

Nazuk Naqvi

**Making Local Bakery Business Successful**

Case Company: Oulun Leipomokauppa.com Oy

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Bachelor of Business Admin-  
istration, International Business

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## **ABSTRACT**

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The purpose of this thesis is to research small scale local businesses, particularly bakery business, and based on the research, identify the possible changes in order to find out what possible solutions could be adjusted to make the business successful. Oulun Leipomokauppa.com OY is presented as the case company in this research work. With the help of this thesis, successful practices have been highlighted.

The thesis consists of theoretical discussion to understand the research topic under question. Latest books, scholarly articles and journals have been used to construct the theoretical part. Empirical study has been conducted to identify recommendations and problems in this thesis.

This thesis points out prominent as well as neglected elements such as lack of facilities and poor management skills. Perusal of this thesis augment the feasibility of succeeding a local bakery business.

The research method is qualitative and consists of questions for interview conduction. The questions comprise of literature review and interviews conducted inside the case company, so that the current ongoing strategies in the case company are analysed to draw conclusions for failure factors, as well as create new success factors in the company. Based on the research the researcher suggests that the case company should focus on their USP, marketing strategies and employee culture inside the company.

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Keywords: Local bakery business, Marketing Strategy, Employee Culture, Success Factors, Business Strategies



# CONTENTS

1	INTRODUCTION .....	6
1.1	Objectives of the Research .....	6
1.2	Structure of the Research .....	7
1.3	Research Questions:.....	8
2	LITERATURE REVIEW:.....	9
3	BACKGROUND OF RESEARCH.....	11
3.1	Formation of Small Bakery Business in Finland .....	11
4	CASE COMPANY .....	16
4.1	Unique Selling Product .....	16
4.2	Why Salmon soup shows low selling rate in summer? .....	17
4.3	Marketing strategies .....	18
5	QUESTIONS FOR INTERVIEW CONDUCTION .....	20
6	ANALYSIS .....	22
6.1	Not Calculating Food Costs Properly .....	22
6.2	Marketing Plan .....	22
6.3	Poor marketing skills .....	23
6.4	Poor management skills.....	23
6.5	Lack of facilities causing failure .....	23
6.6	Practices Implemented on small business: .....	24
6.7	Comparison and Deficiencies.....	26
7	SUGGESTIONS: .....	28
7.1	Suggestions for improvements .....	28
7.2	General Suggestions for Small Bakery Businesses .....	29
7.3	Location of Bakery .....	29
7.4	Marketing Strategies .....	30
7.5	Quality.....	30
8	CONCLUSION .....	31
	REFERENCES .....	32

# 1 INTRODUCTION

The basic introduction of the research work covers the development of a small bakery business along with the hurdles that anyone can face during or after the development (Cheng, H., 2008. p. 340). With the help of this research, we will be able to know the facts and keys for developing a business or to overcome the factors that can cause the failure (Agarwal., 1992. p. 21). The outcome of any food-and-drink-administration business comes from palatable conveyance of items and administration (Bell., 2003. p. 337).

To understand customer's ways of behaving and approaches to market business' items and administrations is basic as it will prompt consumer loyalty and reliability. It is just when customers' needs to buy are completely sorted out that the organization is in good shape. (Chen, T.J. 2003. p.1125). As a measure of exploration on helping to showcase success strategies in a business, this thesis has been held in a few unique ways however not explicitly in bistro pastry shop market. Along these lines, this examination is required and pertinent (Adler., 2002. p 35).

## 1.1 Objectives of the Research

The aims and objectives of the research are as follows ;

The aim of this thesis is to explore ways by which important techniques and practices could be introduced into the already existing business plan of a small-scale local bakery shop or any other similar business.

There are many other sub-questions that are as follows ;

- The strategies that could be used to make the business successful involves to target the right customer, through correct channels and what methodology could be adopted in order to do so.

- The selling tactics is also explored.
- In order to learn techniques that sell any product in demand, financial plan is overviewed in order to see the profit margins, cutting on unnecessary costs and lowering the employee turnover rate by creating environment that is safe for the employee as well as the employer, we will be covering all aspects of adding success into a business.
- A case study company called 'Leipomokauppa.com OY' is taken as an example and analysis is made which will serve as the base of this research.
- The bakery is a small business serving a variety of baked goods and desserts as well as coffee, other beverages, and a limited menu of light meals.
- The bakery strives to be a third-place (a location people spend their time outside of home and work) where people hang out, study, meet, and participate in events while enjoying quality sweets in a homely environment.
- The basic role of this study comprises of two principal goals. The objective is to break down the current customers' needs for a few bistro bread kitchens, their items, products and administrations.
- Besides, the creators intend to utilize this information in promoting what's in store which is a bistro pastry kitchen in Oulu region. The experiences resulted from this research is be valuable for drawing in and holding customers in a long run. The objective of this research is finished by directing subjective exploration strategies which are perception, net exploring, and study.
- While perception was used to assemble data of location-based customers' encounters and ways of behaving at bakery in Oulu region, net exploring help to acquire information on present visit on bistro bread shops for seeing if stores' administration and items quality coordinate with customers' assumptions, and review helps figure out customer requests to create the right items and administrations.

