed.

**Level of Rivalry**

As stated previously, there are several similar companies which offer services more or less the same that Caribbean Life proposes to offer. However, these companies all operate within the different regions of Sweden and as a result, high levels of rivalry is not a common feature.

**Substitutes**

Tourism products and services have one main aim: to help potential travellers to plan their trips and arm them with the tools necessary to make it as informative and as difficult – free as possible. Such products and services target different regions of the world. This can consist of a vast range of products and services, but these must all be used together in order to create an experience. So it is expected that these products and services have no good substitutes.
Power of Buyers
In 2008, Swedish citizens spent approximately 215 Million SEK on products and services within the travel and tourism industry. With the current financial crisis in Sweden, consumer spending on travel and tourism products and services remained positive, despite decreases. Despite the growth, the consumption is somewhat restricted due to this financial crisis. However, based on predictions from the World Tourism Organization (WTO), tourism expenditure is expected to increase.

Power of Suppliers
The Power of suppliers in the Caribbean Region is relatively restricted due to the World Financial Crisis. However, tourism is still an increasing sector in the Caribbean and the Governments are working hard to make the product and service as available as possible. Competition also exists and products and services can be offered by a certain number of individuals which may eventually reduce the power level of suppliers as the number of companies increase in the region.

CUSTOMER ANALYSIS

To create a successful relationship between the two industries, a suitable target market must be selected. In choosing the appropriate target market, the customer market must be segmented. To do this, Caribbean Life proposes to use a Psychographic Segmentation where customers are divided based on social class, lifestyle and personality characteristics. The Swedish market will first be divided into three main categories: High Income, Middle Income and Working Class. Each of these categories will have different tastes and preferences; however, the three can be further divided into the following sections:

**Honeymooners and Newlyweds**
The Caribbean region is synonymous with honeymoons, weddings and romantic getaways. The various islands heavily advertise with the aim of attracting these types of tourists. Many hotels promote this as a major part of their product offering and Government makes it relatively easy for foreign individuals to obtain marriage licenses thus making this region one of the world leading honeymoon destinations

**Adventure Seekers and Sports & Activity Enthusiasts**
The Caribbean offers several activities for those seeking adventure and want to be active during their vacations. Visitors have the option of activities such as climbing volcanoes, hiking rainforests, cycling, horseback riding, snorkeling and diving, wind – surfing and jet skiing, which are all aimed at providing visitors with options while on vacation.

**Fun and Leisure Seekers**
Three words have always been associated with the Caribbean: Sun, Sand, and Sea. Visitors visualize warm temperatures, lying in the sun, having drinks with umbrellas in them, and simply just relaxing. This is something that can be used to attract more visitors from Sweden since the climates vastly differ and the temperatures in Sweden are low for an estimated 6 months a year.

**Family Vacations**
Families like to travel together and the Caribbean accommodates these groups readily. Several hotels cater especially for families as they prove to be vital sources of revenue for these businesses.

**Culture Seekers**
The Caribbean has a unique mix of European, African, Asian and Indigenous cultures representative of several years of history. Many factors still exist to this day and visitors can experience festivals such as Carnival celebrations, dance, music and food which are uncommon to many regions in the world. The islands maintain traditions passed down through the centuries and often find ways to include visitors and enhance the overall experience.
Business Travellers
The Caribbean has facilities in place to accommodate business travellers. Several hotels and similar institutions host companies for workshops and retreats. Many are equipped with the necessary technology and conference rooms for companies who want a change in scenery but the resources of the home base.

COMPETITOR ANALYSIS

There are numerous types of companies offering services to customers in the Tourism industry. However, with this type of business there are 3 identifiable companies which offer very similar services to those that Caribbean Life proposes to offer. Two of these companies are located in Sweden while the third is an international company with main offices in the USA, Australia and England.

