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Master's Thesis

Learning by Failure in Entrepreneurship - Case Study of Selling Xylitol to Poland

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My thesis aims is to find out what factors that can explain the entrepreneurial failure in my own entrepreneurial venture to sell Finnish xylitol product to Poland. In addition I seek to answer to the question of why Finnish xylitol products are not sold in Poland. This area has not been studied prior to my thesis. The study method is case study. Data collection is based on auto-ethnographic method where field notes and documents generated from my business venture were used. I discovered that Polish consumers are not exposed to consumer education of xylitol health benefits. The underlying potential in xylitol products expansion from Finland to foreign countries is still mostly unleveraged. My business venture failed because I was not able to convince Finnish confectionery companies Fazer and Cloetta to give enough support for my project. Polish dentists, who act as gate keeper for example to pharmacies, were also opposed having a competitor from Finland to Wrigley company which dominates the Polish confectionery markets.
"One Language is Never Enough"
Acknowledgments

My thesis has been carried out at the Lappeenranta University of Technology (LUT) within the Master's Degree Programme in Strategy, Innovation and Sustainability of the academic Unit LUT School of Business and Management. Although my main goal in the thesis was initially to pass it and graduate on time, I found my work very meaningful and interesting yet ambitious and hard-won. Xylitol is a true Finnish innovation that has not been sold to abroad in extensive scale. Poland is the export country in the focus on the thesis but the main principles apply to other markets respectfully. Therefore I view this subject with high curiosity which is required for a researcher. I was a neophyte both in thesis writing and in entrepreneurship. I received great help from many people along the way from which I am very grateful. This thesis along with my venture is facilitated by me but with the help of various professionals.

I wish to thank my supervisor Professor Kaisu Puumalainen for her great help in the preparation of this Master's thesis. My family's, in particular my father’s support has been very helpful and strongly appreciated. The Master's thesis was a bogeyman project for me before I started to write the work. It was daunting at first but when I got excited of my idea and saw the practical implications on it, the flow was on. Still I could not have finished my thesis nor my degree for that matter, without the significant support of my close ones. I thank you very much sincerely and stay grateful. Languages and cultures have always interested me greatly. I believe English is only one language among others and continuously learning new languages opens doors in a manner which would not be possible with only one language. This opportunity of selling xylitol to Poland taught me a lot in these areas of interest. All success is paved by a road of failures. Being successful requires a lot of failing. The acknowledgement of facts is the beginning of wisdom.

Sincerely,

Ohto Ilmari Hiilamo
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1. Introduction

The Finnish invention called xylitol - birch sugar - is not easily accessible abroad. Even as close as in Sweden and Estonia you do not notice these products in the stores. Regardless of the health benefits of xylitol it has been characterized by the lack of extensive interest by both Finnish and international companies.

I had worked, studied and lived in Cracow, Poland from the end of April 2011 to June 2012. I spent a full academic year Erasmus student exchange at the Cracow University of Economics. During, before and after this time spent in Poland I wondered why Finnish xylitol products were not available anywhere in the country, or other equivalent products for that matter. I thought it is a waste of opportunities for both Finnish xylitol producers and foreign companies at the same time. I returned to Finland in July 2012 to continue my studies in Business Administration at the Haaga-Helia University of Applied Sciences. My inspiration was based on rocking the boat with the xylitol, making a revolution by the Finnish invention that deserved to be sold abroad.

My thesis handles the issue of xylitol products sales from Finland to Poland. Instead of choosing a wide topic of the Europe or the whole world markets, I decided to focus on solely Poland's xylitol sales for two main reasons. First reason is that I have a personal experience and knowledge gained of that particular market in Europe. Second reason is the curiosity of this country. It is too close to Finland to be so distant in cultural, economic and political relations. I have said that it is a shame how few people from Finland ever visited the country located by an hour flights reach, a country which is inhabited by two times more (almost 40 million) people than the Scandinavian countries Finland, Sweden, Denmark, Norway and Iceland, altogether.

I wanted to have the latest information on the country that will support the attractiveness of Poland for business pursuits. The country remains to be the European (Union's) success story. Poland was the only country that generated a positive number in GDP growth during the global financial recession in the years 2008 through 2010. With a population of nearly 40 million, the country is the biggest economy in Central Europe. The banking infrastructure is of high quality and foreign investments are growing.
In 2013 the minimum wage was at 1111 Polish zlotys (PLN) which is around 250 euros and in 2015 it has reached to 1850 PLN (416 euros approximately). The inflation of the currency PLN has been slightly higher than that of the Euro, though reasonable due to stable society and the influence of Euro countries close to Poland. Still considered as a developing (in transition) economy, Poland offers many opportunities which do not exist in many developed economies such as in Finland or Germany. (The World Bank Group 2015).

The biggest cities in Poland are (in the size order, starting from largest): Warsaw, Łódź, Kraków, Wrocław, Poznań and Szczecin. The metropolitan area of Warsaw has a population of approximately 2.5 million people. For me it was natural to start the venture in the capital of the country, Warsaw. Warsaw is in addition located strategically in the centre of the country and the transport connections are best to anywhere within and beyond country borders. (UNA Finland 2016).

1.1 Research questions

The main research question of this thesis is: what factors can explain the entrepreneurial failure in marketing and selling xylitol products to Poland? The main research question is divided into two sub questions that are: What is the role of external factors (market situation, demand? What is the role of internal factors (entrepreneur, company)? Personal entrepreneurial failure is backed by academic research on the subject.

1.2 Exclusions and limitations

I focus on the Polish market and exclude all other potential markets. This study is a qualitative research and the evidence to be analyzed primarily from the observations of the daily activities of my company Xylitol Hymy Oy.

1.3 Structure of the study

I will start with a literature review. The academic literature of entrepreneurship failure is the first part. This project has been strongly entrepreneurial activity that involves and better yet requires constant innovation.
In the literature review I go through my theories of entrepreneurship and innovation, introduce both Cloetta and Fazer based on their annual reports from 2009 to 2014 and offer a look to the Xylitol Hymy Oy Xylitol innovation venture in Poland. I plan to find from these all content related to xylitol pastilles and chewing gums and their product portfolio’s international expansion plans. Cloetta Ab is a publicly listed company and Fazer is a privately held firm. Therefore the latter does not publish annual reports as such but annual reviews. The difference of these two reports will be discussed later on.

Then I build my research framework based on entrepreneurship and innovation. Research design and methods are introduced thereafter along with the research content and case description. Data collection methods, data analysis methods, reliability and validity, findings, discussion and conclusion follows. (Ritala 2014)

2 Factors explaining entrepreneurial failure

Entrepreneurship is well explained by Peng (2006) as the process of inventing something new (at least in a new value proposition) to clients. Innovation is about turning inventions into commercial activity and profits. Innovation is the most crucial driver for the firm’s success. The new model of innovation is more structured and based on networking and systematic approach. Therefore it is not something that would randomly appear because of irregular testing. (Philpott et al 2011). Rangarajan and Lakshmi (2010) listed five different predictions in the past from business managers in famous companies that were proved totally wrong after time. These were mostly related to innovation and change resistance. For instance Ken Olson, the president of Digital Equipment Corporation, predicted in 1977 that there would not be any reason for any person to wish to possess a computer at the home.

Learning from failure and maintaining entrepreneurial orientation is crucial for businesses long-term vitality and success. Even within an organization as employee roles, proactiveness and other positive aspects of entrepreneurship are very important. (Shepherd & Wolfe 2015).
Sarasvathy and Venkataraman (2010) write in their article Entrepreneurship as Method: Open Questions for an Entrepreneurial Future that incoherence and consistency of multiple sources is characteristic for entrepreneurship. The authors argue that entrepreneurship is as big of a force as a democracy. Sarasvathy and Venkataraman argue that studying entrepreneurship is essential and not only limited for entrepreneurs or want-be entrepreneurs but to everyone. Entrepreneurship is a skill important and necessary in reasoning about the world. Sarasvathy brings up the notion of three origins of fluctuations in individuals conducts: diversity, reactivity and circumstantial. People are very different from each other, change over time and have different behavior patterns in specific situations.

