

Entrepreneurial activity adjacent to small national parks in Southern Finland: Are business opportunities being realised?

Ashley Selby and Leena Petäjistö

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Office

Post Box 18
FI-01301 Vantaa, Finland
tel. +358 10 2111
fax +358 10 211 2101
e-mail julkaisutoimitus@metla.fi

Publisher

Finnish Forest Research Institute
Post Box 18
FI-01301 Vantaa, Finland
tel. +358 10 2111
fax +358 10 211 2101
e-mail info@metla.fi
<http://www.metla.fi/>

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| Authors | | | |
| Selby, Ashley & Petäjistö, Leena | | | |
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| Abstract | | | |
| <p>The study examines the responses of entrepreneurs to the business opportunities created in their locality by national parks by examining the entrepreneurial attitudes of owners of small enterprises, their perceived obstacles to business development and their future development plans, taking into consideration the effects of their local national parks. Two national parks were taken as a basis for the study. The older park, Linnansaari, was initially created in the 1950s and expanded in the 1980s. The younger park, Seitsemien, was created in the 1980s. The business community adjacent to Linnansaari has therefore had twenty years longer to adjust to the presence of a national park in their vicinity.</p> <p>The mean age of enterprises in both surveys was 17 years in the case of Seitsemien and 16 years in the case of Linnansaari. In both surveys, the majority of businesses had been established by their current owners, and around a quarter were developed from previous businesses. The majority of enterprises in both districts operated in more than one segment, but the main line of business accounted for around three-quarters of the firms' turnovers. In both surveys, the main lines of business were related to the hospitality segment (accommodation, restaurants and cafés). The average employment created was 1.18 man/years per enterprise in Seitsemien and 1.81 man/years in Linnansaari. In terms of employed people, this was 2.6 employees per enterprise in Seitsemien and 4.8 employees per enterprise in Linnansaari.</p> <p>Entrepreneurs in the Linnansaari survey were more likely to possess a satisficing-attitude to business than entrepreneurs adjacent to Seitsemien. This was also visible in the greater propensity for entrepreneurs in the Seitsemien area to plan new business ventures. Employment growth projections were also more optimistic in Seitsemien.</p> <p>Institutional constraints (including constraints resulting from the local national park) were more commonly perceived by the Seitsemien entrepreneurs, while business environment constraints were more commonly perceived by the Linnansaari entrepreneurs. Operational constraints were also more commonly perceived by the Linnansaari entrepreneurs. An attribute called "weak business acumen", in which the entrepreneurs in question perceived a wide range of business constraints, was identified amongst the Linnansaari survey entrepreneurs but not among those in the Seitsemien survey.</p> <p>The national parks in question have only a limited role in local economic development. Their contribution to employment creation and business turnover are modest and will remain so. Few enterprises have been created as a result of the parks, although some business have clearly benefited from the tourism that the parks have created. The national parks are generally considered to be beneficial even though the benefits have not been realised. A greater proportion of entrepreneurs in the Linnansaari survey than in the Seitsemien survey considered their local national park to have a positive or very positive effect on local development in the near future.</p> | | | |
| Keywords | | | |
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| Is replaced by | | | |
| Contact information | | | |
| Ashley Selby, Vantaa Research Unit, Post Box 18, 01301 Vantaa. E-mail ashley.selby@metla.fi | | | |
| Other information | | | |

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Foreword

This report is part of on-going project that examines the local effects of two national parks in southern Finland, Linnansaari and Seitsemien. The aim of the project as a whole is to examine the relationship between the demand for tourism-related services, e.g. hospitality and recreational services, by visitors to the national parks, the response of entrepreneurs to those demands, the attitude of local residents to their adjacent national parks, and how local key decision-makers regard their local park as a (potential) source of local socio-economic development.

The present paper concentrates on the supply-side of the above relationship, i.e. the local business community and to what extent it has recognised opportunities for new ventures that the parks and their visitor flows have created.

The study is a contribution to on-going public debate concerning the protection of nature, while sustainability using such areas as a basis for rural livelihoods. Knowledge of how entrepreneurs perceive the opportunities created by national parks, as well as knowledge of obstacles to rural enterprise, will assist national park administrators, local authorities and other development-oriented agencies to understand the effects of national parks on entrepreneurship in a local development context.

The study is part of the research project 3420 “Nature protection areas and rural vitality” being carried out at the Finnish Forest Research Institute (Metla) within the research programme *Safeguarding forest biodiversity – policy instruments and socio-economic impacts (TUK)*.

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Helsinki, 16.09.2008

Ashley Selby
Project coordinator

1 Background and aim

Nature protection areas such as national parks are important areas from the standpoint of nature conservation. Their creation or expansion is, nevertheless, a significant event in the lives of the residents who live adjacent to them. Traditional livelihoods may be disturbed, while traditional privileges such as hunting and fishing rights may be curtailed. Land ownership and with it land-based livelihoods, such as commercial forestry, mineral extraction or fishing may be terminated. In extreme cases, land may be compulsory acquired. On the other hand, because nature protection areas such as national parks are managed in such a way that they also become important areas for outdoor recreational activities, they can attract substantial visitor flows. These in turn create a demand for tourist services, thereby creating new enterprise opportunities.

Major changes are occurring in the socio-economic structure of rural areas of Finland as a result of the decline in the number of active farms and the continued out-migration of the young, economically active population. Many active farms are responding to these changes by diversifying into processing and services. In 2003, of c. 80 000 farms in Finland c. 23 000 had diversified into other segments of the economy (Niemi and Ahlstedt 2005). Of these diversified farms, c. 2000 provided hospitality and tourism-related services.

The national and international literature on tourism has shown that national parks attract visitors, and that these visitor-flows can be considerable. The demand for services thereby created should stimulate a local entrepreneurial response. This is not always the case, as local attitudes may not always be sympathetic to tourist developments. Indeed, the international literature presents a contradictory picture of local responses to national parks. Pearce et al. (1996) present a detailed overview of the international literature (Suomi et al. 2008 and Selby and Petäjistö 2008 also summarize the literature with Finnish additions). Page and Getz (1997) also examine the nature of the rural tourism business, its demand and supply and how it fits into the rural milieu in different countries. Selby and Petäjistö (2008) considered that a reason for the diversity of local responses to national parks lies in the socio-economic and cultural history of the communities adjacent to national parks, which form so-called new institutional projects that disturb the traditional, embedded values associated with the localities' dominant institutional projects, such as family farming and forestry. Tourism-based developments associated with national parks have been particularly successful in Lapland (e.g. Saarinen 2003, Huhtala 2006, Puhakka 2007), but there the parks have been created on state land, and alternative livelihoods were rarely seriously disturbed. In southern Finland, parks are invariably adjacent to and affect private land. In some cases, private land may also have been compulsory acquired during the creation or expansion of a national park. Such is the case with Linnansaari National Park (Suomi et al. 2008). In a rural development context, new enterprise development could offset any negative economic side-effects attributable to the parks. Recent surveys of the views of residents living adjacent to Linnansaari and Seitsemäinen National Parks in southern Finland (Petäjistö and Selby 2008, Suomi et al. 2008, Selby and Petäjistö 2008) found that while most residents were generally satisfied with the effects of the national parks, and many thought that the parks offered opportunities for small businesses, in the event there was very little small business activity *directly* related to the parks.

Linnansaari and Seitsemäinen National Parks both attract c. 40 000 visitors a year (Selby et al. 2007). This visitor flow should create opportunities for new business ventures. Tourists require basic hospitality services, but also recreational services. It is the provision of such services that has created large service centres adjacent to the national parks of Finnish Lapland (e.g. Järviluoma 1996, Saarinen 2003, Puhakka 2007). The smaller national parks in southern Finland have not

attracted such large tourist developments to date; the exception, perhaps, being Koli National Park, which has a diverse range of services and attractions (Lovén 2002) along the lines of countryside parks found in central Europe.

The paper examines the responses of entrepreneurs to the business opportunities created in their locality by national parks and the visitor flows they create. This will be achieved by examining the attitudes towards business of owners of small enterprises, their perceived obstacles to business development and their future development plans, taking into consideration the effects of their local national parks.

2 Frame of reference

2.1 Assumptions concerning entrepreneurial behaviour in VSEs

The literature on small business ventures is plentiful and diverse. A number of studies of very small enterprises (VSEs) have, in recent years, addressed the question of opportunity recognition, an approach that seems to be appropriate for the present situation. Other studies have questioned the concept of “entrepreneurship” in the context of VSEs, as such enterprises tend not to be based on strong business principles such as growth-orientation, risk-taking, profit maximization, and so on. A number of studies of Finnish (rural) small- or very small enterprises (SMEs and VSEs) have also confirmed the presence of such characteristics. For example, studies of (rural) small sawmills (Selby 1989, Selby and Petäjistö 1992), tree nursery enterprises (Petäjistö and Mäkinen 1999) and other aspects of rural, forest and woodworking SMEs and VSEs (Mäkinen and Selby 1995, Mäkinen 2002) have each shown that at least the smaller enterprises more often than not can be classified as satisficers and to exhibit properties of bounded rationality.

The concept of bounded rationality was developed as a response to the normative concept of economic man. The boundedly rational entrepreneur (Brinkmann 1936, Earl 1983) does not possess perfect information or perfect ability. The boundedly rational entrepreneur attempts to make rational decisions based on the limited information and knowledge to which he has access. With respect to that level of knowledge and information at his/her disposal the entrepreneur’s decisions may be rational, but with respect to the real world his/her lack of knowledge, information and ability make decision-making anything but rational (Earl 1983).

Many small-scale entrepreneurs are considered to be satisficers. Satisficers are characterised by a flexible approach to the fulfilment of their business aspirations. The concept stems from Simon (1957) who argued that human beings satisfice because they do not have the wit to maximize. A milder interpretation of satisficing behaviour was later introduced (Simon 1959, see also Earl 1983) in which the satisficing entrepreneur is considered to reject the maximization of any single goal, and seek a return on his labour and capital that he/she regarded to be *satisfactory*. It has been shown by McGuire (1964) that the contributions (inputs) and inducements (expectations) of entrepreneurs when participating in the entrepreneurial activity should mostly be positive if they are to achieve positive utility (satisfaction). Periods of dissatisfaction (negative utility) may be tolerated, although dissatisfaction prompts the search for alternatives.

Small- and very-small enterprises have been shown to possess most of the attributes associated with bounded rationality and especially satisficing behaviour, which is expressed as a limited business

acumen (as befitting the satisficing concept) and a relative lack of business-related knowledge, information and ability (as befitting the boundedly rationality concept)(see e.g. Selby 1989, Selby and Petäjistö 1992, Mäkinen and Selby 1995). Nature-based enterprises of the type that might serve visitors to national parks also tend to fall into this category (e.g. Karjalainen 1999).

Entrepreneurs vary considerably in their ability to collect and handle business-related information, and there is substantial literature dealing with firms absorptive capacity; i.e. their ability to acquire and manage information related to their business environment (Cohen and Levinthal 1990) and their transformative capacity; i.e. their ability to create management structures to benefit from the information gathered (Garud and Nayyar 1994). The application of both concepts in practice is determined by how a firm employs its resources (Ray et al. 2004). However, small and very small enterprises are rarely able to designate resources for specific management tasks. Indeed, many small businesses are managed in ways far removed from the ideal, not least in rural, tourist-based VSEs (e.g. Selby 1989, Komppula 2004). Absorptive capacity and transformative capacity concepts therefore hardly apply. SME and VSE entrepreneurs, as well as being boundedly rational and often satisficers, can be considered to be either adapters or adopters (Alchian 1950, Tiebout 1957, Pred 1967, Selby 1989). *Adapters* are entrepreneurs who adapt to the conditions of their business environment. Individual entrepreneurs and firms make well-grounded decisions based on relevant information (Pred 1967;22). *Adopters*, on the other hand, react to their business environment in relative ignorance, with the “lucky ones” being adopted by the system. Individual entrepreneurs and firms make haphazard decisions based on inadequate or irrelevant information (*ibid.*). The adapter entrepreneurs can be expected to be relatively innovative and possess a degree of competitive advantage over adopters (e.g. Jennings and Beaver 1997, McEvily and Zaheer 1999) because adapters are more likely to be *proactive* (positively interacting with their business environment so as to at least partially control future events) while adopters are, by definition, *reactive* (Julien et al. 1997).