Direct Competitors

Västindienspecialisten
This is a small travel agency situated in Stockholm, Sweden. Through this company it is possible to find information about the destination itself, hotels and their prices, and picture galleries, cruises, sporting activities, special all-inclusive hotels in the Caribbean for families, and possibilities to make reservations. The company’s experience and location in Stockholm can be advantageous. However, according to Nyssveen and Lexhagen (2001), tourism products will more than likely be traded more on the electronic marketplace making travel agencies and tour operators in the physical market place more obsolete. Today Swedes are increasing their usage of online transactions and based on a survey taken of Swedish travel behaviour, 100% indicated that they prefer to plan their trips online rather than use the services of Travel agencies. The website offered by Västindienspecialisten is lacking in the degree of information provided and the options offered are more targeted to the higher income bracket. In addition, it either appears to serve a smaller market located within the Stockholm region more or less ignoring the other parts of Sweden, or it currently does not have the ability to cover the rest of Sweden. The website is however is only in Swedish which shows that the company does not consider the various cultures and languages that either permanently or temporarily resides in Sweden.

Afro-Caribbean Travel
Also located in Stockholm, this travel agency not only focuses on destinations within the Caribbean but also offers products and services to facilitate trips to destinations in Central and South America, and Africa. The company allows potential customers to find out some information about the destinations and available hotels, view photographs, book flights and hotel rooms, and find out the temperatures at the destination on a daily basis. Like Västindienspecialisten, the location in Stockholm and the experience and reputation is good for business. Despite this, the company does not serve Sweden on a national basis and the website does not provide significant information which thus creates a misalignment with the growing trend towards the usage of online services. The website is also only available in the Swedish language.

Lonely Planet
Lonely Planet is today a global brand. It provides several products aimed at making a visitor’s trip as informative and easy as possible. Besides its website, it provides publication materials on the world’s regions and countries, in the form of travel guides and language books, which travellers can take with them on their trips as well as TV, images, press releases and miscellaneous products such as backpacks and sunglasses. Much more detail is given in the publications while the website features basic information, message boards, and reservation systems offered in a variety of languages. Lonely Planet has broad market coverage and so no special focus is placed on any specific regions.
Below shows a Competitive Grid Matrix which illustrates how Caribbean Life will be situated amongst its major competitors.

**Indirect Competitors**

Indirect Competitors mainly come in the form of Swedish Travel agencies which have a more generalized focus. They can easily offer the same services that will be proposed by Caribbean Life. However, the competition can be minimized through collaborations and partnerships created between Caribbean Life and the travel agencies.

**Future Competitors**

From the research conducted by Nysveen and Lexhagen, travel agencies and tour groups in the physical market and expected to be minimized in the future. Businesses operating in the electronic market place will become the dominant way for products and services to be traded within the Tourism industry. As a result, future competitors will be the online travel agencies expected to develop in greater number who would have a combination of reservation services of today's online companies and the value–added services, such as information and decision support, provided only by agencies in the physical market place.

Caribbean Life proposes not to actually carry out reservation systems as this time but will have to do this in the future in order to compete effectively.

**Summary**

The 3 companies offer relatively similar services. Both Västindiensspecialisten and Afro – Caribbean Travel operate in the same field and offer vacation packages to the Caribbean to people located in Stockholm and the adjacent areas. Lonely Planet helps travellers to find the information they need to plan their own vacations but also act as travel agents. This company however does not specifically focus on the Caribbean but rather takes a global approach. Caribbean Life will combine the best features of these companies and then offer an extended service which is in line with the current trends of purchasing existing within the tourism industry today, and becoming more popular in the Swedish market.