Lakshmi and Rangarajan (2013) define creativity by the capability to bring something new in a new form or delivering into new market with the help of individual imagination. This is the core of entrepreneurs according to them. Usually a self-drive is related to the spark of innovation.

There are many definitions to as what is entrepreneurship. Many scholars find it necessary to precisely try to define the phenomena of what given research is about to study. Berglund and Johansson wanted to dive deep with the research of the arena in which entrepreneurship lies. Instead of trying to define the obscurity and uncertainty full-filled entrepreneurship concept, they wished to initiate a look to the varying versions of entrepreneurship and encourage dialogue between them. (Berglund & Johansson 2007).

Cunningham and Licscheron (1991) give a broad definition for entrepreneurship. Somehow entrepreneurs have been these mythical figures who manage businesses and for whatever reason stand out from the crowd. The definitions vary across people of who is an entrepreneur. Cunningham and Lischeron present six schools of thought about entrepreneurship that are as follows. Opportunity recognition orientated schools are: The “Great Person” School of Entrepreneurship, The Psychological Characteristics School of Entrepreneurship and The Classical School of Entrepreneurship. Actions and management orientated school of thought are The Management School of Entrepreneurship and The Leadership School of Entrepreneurship. Adaptation and reconsideration school is The Intrapreneurship School of Entrepreneurship.
Carsrudin and Brännback wrote in 2011 an article “Entrepreneurial Motivations: What Do We Still Need to Know?” They discuss the hierarchies of entrepreneurs’ motivations. The individual's motivations function as pulling powers when faced serious setbacks. When a thought of giving up comes up, motivations help to sustain and proceed. The authors see that there exists a strong correlation between intentions and action steps. The person's motivation lets one keep on going and doing the things necessary to achieve particular goal. There have been two main schools in motivational theory: economic and emotional. The reasons to pursue for entrepreneurship have been seen solely monetary ones. This has changed and the understanding that other than remuneration motivations exist and the possibility of high earnings very rarely lead to a pursuit of career as an entrepreneur. In this academic essay there are discussed reasons to pursue entrepreneurship: fear of failure (driving force to develop), the will to win, be independent and creative self-employed person. The researches have in addition covered the traditional academic pulling- and pushing motivating factors. In the pulling motivation the entrepreneur aspires to achieve something (opportunity) and it is not about forced motivation (ambitions). The fear of failure can also motivate since it triggers sharp focus that helps to avoid the unwanted outcome (failure).

It is merely impossible to know beforehand who will take the opportunity to become an entrepreneur. Therefore no one should be left aside from the corporate entrepreneurial initiatives. Everyone possesses unfound treasures in knowledge and experience. (Carsrudin & Brännback 2011)

Ireland et al (2009) are writing about corporate entrepreneurship. They see the information in the field to be fractionated and difficult to access. In the globalized economy an entrepreneurial-driven strategy is a bare must for a firm. Constant innovation and renewal is the core of this type of strategy. The writer's concept “Corporate Entrepreneurship = CE” is different from small business and start-up scheme. It is a vision directed, a coherent entrepreneurship focused strategy that recognizes and harnesses new innovations continuously. The authors present CE (Corporate Entrepreneurship) in only well-known and established companies (not startups), introduce the main concepts in CE strategy and show how they work and what the conclusions were.
Resources are such chances within the company that will wait to be leveraged. If they can be benefited, as human capital (an extensive knowledge capacity in employees), they offer new innovations. This is called the leveraging of resourceful. Entrepreneurial-driven company culture encourages vitality and to create long-term competitive advantage in the ever competitive global market arenas. Entrepreneurship theory and practice journal published an article which included a model to create an entrepreneurial strategy in a company. The ultimate center of focus is a vision where strategy and vision are planned simultaneously.

There are many definitions for a strategy and one good one is included in the article by Mintzberg (2009). Mintzberg defined strategy as a viewpoint (gaining competitive advantage through innovation and entrepreneurial spirit) and strategy as a path that is continuing, relentless and entrepreneurial.

Berglund et al (2007) offer very compelling list of words describing entrepreneurship and their adverse words. Among others discovery, creation, risk and uncertainty are all words affiliated to entrepreneurship. Whereas undiscovered, destruction, safety and certainty are words opposing entrepreneurship.

No matter what the key reasons behind the entrepreneurial failure, those involved in the project will most probably be affected. I can ensure that I felt losing something very important when my business failed. Offering healthy options for consumers which better their lives significantly was a good reason to go on throughout tough times but at some point I had to accept the failure. Emotions make external reasons internal and sometimes vice versa. (Shepherd et al 2009)

2.1 External factors

Factors leading a business to succeed or to fail can be divided into two parts: external and internal. External environment such as market demand and conditions are related to the outside of a firm and entrepreneur. They are matters to which an entrepreneur can impact very little if at all. On the other hand, how to respond to the external factors is all about internal factors, to which an entrepreneur has all possibilities to impact.
When it comes to market entry for a new entrepreneur the external factors include for example demand for the product or services, customers awareness of that service or product, producers’ strategies, retailers receptiveness and professionals’ attitudes.

External reasons for business failure include poor market conditions (low or close to zero demand) or other economic downturn, difficulties to receive payments on time from clients, competition with large companies and other environment related reasons. The reasons to particular business to fail are complex and overlapping of internal and external factors. Sometimes one of the other reason categories could push a snowball of difficulties on the track which may be fateful for the businesses’ destiny. (Gaskill et al 1993)

When there exists uncertainty there is a high chance of failure. New business environment is exactly typical for such conditions. External factors may be easier psychologically to blame for one’s failure in business but often the reasons may be bound together. If there exists extremely low demand for particular products, the newly started entrepreneur should have done his/her homework and analyzed the market conditions. Objectivity, calmness and logical analysis is the best way to go from failure in venture to success in other business area or career path. Objective outside assistance has been proved to support entrepreneur’s path in stormy markets. In addition the support when failure happens is very helpful for the recovery and learning process to be smooth and quick. (Shepherd et al 2013)

2.2 Internal factors

Hardships are the best experiences that one can have in order to have a life insurance. When a person faces problems and adversity, he or she is capable of creating new and innovative ways to continue forward. Personal energy and renewal in essence to willingness for change derives from even miserable experiences. (Santalainen 2006).

Mike Peng (2006) explains in his book Global Strategy really well how much intangible knowledge failed entrepreneurs have. The media, along with academics and consultants, mostly prefer the success stories. Nevertheless even many times failed entrepreneurs possess incredible amount of knowledge which can be utilized and the society should encourage risk-taking and failing. (Peng 2006)

A high motivation to do something what no one has done before is both scary and exciting, in same portions consequently. Passion, personal interest and challenge offered are the internal reasons for pursuit of entrepreneurial activity.
Towards some belief not external reasons (pressure financial nor emotional) drive people to creativity. (Rangarajan & Lakshmi 2010)

Strategy is more than a concept of consulting industry, it characters so much that at the end it describes nothing clearly. However strategy can be defined although it has many purposes. One good effort in defining strategy is by Santalainen in his Strategic Thinking book. Santalainen writes that strategy is as a particular plan of how a firm can achieve its special objectives and goals, it is more than a common plan, rather even ideology which states how an organization perceives conditions and wills to react to them. (Santalainen 2006)

Hammond et al. (1998) suggest very good guidelines for avoiding certain most common traps in deciding which can be applied to this case. For status quo trap the authors in The Hidden Traps in Decision Making suggest following. Keeping status quo is only one alternative among many. Identifying other options and using them as counterbalances is very advisable. Careful evaluation of both advantages and disadvantages is crucial for carrying a sound decision making process. Would you choose the status quo if it would not be the status quo? Avoidance of exaggeration in the efforts and costs involved in the change from the status quo is wise. Keeping in mind that the attractiveness of the status quo will change over time, nothing is constant, only change is as the saying goes. When carrying the comparison of options, always evaluating them in terms of both future and present is important. In case there are many options that are better than the status quo, not defaulting to the status quo only due to the hardness of deciding. A decision must be made. Not deciding is also one of kind decision. (Hammond et al. 1998)

The life cycle of business inevitably involves failing, most businesses fail sooner or later. Efforts to minimize or even avoid mistakes lead to missing of new opportunities to learn. Failure should not be considered as a negative experience but rather as a positive and even vital part of every entrepreneur’s knowledge building through experiences. Nevertheless it is very important to examine carefully why business failed in order to understand deeply and thoroughly what went well and what not so well. Grief of losing own money can be great.
The grief of losing a business is very much different from losing a loved one. The latter sorrow involves mostly existential and philosophical thought work whereas learning from a failed business is more practical and down to earth. Psychologically the negative emotions involved in business failure can be harsh. Releasing the tensions and blame (grief) is crucial to maximize the learning curve after failure in business. Self-blame, self-pity and all other possibly harmful emotions should be acknowledged, dealt with and then move on to learn. Emotions themselves are not bad but they are fully normal and should be accepted as part of human lives.