## **1.2 Structure of the Research**

The topic of this thesis is 'To make local small bakery into successful business. The purpose of this thesis is to induce practices and methodologies into an

already existing local small bakery business that has been in a struggling state, and turn it into a successfully established business with more clients and better profit earnings (Cavusgil., 1981. p.215). The thesis topic 'Turning local bakery business into a successful one' includes a variety of topics to be covered, starting from an introduction of the business, background of the case study company and as well as overall how bakery business in Finland has established over the past years. We will also cover the business opportunities for new growing businesses and study how they will handle the competition around them. The objectives, economics of business and purpose of statement will be defined to cover all aspects of turning a bakery business into a success (Basley., 2007. p. 65).

### **1.3 Research Questions:**

Following research questions are answered in this thesis;

- What are the contributing factors/practices that result in failure and success of a bakery business.
- Why has the current chosen company, bakery, seen a failure, what were the practices been done wrong and how to correct them, lacking in the business plan/strategies that need to be sorted.



## 2 LITERATURE REVIEW:

One of the major industries involved in the manufacture of food items is the bakery industry; nevertheless, major factors contribute to the success or failure of small bakery businesses existing in highly competitive environments. Based on cluster analysis, which identifies the major participants in the Finnish market for bakery and confectionery goods, the observations are made.

When we categories the firms according to their size, ownership, and usage of grant funding, the results reveal that there were statistically significant variances in the majority of the analysed variables among the companies making bread. Two significant actors on the market who pose a danger to other groupings of enterprises were discovered by the cluster analysis. Despite being the largest category, the majority of the risk is posed by two family-owned macro businesses with a precarious economic condition. As a result, micro businesses need more attention, with a focus on their growth and access to financing for the expansion of their businesses (Adeyemi., 2017.p. 9).

The findings demonstrate relationships between the microenterprises' strategic business management, productive capacity, equipment, and marketing systems, as well as the requirements for creating product list according to that in demand by the customers, without posing a threat to company's financial situation. However, it is believed that this industry has a shortage of competent products, which prevents it from being more diverse and competitive, two important aspects of corporate growth (Romero Galarza., p. 180).

The majority of civilizations value bread as a rich and valuable dietary source. In order to fill a new market niche, this thesis has examined the situation of the Finnish market for bakery products and the likelihood of a new small bakery entering it. In order to launch a small baking business, a market study of a probable market segment was conducted.

The study examined suggested strategic moves for small businesses in the bakery manufacturing industry that can ease entrance and consolidation into the target market segment as well as potential avenues for market expansion. To determine their competitive advantages and limitations, an examination of the strengths and weaknesses of small and big firms in the bread sector was also conducted. Due to small businesses' inability to effectively compete with large enterprises for a long period of time, behavioural models for small bakery enterprises in the market are suggested based on this analysis. These models (a commutative behaviour model tailored to the industry) will allow them to avoid going into direct competition with large bakery producers, which is practically impossible (Kapyrin., 2021.p. 203).

Due to poor leadership, entrepreneurship, which tackles the issue of wealth imbalance by encouraging young people to start businesses that employ many, has not received the attention it deserves. To investigate various ways to innovation inside an established organization or corporation in connection to performance, this research uses a critical examination of the available literature from reliable sources. The theoretical foundation is based on the innovation theory and the premise that most essential company resources are fundamentally dynamic in nature.

To support the need for more research, the review's significant gaps were determined. It is created a conceptual framework that explains the connections between the review's factors. Future research on entrepreneurial behaviour and business performance will be guided by the study's conclusions. The research gives company and firm entrepreneurs insight on how to use entrepreneurial behaviour to achieve performance and sustainability. In order to preserve and boost their sales growth in light of the dynamic character of the market, it is advised that bakeries develop their competitive edge through innovation. The study adds to the body of knowledge on entrepreneurship in developing economies (Kolo., 2021.p. 80).

### **3 BACKGROUND OF RESEARCH**

The industry has grown 5.8% in the last five years and major trends include innovation, health, and convenience (Laufs., 2014.p.1120). We have a case study company 'Leipomokauppa.com OY' as our example that is a small-scale local bakery shop and has been struggling in making profitable business over the past years. The functional thesis consists of two parts: theoretical background, and research method process (Singh. 2000. p.54).

#### **3.1 Formation of Small Bakery Business in Finland**

Today, bakeries are everywhere, and it's not a surprise anymore. Though there are many bakery products exporters in Finland available, but not all are successful in making their products go viral over the market. The prime reason behind this could be the quality of the products. Another reason could be that people don't find them easily due to several reasons (McDougall., 1994.p.470).