<table>
<thead>
<tr>
<th>Company</th>
<th>Västindiensspecialisten</th>
<th>Afro – Caribbean Travel</th>
<th>Lonely Planet</th>
<th>Caribbean Life</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product / Service</strong></td>
<td>Vacations to the Caribbean</td>
<td>Vacations to Africa, the Caribbean, and Central &amp; South America</td>
<td>Trips / Vacations, Books, Accessories</td>
<td>Provision of information and details about the Caribbean; Provision of information for planning vacations in the Caribbean; Information about work, charity and purchasing opportunities</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Stockholm, Sweden</td>
<td>Stockholm, Sweden</td>
<td>USA, England and Australia</td>
<td>Jönköping, Sweden</td>
</tr>
<tr>
<td><strong>Market Served</strong></td>
<td>Localized Market</td>
<td>Localized Market</td>
<td>Global</td>
<td>Nationwide</td>
</tr>
<tr>
<td><strong>Region of Focus</strong></td>
<td>Caribbean and specific Latin American destinations</td>
<td>Africa, Caribbean and Latin America</td>
<td>The Americas, Europe, Asia, Africa, and Australia &amp; Pacific</td>
<td>Caribbean and specific Latin American destinations</td>
</tr>
<tr>
<td>Customer Class</td>
<td>Higher Income Groups</td>
<td>Higher Income Groups</td>
<td>All Income Groups</td>
<td>All Income Groups</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------</td>
<td>----------------------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Website Features</td>
<td>Descriptions of the destinations</td>
<td>Descriptions of destinations</td>
<td>Information about destinations</td>
<td>Detailed information about each destination</td>
</tr>
<tr>
<td></td>
<td>Hotel Options</td>
<td>Hotel Options</td>
<td>Online reservation systems</td>
<td>Monthly Picks</td>
</tr>
<tr>
<td></td>
<td>Prices</td>
<td>Booking Services</td>
<td>Travel Insurance</td>
<td>Message Boards</td>
</tr>
<tr>
<td></td>
<td>Practical Information</td>
<td>Routes to get to destinations</td>
<td>Online purchasing systems</td>
<td>Advertisements</td>
</tr>
<tr>
<td></td>
<td>Monthly specials</td>
<td></td>
<td>Message Boards</td>
<td>Practical Information for potential travellers</td>
</tr>
<tr>
<td>Marketing / Advertising</td>
<td>Website; In – store displays</td>
<td>Website; In – store displays</td>
<td>Monthly Picks</td>
<td>Information and details for work, charity and property</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Advertisements</td>
<td>Information on where to make purchases and reservations</td>
</tr>
<tr>
<td>Customer Feedback Options</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Personal Contact with a Native from the Caribbean</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
COMPANY DESCRIPTION

About the Company

Caribbean Life intends to be a company with a ‘one – stop’ focus where people wanting to visit the Caribbean will be able to find important information and details and make the necessary plans before arrival at the prospective destination. This company will mainly target Scandinavians, with the initial focus being placed on the Swedish market. The idea behind this business is to overcome the mindset that currently exists in Sweden where it is believed that the Caribbean region is an exclusive vacation spot for higher income travellers. The company will mainly operate as an Online Venture but there are plans to also operate in the physical market place so as to allow for personal meetings with potential travellers.

Company Positioning

The Product / Market matrix introduced by Igor Ansoff helps to determine exactly where the company will be positioned in the given market. This has been illustrated in Figure 1. Caribbean Life will adopt a Market Penetration strategy; a strategy considered by Ansoff to be the safest. Here the company will attempt to attract existing customers as well as new customers in an already existing market. This is because the product / service and market have both already been in existence. However, this is a market where certain elements have yet to be addressed and so this will be a task that Caribbean Life will seek to tackle.