There is a dual system of recovery from grief that includes loss of orientation and restoration of orientation. Both have advantages and are questionable methods, not recommended for all. Loss orientation refers to a method of traditional type of therapy in dealing with the grief, refreshing memories and even trying to understand what did actually happen. Some scholars say that this may make the memories more salient and therefore even slower or stop the recovery process. Restoration orientation is for those who wish to go on with their lives and not necessary even want to try to understand analytically what has happened. It is not about suppression of feelings but rather of being proactive and searching new prospects and learning new skills. (Shepherd 2003)

The more entrepreneur is emotionally invested in his or hers company the higher level of persistence occurs. Although at the same time the venture may be directed more by emotions than cold business logic and the failure could cost significantly more due to longer time of giving up. (Shepherd 2016)

3 Research on xylitol products and markets

Global food markets are driven by increasingly health conscious consumers who not only want the healthy products but also sustainable alternatives. Xylitol is not only sugar-free but also low-calorie alternative that can be produced in an environmentally friendly matter. In this chapter I will introduce xylitol as a topic and give an overview of the current international market situation including a brief outlook to South Korea and Japan which are the most xylitol popular markets apart from Finland.
3.1 Academic xylitol research

Xylitol is a birch sugar sweetener that is healthy for teeth and overall promotes the oral health of the user. The only downside of a xylitol in regards to health is that it may cause laxative side effects which are largely depended on the individual consumer’s possibly sensitivity to xylitol. It is also rather from the expensive end of products, particularly outside Finland. (Heinonen, Kortti & Pantzar 2003)

Mostly derived from birch sugar, xylitol, is a very identical to sugar in appearance. It is a natural sweetener that has 40 % less calories than normal sugar and on top of that has health benefits on the contrary to traditional sugar. Xylitol is found not only in corn and birch, on fruits and vegetables and in addition human body produces xylitol small amounts. Xylitol sugar alcohol has gained extensive research attention as an anti-caries agent that occurs naturally (Lif Holgerson et al 2006). Xylitol research continues after over 40 years of studying, resulting in thousands of studies confirming its effectiveness and safety for health. By using xylitol regularly, up to 90 % of bacteria is removed in the mouth and prevent acid attacks that cause cavities and plaque. Dental professionals recommend a use of 5-10 grams of xylitol daily. This can be achieved by 5-10 pieces of xylitol chewing gum.

When parents of babies use xylitol products, prevention of caries bacteria in their children occurs. Xylitol chewing gums help to prevent ear infection in toddlers. Xylitol prevents caries bacteria because it stops the acid attack caused by food or beverages with high ph. value. The latest studies show that not only does xylitol prevent caries it also inhales and repairs the existing caries. In addition xylitol decreases the plague in teeth. (Sirviö 2009)

It is good to distinguish the difference between different xylitol products. There are many different forms of products where xylitol is used: Pastilles, chewing gums, toothpaste etc. The usual assumption has been that xylitol contained in chewing gum (adequate at least 30 % of the sweeteners used) would be superior in health benefits compared to other products such as xylitol pastille. Sometimes chewing the chewing gum stresses the occlusion. In most cases the recommendation of 5-10 grams xylitol intake daily after eating and drinking soft drinks and such beverages which cause acid attack. In the pastilles the recommendation is similar, a high proportion of the sweeteners used should be xylitol. (Suomen Hammaslääkäriliitto 2016)
The xylitol research has proved the synergies of xylitol and dental fluoride. Finland could be the xylitol ambassador (educator, messenger) to the world. Many countries such as Japan and South-Korea are alerted to the opportunities in xylitol industry.

3.2 The history of xylitol products

Xylitol as a chemical substance was discovered by the German Nobel scientist Emil Fischer and his assistant Rudolf Stahel in 1891. Bertrand, a French researcher soon derived xylitol syrup from wheat and oat straw. But not until 1970 did xylitol's dental plaque reductive effects were discovered. In 1970 Kauko Mäkinen made a tremendous research of proving the dental-friendly character of xylitol. Soon high caries prevention rates were introduced in the later studies in the 1970s in the famous Turku sugar study. Later in the 1970s first xylitol chewing gums were launched to the general public, consumer product Xylitol-Jenkki became widely used among people thanks to good educational programs by the government. Much is to thank to Mäkinen for his pioneering work. I would say he was one great forgotten Finnish inventor. He did receive some recognition later though. A big contributor to the society but got forgotten by the general public. The evidence to support xylitol's oral health promotion was crystal clear and strong enough to even government support in promotion of xylitol. (Mäkinen 1970)

Xylitol is clearly the most famous and credited product of the Turku University. Mäkinen (2015) has written his memorial of the road of xylitol from Finland to the world stage. This book `Sen täytyi tapahtua – Mitä jokaisen suomalaisen tulisi tietää ksylitolista. `is accessible in bookstores and libraries. This book taught the importance of xylitols as an invention and a Finnish high potential product to be sold overseas.

The United States Food and Drug Administration approved xylitol use in special diets in 1963. Many countries follow this example set by the United States authorities. In 1983 the World Health Organization approves xylitol as a healthy product. The Finnish Dental Association (Suomen Hammaslääkäriliitto 2016) is the first one in the world to give recommendations to xylitol use in 1988. Sweden's counterpart Sveriges Tandläkarförbund follows the good example set by the neighbor the next year of 1989.
3.3 Xylitol industry and the companies

In Finland there are two companies selling xylitol products. They are Cloetta and Fazer. Hellas created the first chewing gum Jenkki in 1951 in Turku. Later in the 1970s this popular product contained xylitol. (Cloetta Suomi Oy 2016)

The first xylitol pastille was introduced in Finland in 1990 by Leaf (now Cloetta Suomi Oy). Cloetta is an old Scandinavian confectionary company founded in 1862 in Sweden. Most of the publicly listed company’s product portfolio includes chocolates and other candies. Xylitol products are a minor part of the products offered. The company sells to more than 50 markets globally. (Cloetta annual report 2009)

The annual reports of Cloetta from 2009 to 2011 mention very little if nothing of xylitol. This makes perfect sense because Cloetta finalized the acquisition of Leaf in February 2012. Leaf brought the xylitol portfolio to Cloetta. (Cloetta 2012) In the 2009 annual report the CEO of Cloetta Petri says: `Although we are a relatively large listed company, the entrepreneurial spirit and enthusiasm typically found in small companies is very tangible here at Cloetta. In 2010 Cloetta states to be proud the heritance of the company and combines this with an up-to-date entrepreneurial spirit. In 2011 Cloetta is happy to have succeeded in preserving the positive aspects of the early factory community and combining this legacy with a modern entrepreneurial spirit.

Cloetta has launched constantly new products to the Finnish market along with Fazer. These new products have not been introduced to foreign markets in a wide scale. In 2012 after the acquisition of Leaf, Cloetta starts to present xylitol products in the annual reports extensively along with notions of the significance of this healthy segment of products. The same phenomena continue of introducing proudly the xylitol products in the annual report 2013. In 2014 Cloetta launched a broad campaign to promote xylitol benefits, but again most focus was on Finland.

