



Aila Ahonen

CHALLENGES IN SPORT ENTREPRENEURSHIP: CASES IN TEAM SPORT BUSINESS



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Abstract

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The aim of this dissertation was to study the challenges in entrepreneurship in team sport enterprises. Sport entrepreneurship is a relatively new area of research in the sport management field and has been studied to a very limited extent earlier. The main research question in this study was: What are the challenges in entrepreneurship for small and medium sized team sport enterprises? This dissertation contains four papers addressing this question from different viewpoints.

The research method in this study was a qualitative case study approach. The analysis approach used in this study was hermeneutical, and the study represents the constructivist paradigm and interpretivist epistemology aiming at interpreting and understanding the phenomenon in greater detail. The study contains two team sport enterprise cases from Finland and one from Sweden. The research data came from multiple sources of evidence including the case companies' representatives' interviews. The interview data was further analyzed by using qualitative data analysis software.

The theoretical framework for this study consists of traditional entrepreneurship theories, earlier discussion of sport entrepreneurship, social entrepreneurship, and SME's internationalization. The findings of this research are presented in the four articles and summarized in the conclusions. The challenges in team sport companies in the studied cases can be connected to the need for entrepreneurship due to professionalization, business growth, social entrepreneurship, and internationalization.

The contributions of this study can be divided into theoretical contributions, sport entrepreneurship discussion of the challenges team sport enterprises face, and managerial contributions describing the influence on the team sport industry. The special features connected to sport entrepreneurship that give team sport business companies extra challenges in terms of entrepreneurship and business performance, are presented in a model which gives a starting point for the future research. The more practical managerial contributions can be utilized to support sport SME's entrepreneurial development.

Keywords: Sport entrepreneurship, Team sport business, Sport business management, Small and medium-sized sport enterprise

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Aila Ahonen
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List of publications

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- I. Ahonen, A. and Savolainen, S. (2018). The importance of entrepreneurship in small and medium-sized sport enterprises, in Dodds, M., Heisey, K., Ahonen, A. (2018) *Routledge Handbook of International Sport Business*, pp. 374-381. UK: Routledge. Published.
- II. Ahonen, A. (2019). Entrepreneurial growth in elite team sport SME's in Finland, *Journal of Entrepreneurship and Public Policy*, 8 (1), pp. 22-39. Published.
- III. Ahonen, A. and Persson, H.T. R. (2020) Social Entrepreneurship and corporate social responsibility in team sport clubs, in Ratten, V. (2019) *Sport Entrepreneurship and public policy; Building a new approach to policy-making in sport*, pp. 7-21. Springer Nature Switzerland AG2020. Published.
- IV. Ahonen, A. (2019). Strong entrepreneurial focus and internationalization – the way to success for Finnish ice hockey: the case of JYP ice hockey team, *Sport in Society*, 23 (3), pp. 469-483. Published.

Author's contribution

Author Aila Ahonen is the principal author and investigator in papers II and IV. In paper I, Aila Ahonen is the corresponding author and investigator, and Dr Sari Savolainen contributed to the theoretical framework. In paper III, Aila Ahonen is the corresponding author and Dr Thomas Persson contributed to the theoretical framework and brought in the second case data from Sweden.

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Nomenclature

Abbreviations

SME	Small and Medium-Sized Enterprise
HJK	Helsingin Jalkapalloklubi, Helsinki Football Club
JYP	Jyväskylän Pallokerho, Jyväskylä Ice Hockey Club
CSR	Corporate Social Responsibility
NHL	North American Hockey League
KHL	Kontinental Hockey League
CHL	Champions Hockey League
NBA	North American Basketball Association
UEFA	Union of European Football Associations

1 Introduction

Sport entrepreneurship has become an important education profile and theme for research only in the past decade. Sport as a physical activity to watch or to take part in has been studied from different viewpoints, such as economics, philosophy, marketing, psychology and ontology (Olivier 2006, Ratten 2010a). Sport business, however, has been studied mainly from the marketing, management and leadership points of view, but not from the entrepreneurship perspective. Entrepreneurship research has, on the contrary, a long tradition, starting from the beginning of the 20th century and emerging as its own discipline in the 1970's (Mason and Harvey 2013) and lately, entrepreneurship research has gained a distinguishable position in management journals (Audretsch, 2012). Recent studies have also focused on entrepreneurship in the sport business, usually together with management theories.