Products / Services

Overview
Creation of a business (online and/or physical office space) which will be a ‘one – stop’ centre where customers can find information about the Caribbean region for Vacation purposes. The plan will be to eventually extend the services to include the provision of information
for the following purposes:

- Paid Work
- Volunteer / Charity
- Property Purchasing

Figure 2: The Product / Market Matrix for Caribbean Life

In addition to online research, customers will be able to have a personal meeting with a Caribbean specialist where they will be able to acquire more specific details and other valuable information

Features

- Details about and description of the entire Caribbean region as well as each individual island
- Grouping of the islands into Categories. For each island, visitors will be able to find the following information:
  
  - Island history and cultural insight
  - Calendar of events
  - Best times to visit
  - Accommodation (various types and ranges as well as contact information)
  - How to get there (Routes)
  - Cruise Ship travel possibilities and contact information for various Cruise lines stopping there
  - Tour Companies
  - Travel options (e.g. public transport, rental cars)
  - Price information (for local goods and services)
  - Our Picks ➔ monthly picks, recommended travel publications, recommendations on where to go, what to see and what to do
  - Important numbers (e.g. hospitals, police stations, local and foreign – based tourist offices)
➢ Any other useful and important information / knowledge

- Presence of a Message Board / Travel Forum where visitors can leave information about their travels and potential visitors can ask questions and find out useful information
- Collaboration with Online Travel companies, Travel Agents and Airline Online Reservation systems so that travellers can book their flights from Europe to the Caribbean, as well as be able to find flights so as to be able to travel within the Caribbean

Proposed Future Plans

Work / Volunteer Purposes

For each island there could be information on:

- Relevant contact people in various sectors
- Potential Job opportunities
- Links to various sites and / or contact information for people with regard to purchasing or renting properties, vehicles etc. for either short or long term stay
- Information for European companies looking to expand to the Caribbean region

Property Purchasing Purposes

For each island there could be information on:

- Rules and Regulations for foreigners seeking to purchase properties
- Contact information for local people who handle property sales
- Links to appropriate property sites and provision of contact information

Product Benefits

The service offered by Caribbean Life will help potential travellers to not only plan their trips but also arm them with knowledge about the region. It thus creates awareness. From conversations held with Swedish citizens, it is believed that all of the nations within the Caribbean are the same and this proves the lack of knowledge with regards to the culture and languages which make each nation unique.

One of the conclusions derived by Nysveen and Lexhagen (2001) is that tourism businesses, operating in the electronic market place, do not offer customers the value – added services that are characteristic of physical tourism businesses. Caribbean Life will bring together the strengths of both types of tourism businesses. It will seek to be an online company which offers the value – added services, such as information and decision support, to potential customers. The company seeks to establish partnerships with both online and physical tourism companies, however, in the future it seeks to implement its own reservation systems making it a company which will head into the future by offering a combination of the aspects which today are separated by market place within which the companies operate.

Entry Strategy

The company will be located in Jönköping, Sweden due to its strategic location at the midpoint between the three largest cities of Sweden: Stockholm, Göteborg and Malmö. Being a predominantly online venture will allow the company to reach all areas of Sweden.
**Growth Strategy**

Caribbean Life is an online business and so it can be easily located at any point in Sweden since it will not require the distribution channels similar to those employed by the physical marketplace. It thus does not require a high-level of geographical expansion. The services of Caribbean Life will eventually be extended. Initially, the information provided will be mainly for travel purposes. Future services will include the provision of information for Work / Charity purposes and Purchasing of Property.
MARKETING PLAN

Target Strategy

A total of 150 questionnaires were sent out to Swedish individuals, with only 75 being returned. From those that were received, more than 80% considered destinations when taking climate and temperature into mind. Many of these individuals wanted warm destinations with temperatures lying between 25 and 30 degrees Celsius.

Maddison (2001) states that climate is a major factor in determining where people travel to and the time when this travel occurs. The reason many travel abroad to other countries is to achieve some sort of short-term climatic change, for example when people travel to warmer climates during the cold winter months. What attract people to the Caribbean, especially from the Northern latitudes, are warm temperatures, sun, sea and sand. Sweden experiences cold temperatures for approximately 6 months every year and during this period some would prefer to get away from the cold even if for a short period of time.