Fazer is a traditional Finnish family-owned and operated private limited company. The origins of the family-run firm lie in the establishment of a bakery by Karl Fazer in 1891. Three years later in 1894 the firm started to produce chocolates and other confectionary products such as cakes in a small factory in Helsinki, Finland. Today the company sells
chocolates and other confectionery products to more than eight countries. (Fazer group 2014)

Fazer Group's business operations are divided into three dimensions: Fazer Amica (restaurants), Fazer bakeries and Fazer confectionery. Most brands in the confectionery segment are other than xylitol. Fazer’s roots are not in this product segment they acquired a firm Fennobon Oy in order to expand to this healthy product area. Fazer confectionary acquired Fennobon Oy, which is a domestic (from Finland) chewing gum manufacturer. Thanks to this expansion in the business, Fazer was able to become the only manufacturer only focused on xylitol chewing gums. Xylimax is the xylitol brand of Fazer, reannounced after the purchase of Fennobon. The products are based on Fennobon’s product portfolio and many are created yearly. Fazer confectionery considers potential to lie in the full-xylitol products in the markets. Potential clients are not only Finnish consumers who have preferred xylitol chewing gum for many years, but also other European consumers are following this healthy trend. Fazer confectionery developed many totally new xylitol chewing gums in 2008 and continued launching xylitol options for the popular Fazer confectionary brands. The most convenient way to reach the adequate amount of daily xylitol intake is to consume xylitol products in which the xylitol is the only sweetener used. The new Max Xylitol sign can be found on the Fazer product packaging. Fazer sees the underlying potential in their xylitol chewing gums and pastilles promising and are optimistic about the sales growth estimate. (Fazer group 2008)

Regardless of the notions of xylitol in the annual review of 2008, Fazer did not show much interest in 2009’s review of xylitol products. There are no data available on the subject on that particular year’s review. The entrepreneurial spirit is mentioned as an important part in growth strategy. (Fazer group 2009)

In May 2010 Fazer launched a new 100 % Xylitol-sweetened pastille series by the brand Xylimax. Fazer’s research and development is focused on rye, cocoa, carbohydrates and xylitol-based products. The firm is taking part in international research projects and studies, in addition to the participation in international networks. The costs for Fazer Group research and development amounted to 5.0 million euros in 2011 (increase of 0.9 million euros from 2010’s budget which was 4,1 million euros). (Fazer Group 2011)
In 2012 the research and development focus included xylitol projects and the costs increased to 5.6 million euros in total. The research programmes studied also the development of European Union legislation in the health claims to xylitol products. 8.4 million euros were spent on research and development. (Fazer Group, 2012) In 2013 a amount of 10.0 million euros were allocated to research and development. 2014 annual review did not include anything on xylitol.

Outside Finland the first xylitol producer worth mentioning is Lotte Confectionary from South-Korea which sells extensively not only domestically but also in Japan. In addition to this large player on the international xylitol chewing gums and pastilles market, there are few other companies that are significantly smaller in terms of sales volume but still interesting and promising in the growth of xylitol awareness in the world. These include Xlear and Zapp Gum from the United States of America and Peppersmith from the United Kingdom. There are surely big players that have some xylitol containment in designed products, but firstly this proportion of xylitol is not adequate to produce health benefits and secondly these products are not a priority. In other words companies such as Perfetti Van Melle, Wrigley and Hershey Foods do have some products that have a small percentage of xylitol as a sweetener. Nevertheless these giant companies have not seen it as a strategic step to promote and develop xylitol markets. (Infiniti Research Limited 2016)

Finland does not have own company producing xylitol anymore. Fazer produces its xylitol products, chewing gums and pastilles, in Finland but Cloetta does not produce in Finland these products. The xylitol as substance is purchased for both companies from foreign companies. Xylitol factory in Kotka is owned by DuPont. (DuPont Nutrition & Health, 2016)

4 Research framework

The research framework consists of the design and methods, data collection methods and analysis.
4.1 Research design and methods

This is a case study of an entrepreneurial attempt to sell Finnish xylitol products to Polish market. The research method is ethnographic research in entrepreneurship (entrepreneurship as an ethnographic method. Silverman (2000) defines ethnography plainly as an observational research in a distinct context. Panah (2000) adds that ethnographic research is much more, it entitles to significant level of presence in daily activities. I founded the firm Xylitol Hymy Oy (operational between January 2013 and December 2013) as an experimental venture. I wanted to find out by operating the company why the xylitol products are not sold in Poland. My business venture served as an exploratory entrepreneurship to answer to the research questions of my thesis.

4.2 Data collection methods

The primary data in this study is derived from my own company. I created the business plan for this venture in autumn 2012 at the Start-Up School of Haaga-Helia University of Applied Sciences. This plan along with the financial statements of the company, business correspondence (e-mails), other type of documents and notes serve as primary material for my ethnographic research. Personal observations, photographs, website material and other intangible sources (client meetings, non-verbal communication with the customers) were also significant sources of information.

I have used the annual reviews of Fazer and Cloetta as secondary research material. (Ritala 2014). Official data of annual reviews and reports are very informative and tell many aspects of the firm's values and aspirations. The advantages of secondary data are the possibilities leading into new discoveries and the accessibility of data. There is a chance of potential underutilization of the data. The disadvantages are that the data was originally gathered for other purpose and the quality of it might be questioned.

The observations from my company in Poland include the client's receptivity and the lack of it, the awareness of xylitol’s health benefits in Poland, the specialists (dentists) responsiveness in Poland, sales volume analysis and general assessment of the observations.
4.3 My background as an entrepreneur at Xylitol Hymy Oy

To give a clearer view of the ethnographic data collection it is necessary to describe the background of my company and its business operations. I joined the Start-Up School business hub at the Haaga-Helia University of Applied Sciences immediately in the beginning of the autumn semester 2013 (August 2013 to be precise). My first course accomplished was the Start-Up Business Planning on the 24th of October. The second course I added to my degree was Start-Up School Coaching 1 - Building Business Networks on the 16th of January 2013. The following were Start-Up School Coaching 2 - Taking Customer Contacts on the 25th of April 2013 and Start-Up School Coaching 3 - Starting Your Own Business on the 2nd of September 2013. In adding I participated to various courses related to my business venture among others to be mentioned Creative Sales Project (10th of September 2013), Start-Up School Boot Camp (28th of March 2013) and Introduction to Marketing and Sales (3rd of April 2013). (Haaga-Helia University of Applied Sciences 2013)

My Bachelor’s degree completion was towards the end in 2013 and I decided to launch a company of my own in January 2013. The idea was to sell Finnish health innovation, xylitol pastilles and chewing gums, to Poland. Both Leaf and Fazer products were sold but later only products under Fazer brand. The reason for this type of idea was that in Poland it was not possible (and still is not) to find easily accessible xylitol products in local stores, pharmacies, universities or restaurants on the contractors to Finland where xylitol pastilles and chewing gums are found everywhere. My idea was to try selling xylitol to people who would know or at least understand it.

Obviously the question arises why Poland and why xylitol. I had been acquainted with Poland and Polish language and culture. The company founding was affiliated with my studies and I did specialize in entrepreneurship in my Bachelor´s degree.

My firm’s official name is Xylitol Hymy Oy and the translation of the company name is Xylitol Uśmiech Sp. z o.o. by the Finnish Patent and Registration Office. (Finnish Patent and Registration Office 2016) The original idea of Xylitol Hymy Oy, was to co-operate with either Fazer or Cloetta. Eventually Fazer was the only one to show some degree of interest in selling their products to Poland. I did not choose them but they chose me. Firstly I did purchase both companies products, all varieties of different chewing gums and pastilles and started selling them to Poland. Later in the year I focused on only Fazer´s
products due to the better co-operation with them. We could not talk of cooperation since the investment from Fazer’s side was not great in time and effort.

I wanted my company logo to present both the magic word of my product and the effects it is offering to clients. Therefore a natural choice for a logo invented by Zaki Azedani was a combination of light colors of Finnish flag’s blue and white and those latter mentioned words. Xylitol Smile Limited was therefore created onto a professional representful logo thanks to Azedani.