2.2 The process of opportunity recognition

Opportunity is a construct that results from factors that are both within the control of the entrepreneur (background, experience) and outside the control of the entrepreneur (contextual and environmental factors). It may represent an *incremental innovation* or a *radical innovation* (e.g. Singh 2000 in a very thorough review of opportunity recognition research.). Opportunity recognition can be seen to be a particularly relevant characteristic in a VSE or SME where a change in the local socio-economic environment has occurred. In such circumstances, time-sedimented social and economic values related to the long-term historical structure of a locality are disturbed. The termination of previous economic activities, such a might occur with the establishment of a national park on land that was previous used for agriculture or forestry, released (human) resources for new activities (see e.g. Pred 1984, Selby and Petäjistö 2008).

Entrepreneurial opportunity is the creation of a new production function, where production is the choice of products or services, the source of supply, the method of production, the method of organisation, and the choice of markets. An opportunity is a “favourable chance” (Christensen et al. 1994; 62) that emerges when an entrepreneur finds a new combination of one or more of the following: new products or services, new production or organisational methods, new markets, new sources of input and/or new market structures (Schumpeter 1935). Without opportunity recognition entrepreneurship cannot take place (Singh 2000, Christiansen et al. 1989, 1994).

Entrepreneurial opportunities do not necessarily stem from achieving a balance between supply and demand – the entrepreneur can also be a radical innovator (Schumpeter 1934).

Drucker (1985), on the other hand, sees opportunity as a situation that results from a change occurring in one or more of the following areas: an unexpected success; failure or outside event; an incongruity between reality as it is and reality as it is assumed to be, or as it “ought to be”; innovation based on process need; changes in industry structure or market structure that come about quickly and without warning; demographics; changes in perception, mood, and meaning; and new knowledge.

Opportunity can be generated by several processes (Drucker 1985, Stevenson and Gumpert 1985, Vesper 1993) including changing technology, changes in consumer economics, changes in social values, political actions and changes in regulatory standards, changing environmental factors such as demographics, new resource discoveries, land use change, etc. In the case of the present study, national parks have results in a *de facto* change in land use, in that commercial exploitation of land is no longer possible, while at the same time imposing nature protection regulations that also inhibit hunting and fishing. Meanwhile, societal changes have created a more mobile and recreation-oriented population that values outdoor recreation in wilderness settings (Saarinen 2002, Sievänen et al. 2008). Whether or not these opportunities are being perceived depends much on the acumen of local enterprise.

Unrecognised opportunities are ever-present, but it takes an individual in the right environment to develop a new venture idea than may result in a genuine entrepreneurial opportunity (Singh 2000; 24). Indeed, the same (local) business environment may be perceived in a number of ways by entrepreneurs even in the same industry. This perceptive ability will depend upon the entrepreneurs’ accumulated quantity and quality of information regarding their business environment, while their ability to use that information will vary according to their aspirations, business acumen and other personal factors (e.g. McGuire 1964, Wolpert 1964, Pred 1967, Leff et al. 1974, Selby 1987, 1989). Thus, opportunities arise out of controllable and uncontrollable factors that stem from individual characteristics of the entrepreneur and the business environment of the enterprise (Long and McCullan 1984).

The entrepreneurs’ social relations are also important. The social network of an entrepreneur forms an important, and perhaps critical, source of business-related information and knowledge and therefore plays a key role in opportunity recognition (e.g. Granovetter 1973, Dubini and Aldrich 1991, McEvily and Zaheer 1997, Singh 2000). Nevertheless, variations in entrepreneurs’ personal characteristics, and the density of their social contacts, means that business-related information is not uniformly distributed. Further, entrepreneurs have varying abilities regarding the acquisition and application of business-related information and knowledge, as discussed above in section 2.1.

The literature on small firm behaviours often considers the issue of networking to be an “innovation”. However, the fact is that SMEs and VSEs are, by their very nature, invariably at the hub of a complex network of economic- and social relations, dependencies and mutual obligations that include employees, financial institutions, customers, suppliers, local authorities and government (e.g. Gibb 1998, Jennings and Beaver 1997). Their success in the market is dependent upon the way they manage their inter-firm dependencies and their embeddedness in their operating milieu (Sabel 1992, Ettlinger and Patton 1996, Uzzi 1997, Jennings and Beaver 1997, Gibb 1998, Spender 1994, Granovetter 1973, 1985, McEvily and Zaheer 1999). For example, Granovetter

(1985; 491) stresses that “the network of social relations penetrates irregularly and in differing degrees in different sectors of economic life”. McEvily and Zaheer (1997) note that firms vary in their potential to discover and exploit competitive capabilities throughout their networks, while Jennings and Beaver (1997) note that small- and very small enterprises differ from larger ones because in small enterprises the management process is characterised by personalised preferences and the attitudes of the entrepreneur, which themselves are to a greater or lesser degree dependent upon his/her economic- and social relations. Thus, an entrepreneur with prior experience is likely to have business contacts within his/her network that may be important to opportunity recognition (i.e. start-off conditions). Being alert to how other people’s skills, knowledge, and abilities can be utilized in a new venture will be valuable in the process of recognizing opportunities (Kirzner 1979, Singh 2000).

Entrepreneurial opportunity can therefore be seen to be derived from three factors: 1) the personal knowledge, abilities and background of the entrepreneur; 2) the new venture idea itself; and 3) the business environment (e.g. regulatory issues, economic conditions, societal factors, etc.) (Singh (2000, citing e.g. Timmons 1990, 1994). Only when these three factors come together will circumstances exist for entrepreneurial opportunity to be recognised. Ideas for new ventures are influenced by both the entrepreneur and the business environment in a reciprocal relationship, which in turn affects the entrepreneurs’ abilities to perceive opportunities for business. Figure 1 summarises the above discussion in relation to the potential effect of a national park on local enterprise.

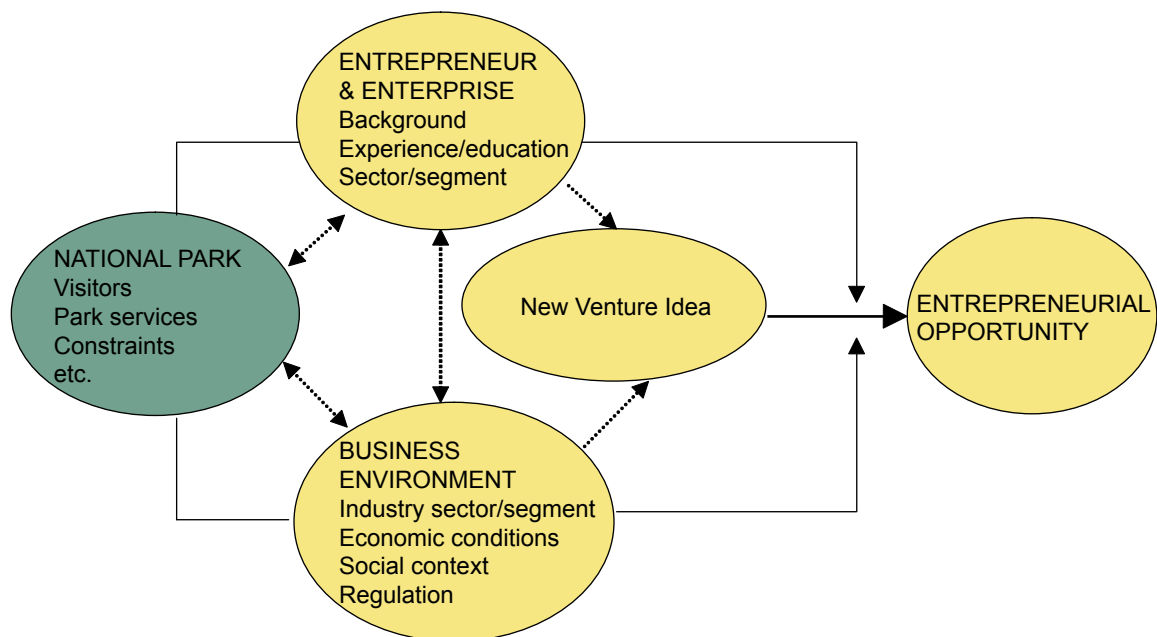


Figure 1. The process of national park generated entrepreneurial opportunity (modified from Singh 2000).

3 Material and method

3.1 Material

The material for the study was collected in co-operation with Metsähallitus (the national park authority) in connection with its survey of tourist services enterprises adjacent to Seitsemien (Tunturi 2008) and Linnansaari National Parks. The Metsähallitus enterprise survey concentrated on e.g. seasonality, customer quantity and their country of origin, as well as the services provided by the entrepreneur and the business environment.

A separate enterprise survey was also made by Metsähallitus that concerned the business impact of the parks to service enterprises in a 30km radius of the park Seitsemien National Park. For the business impact survey, all possible sources (internet home-pages of the municipalities in question, enterprise registers, telephone catalogues, etc.) were employed to identify enterprises within a 30km radius of the parks. In this way, two mailing lists of approximately 120 businesses were established. The sectors covered were hospitality (accommodation, restaurants, cafés, etc.), leisure services, local transport, retail-trade, and miscellaneous. Businesses were included if they appeared to be relevant (which did not always prove to be the case). The questionnaire concerned business economics and networking. The Finnish Forest Research Institute (Metla) entrepreneurship questionnaire was a supplement to both of these Seitsemien surveys. The Metla questionnaire mainly concerned the origins of the business and issues related to entrepreneurship and opportunity recognition. Synergy was achieved between the Metla and Metsähallitus during the planning of the business impact survey.

Unlike the Seitsemien survey, the Linnansaari enterprise survey did not include a separate business impact survey. Also, for technical reasons, the Metla and Metsähallitus surveys were not made synchronously. The Metla entrepreneurship questionnaire was posted later to the same enterprises, but because of the weaker synergy, the Metla questionnaire included some of the some key business-related questions that were in the Seitsemien business impact survey. Synergy was not perfect, however, and some key questions, such as business turnover in 2006, failed to be included in either of the Linnansaari survey questionnaires. The Seitsemien entrepreneur surveys were made in late 2006 and early 2007. The Linnansaari enterprise survey of Metsähallitus was made in Spring 2007 and the Metla entrepreneurship survey was made in Autumn 2007.

Return rates for the entrepreneurship surveys were low, being 34% in the case of Seitsemien and 26% in the case of Linnansaari. A discouraging fact of life is the considerable drop in survey return rates over the past 10- to 15 years or so. However, this is not just a problem in Finland, e.g. Singh (2000), in a survey of US enterprises, reports return-rates of around 20%.

The Metla questionnaire was structured into five sections that addressed: a) the nature of the enterprise; b) the business concept and its origin; c) the inter-relationship between the enterprise and the local national park; d) the perceived advantages and disadvantages caused by the national park; and e) the entrepreneur's personal details. Attitude- and experience-related questions were presented in the form of propositions with a five-point Likert-scale ranging from totally agree to totally disagree. Other questions were scaled in accordance with the nature of the question. A number of questions, especially those related to experience, were supplemented with space for written replies. These open questions proved to be a useful source of additional information.

3.2 Methods

Frequency and tabulation analyses were initially employed to examine the nature and structure of the relationships revealed by the data. More complex relationships and new, complex attributes were constructed and analysed by multivariate techniques such as factor and/or principal components analyses. This technique searches the data matrix for sets of variables with strong mutual correlations. The factors or components achieved were then examined theoretically in order to assess the nature of the attributes they represent. Factor analysis is employed instead of principal components analysis where a low number of observations seem to affect the stability of the result. The exclusion of the error term in factor analysis reduces the variance extracted from the data matrix, but lessens the risk that certain variables may unduly affect the extraction of factor vectors. Scores computed for each factor/component then become new variables in the data matrix.