Moreover, they didn't use the appropriate equipment either for speedy production without compromising on the quality of the products. The tools and equipment for manufacturing baking products should be of high-quality to get effective results. Without the right equipment, it is much difficult to bake certain things because of the sensitive nature of the ingredients or product. Also, manufacturing technique plays a big role in making the business owners witness success or failure (Kuivalainen., 2012. p. 373). Presented below are some major challenges that small business has to go through and how to make the right decisions to overcome these challenges and problems for small businesses.

- **Choice of products**

To be a successful entrepreneur, you must learn how to choose and provide the best goods or services in a cutthroat market. Your capacity for decision-making will influence your success or failure more than any other aspect. Eighty percent

of the goods and services that people use now are not the same ones that they used five years ago. And eighty percent of the items in use five years from now will be brand-new and distinct from those used now. Consumers may choose from thousands of goods and services nowadays. Additionally, there are countless possibilities for you to enter the market and successfully compete with a new good or service that is superior in some manner to what is already available. Factors should be taken into consideration such as choosing a product that was seasoned and it is obvious that the climate is changing with the passage of time and seasoned products are also getting high in demand, this supply might be limited after a certain amount of time (Bruno., 2018.p. 52).

In actuality, goods perform as the company's most crucial and obvious initial points of contact with customers, or end users. For customers, a product's physical qualities serve as psychological representations of their goals, aspirations, and tactical trajectories. In other words, it is highly probable that buyers will create opinions and viewpoints on the entrepreneur. There is a proper criterion of choosing any product that could benefit you and your business in both present and future (Burr., 2019.p, 47).

- **Supply-Demand Imbalance**

The magnitude and scope of the possible market demand, which is the foundation of business opportunity, will heavily influence the decision to come to conclusion on a certain product. A general guideline for creating a template for product selection criteria is that the product with the greatest frequency of need or demand should be chosen since it has the best possibility of bringing the business success. Simply said, there must be a market or actual demand for the product of choice (Cochran., 2011.p. 55).

- **Financing**

Another crucial factor in selecting an allowed method of product selection is the amount of funds that can be obtained. To carry out pre-launch operations for the

chosen product, including development, manufacture, promotion, marketing, and distribution, among others, adequate financing is needed (George., 2021.p. 31).

- **Access to and Availability of Starter Materials**

Various starting ingredients are needed for different products. Key management choices involve elements like the raw material source, the desired quality, and the number of raw resources. Will there be consistent access to enough raw resources in adequate quantities? Where can I find the basic ingredients, I need? Are they reachable? Will it be crucial to locate the company close to these raw material sources? Are there potential options abroad if local suppliers are unable to satisfy demand? Before choosing a certain product for a market, the entrepreneur must do comprehensive research of these limiting criteria (Franklin., 2012.p. 6).

- **Technical Points of Interest**

When it comes to the process of choosing a product in entrepreneurship, the product's manufacturing path has a significant impact. The technical dynamics of the selected product on the current production line will be scrutinized in relation to elements like the utilization of automated processes or human labour, as well as the technology that is available and the amount of electricity needed. Additionally, selecting a certain product can require buying new equipment or upgrading used machinery. The user must also find the product to be technically satisfactory (Henz., 2016.p. 32).

- **Marketability and profitability**

The product that satisfies the requirement of providing the best return on investment will be chosen, as is frequently the case. However, a product may be chosen because it makes use of idle capacity (Judd., 2011.p. 45).

- **Marketing Plan**

Business marketing today entails direct communication with clients; initiatives that do not encourage interaction run the risk of failing. While social media-based

marketing is efficient, companies who are used to selling to customers in a one-sided manner now need to learn how to build connections with customers. Your company has to create tales that promote the culture of the product instead of just explaining its specific features, not only issuing comments about product lines. Before social media, unpleasant business experiences may only spread among a person's acquaintances; however, reports of poor customer service and subpar products can spread swiftly through social media networks. Negative publicity has grown increasingly difficult for businesses to suppress. The plus side is both good and terrible (Lumpkin., 2017.p. 58).

- **Monitoring Negative or False Statements**

With so many people participating in the massive discourse that is social media, it may be challenging for businesses to monitor comments that are disparaging or even false about their brand. With social media, you also have to monitor statements and answer when appropriate; but, if the unfavourable statement has already circulated on social media, your response may not have much of an impact. Reputation management software can assist you in tracking good and bad comments on social media and the web, if you wish to deal with unwanted criticism pro-actively. Negative consumer contact may frequently result in better feedback, but it also has the potential to backfire (Lumpkin., 2018.70).

- **Accidental Disclosure of Private Information**

People who are familiar with your organization on the inside could unintentionally blurt out sensitive information, harming the company's competitive advantage. Prior to social media, a letter delivered to the incorrect address or even an email delivered to the incorrect inbox might be retrieved, and the contents remained secret. Due to the enormous volume of users on social media, once private information is shared, it is shared forever (McLean., 2012.p. 10).