It is not simply enough to speak about warm temperatures. Potential visitors have to be able to visualize it. Showing images of the Caribbean and especially of the factors that appeal to customers, such as the Sea and sunny days, during the colder months can help to increase the appeal of the region as a potential destination.

Product / Service Strategy

There are 3 main ways in which Caribbean Life will differ from its Competitors:

1. Personal Meetings with a Caribbean native can take place. Unlike the competitors, Caribbean Life will have the added benefit of the experience and knowledge from a person who was born and raised in the Caribbean. Having this will provide more insight into the region – insight that only locals will be aware of. From this, more informed recommendations can be made.

2. The Swedish competitors are more in the form of physical travel agencies and for these companies, less emphasis are placed on the website. Studies show that Swedes are purchasing more via the electronic market place and based on the respondents from the
questionnaire, 100% indicated that they would prefer to use online services when planning their vacations. Caribbean Life will mainly be an online venture so as to take advantage of this trend.

3. Lonely Planet operates on a global scale. Västindienspecialisten, and Afro – Caribbean Travel, concentrate mainly on the Stockholm region. Caribbean Life will initially focus on the Swedish market and so will attempt to cover the entire Swedish market rather than solely focus on any particular area of Sweden. This will be conducted in stages and with the company’s proposed location at the midpoint of Sweden between the 3 largest Swedish cities, the company’s reach will be able to extend to all corners of the area where the majority of Sweden’s population is situated.

Pricing Strategy

The service offered by Caribbean Life will be free of charge to Customers. As a result, a price will not be charged. Revenue will be generated by the company from advertisements and referrals.

Advertising & Promotion

To reach customers in the initial stage the following strategies will be used:

1. Public Relations and Word – of – Mouth are powerful tools that can be used to create awareness of a new business venture or idea. To initiate this, articles and interviews can be published in local newspapers and magazines. This will be a quick and effective way to reach a wide range of potential customers.

2. Caribbean Life will try to establish collaborations with various travel agencies and tour companies within the country. The main aim of this is to encourage these companies to recommend Caribbean Life to people who express interest in finding out information they can use to plan trips to the Caribbean region.

3. Advertisements showcasing images of the Caribbean can be also be placed on posters and in local newspapers and magazines. Photographs can speak more than a thousand words.

In future phases, other methods can be utilized to reach the target market. For example, Special events can be held in Sweden where concerts featuring musical artistes from the Caribbean, dance, music and art can be used to increase awareness of the region and simultaneously promote the region as well as the website. Another tactic that people respond to is television programs. This helps for potential travellers to gain insight into destinations before visiting them.

Sales Strategy

Sales staff will be employed for various purposes. Employees will be needed to go around and sell the idea and concept to potential partners in Sweden, visit the Caribbean region to generate new business, work on Marketing and Promotions so as to increase the number of visitors to the website, and, of course, create and maintain the website.
OPERATIONS & DEVELOPMENT PLAN

OPERATIONS PLAN

The Competitive advantage of Caribbean Life will lie in two main areas. The first will be the personal knowledge and experience of the founder of the company, who was born and raised in the Caribbean. This will allow the company to provide details unlike the other companies that currently exist in Sweden. The intention is to allow for opportunities where potential travellers can meet with the Company in a face – to – face meeting so that data and advice can be gathered. Secondly, Caribbean Life intends to be an online business providing information in great detail about the Caribbean region in the initial stages. However, in order to compete in the future, it must also do online reservation systems and still provide the details and information that are currently mainly obtained from tourism companies in the physical market place. Caribbean Life intends to be the first business in Sweden that combines the strengths of companies operating in the physical and electronic market places.