Sport is a globally growing industry, and its significance to people in terms of participating and watching is great. Sport business is expected to grow worldwide by around 6.4 percent in the next 3-5 years (PwC 2019). Business growth demands competitiveness and determination, which are also characteristics of elite sports. In both entrepreneurship and sports, the aim is to be a leader and better than the competitors. In the sport business, this competition is held in two arenas, in sport and in business, and that creates the phenomenon sport business. This combination makes this industry very interesting, but, at the same time, challenging to study from the entrepreneurship perspective. Generally, business often aims at maximizing profits. However, in sport business the aim could be more in utility maximization than in profit maximization and the motivation to run a sport firm often separates from general business. This makes sport as a business very unique, and therefore, worth studying from the entrepreneurship perspective. This study focuses on top league team sport enterprises.

1.1 Background of the study

Sport business is an internationally fast emerging industry. Depending on what is included in this field of business, it is worth billions of dollars. According to Shank (2009, 7), this industry internationally had over 200-billion-dollar turnover per year then, whereas according to Statista (2019), the market size for global sports market is 491 billion dollars. Ciletti (2012) maintains that the sport industry is worth \$600 billion, and Herstein and Berger (2013) calculate sporting goods, sports infrastructure construction, licensed products and sporting events to be worth \$480-\$620 globally. Klayman (2012) identified the spending related only to sport mega-events to be \$141 billion already in 2012. The problem with measuring this industry is its heterogeneity. The question is what is included in the sport industry, and what the sports-related industry is. Sport is often included in some other industry area, and figures or revenues cannot be measured precisely. In addition, the fact that there is a great number of volunteers working within this industry makes it difficult to measure in terms of size or impact on employment. The

biggest influence lately has been big sporting events that have boosted the revenues that companies have gained from the sport business. Another big influencer, the media, has had a great effect on sport businesses' growth, and they have made the most important sport competitions, such as the Olympic Games, NBA, NHL, and UEFA highly well-known brands worldwide. Besides economic impact, sport also provides entertainment for millions of people worldwide.

Sport and physical activities have always been important for the Finnish people and society. Success in sport has historically had great influence on the national identity of Finns; sport hobbies have a major role in young peoples' lives in preventing the risk of social exclusion and promoting health and wellbeing. The social aspect of sport and corporate social responsibility are often connected to sport enterprises (Persson 2008). Sport has been a very extensive phenomenon in Finland, Finns have won several Olympic and World Championship medals, and sport is very visible in the Finnish media. In Finland, the culture of non-profit seeking sports organizations run by volunteers has been strong. Moreover, the number of paid employees has been very low, and the sporting industry has been highly subsidized. (Heikkala 2009). Hence, the sport business sector is still mainly run by municipalities and non-profit organizations in Finland, but this trend has been changing lately since the public funding for sports is now decreasing. The significance of entrepreneurs is growing because the public sector is cutting their financing of sport, and more entrepreneurial opportunities exists in the sport sector.

Very often, the sport business in Finland becomes mixed with welfare as part of the whole physical exercise industry. This causes confusions in terms of what should be included in the sporting industry. Even the terminology is sometimes confusing: sport often includes top level sports and recreation, sporting goods, welfare services and the related infrastructure. These sectors often also include other than sports products or services. Successful sport business as a business where world-class sports, together with some by-products, would be commercialized is still very rare. Exploiting these business opportunities and recognizing the possibilities to grow is a key issue in the Finnish sport business industry. This study concentrates on a niche sector of this industry by examining national top-level team sport enterprises.