- **Unauthorized Workers Representing the Company**

It can be challenging for businesses to keep an eye on their staff members' social media activities and forbid them from publicly discussing work-related issues without permission. You might want your staff to be able to show off their

personalities online in the age of engagement, but this flexibility carries the danger that even your most loyal employees won't feel comfortable doing so (Olson., 2012.p. 30).

Every company's effective social media marketing plan will appear different, but they will all share the following characteristics:

1. Understanding your audience includes knowing what platforms they use, when and why they use them, what material they enjoy, who else they follow, and more.
2. What message are you trying to get through to your audience? When they watch your material, how do you want them to feel?
3. While there is some spontaneity on social media, you'll need a systematic content strategy to be able to establish a recognizable voice and consistently generate high-quality material.
4. Analytics: Quantifiable insights can help you develop a plan that takes into account your target audience, the best material to publish, the optimal posting times, and more.

## **4 CASE COMPANY**

The case company, Oulun Leipomokauppa.com OY is based in Tuira region in Oulu. The company has been active since 2018, however not a lot of business has been driven inside company after 2019, according to the financial graphs of the company. The company has faced a setback from challenges of all kinds, primarily, supply chain management, marketing, product selection etc. The main objective was to investigate the power of marketing on this small business, while keeping in mind the role of its USP, that is, the Salmon soup. Finding out how Finnish customers buy and eat salmon soup, or how the Finnish supply chain operates, is the primary study goal. Open ended interviews were performed that showed the revelation of many marketing drawbacks as well as the importance of choice of product depending upon weather changes. We had interviewed almost 3 Café owners i.e. A, B and C. All of them weren't making any product on their own but their unique selling product was Salmon Soup. Although the other café owners requested to not display their name as a competitor, the interviews were done very smoothly and easily, that showed some of the following results.

### **4.1 Unique Selling Product**

The unique selling product of these small scale bakeries was salmon soup. Salmon soup is considered as one of the most famous dishes of Finnish market. The reason is that fishes are considered the most delicious food for the people of Finland. Similarly, seafood is considered more nutritious and beneficial for the body as well. All the bakeries that were interviewed do not produce their own food or any of their own product, but they sell salmon soup as their unique selling product. Different recipes are tried in different restaurants depending upon the availability of the facilities, but in all the restaurants, the sale of salmon soup in winter was considered as most important highlight of that season. Salmon soup catches the interest of most of the people in winter as it warmed them internally and provided them with good taste and nutrition. The bakeries tried different



techniques and tactics to attract their customers and increase the marketing of their product.

#### 4.2 Why Salmon soup shows low selling rate in summer?

A constant product is required by globalization in addition to a consistent product supply. Large retail distributors desire aesthetically beautiful, simple-to-prepare, repeating items. The most constant product, salmon soup, can be produced in varying quantity due to the limitations that are imposed by the methodology, time, and location of fishing/production.