To succeed, Caribbean Life must work hard to provide potential customers with the knowledge that they want and need. Below describes how a typical day at Caribbean Life will occur:

- Morning staff meetings where issues are discussed, updates are given, and daily business is planned
- Review Message Boards and Emails, and then address any issues that come up in these.
- Get reports from Travel agent partners as to recent performance
- Meet with Sales teams to find out how business is progressing in both Sweden and in the Caribbean
- Meet with Marketing team to discuss and analyze new strategies to attract new business
- Meet with the website coordinator to see and provide feedback on the current state of the website and make sure that all updates are reflected accurately
- Meet with Potential travellers and help them to plan their trips and make the necessary contacts
DEVELOPMENT PLAN

The development of the company will occur in phases.

**Phase 1**
Determining interest in this business concept will be the first step. Contacts will be made with local travel agents in Sweden as well as businesses in the Caribbean so as to determine their response in the willingness to increase the number of visitors from Sweden to the destinations and to alert them to the presence of Caribbean Life.

**Phase 2**
Once the degree is interest is determined, the website will be created. This will act as a working prototype to obtain potential customer feedback and give prospective advertisers and partners an idea of the service that will be offered.

**Phase 3**
Business will be gathered and the hiring of individuals to carry out necessary activities for the business will take place.

**Phase 4**
After the completion of the first 3 phases, marketing the company to the public will be the next logical step. In order for sales to be generated, company awareness must be created so that interested individuals will know that there is another player in the market that provides the opportunity to plan trips to the Caribbean.

The estimated time it will take to get this business up and running will approximately be one year. During this period, the plan will be to ensure that each of the above phases is completed.
THE TEAM

Caribbean Life has to fill certain roles within the company before the company can become fully operational:

**General Manager**
This individual will have to oversee the entire operations of Caribbean Life and so must have a general knowledge in the field of Management

**Marketing Manager**
Will deal with Advertising and Promotion for the company

**Market Researcher**
Will be in charge of monitoring new markets for entry and the following of market trends existing in both the Caribbean and Sweden

**Financial Controller**
Will deal with the handling of all money passing through the company

**Website Manager**
Will have the responsibility for monitoring and updating the website and working alongside the Marketing department for the presentation of the website

**Sales Manager**
Will oversee the department dealing with establishing partnerships in Sweden, maintaining relationships in the Caribbean and generating new business in the Caribbean

**Sales Coordinators**
There will be sales coordinators for both Sweden and the Caribbean. They will also have other officers working alongside them to handle business in this area.
The roles to be filled are illustrated in the Organizational Chart shown below.

The Company management team currently consists of the founder, Niyan Fraser who will deal with Marketing and generating business with the Caribbean.
CRITICAL RISKS & OFFERING PLANS

CRITICAL RISKS

Market Interests

1. Swedish travellers may not be prepared to travel long distances to get to a destination. In a 2008 study by McKercher et al. it was discovered that tourists rarely travel more than 2000 kilometres from their homes to get to a destination unless some aspect is particularly appealing which draws them to this destination. Research has also shown that destinations may not receive any more than approximately 2 to 3% of visitors. From this, it is possible that Swedish visitors may not want to travel to the Caribbean because it is rather far from their country. However, once the mindset about the Caribbean being exclusive is overcome, then the region could potentially be a prospective market due to the presence of warm temperatures, the sun and the sea.

2. Swedish travellers may prefer to visit countries which share similar cultures as in Sweden. Conclusions determined from research carried out by Ng et al. (2006) stated that the more culturally similar a destination is to a home country, the more likely it is that visitors will prefer to go there. The authors advise marketers in this field to include similarities in promotional materials. In Sweden, people like to drink, have fun and party and they love the summer months when the temperature is warmer. This could be highlighted in promotions to the Caribbean and act as a source of encouragement.

3. Currently the top destinations for Swedish tourists are countries in Europe and South – East Asia (notably Thailand, Malaysia and Indonesia) for leisure, and the USA mainly for business purposes. It is very possible that people may prefer to stick to the destinations that they know and thus be unwilling to change.