Fazer did give some support to the project in Poland. They gave me some product samples for free and also paid for the leaflets. I successfully found clients in the following sectors: pharmacies, ecological stores and specialized grocery stores.

I mainly worked by myself but I had two interns during the year 2013. The website planning was done mainly by me and the interns I had employed for internships in the company. The company ”Xylitol Hymy Oy” had own Polish website. I was able to sell to few dental clinics in Warsaw. This was excellent because it worked as a benchmark and reference for the widespread of the products.

Verkkotaikurit Oy planned, designed and put together the company website based on Wordpress platform which was user friendly for updates.

I tried to always use the finest imagination when helping the client to sell the products. In this above photo one can see how well the products I sold are represented in the front.

Fazer provided me with functional sales stands for the use of the product promotions. I distributed these stands into wide range of client locations from pharmacies to grocery stores.

I launched few different sales campaigns in order to boost sales and increase the awareness. This above photo shows how I was on-hands on my project of xylitol. I stamped individually each leaflet with my company contact details. Many occasions this labor took place at nights.
4.4 Analysis method

I will analyze the collected data with thematic content analysis. I will first analyse Cloetta´s and Fazers´ strategies. Then I will turn into Polish retailers receptiveness, local professionals´ (dentists) attitudes and consumers´ awareness. I will conclude the analysis by discussing entrepreneur and the company behind the failure.

5 Findings

The first 5 chapters are devoted to external reasons for the business failure. Although many times emotions can turn the external reasons to internal and other way around. This was the case with me too along many other entrepreneurs. The last chapter focuses solely on the internal reasons. (Shepherd et al 2009)

5.1 Cloetta´s and Fazers´ strategies

Both Cloetta and Fazer did not have Poland as their priority or even a notion in their strategy manifests. Cloetta and Fazer both pursue for strong position in the Nordic markets which is to say that they keep their focus in the old historical objectives.

I started communication with both Fazer and Cloetta in October 2012. I first contacted the service desk to request for contact details of the person/persons in charge of xylitol sales abroad. It took one week from Fazer´s key account manager to respond to my email. From Cloetta’s xylitol educator it took three weeks to respond to my emails. Cloetta did not express any interest in co-operation in xylitol sales in Poland.

Fazer therefore was curious and open-minded in regards to possible co-operation. I did not disregard Cloetta totally I still decided to purchase their products with high consumer prices and try selling them into Poland. Although Fazer did receive most of my attention due to their reception of my idea. We continued changing emails and making calls and eventually we scheduled a meeting in January 2013. I never met with Cloetta´s personnel even I requested for an audience with appropriate person.

With Fazer I never was able to attain the status of an official sales agent. I did receive support from the firm though by sales support (providing sales brochures, free samples). In practise they treated me as a compatible business partner.
From the both annual reviews and observations of Xylitol Hymy Oy, it is well apparent that Fazer is steps ahead from Cloetta in creativity to expand their xylitol sales. Fazer wanted to pursue the co-operation and Cloetta did not. Cloetta does have separate sales of xylitol products in Sweden and Holland among others. My research focus is on the products sold in Finland and labeled as Finnish products.

I tried to build the market from zero, brick by brick, in Poland. I focused solely on Fazer`s products from February 2013 to the very end of the endeavour (to December 2013) after getting declined by Cloetta. It was very tough challenge. The methods used in marketing and sales needed to be innovative due to lack of budget support from Fazer.

5.2 Competition in the Polish confectionary markets

The retail sector in Poland is one of the most competitive in whole Europe. The prices are generally cheap. I realized how difficult it is to sell anything to anywhere, in particular to retail sector in Poland which is highly competitive and dominated by big players such as Lidl, Carrefour, Auchan, Tesco and Biedronka. This makes it very hard to break into the market since usually new, not established products in the market need additional kick-back and discounts for the retailers.

The chewing gum market is dominated by Orbit Poland, which is part of the international chewing gum and pastille company Wrigley. Wrigley therefore is part of a giant confectionery firm Mars Limited. The story of Orbit brand goes back to the Second World War in 1944 when the company shipped chewing gums to the troops to give them sympathy and support.

The most and almost only consumed products of xylitol in Poland is the plain crystal "sugar" form of xylitol. It is used as a sweetener. The issue is that the dental care benefits are not fully wrapped with this form of consumption. This is due to the low duration of time the xylitol effects in the mouth.

When I stated that xylitol products were not accessible widely in Poland I referred to the health promoting forms of xylitol use: primarily chewing gums and pastilles.

Several academic studies and practical notions have showed that socio-economic status affect the person's oral health care. The higher the given status is the better the oral
health is. That is why in particular people falling into the lower and moderate income category, should be encouraged in preventive oral health care. There are several benefits in preventive care. It is much cheaper, less painful and less time-consuming. In Poland I always tried telling people how the small price difference between xylitol chewing gum and pastilles compared to non-xylitol options, pays out big time in the long haul. The socioeconomic status has a great impact on level of oral hygiene person possesses. Xylitol use is part of preventive dentistry and very inexpensive method along with regular throughout toothbrush with fluoride toothpaste was one argument I used while selling in Poland. I tried to explain to both end consumers and buyers (business decision makers) that with a relatively low cost investment they could save both money and health with preventive dentistry. (cf. Çolakoğlu & Has 2015).

5.3 Retailers receptiveness

My process of sales was following. Initially I sent emails to prospective clients, a total of 5000 marketing emails were sent. After that I first made cold calls (3500 calls) to prospective clients (pharmacies, healthy stores, grocery stores) and requested an appointment (200 client meetings set up). Then secondly I met with the prospective customers and finally tried to close the sale. I sold a total of 40 times, some of which were re-sales to existing clients. My total sales revenue exceeded 5000 euros in value and I opened also sales accounts worth another 3000 euros from which I eventually received 1000 euros sales.
Figure 1. The sales activities, from leads to prospects, meetings and sales.

My lead generation including sending 5,000 emails and 3,500 calls. Then I was able to organize 200 client meetings and close 40 sales. This all was very hard work. Pharmacies and health promoting stores were my first bet. I did face lots of resistance and the rejections, which were inevitable part of the game when pushing new products to the market while even existing products and services struggle to keep their market shares.

First I tried various routes to enter big chains but had no success whatsoever. Frustration occurred when prospective clients did not want to understand why Finnish invention, xylitol chewing gums and pastilles, are far superior to Orbit's aspartame and sorbitol sweetened products. Orbit has been able to establish their product selections in Poland almost more extensively than Cloetta and Fazer theirs in Finland. (Wrigley Jr. Company 2016)

My decision to approach smaller firms with one or few stores was a good bet. A small company makes business with its peers. I successfully managed to push sell my products to few private (non-chain) grocery stores, ecologically positioned stores and pharmacies. I soon realized that one should not try to sell to everyone and everywhere as in Finland is the custom with xylitol products.
Despite the fact that one can find these products in Finland in cinema, gas station and cafeteria among others, does not prove the applying the same strategy in Poland successful. If I sold to pharmacies it did have some label and it was more difficult to sell to retailers and vice versa. This was very interesting notion I came to know.

I soon realized I had to give up the ambitious plan to sell and distribute to big chains. I lacked the capital and support from Fazer to do that. Also big chains expect the chosen company to invest heavily on marketing even in television which is highly costly. I moved into the retail sector to significantly smaller companies such as the Kuchnia Świata "the World Kitchen" which is specialized in selling groceries from all over the world, including from Finland. I was able to sell this middle-size firm products which were distributed to 14 store locations across the country.

![Figure 2. The sales revenue through cash and invoice sales and sales account sales in euros.](image)

I managed to generate relatively high sales revenue with my limited resources. The real issues began when clients did not pay their bills on time to me. Then I also encountered frauds to varying degrees, from asking a bid (offer) for large purchase and then decreasing the amount of products and insisting the same price for as if the actual purchase would be the initial high one.
Then I was faced by a real problem of additional stock of products which were not sold. I solved this by offering sales accounts to clients. Sales that were not real sales yet, not until the end consumers really bought the products from a client. Then based on the sales of a client I sent an invoice. The business risk was outsourced to my company.