Top-level team sport associations in Finland turned into businesses only in the late 1990's. The development started with some reluctance since the message from the community was that professional sports did not meet the criteria of non-profit organizations anymore. Players' contracts were listed as employment contracts, and professional leagues in ice hockey, football and basketball were identified as profit-seeking businesses. Non-profit sport associations became businesses, or at least parts of their operations, mainly national league teams, had to become business enterprises. (Rosbäck 2012). This development towards entrepreneurially lead sport organizations is very recent in Finland compared to, sport industries in bigger countries, such as USA, where the business formation started in 1950's. Santomier (2002) describes the development of the sport industry in the USA within the past 50 years as a result of

technological, cultural and entrepreneurial forces. The business culture in top-level sports has longer roots in the US and in some bigger European countries than in Finland since they have a bigger customer base and more developed business actions around elite sports. However, after this development started in Finland, the dominant design of the industry changed and as a result, the old non-profit model changed in top league companies.

Beech and Chadwick (2013) define the development of sport as a business to contain seven different stages, three revolutionary phases and four evolutionary phases as follows:

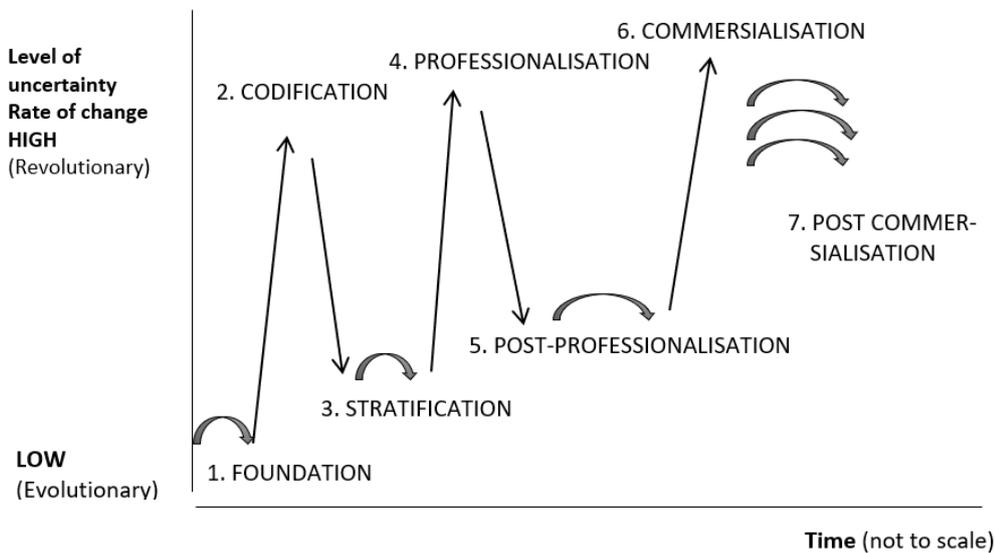


Figure 1.1: Framework: the development of a sport as business (Beech and Chadwick 2013, 5)

In the foundation phase, only the actual sport appears. The second step, codification could be, for example, the founding of a league (e.g., in this case, the Finnish ice hockey or football league), and in the stratification phase, a governing body responsible for codification is established. At this point, the club is still at the amateur level and does not pay salaries to the players but may employ administrators, and the governing body of the sport is defined. Stage four, professionalization, is important since that is the establishment of a business enterprise. The organization grows and starts employing its players, and the spectators are willing to pay for watching the games, and sponsors become more interested in becoming involved. During the post-professionalization phase, the business and amateur sport usually operate side by side, very often as a youth club and a top league team. In stage six, commercialization, external organizations see the opportunity to use the sport as a marketing tool, the related broadcasting expands, and

risks, together with possible revenues, increase. Very few sport businesses have reached the last post-commercialization stage. In this stage, the focus could be on a steady income and the predictability of the working environment. (Beech and Chadwick 2013, 5-9).

Elite sport companies in Finland have their roots in the 1990's when the first limited companies were established. Until then, elite sport was run by non-profit volunteer-based sport organizations, which still is the case with the majority of sport organizations in Finland. Sports, and especially top-level team sports, became entertainment and professionalized quickly when broadcasting developed. The players' salaries grew substantially, and the whole industry became commercialized. This rapid change caused debt problems in sports clubs, but also gave them new business opportunities. Volunteer work was still important, but more efficient decision-making and operational management were needed to run these organizations more professionally. Business orientation became familiar to sport organizations, and volunteer work was partly replaced by hiring personnel for administration and coaching. Opportunity seeking and skillful entrepreneurs were needed to develop the sports clubs further.