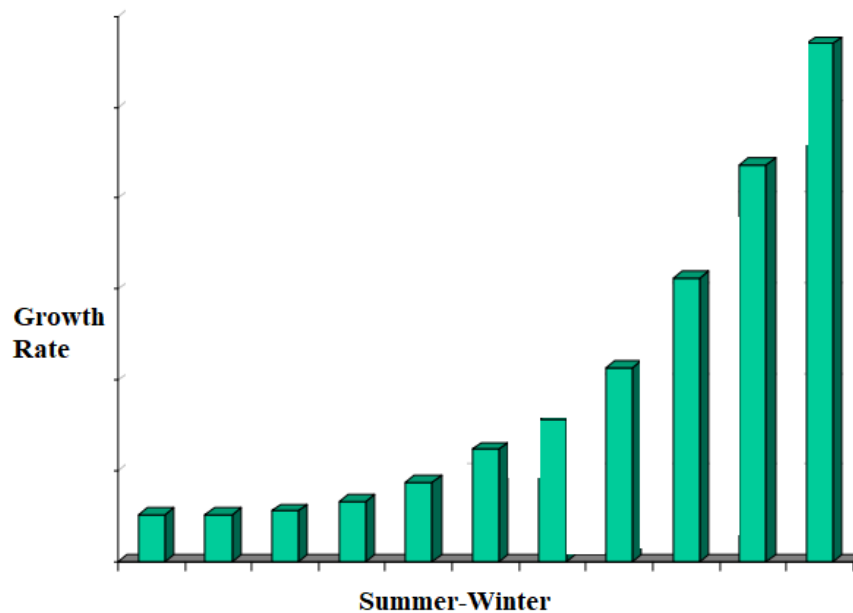


Figure 1: Analysis of interviews

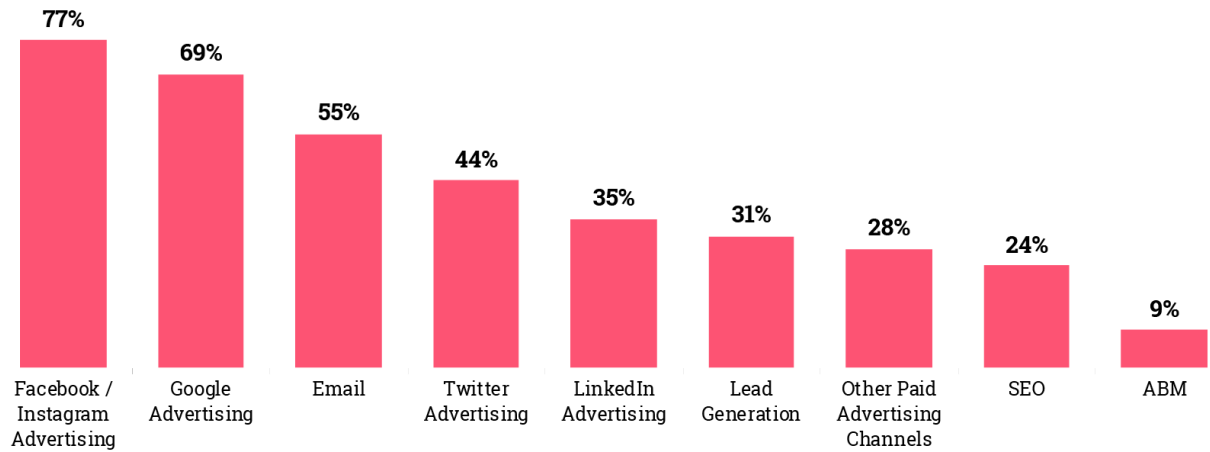
Another significant issue is climate change as a result of which, there will be less cold water available to feed streams in the summer, when salmon are most in need of it. Salmon can get stressed in streams that are hotter than 64 degrees Fahrenheit (17.8°C), and they start to perish when rivers get to 70 degrees Fahrenheit (21°C).

### **4.3 Marketing strategies**

For small companies looking to establish a brand locally or worldwide and increase sales through an online presence, social media is a potent tool. According to Infusionsoft, 38% of small companies intended to boost expenditure on social network management in 2018, while 71% intended to use social media content to draw in new clients. A small business' increased dependence on social media raises a number of difficulties, especially if it lacks a staff large enough to continuously monitor channels for inappropriate activity.

Planning ahead is vital to prevent the negative consequences of social media from preventing you from reaping the rewards of improved consumer interaction, a more solid online presence, and a cost-free potential to grow. Besides having poor rate of sale because of having out seasoned products, there were many other reasons that lead to failure of their business and one of the very important factor is marketing. Their marketing strategies is very poor and they failed to market any of their product on both online and offline platforms.

They have tried to promote their bakery as well as a product on online platform i.e., on Facebook, with a following of around 5.6k followers, but they fail to do so because all of the followers or all of the people they had on their page were not that much active. A minor amount of activity that they showed previously was because of the activities they have done on a very small level e.g., giveaways or promoting products with the help of different PR related people.



**Figure 2: Role of different Marketing Tactics**

Social media marketing no doubt is considered as one of the most important platforms to promote your product or business, but a proper use of the marketing skill is also an important part promoting business or the product and if the marketing is not done properly the business could fail drastically.

## 5 QUESTIONS FOR INTERVIEW CONDUCTION

Following questions has been formed in accordance with the research topic. The questions are constructed to consolidate and suffice the literary part of the research as well as to get the inside from the owner itself. Analysis, conclusion and recommendations are highly influenced by the answers received from the interviewee.

Sr. #	Questions
1.	What is the key/famous product you sell?
2.	Is your product a competitive one in the market?
3.	Is there any loss in your growth rate of economy?
4.	How do you manage when you face major loss in your business?
5.	How do you deal with customers of weird behavior?
6.	Is your product seasonal?
7.	If the product is seasonal. How do you manage the sale of the product out of season.
8.	Success is a key role of any business. But how do you manage when there is huge burden on of work?
9.	What are 3 main components that should be kept in mind while dealing business factors?
10.	What will you recommend others in growth of their business?
11	What are your basic marketing strategies?
12.	How do you manage your online marketing strategies?

According to the owner of the bakery Oulun Leipomokauppa.com OY, Minna Tuulia Sherazi, the most selling product is Salmon Soup. 'The product is not only high in demand but also only a few local bakeries provide this soup in Oulu, so this becomes a speciality that only Leipomokauppa has.' states the owner. 'We served salmon soup regularly in winters, but since summer has started, it has

become quite impossible to make profit out of it as the costs have increased but not a lot of people like to eat fish soup in a hot weather, which is quite challenging for the company. Often, because of this reason, we have to face a loss in our profits, which is yet again challenging because our fixed costs remain the same. It is just hard to find customers at that point, so we come up with different discounts on products, for the customers who walk in. Sometimes, people of weird behaviour try to take opportunity from our small business, we assist them in ways that do not destroy the reputation of our business, but sometimes we have to apologize to them and tell them to leave our place.'