Sadly the plan didn’t fly. I had problems receiving payments from the firm and clients were not buying products as planned. It was very difficult to convince the buyers in Poland of the potential profits they could see with a bold move of offering xylitol products in their product portfolios. The arguments were different but there was one common factor in all, the fear and unwillingness to take something new to their stores selections. My sales meetings with retailers in pharmacy, grocery, ecological and healthy stores all included this type of responses.

The decision makers who decided to give xylitol a try were exceptionally brave and innovative in their thinking. The buyers responses to my requests of a sales meeting varied from worry to fear and aggressiveness. Innovative ideas such as xylitol use, are often turned down by the vast majority of decision makers. Those who take the bold and courageous move to try something extraordinary often are rewarded the risk.

5.4 Professionals´ attitudes

In today's global markets dental-health promoting or sugar-free chewing gums are rapidly growing trend. Heinonen et al (2003) describe very well how the trend is both sugar-free and dental-health promoting. For most consumers the line is drawn in water and it is very difficult to understand the differences through the marketing jargon. The terms have been mixed and that is one reason why the promotion of actual dental-health xylitol products is difficult.

Just to offer the reader idea of the struggle in selling xylitol chewing gums and pastilles versus other sugar-free options, the problem lies in partly or mostly false marketing. In Poland Orbit is marketing their aspartame-sweetened products as dental-friendly even it is only part of the truth. Indeed aspartame does not cause caries as sugar-sweetened alternative, but it surely does not promote the health on the contrary to xylitol. This was the key issue I faced in marketing Fazer xylitol products in Poland. How to persuade
people who have firstly, never heard of xylitol and secondly, been the victims of Orbit marketing machine in commercials for years?

The dentists association of Poland is a public supporter of Orbit’s products. I tried to have their recommendation for xylitol products, which have been proved by not only the dentist's association of Finland but also the one in Sweden. The president of the Polish dentists association did not reply to my emails and calls and when I went to see him he yelled at me and said I should leave the building. This is very clear example of the resistance by the professionals in dentistry towards xylitol introduction to people as a part of their dental hygiene regime. It was staggering to notice how much resistance was given to me on my mission to embrace xylitol use. I could not have imagined that even professionals would be so skeptical and pessimistic. (Polskie Towarzystwo Stomatologiczne 2015)

5.5 Consumers’ awareness

When efforts are taken to bring awareness of new product's health benefits to general public or even sophisticated and educated individuals such as dentists, tremendous amount of time and energy is required. Most of the consumers I faced with did not have any idea of what xylitol is or might be. This was a very challenging starting point. I did have a very down to earth method of communicating the matter of health benefits of the products what I was selling. I did offer free samples to prospective clients in the store and offered brochures provided by Fazer in Polish about Fazer xylitol pastilles and chewing gums. I organized different campaigns for spreading the word of xylitol pastilles and chewing gums greatness. Two for one chewing gum packs was one of the most successful ideas I had.

Social media marketing was pretty wide as well in my operations. I asked all my Polish contacts to spread my social media sites and website to their contacts forward. I asked a journalist in my network to write an article about my company. This brought delightfully wanted attention to my cause. On my website there were well-covered facts over the benefits of xylitol use. My business mentor said that educating people is extremely costly and time-consuming. I can certainly say that is true based on my experiences.
The demand for the products I was selling onto the markets was very little. It was not adequate for the maintenance of my operations with the existing very limited resources. The main reason for the low demand was the unconsciousness of the xylitol health benefits. In addition the resistance of professionals (dentists and dentists association of Poland), entry difficulties to retail sector and consequently to all commercial sectors in Poland to sell the products and last but not least the differences in the cultures were all reasons for the failure of the venture.

5.6 Internal factors: entrepreneur and the company

I did not have a clear strategy, a road map to compete and win in Poland. My client segment was fragmented. I sold to pharmacies, healthy stores and grocery stores. I should have decided and refined my target clients more precisely based on business area and geographical location. This would have helped me a lot in selling. In addition a clear sales strategy would have been very much in place. I was overly persistent. I should have been prospecting more clients rather than trying to sell to prospects which actually were not true prospective customers but rather waste of time and efforts. This lesson has proved very useful for me. I try to find out very soon whether a prospect is a prospective buyer or not. Sometimes too good to be true is in fact too good to be true.

In August 2013 I resigned from the project of selling xylitol due to the realization of its failure. I spent quite some time revising and analyzing the outcomes of my efforts. I noticed that there were several blocks for the breakthrough of xylitol awareness in Poland. One was the resistance of Polish dentists organization. Apparently they recommend Orbit’s Sorbitol-sweetened chewing gums for pursuit of dental health. Sorbitol is not dental friendly even if it does not cause damage. it is only a neural substance such as aspartame used in light soft drinks such as Coca-Cola zero or Pepsi Max. The receptiveness of people was varying. Some wanted to learn a new way to take care of their dental health and others didn’t.

I was firmly convinced that if Fazer and/or Cloetta should have pursued the expansion to Poland with my company Xylitol Hymy Oy they would have had fair chance of massive success. Poland is a developing economy in the centre of Europe. It has market-friendly government, has gone through major structural changes and has a stunning population of 40 million inhabitants. At times it felt that dentists felt insecurity and a fear of job loss if
xylitol would be easily accessible in Poland. After evaluation on the references of Finnish dentists this was very absurd but unfortunate fact to be discovered in some of the professionals’ attitudes towards xylitol use and further recommendation in Poland. Some dentists didn’t even let me tell about xylitol at all, few listened but declined to recommend xylitol use to patients and even fewer agreed to listen and give reference to their clients. Customers win in those cases when a dental expert is wise and realize the numerous benefits of xylitol use.

In Poland people generally do not know about xylitol and its real health benefits. When sales operations began by prospecting to dentists, pharmacies and healthy stores, the resistance was extreme. As many startup firms are doomed to failure so was this one. In international entrepreneurship different risks exist. In Poland the business culture is very different from the one in Finland. Once I was able to sell products of Fazer by big efforts, some of the clients did not pay bills on time. (Peng 2006)

My company fell to the Sunk-Cost Trap and The Confirming-Evidence Trap. I threw good money and efforts after bad ones. I tried finding confirming evidence to support the superiority of my idea to sell Xylitol products to Poland. I also fell to the estimating and forecasting trap. How could I have avoided these traps? I will discuss these matters in the theoretical contributions.

I have represented two companies that are in the confectionery industry. They do have other non-healthy, high profit products though. Having said that they are not at all selling xylitol chewing gums and pastilles in all their targeted markets. They are being smart or less smart how you prefer. Since they see how difficult it is to break through with xylitols in certain markets, say in Poland. The companies take calculated and carefully chosen risks when expanding overseas. Regardless of my wide efforts to sell the products I wasn't able to make the business profitable. My job description was also too wide, I was in charge of everything from sales to logistics and from marketing to human resources. I had rented flats in both cities in Warsaw and in Helsinki. My expenses added up due to frequent flying between Finland and Poland.

Fazer has shown many times on its annual reviews the interest to xylitol. The mentions of health care focused products are clear. Although xylitol products are fairly new for Fazer, it still has become a significant part of the portfolio. Both of the companies have been
much more interested in the existing markets for xylitol rather than pursuing for new ones. They try to develop them more to increase sales. For instance both companies have extensive campaigns in Finland to promote the use of xylitol products and simultaneously nothing is done in Poland.

As most start-up entrepreneurs I was overly optimistic in my analysis and estimations of future earnings (sales revenue generated) and I underestimated the costs of operating the business. Thus I ended up in a trap of regardless the sales revenue I was unable to cover the costs related to the firm, let alone generate profits which is the core of every traditional business model. Let's face it, I was pretty inexperienced as well. A 22-year old young man pursuing for a Bachelor's degree took a challenge that many elder professionals would have bemoaned. I did not have sufficient plan for the business venture. I should have decided clearly my financial objectives, how much money I can lose and when to back down, in other words how much I would have been willing to lose before quitting. I quit the operations based on feelings of the market and the amount of money I had lost.