Variables were also grouped by cluster analysis. In this method, the variables in the analysis are sorted into groups that seek to minimize the within-group variance and maximize the between-group variance.

Statistical tests were applied to where appropriate. The F-test was employed to test the significance of the difference of mean between groups, the Pearson χ^2 -test was applied to the comparison of frequency distributions.

4 Results

4.1 Description of the enterprises

4.1.1 Age and origin of enterprises

Of the 51 entrepreneurs responding to the Seitsemien survey, 53% were males. The youngest entrepreneur was 25 years old and the oldest 70. Sixteen percent of the entrepreneurs were under 44-years old age class. Thirty-nine percent were in the 45–54 year age-class, and 35% were in the over 65 year age-class. Their mean age was 53.3 years (s.d. 8.9 years). Of the 28 entrepreneurs and managers in the Linnansaari survey who reported their gender, 71% were males. The ages of the entrepreneurs ranged from 30 to 64 years. Four (14%) were under 40 years old. The mean age of the entrepreneurs was 50.8 years (s.d. 8.98 years). The entrepreneurs adjacent to Linnansaari National Park therefore seem to be slightly younger and more likely to be male.

In the Seitsemien survey, nearly one quarter (23.5%) of the entrepreneurs had not received vocational education. Slightly fewer than 12% had attended vocational training college, 18% had obtained a college-level diploma, 16% had achieved a lower degree from university or technical high school, and 8% had obtained a higher university or technical high school degree. Another 14% had obtained qualifications from several sources (mainly vocational training college and college, as well as other forms qualifications, e.g. wilderness guide and languages. Nearly half of the entrepreneurs (48%) had received training related to their enterprise in one way or another.

The entrepreneurs/managers in the Linnansaari survey were fairly well educated. All but one respondent had received some form of college-based vocational education: six had been to vocational school, five had received a university education, and four had received other forms of education (e.g. courses on management, entrepreneurship, specific vocational skills). Fifteen

respondents (58%) reported having received some form of enterprise-related training (e.g. accounting, management, guide training).

In both districts, over half of the businesses in the surveys had been established by their current owners (Table 1). Similarly, about a fifth of the businesses in both areas had been acquired in their present form by the current owner. The remaining enterprises had been developed from a previous business – proportionally more in the Linnansaari survey than in the Seitsemien survey. The mean ages of the enterprises in the surveys were very similar, being just slightly younger in the Linnansaari case. Proportionally more businesses had been developed from previous enterprises in the Seitsemien district: these enterprises were also the oldest in the study.

Table 1. Origin and age of enterprises in the survey (Seitsemien and Linnansaari enterprise surveys).

| Origin of business | Seitsemien | | | Linnansaari | | |
|--|------------|-----------------|--------------|-------------|-----------------|--------------|
| | N (%) | Mean age, years | s.d. (years) | N (%) | Mean age, years | s.d. (years) |
| Business developed from previous enterprise | 11 (22) | 28 | 19.9 | 8 (28) | 26 | 14.1 |
| Bought/acquired business in its present form | 11 (22) | 12 | 8.8 | 6 (21) | 11 | 9.7 |
| Started the business myself | 28 (56) | 15 | 8.3 | 15 (52) | 12 | 5.5 |
| All | 50 (100) | 17 | 12.4 | 29 (100) | 16 | 11.1 |

4.1.2 Business activities and inter-firm cooperation

Just over half (52%) of the small enterprises in the Seitsemien survey and just over every third (39%) of the enterprises in the Linnansaari survey maintained a single line of business. The remainder of the businesses operated two or more lines of business. The distribution of activities is shown in Table 2. Allowing for the different numbers of entrepreneurs involved, the distribution of the turn-over from each level of activity is similar in both districts.

Inter-firm cooperation was approached differently in the two surveys. The Seitsemien survey determined the nature and location of inter-firm cooperation, whereas in the Linnansaari survey

Table 2. Multiple-activities – the number of enterprises with primary, secondary, tertiary and quaternary activities, as well as the mean contribution of each level of activity to the overall turn-over of the business (Seitsemien and Linnansaari enterprise surveys).

| Segment | Number of enterprises | | | | | | | |
|-----------------------------|-----------------------|------------|------------|------------|-------------|------------|------------|------------|
| | Seitsemien | | | | Linnansaari | | | |
| | Activity 1 | Activity 2 | Activity 3 | Activity 4 | Activity 1 | Activity 2 | Activity 3 | Activity 4 |
| Accommodation | 18 | 6 | 2 | 0 | 7 | 4 | 1 | 0 |
| Restaurant/café | 9 | 4 | 5 | 1 | 5 | 3 | 2 | 1 |
| Transport | 4 | 1 | 1 | 0 | 5 | 1 | 2 | 0 |
| Tourist/recreation services | 10 | 8 | 2 | 3 | 6 | 9 | 3 | 1 |
| Retail | 4 | 3 | 4 | 1 | 1 | 0 | 0 | 0 |
| Other | 3 | 2 | 2 | 1 | 6 | 0 | 4 | 0 |
| Total | 48 | 24 | 15 | 6 | 30 | 17 | 12 | 2 |
| Mean share of turnover, % | 76.1 | 23.6 | 11.9 | 10.0 | 79.1 | 22.8 | 13.6 | 22.5 |

only the nature of the cooperation was determined, but particular attention was given to cooperation with the Metsähallitus (the park authority). Further, entrepreneurs' opinions concerning inter-firm cooperation were ascertained.

The turnover in 2005 of the businesses in the Seitsemien enterprise survey¹ ranged from 3 000 € to 700 000 €. The mean turnover was 33 500 € (S.D. 13 400 €) and the median turnover was 20 000 €.

Inter-firm cooperation – Seitsemien

Just over half (55%) of the enterprises practiced some form of cooperation with at least one other business (1–5 in Table 3), but many also reported co-operation with between two and four firms. The majority (67%) of the enterprises reported that the firms with which they cooperated were located in the same district, the remaining firms being located elsewhere (Table 4).

Just over a quarter of the businesses in the survey practiced regular co-operation with other firms, while another quarter had occasional co-operation. One in three firms only practiced random co-operation and one in six practiced no co-operation at all. Eleven of the businesses (38%) reported

Table 3. Nature and scale of inter-firm co-operation (Seitsemien enterprise survey).

| Nature of cooperation*) | Business 1 | | Business 2 | | Business 3 | | Business 4 | |
|-------------------------|------------|------|------------|------|------------|------|------------|------|
| | N | % | N | % | N | % | N | % |
| 1 | 7 | 26.9 | 3 | 21.4 | | | | |
| 2 | 6 | 23.1 | 7 | 50.0 | 2 | 33.3 | | |
| 3 | 1 | 3.8 | | | 1 | 16.7 | | |
| 4 | 4 | 15.4 | | | 1 | 16.7 | 1 | 33.3 |
| 5 | 1 | 3.8 | | | | | | |
| 1 + 2 | 2 | 7.7 | | | | | | |
| 1 + 3 | 3 | 11.5 | 1 | 7.1 | 1 | 16.7 | | |
| 2 + 4 | 1 | 3.8 | | | | | | |
| 3 + 4 | | | 1 | 7.1 | | | | |
| 4 + 5 | | | 1 | 7.1 | | | 1 | 33.3 |
| 1 + 2 + 3 | | | | | | | 1 | 33.3 |
| 1 + 2 + 4 | 1 | 3.8 | | | | | | |
| 2 + 4 + 5 | | | | | 1 | 16.7 | | |
| 1 + 2 + 3 + 4 | | | 1 | 7.1 | | | | |

*) Explanation of numbers: 1 = Purchase of goods; 2 = Purchase of services; 3 = Sale of good; 4 = Sale of services; 5 = Other cooperation

Table 4. Location of cooperation businesses. Seitsemien enterprise survey.

| Business | Location of business | | | | Total | |
|----------|----------------------|-----|---------|----|-------|-----|
| | Local | | Distant | | N | % |
| | N | % | N | % | | |
| 1 | 13 | 57 | 10 | 43 | 23 | 100 |
| 2 | 9 | 75 | 3 | 25 | 12 | 100 |
| 3 | 4 | 80 | 1 | 20 | 5 | 100 |
| 4 | 3 | 100 | | | 3 | 100 |
| N | 29 | 67 | 14 | 33 | 43 | 100 |

¹ Turnover figures for the Linnansaari survey enterprises will be presented later in the final report of the project.

having a co-operation agreement with Metsähallitus and another three expressed interested in such an agreement. Fifteen firms were not interested in a co-operative agreement with Metsähallitus.

Inter-firm cooperation – Linnansaari

Table 5 shows the nature of inter-firm cooperation in the Linnansaari survey. Co-operation was strongest with respect to services, but the production of both products and services have led to co-operative efforts. Co-operation with Metsähallitus was modest compared with inter-firm co-operation.

Asked whether they were likely to increase their co-operation with other firms and Metsähallitus in the near future, 11 (nearly 40%) of the businesses replied that this was likely or very likely. Another 11 businesses were considering more co-operative effort. Six businesses (21%) were not considering increasing their co-operative efforts. This relatively positive picture of inter-firm co-operation is supported by the fact that none of the businesses reported poor or very poor experiences of inter-firm co-operation from the perspective of their own business. Eleven firms were neutral in their opinion as to the advantages or disadvantages of co-operation, but 18 businesses (62%) considered co-operation to have been advantageous or very advantageous. Finally, the benefits of inter-firm co-operation in the Linnansaari area are confirmed by entrepreneurs' general perception of the advantages of networking (Table 6).

Table 5. Number and nature of inter-firm co-operation and co-operation with Metsähallitus. Linnansaari enterprise survey.

| Nature of co-operation/agreement | Co-operation with other businesses (N) | Co-operation with Metsähallitus (N) |
|---|--|-------------------------------------|
| Marketing | 9 | 4 |
| Sales | 9 | 1 |
| Equipment | 6 | 0 |
| Events | 7 | 3 |
| Products | 8 | 2 |
| Product development | 6 | 1 |
| Accommodation services | 11 | 2 |
| Food and refreshment services | 6 | 0 |
| Programme services | 10 | 1 |
| Transportation services | 10 | 0 |
| Other, e.g. rubbish collection, fishing permits | 3 | 0 |

Table 6. Entrepreneurs' opinions concerning inter-firm networking during 2007 (percentages in parenthesis). Linnansaari enterprise survey.

| Opinion | Strongly agree | Agree | Neither agree nor disagree | Disagree | Strongly disagree | Cannot say | Total N (%) |
|---|----------------|---------|----------------------------|----------|-------------------|------------|-------------|
| There have been improvements in local business networking | 6 (23) | 12 (46) | 2 (8) | 0 | 3 (11.5) | 3 (11.5) | 26 (100) |
| Sharing tasks with other firms has been beneficial for my business | 7 (28) | 10 (40) | 0 | 2 (8) | 1 (4) | 5 (20) | 25 (100) |
| Networking enables my business to concentrate on its own competence | 3 (11) | 11 (42) | 1 (4) | 2 (8) | 3 (11.5) | 6 (23) | 26 (100) |

4.1.3 Economic performance and employment creation

Seitseminen

The business impact survey in the Seitseminen area enables an approximate over-view to be made of the performance of the enterprises in question. Approximate, because only half of the entrepreneurs replying to the survey disclosed economic figures.

Of the 29 enterprises that disclosed their 2005 turnover figures, over half (51.7%) had turnovers of less than 20 000 €. Another fifth (20.7%) had turnovers in the range of 20 000 to 99 999 €. Three business (10.3%) disclosed a turnover of over 400 000 €. The mean turnover of these businesses was 29 100 € and the median turnover was 18 000 €, both figures revealing the modest operations of most of the businesses in question. Eighteen entrepreneurs were able to estimate what share of their turnover was attributable to Seitseminen National Park and its visitors. Estimates ranged from zero to 100%, the mean being 24% and the median 8.5%. The distribution of the number of customers followed a similar pattern, with only a few businesses (16.7%) dealing with over 4000 customers year. The median number of customers was 275.