Minna then continues, 'Most of our products are not seasonal, we sell breads, buns and pastries, and, you know, people like to consume them all year round. However, Salmon soup has been a challenge for us in summers as I stated, so we decided to discontinue our winter's most selling product in summers, unfortunately. Sometimes the burden of work increases, chores like cleaning, baking, serving to the customers, they take a lot of time, so our employees have been handling and managing at their best. Well, the 3 main components, in any business factors, in my opinion one is to be able to handle adverse situations, work under pressure, second is to be able to analyse what goes wrong from a bigger perspective, the third is to listen more often than speak. As an advice to others, if you want to grow your business, you have to be patient and be involved in the business yourself, work through the small details of matters.

Our marketing has been limited to Facebook, and word of mouth only. In online marketing, we don't follow a strategy yet, as we just post images with captions. We used to have some giveaways for engagement earlier, now discontinued.'

## **6 ANALYSIS**

The analysis conducted on the research under question has the following findings:

### **Reasons of Business Failure**

There are many reasons of failure of business and some of them are as follows;

#### **6.1 Not Calculating Food Costs Properly**

It is very important to cost out how much each and every single product used and purchase for the bakery will be, how much it costs to produce every single item in the bakery and whether or not owner is making a profit on each item. Once the food costs are properly analysed, the adjustment of recipe, change the packaging, or removal of that product from the bakery altogether will be required (Kontinen,. 2011.p.450).

#### **6.2 Marketing Plan**

The marketing strategy involves bakery business advertising and promoting directly to the consumers. It will employ marketing methods such as traditional advertisements, use of social media, participation in trade shows, and of course of case study (Ojala,. 2010.p.440). The following are initial marketing concepts that will be evaluated before implementation.

1. Advertisements will be an integral part of making the community aware of the business.
2. As with any business, for the case study, social media marketing is also an integral part. This is essentially a free form of advertising that should never be overlooked that will separate the activities (cupcakes, custom cakes, and cupcake bar catering) to determine appropriate production cycles.

3. The use of social media has become an important part of many start-ups' as well as established companies' marketing tactics. So, to improve the bakery business, owner will capitalize on social media trend to create a buzz about the business.

### **6.3 Poor marketing skills**

The biggest mistake bakery owners make is relying on diverse information on the internet to market their bakery. Of course, it's great to have information, but the best way to market the bakery is by collecting data from every single customer who walks through the door, and then market to them. Marketing to existing customers is a much greater opportunity than to spend time and money to try to reach new customers (Kampouri., 2017.p.360).

### **6.4 Poor management skills**

Major portion of any business is covered in marketing and managing the business. It is crucial to collect data and analyse the buying habits of the customers. It is important to know how many people are coming into the bakery and buying products each day/shift/hour, which items they are buying, how many of each item they are buying, what is the gross profit of those items, what is the labour compared to the budget, what the sales are compared to what they should be and what is your profit and loss per week (Johanson., 1975.p.310).

### **6.5 Lack of facilities causing failure**

There are some of the main failures of growing business as follows;

- Most companies react to the changes that are taking place right now. They react to customers' needs, economy, government laws. Rather than just reacting, you need to predict future changes and plan for them. The fact is that you can

foresee a great deal in your related field. Therefore, rather than being a risk assessor and responding to change, growth can be driven by predicting changes from the inside out and the strategies could be based around them. Eventually turning it into an opportunity management organization (Vahlne., 2009.p.1123).

- The difference between informing and communicating is that informing is often just based on one-way passing of knowledge, it is static in its characteristic and very rarely it brings action as a result. However, communication is a two way process that is dynamic in its characteristic and it has action attached to it as a result. It is said that in this communication age way, information age tools are being utilized instead. If communication tools are used, positive results are often the fate of any organization. (Johanson J., 1977.p.227).
- Any product or service can be de-commoditized. Unfortunately, many companies tend to come up with something new, and then that's their main product. Other people copy the product. Margins get thin. Sales slow-down. And, they end up competing on price. The key is to take your product and put a service wrapper around it (Hollensen, 2011.p.25).
- Many big companies signed up for the more expensive service. In the near future, homeowners will have an interest because they will have multiple computers streaming audio and video in their home. So, this electric utility took a product and wrapped a service wrapper around it so they could charge more (Hohenthan., 214.p.17).

## **6.6 Practices Implemented on small business:**

- **Organization of the business**

To achieve business success, it is very important that our Bakery is organized. It will help us complete tasks of the business and stay on top of things to be done. A good way to organize the tasks of the Bakery is to create a to-do list each day. As we complete each item, rechecking of the list is another important task. This will ensure that we're not forgetting anything and completing all the tasks that are essential to the survival of the business (Graves,. 2004.p.25).