Shepherd (2016) brings out the point of emotional involvement of an entrepreneur in his or hers venture. I do admit that I was very highly emotionally involved in my business idea and activity. Therefore I could have admitted to myself a bit earlier that this business will not be profitable and I should move forward. Though mistakes teach best and failure is a seed of success.

I realized the importance of experienced help, guidance and simply supportive conversation from a mentor. Therefore I seeked a business mentor for myself. I value the multiple discussions with my mentor and believe strongly (backed by academic research Shepherd 2016) that having an outside views from an encouraging and positive professional did help me a lot. I must admit though that one reason for the failure was most probably that I did not take the crucial advice that seriously and believed (Suomen Yrityskummit ry 2016)

6 Discussion

Fear of failure can be a big blockade in entrepreneurship. This fear is fed by the given circumstances and cultural climates. I did fail. Big time. I wish to be honest with myself in
the analysis of the real reasons that led my company to fail. This is due to the fact that my learning curve will be longest when doing so.

After the realization of the negative outcome of my venture I did feel disappointed and upset. Benevolence (world makes sense, most of the people are well intended) just wasn't there. I learnt that knowing when to go on and when to go off is a very important skill for the entrepreneur. Bouncing back from setbacks is also crucial for benevolent attitude. It is very well true that I was quite if not very much so inexperienced in business life. Missteps were taken in regards to financial planning. Large majority of new businesses fail and there are numerous behind this phenomenon. Some factors such as external market environment are out of the influence of the entrepreneur. On the other hand many matters can and should be considered in preparation and work by the entrepreneur. Failure itself should be considered positively as an opportunity to learn and develop one's skills and enhance career throughout experience accumulation.

A high motivation to do something what no one has done before is both scary and exciting, in same portions consequently. Passion, personal interest and challenge offered are the internal reasons for pursuit of entrepreneurial activity. Towards some belief not external reasons (pressure financial nor emotional) drive people to creativity. Innovation is the new feature added to existing product. With this strong and reliable definition I can say my idea of selling xylitol to Poland is innovative. (Rangarajan & Lakshmi, 2010)

I was overly confident on my business venture that is typical and I would argue, mandatory for entrepreneurs in order to lead a life of change. But overconfidence is a trap, too. I overestimated the cash flow from sales and the number and quantity of sales volumes. This was a mistake from which I learnt a very thoughtful lesson. In addition I threw good money after bad (lost). Same thing occurred with efforts (time of mine). Usually people lack both time and resources. Therefore careful assessment of the options to where allocate these precious resources is very critical. It is in particularly significant in business ventures to realize when to quit and move forward to other projects. There exists a line drawn in water that separates persistence from stubbornness. (Hammond et al. 1998). A failure as it is, it gives an excellent lesson for learning. Otherwise remembering failures can be counterproductive if not done in positive set, willing to learn mindset. My
failure in Poland taught me that persistence combined with patience and hard work does not guarantee success.

I did gain non-economic intangible capital thanks to the unexpected shocks of failure. My founding experience of creating Xylitol Hymy Oy and consequently managing the new business has taught me resilience (cf. Williams & Shepherd 2014.) I did not abandon my curiosity towards the question of why xylitol products made in Finland have not been introduced to global market in wide scale? This business idea held together my passion for both Finnish xylitol products and Poland as a country.

From practical point of view it is clear how big project this was for a young entrepreneur with limited experience and resources. When observing the issue of xylitol sales it is noticeable that the idea itself to sell these products is valid but the practical constraints to incorporate the actions are hard. When just thinking of the health benefits of the products one wonders why on earth they would not sell? But the practical evidence gives the complex answers. Unawareness of these health benefits outside Finland, tough competition in the confectionary industry, barriers of internationalization and many other reasons come into the picture.

Failure in venture creation brings in fact many opportunities for learning. Roughly I faced two options, a quick get-up and go-on or a misery in resentment and fear. I chose the first one. The way I look at it is that no matter how painful failing was and how deep emotional wounds failing left, I had deposited tremendous amount in the bank of experience that accumulates and grows therefore. Failure built character to me, made me stronger as the saying goes.

6.1 Theoretical contributions

Entrepreneurial intention is a relatively long studied subject and it is subject to various different forms of research. I wanted to frame my theoretical contribution using the systematic literature review on this matter by Liñán and Fayolle (2015). In my case I would conclude that psychological personal variables made big reason to become an entrepreneur in my case. Personality traits such as openness and willingness to learn new
languages and cultures were very important reasons for me ending up establishing a venture in Poland with xylitol product sales.

Risk perception and career orientation were also entrepreneur-friendly in my case. My exposure to entrepreneurship in my family background also pushed me to get excited on owning a company myself. The significance of context and institutions in my case were clear since Finland is a very good country to do business in based on the ranking on the ease of doing business by World Bank (10th rank in 2016) and my University offered assistance as well. I did my Bachelor’s degree in Business Administration at the Haaga-Helia University of Applied Sciences where I participated in StartUp School that is a project for new student entrepreneurs within the academic institute. The pursuit of higher educational in addition helped me to turn intention into action orientated behavior. (Liñán & Fayolle 2015)

6.2 Practical implications

What does the annual reviews and observations of Xylitol Hymy Oy tell between lines about the practical reasons of why the xylitol products have not been sold in Poland? The reasons for not selling xylitol pastilles and chewing gums to Poland are complex and simple simultaneously, ambiguity exists strongly. Simple answers are relatively easy to present and argument. The previous are tougher to come up with.

Simple answers lie in the traps awaiting each decision maker, in business or other parts of life respectfully. The complexity involves not only decision making in a given moment but the consequences and future decisions ahead. I have carefully evaluated the phenomena of xylitol sales to Poland based on my observations and talks with several persons in stakeholders: end users, pharmacies, Fazer and Cloetta personnel in charge of xylitol sales and experts in the field among others Mäkinen. I could conclude that xylitol is incredible Finnish innovation and it is very easy to prove the greatness of the product. But proving the marketability and commercialization of it is very difficult.

Different reasons can be concluded for why Finnish xylitol products have not been sold to Poland. There are several hidden traps in decision making of CEOs and other key
persons in organizations. This applies to Fazer and Cloetta as well. I remember when the key account manager with whom I dealt with at Fazer, said that changing the course of a big boat as Fazer is very hard and takes a lot of time. Therefore rocking the boat with xylitol is a very difficult task to accomplish. You can imagine me being in a small island of which Fazer passed and I tried flagging with xylitol sales efforts being ineffectual. Managers are not only prone to biases of different nature but also other traps await them on the road to decision making which is clearly the most important job of managers particularly CEOs. (Hammond et al. 1998).

Moving from the so-called famous comfort zone, the status quo, can be dreadful in business. This is because in business life both the financial risks and psychological risks can be tremendous. The more choices exist the more easier it is to choose the status quo. For instance exporting xylitol is not all or nothing, there are 192 countries where the companies could sell. This is a number based on the United Nations statistics of recognized and acknowledged nations. The comfort of status-quo trap can be illustrated in everyday life. Usually it is far easier and comfortable to avoid change. Many times people say a task or decision can be done another time, usually this means never. In business scene the actions, sins of commission, (selling xylitol to Poland from Finland) tend to be exposed to far more risks than doing nothing, sins of omissions. This creates particular attraction to staying where we are currently and avoiding risks. The risks are career and overall business performance related. Although it is evident that Fazer and Cloetta more or less had fallen onto the status quo trap, is is ambiguous issue since pursuit away of status quo can be also harmful when the decision ahead is not carefully assessed. Taken into account the failure of Xylitol Hymy Oy it is wise to note that holding status quo would have been good in some situations. I could have invested less time and money in within short period and allocated these resources to longer time span. (Hammond et al. 1998)

In order to succeed in the venture of this nature (being a sales agency for Cloetta/Fazer) following strategy would be highly useful. Good established contact with the producer, sound strategy for implementation and even already existing client networks in the country of export. I learnt that I lacked all of these crucial matters to succeed.