The 26 businesses answered the questions concerning employment accounted for 771 man/months (i.e. 64 man/years) of employment for a total of 143 people. Employment is here defined as permanent full-time, permanent part-time, temporary full-time and temporary part-time. The majority (83%) of the employment created in terms of man/months was accounted for by full-time permanent staff. Permanent part-time employment accounted for 5% and temporary employment (whether full or part-time) accounted for 12% of the man/months of employment created.

Just over one third (38%) of employees were in permanent year-round employment, and 10% were in permanent part-time employment. Half (51%) of the employees were in temporary employment, the majority of which was part-time.

Nearly half of the businesses (42.3%) created less than 9 man/months of employment, while another third (34.6%) created between 10 and 19 man/months of employment (Figure 2). The distribution reflects the limited employment opportunities provided by VSEs.

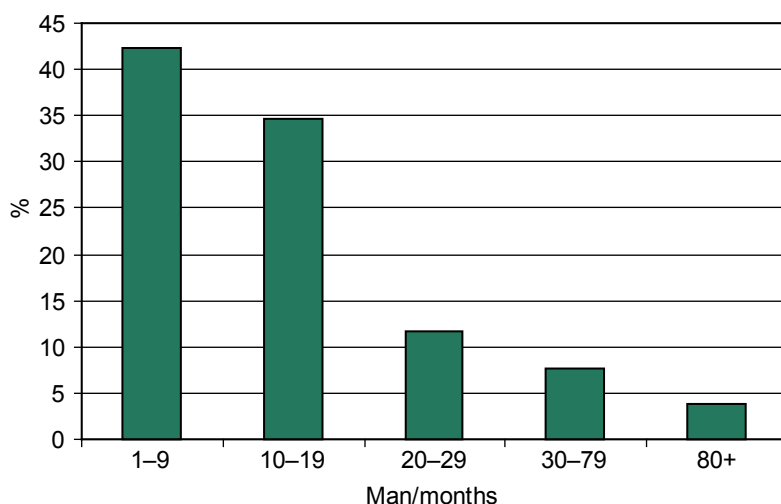


Figure 2. Distribution of businesses by amount of employment creation (man/months). Seitseminen Business Impact Survey (Metsähallitus).

Salary expenditures were reported by only 13 entrepreneurs, which limited any meaningful analysis. Sufficient to report that the salary outlays ranged from 500 € to 275 000 € (mean 35 300 € median 6 800 €).

Linnansaari

The 24 businesses in the Linnansaari enterprise survey that responded to the questions concerning employment created a total of 44 man-years of employment in 2007 for 116 people. The greater part (67%) of the employment created in terms of man/years was in the form of permanent full-time employment and 10% by permanent part-time employment. Thus, in terms of man/years, 23% of the employment created was temporary, the majority of which was part-time. In terms of people employed, 50% were in permanent year-round employment and 10% in permanent part-time employment. Thus, 40% of the employees were in temporary employment, the majority of which was full-time. The majority of the businesses in the survey (77%) reported that they had no problems with employment.

4.2 Source of business ideas and new enterprise activity

4.2.1 Seitsemien

With respect to the formulation of business ideas, the literature on VSEs and SMEs often places importance on entrepreneurs' strong and weak ties to their business and social contacts. For VSEs working in rural environments, such ties become all the more important as the business environments in which they are operating are bound to be restrictive.

Nine of 49 businesses in the Seitsemien enterprise survey were started by the present entrepreneur, and these were asked to indicate the main two sources of their business idea. The most important sources proved to be:

| | |
|--|------------|
| The idea slowly developed over time | 9 mentions |
| Flash of inspiration | 9 mentions |
| An acquaintance suggested the business idea | 4 mentions |
| A relative suggested the business idea | 2 mentions |
| A development agency suggested the business idea | 2 mentions |
| Experience with a previous enterprise led to the business idea | 2 mentions |
| Metsähallitus suggested the business idea | 1 mention |
| A business acquaintance suggested the business idea | 1 mention |
| A local development group suggested the business idea | 1 mention |
| A newspaper article suggested the business idea | 1 mention |
| A (foreign) visitor suggested the business idea | 1 mention |
| A course on farm tourism led to the business idea | 1 mention |
| Need for self employment | 1 mention |
| Trade fairs | 0 mentions |

A similarly structured question asked entrepreneurs (n=49) about the two most important factors that made starting up their business attractive to them. The outcome was as follows:

| | |
|---|-------------|
| Visitors had sought such a service | 15 mentions |
| The local supply of the product/service in question could be improved | 14 mentions |
| Enterprise was the best way of benefiting from education/experience | 14 mentions |

| | |
|--|-------------|
| Links to previous enterprise | 13 mentions |
| Prices in the segment in question seemed to high | 3 mentions |
| The service/product was not offered in the vicinity of the national park | 3 mentions |
| The profits seemed attractive | 2 mentions |
| Other reasons | 6 mentions |

The segments cited were agriculture and forestry (4), transport (2), tourism (1), café and exhibition space (1) and sign and illumination products and services (1).

Entrepreneurs were asked whether their business idea would have materialised without the presence of the national park. The results left some doubt about the importance of the park to these 51 entrepreneurs; only 6 (12%) attributed the materialisation of their business idea to the national park:

| | No. of enterprises |
|--|--------------------|
| The business idea would definitely have materialised without the park | 42 |
| The business idea would probably have materialised without the park | 2 |
| The business idea would probably <i>not</i> have materialised without the park | 4 |
| The business idea would definitely <i>not</i> have materialised without the park | 2 |
| Cannot say | 1 |

Similarly, 36 (71%) of 51 entrepreneurs did not consider that the national park and its visitors had led to new business opportunities for their firms. Fourteen entrepreneurs considered that the national park had led to new venture opportunities, the segments in question being:

| | No. of enterprises | | No. of enterprises |
|------------------|--------------------|----------------|--------------------|
| Tourist services | 6 | Transportation | 1 |
| Accommodation | 2 | Other services | 2 |
| Café/restaurant | 1 | Unspecified | 2 |

Three entrepreneurs were seriously considering extending their activities to benefit from the national park and its visitors. The majority (48) had no plans, although 23 entrepreneurs said they were working on an idea.

4.2.2 Linnansaari

Eighteen entrepreneurs in the survey had started their business. They were asked to indicate the two main factors that led to their business. The most important reasons were as follows:

| | |
|--|-------------|
| Personal observation of the opportunity for business | 13 mentions |
| The idea slowly developed over time | 5 mentions |
| The idea was suggested by a business acquaintance | 2 mentions |
| Family has enterprise tradition | 2 mentions |
| The idea was suggested by a relative | 1 mention |
| The idea was suggested by a visitor to the district | 1 mention |
| Resources were available | 1 mention |
| Circumstances at the time | 1 mention |
| Need for self employment | 1 mention |

Entrepreneurs were also asked which two factors made starting a business attractive to them. The replies were:

| | |
|--|-------------|
| The local supply of product/service could be improved | 11 mentions |
| Visitors sought such a service | 9 mentions |
| Starting a business was the best way to benefit from own | |

| | |
|---|------------|
| education/experience | 8 mentions |
| Natural extension to previous business activity | 5 mentions |
| Maintaining family business | 2 mentions |
| The product/service was not on offer in the vicinity of the national park | 1 mention |
| Segment offered good prospects for growth | 1 mention |
| Farm closure upon generation transfer | 1 mention |
| Available resources - right place, right time | 1 mention |
| Part of regional marketing organisation | 1 mention |

The entrepreneurs were asked whether their business would have materialised without the presence of the national park. Of the 29 entrepreneurs answering the question, only one said that his/her business would probably not have been started without the park. However, eighteen entrepreneurs (60%) considered that Linnansaari National Park had created new business opportunities. These included the provision of transportation services, accommodation services, various guide and tour services (e.g. skating) and equipment rentals. The park was also considered to have given the area certain fame and attracted foreign visitors.

The majority of the entrepreneurs (75%) did not have any plans to start new, national-park related business ventures. Four were seriously considering new, national park-related ventures, and one was just starting such a new venture.

The respondents were asked to state which sector they considered their business to represent. The responses were as follows:

| | No. of enterprises | | No. of enterprises |
|----------------------|--------------------|--------------------------|--------------------|
| Accommodation | 5 | Primary production | 2 |
| Restaurant and cafés | 3 | Retail | 3 |
| Transport | 6 | Equipment rentals | 1 |
| Tourist services | 8 | Other (stables, harbour) | 2 |

4.3 Entrepreneurial typology

4.3.1 Indicator of business attitude

Entrepreneurs' attitudes to business have been assumed to be satisficing and boundedly rational (see section 2.1). In the entrepreneurial surveys, entrepreneurs' attitudes towards business were assessed by asking them to agree or disagree (on a 5-point Likert scale) with a set of given statements. Figure 3 presents the results of the business attitude survey for both districts. The figure only shows the percentage of the responses that agree or totally agreed (4 and 5 on the Likert scale) with the proposition proposed. The results for the two districts are, for the greater part, very similar. The exceptions being the greater demand-orientation of the Linnansaari enterprises and the far greater risk aversion of the Seitsemien entrepreneurs that rejected to a far greater extent that the Linnansaari enterprises the idea that new ventures require familiarity with markets or technology. Awareness of opportunities created by a changing business environment and through weak ties seemed to be higher in the Seitsemien data compared to that of Linnansaari.

The data presented in Figure 3 is analysed in more detail in sections 4.3.2 and 4.3.3.

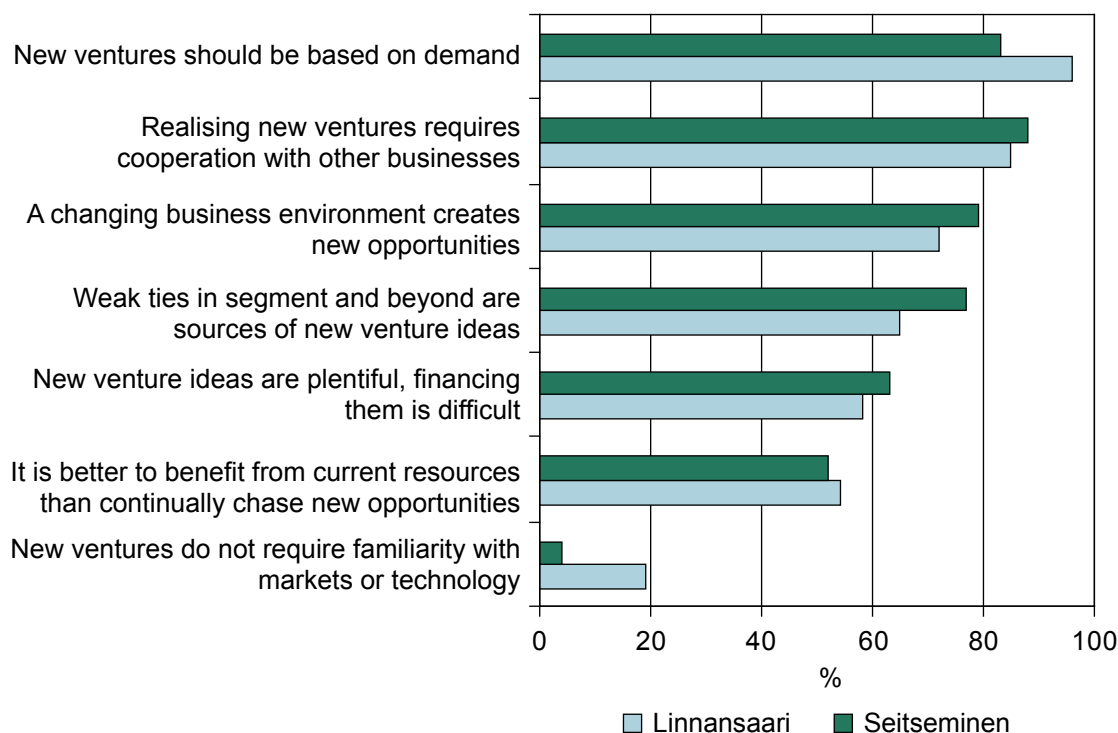


Figure 3. A simple estimation of business attitudes. Percentage of responses agreeing or totally agreeing with proposition in question. Linnansaari and Seitsemien enterprise surveys.