- **Keeping Detailed Records**



We should keep a detailed record of our business as it is considered as a key of success for any business. By doing so, we will know where the business stands financially and what potential challenges we could be facing. Just knowing this gives us time to create strategies to overcome those challenges. Most businesses are choosing to keep two sets of records: one physical and one online. A business sets free from the worry of losing data by backing up online and having constant uploads on the cloud. The physical record exists as a backup but more often than not, it is used to ensure that the other information is correct (Hennart., 2019.p.776).

- **Analysing Competition**

To be successful, we can't be afraid to study and learn from our competitors. After all, they may be doing something right that we can implement in our business to make more money. Being a Bakery owner, we may simply be able to dine at our competition's restaurants, ask other customers what they think, and gain information that way. However, we could be a Bakery with much more limited access to our competitors. In that case, we would work with a business professional and accountant to go over not just what the business presents to the world, but any financial information we may be able to get on the company as well (Hadjikhani., 2005.p.25).

- **Providing Great Service**

There are many businesses that forget that providing great customer service is important. If we provide better service for our customers, they'll be more inclined to come to us the next time they need something instead of going to our competition. The level of service delivered by businesses providers differentiates it from its competitors. This is where the saying "undersell and overdeliver" comes in use, and savvy business owners would be wise to follow it (Graves,. 2008.p.160).

## 6.7 Comparison and Deficiencies

After analysing all the variables observed during and after interview some of the factors were very prominent as follows;

There were many deficiencies range from poor product-market fit, capital depletion, unfavourable partnerships, regulatory obstacles, poor recruiting, and many others. In their businesses, these elements frequently operate as multipliers. Even if everything appears to be running smoothly, even a small glitch might endanger a speech ability to continue operating. In the early days of the business, they frequently created solutions that, while in their minds, were excellent, turned out to be very challenging or even impossible to market (Hambrick., 2008.p.264). Despite their exquisite efforts, they did not deliver the value we had hoped for. They were essentially issues searching for answers. They require answers to issues that actually exist. Now, they make an effort to always design solutions for challenges that clients explicitly describe (Hannan., 2018.,p.40).

Success in every firm depends on the organization working together to pursue shared objectives. Teamwork is essential for a business, and the founder is key in developing the corporate culture that supports it. Together with the team and co-workers, they can create a set of fundamental principles that would serve as a guide for how they would collaborate successfully. Everyone has to believe in and uphold these principles since doing so helps us determine how they are seen by both the partners and workers. Even when the majority of people are on board, there may be a small number of persons who are unwilling to alter their own ingrained habits or methods of operation. Allowing team members to continue working against your principles runs the danger of weakening the organization's commitment to the growth of your shared working culture (Haveman., 2013.p. 870).

Failure is a common occurrence in business. Anyone can make a bad hiring or fail to take into account crucial macro issues that could hurt the company. Extreme expansion brought on by financing could make lose sight of your company, though. Hiring too quickly was owner's worst mistake. They didn't properly

choose the ideal personnel for my company since they were too driven and ambitious (Helfat,. 2003.p. 1000). They needed the help, and they needed people, so that they could always advance. However, selecting the incorrect applicants is a grave error. As a company, they have to strive to continue their expansion.

The intrinsic ambiguity of work, no matter what kind or genre, is a major contributor to organizational failures: a given set of requirements, people, and issues might not have ever existed before. For example, running a rapidly expanding start-up, dealing with enemy activity on the battlefield, or triaging patients in an emergency department all involve dealing with unforeseen circumstances (Ucbasaran., 2013.p. 170). Small process failures are unavoidable, despite the fact that larger failures may be avoided by adhering to best practices for safety and risk management, including a careful investigation of any such events that do occur. It is futile to see them negatively and shows a lack of knowledge of how complex systems operate. Rapidly recognizing and fixing minor errors is necessary to prevent significant failures (Stearns, 2015.p. 30).

Failures in everyday operations can be discovered using well-known methodologies like Total Quality Management and customer feedback. Early detection is a key component of high-reliability-organization (HRO) methods, which assist prevent catastrophic breakdowns in complex systems. It goes above and beyond what is required by regulations and meticulously monitors each plant for anything even slightly abnormal, immediately looks into it, and alerts all of its other plants to any anomalies. Such techniques are not used more frequently because a great deal of messengers, even the most senior executives, are still hesitant to break unpleasant news to superiors and co-workers (Pal. 2006.p. 525).

## **7 SUGGESTIONS:**

Here are some suggestions in order to improvise the business by looking at the key features of setting a successful bakery business, as discussed in the research performed.