4. Asia, the USA and Europe advertise more in Sweden than Caribbean destinations tend to do. This is mainly because of the Caribbean’s heavy dependence on North America and the United Kingdom. Feedback from the questionnaires showed that besides word of mouth, recommendations and price when choosing destinations, advertising or promotion of destination does have some level of influence. It is possible that because the region does not significantly advertise in Sweden, the level of interest that could be raised is actually diminished.
5. It may be difficult to overcome the mindset that Swedish people have when it comes to the Caribbean. The Caribbean being perceived as an exclusive destination for wealthier travellers is in the mind of many. If this was to be changed, then it is possible that more people will attempt to select the region for a vacation.

**Growth Potential**

1. To identify the growth potential of Caribbean Life it is first important to note whether or not there is an increase in the number of Swedish visitors to the Caribbean region. Table 3 shows the figures from the year 2000 to 2008 for six Caribbean destinations. For this figure, Sweden is compared to four major markets of origin, namely the USA, UK, Canada and the Caribbean. Table 4 shows some historical data for the change in the number of visitors from Sweden to the Caribbean from the years 2000 to 2004.

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Evidence from the Industry Analysis has shown that the Swedish Travel Industry is growing and more people are consuming. Figure 2 and some cases in Figure 3 show that despite the decline in numbers from after the year 2000, there are increases in the later years which shows the potential the Caribbean has in attracting more tourists from Sweden. If this number further grows, then Caribbean Life will also have the potential to grow. The more that visitors express interest in the region, the more that people will visit the website and thus there is a greater possibility that Caribbean Life can grow.

2. Prospective customers may not be willing to change and consume the services offered by Caribbean Life. There is the possibility that they will prefer to stay in their comfort zones.

3. Caribbean businesses may not be willing to use Caribbean Life to advertise. This could affect the company’s development.

4. Sweden is currently experiencing financial difficulties and despite the increase in the Travel and Tourism industry in Sweden, people may not be willing to spend a lot of money to travel long distances until the economy shows improvement.
Table 4: Tourist Arrivals in the Caribbean from Sweden 2000 – 2004

<table>
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<td>56</td>
<td>136</td>
<td>46</td>
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<td>23,500</td>
<td>23,400</td>
<td>31,600</td>
<td>34.9</td>
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</table>

Competitors’ Actions and Retaliation

The main competitors in Sweden, that are already established, can act and retaliate in the following ways:
1. It will be easy for them to make their websites more informative
2. They have the potential to expand their operations to other areas within Sweden
3. They are currently in a position to create more collaboration with other businesses in the Caribbean, and through a sense of loyalty, these businesses may not want to establish new partnerships.

**Operating Risks**

The service, as previously mentioned, will be offered free of charge to customers which means that the revenue coming into the company will primarily be from referrals from travel agents and the advertisements from Caribbean companies. There is thus the risk that the incoming proceeds may not be able to adequately cover all expenses, such as maintenance, salaries and marketing, and still be able to turn a profit.

**OFFERING**

Caribbean Life will require funding for the following purposes:

1. The creation of the website
2. Travelling within Sweden and to the Caribbean
3. Advertising and Promotion of the company and the Caribbean
4. Paying of initial salaries
This Business Plan is an important first step. In order to understand the direction in which to proceed, it is critical to ensure that all ideas have been analyzed and either certainty exists or the ideas create a platform upon which further ideas are built. Documenting ideas help to know exactly what data and information is absent and thus where further research must take place. The purpose of this business plan for Caribbean Life is to do such activity. By writing this plan, it is easy to see what more information must be acquired before going to potential investors. This is just the beginning.


Ng, S.I., Lee, J.A., & Soutar, G.N. (2007) Tourists’ intention to visit a country: The Impact of Cultural Distance; *Tourism Management*; Vol. 28; No 6; p 1497


Organizations:

Caribbean Tourism Organization (CTO)
Swedish Agency for Economic and Regional Growth (Nutek)
World Tourism Organization (WTO)