4.3.2 Seitsemien

The attitude variables, presented above, were examined using principal components analysis to reveal the underlying structure of the data set. The resulting model extracted 66% of the total variance (Table 7). A variable concerning weak ties as sources of business ideas caused a reduction in the clarity of interpretation and so was excluded.

Satisficers: The component is characterised by the strong positive loading of the proposition that stresses the use of current business resources. Propositions that concern seeking new opportunities

Table 7. Rotated principal component model of VSE entrepreneurs' attitudes to business.

| Attitude propositions | Satisficers | Adapters | Constrained opportunists (adopters) |
|--|-------------|----------|-------------------------------------|
| Preferable to concentrate on use of current resources that to keep chasing new opportunities | 0.82 | | |
| Opportunities arise from changes in the business environment | -0.71 | | |
| Benefiting from new opportunities requires cooperation with other businesses | -0.53 | 0.45 | |
| New opportunities arise from customer demands | | 0.80 | |
| New businesses opportunities do not require familiarisation with markets or technology | | -0.62 | |
| Ideas for business are not a problem - financing them is | | | 0.96 |
| Rotation sums of squared loadings | 1.60 | 1.24 | 1.13 |
| Cumulative variance explained % | 26.62 | 47.30 | 66.20 |

from a changing environment and having to cooperate with other enterprises obtain negative loadings. The component can be regarded as representing the satisficing attribute (e.g. Simon 1957, 1959, Earl 1983, Selby 1989, Selby and Petäjäistö 1992).

Adapters: The component is characterised by the strong positive loading of the proposition that new business opportunities stem from customer demand. A positive loading is also obtained by the proposition concerning the need to co-operate with other firms. The proposition concerning the *lack* of need for market and technology familiarisation to benefit from new opportunities obtains a *negative* loading; i.e. these entrepreneurs accept the need for such familiarisation. The component therefore represents aspects of the adapter type of entrepreneur.

Constrained opportunists (adopters): The single variable loaded on the component concerns the entrepreneur who claims to perceive many opportunities but is constrained by (financial) resources. For convenience, he/she is called a constrained opportunist. However, the interpretation is ambiguous. The opportunity perception in question may, in reality, be rather idealistic, but on the other hand, both the opportunity perception and the constraints may be real. If the perceived constraints are due to a lack of business acumen, then the opportunity recognition may just be a case of reacting to chance – in other words, adoptive behaviour.

Cluster analysis based on the component scores produced a five-cluster solution across which the VSEs are rather evenly distributed (Table 8). The cluster solution creates an approximate continuum from the satisficers to the s. The clusters (types of entrepreneurs) are interpreted as follows:

Satisficers: members of this group are characterised by their strong satisficing behaviour. The group differs from group 1 because there is no attempt at adopter or adapter behaviours. The group could be closer to the original definition of satisficing (Simon 1957) which attributes the satisficing behaviour to a lack of business acumen. The group has 10 members.

“Lifestyle” entrepreneurs (satisficers): members of this group exhibit some of the characteristics represented by each of the components (all score means are positive and fairly large). The largest mean score is obtained by the adapter component, which suggests the entrepreneurs are in possession of a reasonable business acumen. The inclusion of the constrained opportunists (adopters) with their lower business acumen, and also satisficers, suggests that this group of entrepreneurs have various degrees of entrepreneurial potential but they are ultimately grounded by their satisficing

Table 8. Entrepreneurial typology (k-means cluster analysis of entrepreneurs’ business attitudes based on principle components from Table 6).

| Principle components | Entrepreneurial typology | | | | | Anova | |
|-------------------------------------|--------------------------|-------------------------|----------|--------------------|----------|-------|--------|
| | Satisficers | Lifestyle entrepreneurs | Adopters | Potential adapters | Adapters | F | P |
| | Mean component scores | | | | | | |
| Satisficers | 0.95 | 0.67 | -0.50 | -0.71 | -0.41 | 10.64 | <0.001 |
| Adapter | -0.67 | 0.85 | -1.52 | 0.22 | 0.74 | 31.23 | <0.001 |
| Constrained opportunists (adopters) | -0.30 | 0.68 | 0.10 | 0.65 | -1.53 | 21.73 | <0.001 |
| N=51 | 10 | 11 | 8 | 13 | 9 | | |
| % | 19.6 | 21.6 | 15.7 | 25.5 | 17.6 | 100 | |

behaviours. Thus, for all their ambitions, these entrepreneurs can be considered to be “life-style” entrepreneurs because they place satisficing before other goals. This is the second largest group, with 11 members (22%).

Adopters: this group is characterised by the single, positive loading of the constrained opportunist (adopter) component, and the negative loading of the other two attributes. This group represents the adopters and has the fewest members (8 members).

Potential adapters: members of this group combine the characteristics of the constrained opportunist (adopter) (moderately large positive mean score) and the adapter (low, positive mean score). They are not satisficers (negative mean score). This group is interpreted as entrepreneurs who have the ability to perceive new opportunities and may have the potential to be adapters. With 13 members (25%), this is the largest group.

Adapters: this group is characterised by the single, strong positive loading of the adopter component. This is the second smallest group (9 members).

An encouraging aspect of the analysis is that over two out of every five entrepreneurs (43%) falls into one of the adapter classes. Adapter classes can be expected to have better business acumen and to be likely to better perceive good opportunities for new ventures than adopters. Table 9 shows how the entrepreneurial types are distributed by segments, as well as the median turnover for each entrepreneurial group.

The relatively large median turnover of the adopter group is a little surprising, but at least suggests that the adopters are successful (see e.g. Alchian 1950, Pred 1967, Mäkinen and Selby 1995). The low median turnovers of the satisficer and lifestyle groups can be expected in the light of the entrepreneurial typology. The low median turnover of the potential adapter group suggests that this group is still far from achieving adapter status. Despite the incomplete nature of the data concerning the estimated contribution of park-generated business to overall turnover, there appears to be a tendency (Table 9) for the less ambitious the levels of entrepreneurship to have a greater dependency upon national park-generated income.

Table 9. Distribution of entrepreneurial types by segments (percentages in parenthesis), and median turnover (€) in 2005. Seitsemien enterprise survey.

| Segment | Entrepreneurial type | | | | | N |
|---|----------------------|---------------------------------------|----------|--------------------|----------|-------------------|
| | Satisficer | Lifestyle entrepreneurs (satisficers) | Adopters | Potential adapters | Adapters | |
| Accommodation | 3 (17) | 5 (28) | 4 (22) | 4 (22) | 2 (11) | 18 (100) |
| Restaurants, cafés | 1 (11) | 3 (33) | 2 (22) | 3 (33) | 0 | 9 (100) |
| Transport | 3 (75) | 1 (25) | 0 | 0 | 0 | 4 (100) |
| Tourist-related services | 2 (20) | 1 (10) | 2 (20) | 3 (30) | 2 (20) | 10 (100) |
| Primary production | 0 | 1 (33) | 0 | 0 | 2 (67) | 3 (100) |
| Retail | 1 (25) | 0 | 0 | 0 | 3 (75) | 4 (100) |
| N | 10 (21) | 11 (23) | 8 (17) | 10 (21) | 9 (19) | 48 (100) |
| Median 2005 Turnover, € | 11 500 | 13 000 | 38 600 | 15 000 | 10 500 | 225 300 (25 6001) |
| Mean contribution to turnover of national park, % | 43 | 22 | 11 | 19 | 9 | |

¹Median after omission of one very large value.

4.3.3 Linnansaari

The entrepreneurs' attitudes to business were assessed using the propositions and scaling that were presented in section 4.3.1. A three-component solution was obtained (Table 10). The components are interpreted as follows:

Potential adapters: The component is characterised by a strong loadings of the proposition that business ideas are not a problem (even if financing them is). This implies opportunity recognition. However, the proposition that new ideas are not dependent upon knowledge of markets or technology is supported, and the proposition that new ideas arise from customer demand is rejected, which suggests a degree of isolation from successful business practices; and isolation that casts doubt on the viability of the opportunities recognised. This doubt is somewhat offset by agreement with the proposition that cooperation with other businesses is essential. The component seems to represent an adopter-type behaviour, but with improved attitudes towards information and knowledge from the business environment they might become adapters. The component is therefore considered to represent *potential adapters*.

Satisficers: The component is characterised by the strong positive loading of the proposition that it is better to concentrate on using the current resources than keep chasing new ventures. This is a major attribute of the satisficing principle. The negative loading of the proposition that links beyond the sector are sources of new venture ideas suggests a parochial attitude and so supports the satisficing interpretation.

Adopters: The component is characterised by a strong positive loading on the proposition that changing environments create new opportunities for business. However, this observation is offset by the strong negative loading of the proposition that supports cooperation with other businesses; i.e. this type of entrepreneur acts alone. The proposition that new ventures do not require familiarisation with markets or technology is supported, albeit weakly, which also suggests solitary

Table 10. Varimax-rotated principal components analysis of entrepreneurs' attitudes to business. Linnansaari enterprise survey. A four component solution was extracted by resetting the eigenvalue=1.0 constraint normally associated with principal component analysis to 0.90. Loadings less than 0.40 are omitted for clarity.

| Proposition | Potential adapters | Satisficers ¹ | Adopters | Extraction communalities |
|---|--------------------|--------------------------|----------|--------------------------|
| Ideas for business are not a problem - financing them is | 0.79 | | | 0.63 |
| New ideas arise from customers' demands | -.68 | | | 0.54 |
| New ventures do not require familiarisation with markets or technology | .55 | | 0.36 | 0.54 |
| Changing environments create business opportunities | | | 0.79 | 0.78 |
| Cooperation with other business is essential | 0.46 | | -0.70 | 0.90 |
| Better to concentrate on use of current resources than chase new ventures | | 0.71 | | 0.53 |
| Links beyond the segment are a source of new venture ideas | | -0.87 | | 0.77 |
| RSSL | 1.73 | 1.55 | 1.16 | |
| Cumulative % of variance explained | 23.23 | 45.08 | 63.44 | |

¹Signs reversed to obtain a theoretically logical interpretation.

Table 11. Entrepreneurial typology (Three-cluster grouping of entrepreneur types based on principle components from Table 10). Linnansaari enterprise survey.

| | Satisficers | Adopter-satisficers | Potential adapters | F-value (df 27) | P |
|--------------------|-----------------------|---------------------|--------------------|-----------------|-------|
| | Mean component scores | | | | |
| Potential adapters | -0.04 | -1.12 | 0.41 | 7.61 | 0.002 |
| Satisficers | 0.94 | 0.35 | -0.51 | 8.81 | 0.001 |
| Adopters | -1.01 | 0.88 | 0.11 | 9.50 | 0.001 |
| N=30 | 7 | 6 | 17 | | |
| % | 23.3 | 20.0 | 57.7 | 100 | |

decisions in isolation from the business environment. The component is therefore considered to represent adopters.

The three attitude components were entered into cluster analysis (Table 11). The solution also helped in the interpretation of the principal components. The clusters are interpreted as follows:

Satisficers: This cluster is characterised only by the strong positive mean value of the *satisficer* component. The other values are negative. Seven entrepreneurs belonged to this group.

Adopter-satisficers: The group is characterised by the *adopters*-component which obtains a high mean score, supported by a positive mean score for the *satisficing*-component. The group is not dissimilar to the “lifestyle” component found in the Seitsemien material.

Potentially adapters: This group is characterised by the fairly large mean score of the *potential adapter*-component. It is modified by the modest but positive mean score of the *adopter*-component. The group is considered to represent adopters that have the ability to become adapters.

The distribution of the entrepreneurial types by segments is shown in Table 12. As in the Seitsemien analysis, the largest class consists of potential adapters, but the Linnansaari entrepreneurs are even more likely to be potential adapters (57%). A greater diversity of management was found in the potential adapter-group of enterprises (Table 13), which fully supports the interpretation of this group as having greater business acumen.