### **7.1 Suggestions for improvements**

For companies of all sizes, social media marketing is an effective method to connect with prospects and clients. If you're not using social media sites like Facebook, Instagram, and LinkedIn, you're missing out on the opportunity to learn about, follow, and do business with businesses. Effective social media marketing may help your company achieve extraordinary success by generating loyal brand supporters, leads, and even purchases. Social media is one of the most successful free marketing methods available today due to its extensive usage and adaptability. The following are some advantages of social media marketing:

1. By using social media, you may make your company a market participant. Your audience may get to know, trust, and engage with you through your profile, postings, and interactions with other members.
2. Social media is a leading avenue for boosting traffic to your website, where you may turn visitors into buyers, thanks to the link in your profile, blog post links in your posts, and your adverts.
3. The typical managers use social media for 2.25 hours each day.
4. More than 70% of consumers who have a good experience with a company on social media will tell their networks about it.
5. On average, Facebook users click on 12 Facebook ads every month.
6. 81 percent of users turn to Instagram for product and service research.
7. When they receive a response to their tweet, about 80% of Twitter users have a more favourable opinion of the company.
8. On LinkedIn, 4 out of 5 users make business choices.

9. 46% of TikTok users use the app exclusively without any other interruptions.

## **7.2 General Suggestions for Small Bakery Businesses**

- The bakery products manufacturer receives popularity when they make the products manufactured with high quality.
- Excellent service delivery is also a plus point for the manufacturers to get popular in the market.
- Nowadays, they are making their baking business available online so that people can find easiness in ordering the required backing products with the hassle-free ordering system.
- The manufacturers of baking products make their website easy-to-use so that people can get the products in a convenient manner.
- These are the key points which make the bakery products exporters in Europe prominent and help them in strengthening their relationship with customers. With these reasons, they get the necessary support for adding new and happy customers into their list every day (Menéndez-Requero., 2005.p.130).

## **7.3 Location of Bakery**

The building will need to be in a convenient location and be large enough to comfortably house a kitchen, service area, dining area, bathrooms, office area, and storage area(Kuivalainen., 2012.p.500). Minna Tuulia Sherazi will be the owner and serve as one of the managers. The owner will contribute 40% to the initial capital and a bank loan of €50,000 is desired to cover the start-up expenses. Initial start-up costs come mainly from the equipment and furniture needed to produce and sell products. Revenue will be generated from food and beverage sales, and expenses will be mainly 6 from operating the building, inventory, labour, depreciation, and loan payments.

## **7.4 Marketing Strategies**

Creating marketing and sales strategies that help the business establish itself and turn into a successful business, HRM, including practices in work place that create a growth-based work environment, Methods and practices adopted by the business in order to be successful in a highly competitive environment for small business and adding a Unique Selling Proposition into the struggling business, a small business shall be turned into a well-established one (Oviatt., 2005. p.540).

## **7.5 Quality**

The success of any bakery, whether a home-based or commercial operation, hinges largely on the quality of the products (La Porta., 1999.p.480). It is very important to develop a collection of baked goods that stand apart from those sold at other local sources or made by individuals. Creating a niche for the bakery, such as stunning cakes or unusual pastries, can help set the quality apart and build a loyal customer base. Even the most elaborate cake will not impress anyone if it does not taste good, though, so take the time to build your skills and learn proper techniques to create tasty treats that will ensure repeated business (Ojala., 2009.p.55).

The bakery will create innovative products to meet customer needs and interests. Marketing will be done mostly through social media and by the case study. The bakery will be marketed as a third-place for those who enjoy sweets and art (Kui-valainen., 2012.p.384). The primary target will be 18–34-year-olds with some level of disposable income. The bakery will be proactive to prevent issues and emphasize the continuing improvement of internal processes (Larson., 1993.p.10). An enjoyable and well-functioning work environment will be created by organization which delivers transparency. Suitable people will be hired upfront and trained consistently. The staff will comprise of barista/cashiers, bakers, and managers. All employees will be encouraged to share concerns and ideas. An ideal location for the business will be in a relatively affluent and largely-populated area (Ruzzier., 2006. p. 480).

## 8 CONCLUSION

The thesis writing process has been conducted by the author in the presence of some limitations. The major limitation has been lack of availability of previous research papers on bakery in Finland in English as well as Finnish language. Therefore, the focus has been upon public bakeries which are in the form of bakery chains across the country. Moreover, there was a lack of information on general theory of the bakery in Finland, thus the author has used information from the general trends in Europe in this specific industry, and applied concepts in Finnish bakery system.

Additionally, the chosen case company is able to observe its current trends using their customers' insights into finding the company's strengths and weaknesses, leading to improvements in the services as well as products.

Besides, the interview conducted is of special value as it indicates major trends inside the case company, on the basis of which, the research for the case company has been conducted and innovative conclusions have been drawn.

By the end of the research, the author is able to figure out the answers to the objectives that have been mentioned in the thesis above (aims) and research questions, in order to apply the findings to the case company under observation, as well as similar companies that enter the bakery industry inside Finland.

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