I must say honestly that Fazer and Cloetta did a good choice with declining the expansion to Poland in short-term profits term. I tried my best selling xylitol in Poland, although with
limited resources, but still the fundamentals of the sales activities would have been the equal with larger firm. I sincerely note that it would have been very difficult to the companies to generate profits in a year time span. Having said that, it is quite the norm that expansion-aspired company will not earn cash in such a short time. It can be argued that Cloetta and Fazer had done right decision in staying out of Poland. This is largely through for that time period but it is not the whole picture. I clearly saw big potential in Poland which is not leveraged. The status quo was more or less too desirable for both companies. More on this trap will be covered later.

The main reason I found based on the mentioned evidences is the hesitance to pursue an entrepreneurial action within the company. It would require highly bold move to stand out of the crowd in the corporate scheme and flag for the active sales efforts for xylitol pastilles and chewing gums to Poland. Another reason is the relative high risk of exporting these products.

The companies view it as extremely difficult to educate the consumers and compete against Orbit and other big players in the confectionary industry regardless the fact that they do not have many xylitol products on offer. It is a stagnation state where Fazer and Cloetta are in the development of their xylitol strategies.

6.3 Limitations, validity and reliability

In order to achieve more reliable research results, the researcher must go further than the initial understanding of the data (Eisenhardt 1989). In my study, this is achieved through comparing of the notions from the reviews and observations to each other. Analysis of the annual reviews together with observations built reliable evidence.

My data collection method included collecting documents and making field observations. Although the observation methods are not up-to dated since my firm operated in Poland in 2013, I do not see it as a major deficit for my study. This is because firstly, there are not many if at all similar research projects on xylitol and secondly, because the time past is only three years and many principles have stayed within the xylitol industry in Finland. I had kept the annual reviews analysis and the observations of Xylitol Hymy Oy.
Ethnographic method is not subjected to repeatability. It is not required to perform similar research in similar context in order to have a valid ethnographic research conducted. Therefore my chosen method and context is unique and still credible. I do admit the issues related to the ethnographic study method that include the lack of replicability of the study. But this is due to the special setting of the research. Even if another researcher would conduct the same study he or she would have multiple variables in the context different from mine. The external and internal factors differ from time and perspective. (LeCompte & Goetz 1982).

I answered to this question with my chosen method. The results could have been different with another method and setting. I do realize and admit this. Although this does not lower the eligibility of my study as mentioned with the given constraints. The strengths of my chosen research design are the direct notions and experiences from the field of a subject from which information did not exist before. The buyers and end customers (consumers) decide which gives full validity to my chosen study method. My entrepreneurship was about data acquisition as much as it was about business venture affiliated with my studies.

6.4 Future directions

Xylitol health benefits were discovered in Finland in the 1970s by the research led by the Turku University. Therefore finding out why the Finnish xylitol products have not been widely spread in the global markets in different segments such as retail, pharmacy and dental healthcare, is extremely intriguing. (Mäkinen 1976).

The future looks very promising in the xylitol area although surprisingly it may not be Cloetta and Fazer that would make the critical move to export xylitol products. But there have been many signs of other international companies taking over the responsibility of making profits by xylitol products. One of such vanguarding companies is located in the heart of Eastern Asia, in Seoul, South Korea. It is called Lotte Confectionary, part of a corporate giant Lotte Co., Ltd. Their products are sold also in various European countries including Slovenia. They have asked Mr. Kauko Makinen to cast on their xylitol commercial and they had a Finnish Santa Claus speaking Finnish on a television commercial directed to Korean people. (Lotte India Corporation Ltd. 2013).
I would personally be very curious to see new entrepreneurs setting a foot on the uncertain path of xylitol sales from Finland to abroad. It is a road undiscovered. It would be a step partly to unknown, partly equipped with some navigation help from earlier explorers. Based on my observations while selling Fazer’s products in Poland, I would highly recommend future sales efforts to partner with a knowledgeable person in Poland. Local expertise in terms of language and culture but also of local business culture is highly valuable. Currently no signs have proved that neither Fazer nor Cloetta to expand to Poland. Thanks to this research project I can firmly say that I possess confidence in my findings due to extensive observations of various affecting groups (clients, producers, professionals). In order to sell the products the companies need to have a steady and vigilant strategy for implementing the wanted objects (procurement). This all needs a dramatic change of paradigm, change of viewing the world.

The future of Finnish economy could be characterized by strong innovations in food industry. These products from which many boost health, could be new Nokias of Finland. Further considerations for choosing the appropriate market for xylitol sales are as follows. I would take a close look on the economic situation of the potential export destination. The wealthier and more established the economy of the country is the better. Now it would be wise to do market research on the Gulf countries such as Qatar or Saudi Arabia. These countries are very promising also for new innovative health-care products. The economic growth has been steadily high in the gulf countries yet the decline of oil prices has had an impact on the growth negatively but still the vast majority of countries in the region produce deliver growth numbers. Finnish (healthy) food industry has a tremendous potential in exports. Recently Mr. President Niinistö offered Finnish invention plant protein (nyhtökaura) to his diplomatic guests.

In January 2016 on a trip to Denmark, Sweden and Iceland I was again convinced that xylitol is not as well spread as in Finland, in the country of its origins. In Sweden it is still possible to find xylitol products, although more the selections are more limited and expensive than in its counterpart and neighboring country, Finland. In Denmark, Norway and Iceland it was very difficult to find any of this health promoting product while Iceland ranked highest in these three countries in terms of the easiness to access these healthy products. I tried to explain shop clerks the benefits of the product and it seems that the American chocolate giant, Mars (Mars, Incorporated and its Affiliates 2016), with its...
Wrigley brand has been dominating all these markets with aggressive marketing claim of the health benefits of their non-xylitol products.

For instance the products of Mars have an commercial statement on the packing of a chewing gum pack stating it has xylitol content, then I saw it has only 2.1 % xylitol content when the Finnish dental association says that should be a minimum of 30 % in order to have the real benefits for oral health. (Finnish Dental Association 2016).

In addition I noticed in January 2016 in Italy the xylitol products that are on sale in stores are exclusively chewing gums, xylitol pastilles are hardly if at all accessible. In Malta respectively in January 2016 I found also only xylitol chewing gums in Lidl.

Generally chewing gums do clean the teeth better and spread the content of xylitol in it more widely than pastilles (whatever it might be, sometimes only 1 % such as in Orbit products, but the Finnish dental association recommends a minimum of 30 % xylitol content) in mouth than a mere pastille. Although pastilles should be available too since the occlusion may suffer if gums are used in excess. (Finnish Dental Association 2016).

I could not find a slot in the market for the products. At the moment such pursuit also seems to be far in the dark future. I have not seen the companies to pay any special interest in expansion to Poland. Constant expansiveness is very important for any businesses vitality. For the firms mentioned it seems that they require a lot of hermeneutic (analytical) processes to justify the underlying opportunities in Poland. This notion is based on the level of receptivity to the idea from Fazer and Cloetta in particular.

Succinctly two aspects arise when predicting the future of Finnish xylitol entrepreneurial undertakings abroad. Firstly, the question of how to increase the awareness of xylitol benefits in the chosen market. Secondly how to convince these people to whom the education of xylitol was directed fortuitously?

Time will show whether Finnish xylitol products are offered internationally or not. South-Korean Lotte is a pioneer in promoting their xylitol chewing gums and pastilles not only domestically but also at least in some parts of Europe and South-America.

I am about to start a new business in Helsinki, Finland. The experiences reflected from the failure of Xylitol Hymy Oy have taught me how important it is to be positive about trial and error and eventually I will be successful since success follows failure. Very rarely new businesses start generating profits and many times innovative new ideas need to be
launched before the right business model is found. Xylitol is still part of my everyday life and I do love the products I used to sell and for apparent reasons. I firmly believe that the failure in business was a true character builder, my self-confidence and direction in professional field got more precise.

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