Table 12. Number of entrepreneurial types by segments, Linnansaari enterprise survey.

| Segment | Satisficers | Adopter-satisficers | Potential adapters | Total |
|----------------------|-------------|---------------------|--------------------|-------|
| 1 Accommodation | 2 | 2 | 3 | 7 |
| 2 Restaurant, café | 0 | 1 | 4 | 5 |
| 3 Transport | 0 | 0 | 5 | 5 |
| 4 Tourist services | 3 | 1 | 2 | 5 |
| 5 Primary production | 1 | 2 | 1 | 4 |
| 6 Retail | 0 | 0 | 1 | 2 |
| 7 Other | 1 | 0 | 1 | 2 |
| Total | 7 | 6 | 17 | 30 |

Table 13. Number of entrepreneurial types by respondents' role in the enterprise.

| Role | Satisficer | Solitary adopter-satisficer | Potentially successful adopter | Total |
|----------------------|------------|-----------------------------|--------------------------------|-------|
| 1 Entrepreneur/owner | 3 | 5 | 7 | 15 |
| 2 Manager | 1 | 1 | 3 | 5 |
| 3 Board member | 0 | 0 | 2 | 2 |
| 4 Other | 1 | 0 | 0 | 1 |
| Total | 5 | 6 | 12 | 23 |

4.4 Business operational and development problems

4.4.1 Indicators of problems

Entrepreneurs were asked about how a set of common SME and VSE business constraints affected the development of their enterprise. A three-way code was employed (considerable effect, some effect, no effect). Figure 4 shows the percentages of entrepreneurs that experienced the business constraints in question. Many business development constraints are common to both districts, but there are also a number of differences. For example, taxation and financial problems are more likely to be experienced by enterprises in the Seitsemien district, while inflexible local officials and a poor local business environment is more of a problem in the Linnansaari district. Entrepreneurs in the Linnansaari survey also added four other “complaints”: lack of customers, running a business alone, the bureaucracy surrounding EU-funded development projects, and the fact that the national park had reduced a forest owner’s forest area by 20%. The data set is analysed in more detail in sections 4.4.2 and 4.4.3.

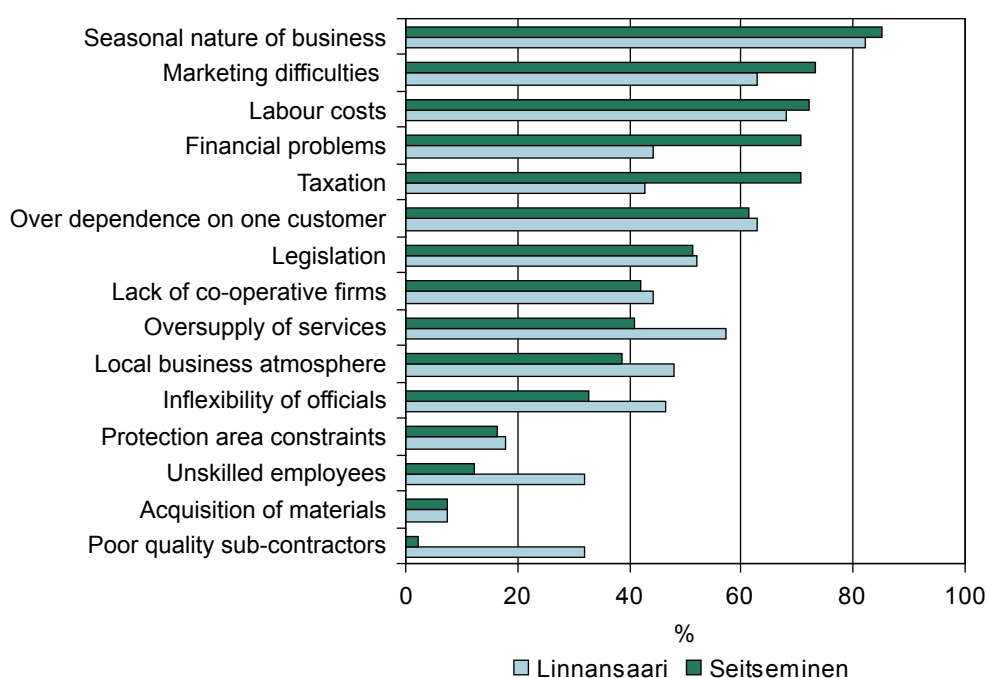


Figure 4. Proportion of entrepreneurs who reported common business development constraints. Linnansaari and Seitsemien enterprise surveys.

4.4.2 Seitsemien

The data set concerning entrepreneurs' perceived business development constraints was entered into principal components to reduce the problems to a small set. Four components were identified after removing several variables that did not behave well in the analysis (Table 14):

Practical operational constraints. The component brings together variables that represent the main practical, operational problems and constraints that apply to VSEs.

Institutional constraints. The component is created by variables that concern institutionally imposed regulations, responsibilities and constraints, including limits to business activities imposed by the presence of a national park.

Constraints from national park. The two variables forming this component are specifically related to constraints created by the national park and its administration.

Business environment. The component concerns the local business environment as perceived by the entrepreneur. The perception of an over-supply of services suggests that the entrepreneurs are in unhealthy competition, which in turn leads to their perception of a poor business atmosphere.

The components were further examined by k-means cluster analysis to see whether groups of entrepreneurs with distinct sets of characteristics could be identified. A four-cluster solution was considered to be serviceable (Table 15). The clusters are interpreted as follows:

Mainly institutional constraints: Members of this group are characterised by positive values for three of the four constraints, two of which are institutionally related, i.e. institutional constraints (taxation, regulations, etc.) and national park constraints.

Table 14. Rotated principal components model of perceived constraints to VSE development. Seitsemien enterprise survey.

| | Operational constraints | Institutional constraints | National park constraints | Business environment constraints |
|--------------------------------------|-------------------------|---------------------------|---------------------------|----------------------------------|
| Financial constraints | .78 | | | |
| Seasonal nature of business | .77 | | | |
| Marketing difficulties | .77 | | | |
| Lack of co-operating firms | .57 | | | |
| Dependency on one customer | .56 | | | |
| Labour costs | | .87 | | |
| Taxation | | .78 | | |
| Regulations | | .66 | | |
| Constraints imposed by national park | | | .81 | |
| Inflexible officialdom | | .44 | .74 | |
| Local business environment | | | | .72 |
| Over-supply of services | | | | .65 |
| RSSL | 2.52 | 2.43 | 1.61 | 1.20 |
| Cumulative % of variance explained | 21.00 | 41.28 | 54.72 | 64.71 |

Table 15. k-means cluster analysis of perceived constraints to VSE development. Based on component scores from analysis in Table 14.

| Principal component | Cluster | | | | F-test | |
|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|-------------------------|---------|--------|
| | Mainly institutional constraints | Business environment constraints | National park related constraints | Operational constraints | F-value | Sig. |
| Operational constraints | 0.11 | -0.57 | -1.52 | 0.97 | 15.33 | <0.001 |
| Institutional constraints | 1.25 | -0.09 | -0.86 | -0.63 | 12.75 | <0.001 |
| National park constraints | 0.17 | -0.22 | 3.97 | -0.01 | 8.27 | <0.001 |
| Business environment constraints | -0.93 | 0.50 | -0.91 | -0.16 | 7.46 | <0.001 |
| N=51 | 10 | 25 | 1 | 15 | | |
| % | 19.6 | 49.0 | 2.0 | 29.4 | 100 | |

Group 2-4 are each based on single positive values that determine the nature of the cluster. The “national park constraint” cluster has only one member. Two other firms that also consider the national park to be a constraining influence on their activities are located in the first cluster.

The results of the cluster analysis confirm that the enterprises in question experience the normal problems of management and operation experienced by most VSEs and SMEs in rural areas, with the national park bringing additional problems in some cases.

The distribution of the enterprises by segments and perceived business constraints is shown in Table 16. Neither of the primary production enterprises seems to have been affected by the institutional constraints imposed by the national park, which may reflect the fact that the park was created on State land rather than private land. Entrepreneurs in all segments experienced business environment constraints, especially in the restaurant/café segment (75%). Institutional constraints were experienced mostly in the service segments. Operational constraints were largely confined to accommodation, restaurants & cafés and tourist services.

Table 16. Distribution of the enterprises by segments and perceived business constraints, with median turnover in 2005. Seitsemien enterprise survey.

| Segment | Perceived business constraint | | | | Total |
|--|----------------------------------|----------------------------------|-----------------------------------|-------------------------|-------|
| | Mainly institutional constraints | Business environment constraints | National park related constraints | Operational constraints | |
| Accommodation | 3 | 7 | 1 | 7 | 18 |
| Restaurant/café | 1 | 6 | 0 | 2 | 8 |
| Transport | 0 | 4 | 0 | 0 | 4 |
| Tourist services | 4 | 2 | 0 | 4 | 10 |
| Primary production | 0 | 2 | 0 | 1 | 3 |
| Retail | 2 | 2 | 0 | 0 | 4 |
| Other | 0 | 2 | 1 | 0 | 3 |
| Total | 10 | 25 | 1 | 14 | 50 |
| Median turnover, € | 18 600 (N=8) | 20 000 (N=13) | 21 500 (N=1) | 8 000 (N=7) | |
| Mean contribution of park to turnover, % | 17 | 42 | 22 | 16 | |

4.4.3 Linnansaari

The data set introduced in section 4.4.1 was entered into factor analysis to reduce this set of perceived constraints on business development to a smaller number of dimensions. A four factor solution was achieved after removing several variables that did not behave well in the analysis (Table 17). The interpretation of the factor model is as follows:

Institutional constraints: The factor is formed by variables that concern the institutional environment of small businesses (legislation and inflexible officials) and the (legally based) restrictions imposed by the presence of Linnansaari National Park.

Operating constraints: The factor brings together variables that represent several of the operational problems faced by small businesses in the service sector, e.g. the seasonal nature of business, marketing, and lack of a network. The variable concerning the inflexibility of officials is also loaded onto the factor.

Business environment: The factor concerns the business environment which is perceived to have an over supply of services (i.e. too many actors in the sector), taxation is a cause of concern, and the local business atmosphere is perceived to be a constraint on business development.

Cost constraints: The factor is characterised by the strong loading of the financial constraints variables as well as the variable concerning labour costs.

Table 17. Varimax-rotated factor analytic model of entrepreneurs' perceived business development constraints. Linnansaari enterprise survey.

| | Institutional constraints | Operational constraints | Business environment constraints | Cost constraints | Communalities |
|------------------------------------|---------------------------|-------------------------|----------------------------------|------------------|---------------|
| Protection area constraints | 0.82 | | | | 0.66 |
| Inflexibility of officials | 0.81 | 0.46 | | | 0.81 |
| Legislation | 0.70 | | | | 0.47 |
| Seasonal nature of business | | 0.70 | | | 0.48 |
| Marketing | | 0.70 | | | 0.45 |
| Taxation | | 0.56 | 0.41 | | 0.58 |
| Lack of co-operative firms | | 0.47 | | (0.36) | 0.40 |
| Oversupply of services | | | 0.97 | | 0.54 |
| Local business atmosphere | (0.30) | | 0.60 | | 0.59 |
| Financial constraints | | | | 0.81 | 0.44 |
| Labour costs | | (0.31) | | 0.56 | 0.42 |
| RSSL | 2.12 | 1.98 | 1.57 | 1.35 | |
| Cumulative % of variance explained | 19.25 | 37.21 | 51.51 | 63.77 | |

Using factor scores as input variables to cluster analysis enabled a four-cluster grouping to be achieved (Table 18). The groups formed are:

Poor business conditions: Members of this group are characterised by a relatively strong loading of local business environment, and a weak but positive loading of cost constraints. The other constraints receive negative loadings. This group is the second largest (40% of businesses in the survey).

Operating constraints: This group is characterised by the single positive loading of the operating constraints factor. All other loadings are negative. This group has the largest membership (43% of all businesses in the survey).