In Finland, the development towards sport entrepreneurship can be described, for example, as follows:

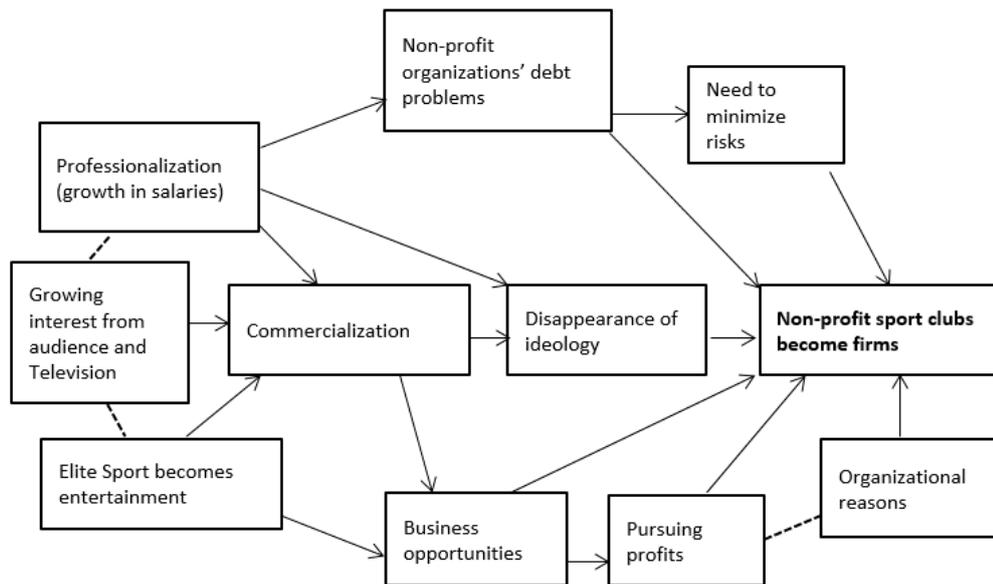


Figure 1.2: Sport associations' development from non-profit organizations to Limited companies (Karhatsu, 2003, 37)

Karhatsu (2003, 37) describes sport associations' development from non-profit organizations towards enterprises through professionalization and commercialization and adds opportunity recognition as well as the effect of media and entertainment into the

picture. The figure above portrays the sport industry's development towards entrepreneurial actions. However, the disappearance of ideology could be argued to be more like a change in ideology rather than a loss of it. The traditional ideology of volunteer work and community service has changed into a more business-oriented and commercial ideology of running a sport organization. Otherwise, the characteristics, such as debt problems, growing entertainment, the effect of media and entrepreneurial opportunities aiming at gaining profits in the long run are recognizable in the Finnish sporting clubs. However, one could also argue that the need to minimize risks is, perhaps, characteristic to some non-profit organizations, but certainly not to a sport enterprise. Risk taking is one of the characteristics required from an entrepreneur as explained later in the literature review. Nevertheless, the change in the dominant logic of the industry roughly follows the path described in the figure above.

The number of limited companies in the top-sport segment in Finland is nowadays still quite small, including mainly national league teams in ice hockey, basketball, football and volleyball. Moreover, a few individual athletes in, for example, alpine skiing, golf and tennis have established their own companies due to their success, and, of course, rally and formula 1 drivers run big businesses. In Finland, entrepreneurship in the sport industry is growing further because the public sector has reduced the production of sports services. Along with that, health issues have become more and more important to the customers and led more consumers to sport organizations. The Ministry of Employment and Economy has published two different reports concerning sport entrepreneurship's stage and development in Finland. According to the Development Strategy of Exercise Business 2020, the sport business is a separate, complex industry including, on the one hand, traditional sport operations from education, training and coaching to building infrastructure, and on the other hand, sport marketing, tourism and program services, equipment production, consultation and individual lifestyle coaching. (TEM 2010).