Weak business acumen: This small group (four entrepreneurs) is characterised by positive mean scores for each of the factorised constraints. The group is particularly sensitive to institutional and business environment constraints, but members of this group also perceive operating constraints and (albeit weakly) cost constraints. That the group should perceive so many constraints on business strongly suggests weak business acumen - a weakness not at odds with the nature of small businesses.

Institutional constraints: The single business in this group is characterised by a very strong mean score for the institutional constraint factor. All other loadings are negative.

The distribution of perceived business constraints by segments is shown in Table 19. The single enterprise experiencing institutional constraints (including national park-related constraints) effects is in the primary product enterprises, which may reflect the fact that the national park was extended onto private land in the 1980s. A study of local residents in the same area (Suomi et al. 2008) revealed that ill-feeling had originally been created by this extension. The perception of a poor business environment is mainly a characteristic of tourist-related services. This result may be related to the seasonal nature of tourist service demand, but also because this segment is affected by a number of regulations. Operating constraints seem to be less of a problem in the restaurant/café segment, and poor businesses conditions seem less a problem for primary producers.

Table 18. Cluster analysis of perceived business development constraints, based on factor scores (Table 17). Linnansaari enterprise survey.

| Factor | Poor business conditions | Operating constraints | Weak business acumen | Institutional constraints | F-value (d.f.26) | Sign. |
|---------------------------|--------------------------|-----------------------|----------------------|---------------------------|------------------|--------|
| | Mean factor scores | | | | | |
| Institutional constraints | -0.56 | -0.11 | 1.19 | 3.38 | 34.22 | <0.001 |
| Operating constraints | -0.51 | 0.28 | 0.97 | -1.41 | 6.27 | 0.002 |
| Business environment | 0.64 | -0.87 | 1.15 | -0.90 | 23.69 | <0.001 |
| Cost constraints | 0.05 | -0.01 | 0.11 | -0.96 | 0.40 | 0.752 |
| N=30 | 12 | 13 | 4 | 1 | | |
| % | 40.0 | 43.3 | 13.3 | 3.3 | 100 | |

Table 19. Number of entrepreneurs perceiving business constraints, by segments. Linnansaari enterprise survey.

| Segment | Perceived business constraint | | Weak business acumen | Institutional constraints | Total |
|--------------------|-------------------------------|-----------------------|----------------------|---------------------------|-------|
| | Poor business conditions | Operating constraints | | | |
| Accommodation | 2 | 3 | 0 | 0 | 5 |
| Restaurant/café | 3 | 0 | 0 | 0 | 3 |
| Transport | 2 | 3 | 1 | 0 | 6 |
| Tourist services | 3 | 3 | 3 | 0 | 9 |
| Primary production | 0 | 1 | 0 | 1 | 2 |
| Retail | 1 | 2 | 0 | 0 | 3 |
| Other | 1 | 1 | 0 | 0 | 2 |
| Total | 12 | 13 | 4 | 1 | 30 |

4.5 National parks and local enterprise development in the future

4.5.1 Enterprise development plans

Seitsemäin

Asked to what extent entrepreneurs were planning new ventures activities to benefit from Seitsemäin National Park and its visitor flows, 23 businesses (47%) had no plans, a similar number had no plans but said they were open to new ideas, while three were seriously considering starting a new venture.

The Seitsemäin enterprise survey by Metsähallitus (Turunen 2008) found that 48% of the 21 businesses interviewed planned to expand their business activities in the future, while 15% planned to reduce their activities (Table 20). Nearly half of the entrepreneurs in the Metsähallitus survey considered that the national park had a considerable or very considerable effect on their development plans. One third felt the park had little or no effect, and 23% felt the park did not affect their plans one way or another.

The relationship between the entrepreneurial typology and development plans is shown in Table 21. The table shows that satisficers are more likely not to have plans to start a new business venture, whereas the potential adapters, adapters and lifestyle entrepreneurs are more likely to have new venture development plans. Recall that the lifestyle entrepreneurs possess the “adapter” attribute.

Table 20. Enterprise development plans, and estimation of growth in tourism (percentage of replies). Seitsemäin entrepreneur survey.

| Development plans | Strong contraction | Contraction | No change | Growth | Strong growth | Total % | N |
|---------------------|--------------------|-------------|-----------|--------|---------------|---------|----|
| Business activities | 10 | 5 | 38 | 38 | 10 | 100 | 21 |
| Employees | 0 | 0 | 75 | 25 | 0 | 100 | 20 |
| Growth in tourism | 0 | 0 | 29 | 57 | 14 | 100 | 21 |

Source: Tunturi 2008 p.44.

Table 21. The relationship between the entrepreneurial typology and business venture development plans (percentages in parenthesis). Seitsemien enterprise survey.

| Entrepreneurial type | No plans | Seriously planning | Just starting | Total |
|----------------------|-----------|--------------------|---------------|----------|
| Satisficer | 23 (46.9) | 23 (46.9) | 3 (6.1) | 49 (100) |
| Adopter | 2 (25.0) | 5 (62.5) | 1 (12.5) | 8 (100) |
| Lifestyle | 6 (60.0) | 3 (30.0) | 1 (10.0) | 10 (100) |
| Potential adapter | 6 (50.0) | 6 (50.0) | 0 | 12 (100) |
| Adapter | 1 (11.1) | 8 (88.9) | 0 | 9 (100) |
| Total | 23 (46.9) | 23 (46.9) | 3 (6.1) | 49 (100) |

Linnansaari

Twelve businesses were planning to expand their activities, and five businesses were intending to reduce their activities. There was a strong relationship between development plans and employment plans (Table 22). Of the 27 enterprises replying to the question concerning new venture plans, 22 (81%) had no plans to develop new ventures related to the national park and its visitor flows. Four enterprises (15%) were considering new park-related ventures, and one was just beginning a park-related venture.

Entrepreneurs were asked to what extent the national park affected their business plans. One third (34%) claimed that the park was of importance, another third (31%) felt the park had no effect one way or the other, while the remaining 35% considered that the park had little or no effect on their business plans.

The relationship between the entrepreneurial typology and development plans is shown in Table 23. The table shows little willingness on the part of entrepreneurs in new business ventures.

Table 22. Enterprise development plans (percentages in parenthesis). Linnansaari enterprise survey.

| | Strong contraction | Contraction | No change | Growth | Strong growth | N (Total %) |
|------------------------------|--------------------|-------------|-----------|---------|---------------|-------------|
| Business development plans | 3 (10) | 2 (7) | 12 (41) | 8 (28) | 4 (14) | 29 (100) |
| Employment development plans | 3 (7) | 2 (10) | 13 (45) | 11 (38) | 0 (0) | 29 (100) |

Table 23. The relationship between the entrepreneurial typology and business venture development plans (percentages in parenthesis). Linnansaari enterprise survey.

| Entrepreneurial type | No plans | Seriously planning | Just starting | Total |
|----------------------|-----------|--------------------|---------------|----------|
| Satisficer | 5 (83.3) | 1 (16.7) | 0 | 6 (100) |
| Adopter-satisficer | 6 (100.0) | 0 | 0 | 6 (100) |
| Potential adapter | 11 (73.3) | 3 (20.0) | 1 (6.7) | 15 (100) |
| Total | 22 (81.5) | 4 (14.8) | 1 (3.7) | 27 (100) |

4.5.2 The perceived influence of the national parks on business

Entrepreneurs in both surveys were asked to what extent the “ecological image” created by the adjacent national park affected their business activities. The results are shown in Figure 5 (respondents who could not say, or who did not consider the eco-image had any effect, are omitted). In the case of nearly each business activity concerned, the adjacency of a national park with its “eco-image” was found to affect business activities to some extent.

Attributes that relate to business management decisions are least affected by the parks: a result that reflects the relative low business acumen expected of satisficing or adopter VSEs. The results are similar for both parks, but important differences are observable. Entrepreneurs adjacent to Seitsemien National Park seem to be taking more advantage of the “eco-image” to market their products and services, and to acquire customers, than enterprises in Linnansaari. Similarly, they are more ready to use the “eco-image” in their business strategy. The entrepreneurs in Seitsemien fall behind their Linnansaari colleagues when it comes to using the “eco-image” for seeking public funding, for deciding on the business structure (i.e. production structure), when planning new activities, and in “other circumstances”. However, none of the differences in mean values obtained for each attribute were statistically significant at $p < 0.10$.

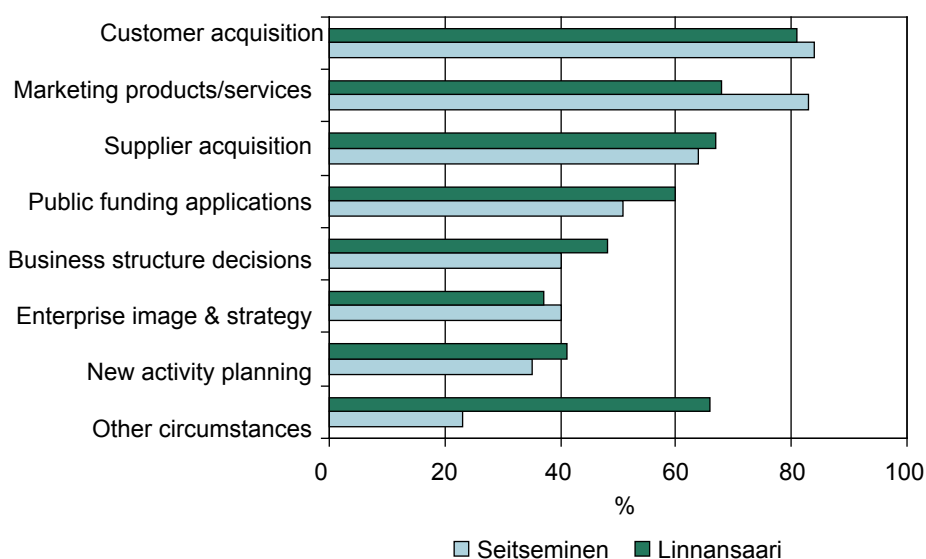


Figure 5. Entrepreneurs’ opinions concerning the effect of national parks’ “eco-image” on aspects of enterprise. Percentage of positive or very positive replies. Seitsemien and Linnansaari enterprise surveys.

Business environment

Entrepreneurs were also asked how significant they considered their local national park to be with respect to local socio-economic development in the near future (Figure 6). In both areas, creating an image of the district was considered to be of major significance. Following this, entrepreneurs in both areas considered that the effects of the national park would be considerable with respect to developing tourist-based enterprises and services. Improving local incomes and creating new employment was also considerable to be a likely effect. As in the case of how enterprise had so far benefited from the parks, entrepreneurs in the Linnansaari district were more optimistic than entrepreneurs adjacent to Seitsemien. In particular, entrepreneurs adjacent to Seitsemien were considerably less optimistic about improved incomes and job creation. In both districts, there was

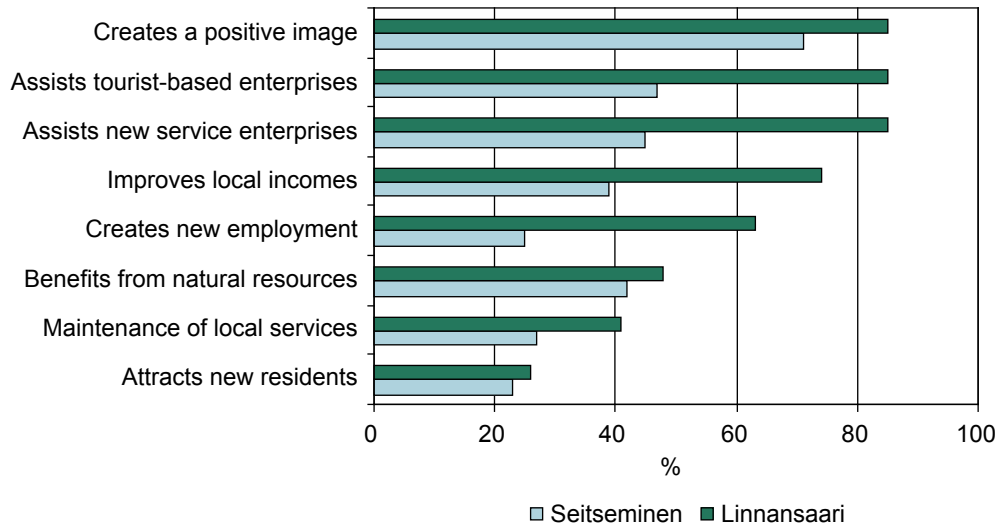


Figure 6. Entrepreneurs' opinions concerning the effect of national parks on local development in the near future. Percentage of positive or very positive replies. Seitsemien and Linnansaari enterprise surveys.

little optimism about attracting new residents into the districts, which implies that the parks will not help to improve the demographic structure of their adjacent communities.