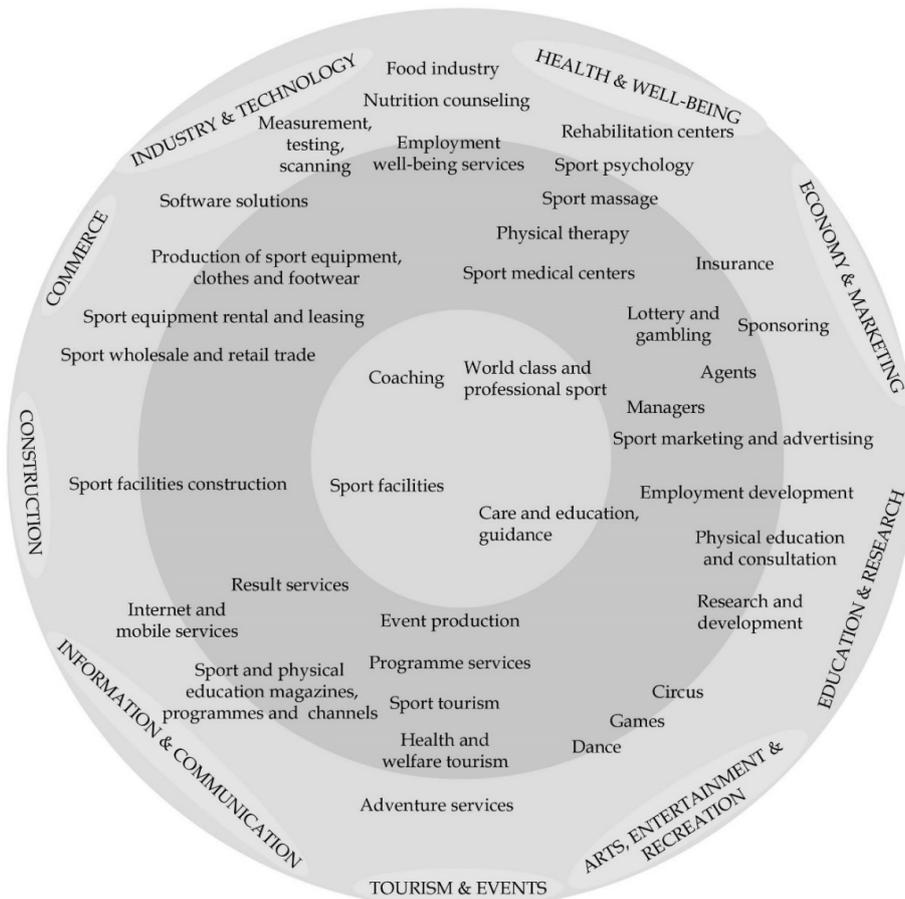


Figure 1.3: Existing businesses in the sport sector in Finland (TEM 2010, 9)

Heikkala (2009) proposes a compendium of sport business in Finland. He addresses the complexity of the business and indicates the difficulty of choice of what to include in this industry. The heart of the figure above characterizes entrepreneurship in core sports and the physical education business in Finland. Entrepreneurship in this sector is professional coaching and training in the physical education business whereas professional sports mean the top-sport leagues, education and sport facilities. Even in this core sector of sport business there are the commercial sector, public sector and non-profit organizations involved. The further we move from the heart of the figure, the more divided the field of sport industry becomes. Sport business connects with communication, tourism, entertainment, health and wellbeing, marketing, technology, and sport equipment production, and it has a great entrepreneurial potential, together with the existing entrepreneurship. (Heikkala 2009).

In this study, the focus is in the middle of the above figure, in the core professional sport business. The two studied Finnish companies, JYP Jyväskylä Ltd and HJK Helsinki Ltd

both represent a professional elite team sport company in Finland. The Swedish football club included in article IV falls into the same sector. Furthermore, they can be identified as small and medium sized enterprises (SME's), meaning that they belong to the small and medium sized enterprises' category because of their company size and the fact that they operate in rather small markets in terms of population. Finland serves as an example of a country with a small population (5,8 M), relatively high standard of living and high quality of education. However, the interest towards sports in Finland is high. Finland has a big variety of seasons and, therefore, a big variety of winter and summer sports available. Finnish people are highly interested in participating in sports, as well as spectating sports, and this creates demand in the market despite the small size of the country.