Entrepreneurs were asked to what extent they felt that the preconditions for enterprise in specific segments of the local economy had benefited from the local national park. Figure 7 summarised the results by showing the percentage of responses that considered that preconditions for enterprise had been improved or significantly improved (i.e. 4 & 5 on a five-point Likert scale). The results show that the enterprise potential created by the preconditions created by the parks is being perceived by the responding entrepreneurs. Also noticeable is that entrepreneurs adjacent to Linnansaari National Park are more likely to perceive improved preconditions than entrepreneurs adjacent to Seitsemien National Park, especially with respect to the equipment rental segment, but also in the local retail and kiosk segments as well as the restaurant segment. On the other hand, there seem to be more opportunities in the forestry services segment adjacent to Seitsemien than Linnansaari.

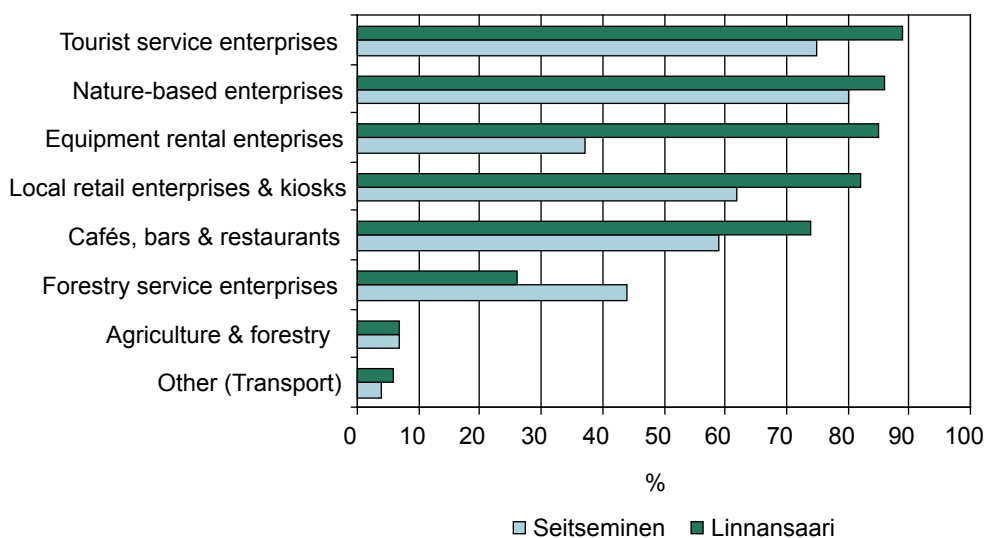


Figure 7. Entrepreneurs' opinions concerning the effect of national parks' on preconditions for enterprise in selected segments. Percentage of positive or very positive replies. Seitsemien and Linnansaari enterprise surveys.

5 Comparison and conclusions

The aim of the study has been to examine the responses of entrepreneurs to the business opportunities created in their locality by national parks. This has been achieved by examining the entrepreneurial attitudes of owners of small enterprises, their perceived obstacles to business development and their future development plans, taking into consideration the effects of their local national parks. Two national parks were taken as a basis for the study, the older park, Linnansaari, was initially created in the 1950s and expanded in the 1980s. The younger park, Seitsemien, was created in the 1980s. The business community adjacent to Linnansaari has therefore had twenty years longer to adjust to the presence of a national park in their vicinity.

The mean age of enterprises in both surveys was virtually identical (17 years in the case of Seitsemien and 16 years in the case of Linnansaari). In both surveys, the majority of businesses had been established by their current owners, and around a quarter were developed from previous businesses. The majority of enterprises in both districts operated in more than one segment, but the main line of business accounted for around three-quarters of the firms' turnovers. In both surveys, the main lines of business were related to the hospitality segment (accommodation, restaurants and cafés).

Inter-firm cooperation was centred on the purchase of goods and services (Seitsemien) and the services and marketing (Linnansaari). In the Seitsemien survey, two-thirds of inter-firm cooperation occurred locally, the rest concerned businesses elsewhere. In Linnansaari, over 70% of the entrepreneurs in the survey considered inter-firm cooperation to have been beneficial (the Seitsemien survey did not contain the question concerning satisfaction with inter-firm cooperation). The result supported those of other SME and VSE-related studies (e.g. Petäjistö et al. 2000, Mäkinen 2002) that found inter-firm cooperation to be a factor in successful business.

The average employment created per enterprise in the Seitsemien survey was 1.18 man/years per enterprise and in the Linnansaari survey it was 1.81 man/years. The average number of persons employed per enterprise was 2.6 in the Seitsemien survey and 4.8 in the Linnansaari survey. However, care must be taken with these figures, as not all entrepreneurs in the surveys responded to the questions concerning employment. These figures, together with the low median turnover of the enterprises in the Seitsemien business impact survey, reveal the nature of these predominantly VSEs. The nature of the business is also revealed by their entrepreneurial typology, which is summarised in Table 24.

The analysis of attitudes towards entrepreneurial attitudes resulted in very similar results for the two survey areas. While satisficers and potential adapters were common to both, Seitsemien had both adopter and adapter classes represented, as well as "lifestyle" types of entrepreneur that were not represented in Linnansaari. The latter district, on the other hand, had a satisficer-adopter

Table 24. Percentage distribution of entrepreneurial types in the Linnansaari and Seitsemien entrepreneur surveys.

| Entrepreneur survey | Satisficer | Satisficer-adopter | Adopter | Lifestyle | Potential adapter | Adapter | Total | N |
|---------------------|------------|--------------------|------------------|------------------|-------------------|------------------|-------|----|
| Seitsemien | 19.6 | Not re-presented | 15.7 | 21.6 | 25.5 | 17.6 | 100 | 51 |
| Linnansaari | 23.3 | 20.0 | Not re-presented | Not re-presented | 56.7 | Not re-presented | 100 | 30 |

type of entrepreneur that was not represented in Seitsemien. When taking into account that the lifestyle group of entrepreneurs included the adapter attribute, then around two in every three (64.7%) of the entrepreneurs in the Seitsemien survey are associated with the adapter attribute. In the Linnansaari survey, the figure was lower (56.7%). The result may be significant for local development, because the adapter attribute is associated with entrepreneurs who are more likely to perceive new venture opportunities.

A greater difference between the districts was revealed by the entrepreneurs' perceived constraints on business. While the same constraints were revealed in both areas (operating-, institutional-, national park-, and business environment constraints), how the entrepreneurs perceived them as a whole differed considerably between the parks (Table 25). Institutional and national park-related constraints were far more to the fore in the Seitsemien survey compared to the Linnansaari survey. Conversely, business environment constraints were more likely to be perceived by the Linnansaari area entrepreneurs. Operating constraints were common to both areas, although proportional greater in Linnansaari. A group with negative values for all attributes, and called "weak business acumen", was found in Linnansaari but not in the Seitsemien material.

The results summarised in Tables 24 and 25 support each other and indicate that the entrepreneurial cultures adjacent to the national parks in questions vary considerably. The entrepreneurial attitude typologies suggest a wider range of entrepreneurial types, as well as the presence of a more ambitious entrepreneurial culture, amongst the Seitsemien survey entrepreneurs. Satisficers and adopters were more evident in the Linnansaari survey. Similarly, there is evidence of a lower level of business acumen and more perceived operational constraints amongst entrepreneurs in the Linnansaari survey.

One reason for the different results may be the small number of observations in the Linnansaari survey. Another reason may be that the Linnansaari entrepreneurs have had a longer time to adjust to the opportunities provided by the park, and have to a greater extent acted upon them. On the other hand, it might be expected that the more active entrepreneurs would also have been more active in responding to the questionnaire. Be that as it may, the results indicate that the business community adjacent to Seitsemien, together with its institutional environment for business, is more dynamic and is in the process of adjusting to opportunities provided by the park. Selby and Petäjistö (2008), studying residents adjacent to the same two parks, also found evidence of a time-related structuration effect in adjustments to the parks. Residents adjacent to Seitsemien National Park were more aware of opportunities and also critical of their decision-makers for not doing more to absorb the park into everyday life.

Proportionally more entrepreneurs in the Seitsemien survey considered the park in their business plans and were seriously considering new business ventures. However, proportionally more enterprises in the Seitsemien survey were planning to expand their businesses compared to those

Table 25. Percentage distribution of perceived entrepreneurial constraints in the Linnansaari and Seitsemien entrepreneur surveys.

| | Institutional constraints | National park induced constraints | Business environment constraints | Operational constraints | Weak business acumen | Total | N |
|-------------|---------------------------|-----------------------------------|----------------------------------|-------------------------|----------------------|-------|----|
| Seitsemien | 19.6 | 2.0 | 4.9 | 29.4 | 0 | 100 | 51 |
| Linnansaari | 3.3* | | 40.0 | 43.3 | 13.3 | 100 | 30 |

* Including national park induced constraints.

in the Linnansaari survey (48% and 42% respectively). Employment growth was also seen to be more favourable in Seitsemien. In the case of the latter area, there was also a clear relationship, as expected, between business plans and entrepreneurial type.

The results may reflect the different ages of the parks, with the older Linnansaari National Park having been more intensively exploited, and so new venture opportunities are less readily perceived. The younger Seitsemien National Park is still relatively under-developed in terms of services (Selby et al. 2008), and so opportunities may be more readily perceived. It is also to be recalled that Seitsemien National Park receives more visitors than Linnansaari. Nevertheless, the locally perceived benefits of the national park seem to be more strongly recognised in Linnansaari than Seitsemien. However, the greater proportion of satisficers and adopters in the Linnansaari survey, suggests that entrepreneurs in that district are not making the most of the opportunities that are being perceived.

In terms of local development, it seems that the national parks in question have only a limited role. Employment creation and business turnover are modest. Few enterprises have been created as a result of the parks, although several business have clearly benefited from the tourism that the parks have created. Most of the enterprises in the surveys are very small, with employment figures below 10. This means that they do not have the resources or even acumen to follow sound business practices. The predominance of the satisficer and adopter classes in the enterprise typologies demonstrates this fact.

An important element in securing benefits from the opportunities offered by the national parks and their tourist flows (with concomitant demands for services) will therefore be the local business environment. Where this is supportive, e.g. sufficient and easily accessible business-related information, business-mentor schemes, business hatcheries, adequate financial support or incentives, etc. then there will be more chance that the opportunities provided by the parks for local economic development may be fulfilled. But unless satisficing- and adopter-type entrepreneurs are encouraged to aspire to greater business acumen, then the benefits and opportunities offered by the parks may remain modest. That 40% of the Linnansaari survey entrepreneurs and 49% of the Seitsemien survey entrepreneurs consider that they operate in poor business environments gives cause for concern, as their willingness and/or ability to seek and handle relevant information may be limited.

Finally, the study reveals that the conditions for business and for park-related local development are not readily transferable from one park to another. Local conditions for business, that are e.g. a product of past socio-economic and cultural values and the process of structuration, cannot be assumed to be "universal". This conclusion is supported by earlier studies of local residents (Petäjistö and Selby 2008, Suomi et al. 2008, Selby and Petäjistö 2008) in the same districts, and it also partly explains why the international literature on the role of national parks on local development tends to be diverse and even contradictory (see e.g. Pearce et al. 1996, summarised in Selby and Petäjistö 2008). National parks can offer socio-economic benefits to their adjacent communities, and this can be taken into account when planning park-related activities, but the success or failure of such developments will largely depend on how local enterprise is encouraged and supported.

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