Sport entrepreneurship studies in the Finnish context are still rare, and this research aims to fill some of this gap. Sport plays an important role in society and involves multiple stakeholders. Sport is often seen as a complex phenomenon since it is not purely business but also practiced by public sector and non-profit organizations. Due to the lack of empirical research in sport entrepreneurship, especially in Finland, this study gives some insights into the discussion of sport entrepreneurship and tries to gain some understanding of different challenges in terms of entrepreneurship in team sport business. The findings are presented in the articles and their summaries and further discussed in conclusions.

1.2 Special features of sport business

Traditionally, sport has two different entities, commercial business companies and non-profit organizations, such as sport clubs, federations and associations. Sport business and sport companies sometimes differ from traditional businesses due to their non-profit roots. However, some sport companies are quite similar to any other businesses, such as sports technology, sport construction or sport education businesses. Companies belonging to professional sports sector have some special features that cannot be found in other businesses and therefore, they make sport business unique (Smith and Stewart 2010). The specificity of sport business has been recognized by the European Commission (2007) by the White Paper on Sport, European council declaration on sport 2008 and in the amended Treaty of the European Union in 2009 (European Commission 2011). Sport is seen as a rapidly commercializing industry and its specificity can be identified through sporting activities and the organization of sport. The specificity of sports is described by the European Commission as follows:

“The specificity of sporting activities and of sporting rules, such as separate competitions for men and women, limitations on the number of participants in competitions, or the need to ensure uncertainty concerning outcomes and to preserve a competitive balance between clubs taking part in the same competitions.” (European Commission 2007).

“The specificity of the sport structure, including notably the autonomy and diversity of sport organisations, a pyramid structure of competitions from grassroots to elite level and organised solidarity mechanisms between the different levels and operators, the organisation of sport on a national basis, and the principle of a single federation per sport.” (European Commission 2007).

Even though these viewpoints can be applied in all sports, they especially apply in professional team sports. The uncertainty of outcome is often mentioned to have an impact in sport companies, and it has an influence on business on both levels, on and off the field. The uncertainty of outcome plays a very important role in matches, and it attracts the spectators. This uncertainty also affects the income of the team company, meaning that the sporting success affects the number of spectators of each season, but may also cause the team to drop from the league and so affecting income for a longer period of time. In other words, the income is always seasonal, but costs are standard, which makes this business financially very demanding. Team sports are highly regulated businesses with multiple operational levels. The companies in team sports are governed by national and international sport authorities together with national company legislation. The governing bodies organizing the leagues often act like cartels, which is not the case in most business entities. Examples of this specified actions controlled by sport governing bodies and EU law are player transfers and free movement of players (European Commission 2007). Companies in the team sports business therefore are faced with navigating a much more complicated field of regulations, while dealing with more uncertainty, than a company in another industry would.

Foster, Greyser and Walsh (2006) discuss the differences between professional sports and business, identifying that both have challenges in marketing, branding, finances, product innovation and customer value creation. In addition, they claim that sport business has special functions, such as beating rivals, winning on the field, fans, passion for sport and shared revenues. The main differences within these dimensions between traditional business and sport are the importance of winning aspect versus financial profit in sport, the passion element in customers (fans), sport performance's effect on success, anti-competitive strategies and players (employees) positions as assets (Smith and Stewart 2010). Smith and Stewart (2010) identify four dimensions of special features of sport as follows:

“First, sport is a heterogeneous and ephemeral experience mired in the irrational passions of fans, commanding high levels of product and brand loyalty, optimism and vicarious identification. Second, sport favours on-field winning over profit. Third, sport is subject to variable quality, which in turn has implications for the management of competitive balance and anti-competitive behaviour. Fourth, sport has to manage a fixed supply schedule.” (Smith and Stewart 2010).

Sport fans are a unique form of sport customers, whose commitment to their team and sport cannot easily be found in other industries. Sport consumers as spectators do not differ much from any other consumers but sport fans can be very passionate about their sport, have a lifelong commitment and encompass social aspects, such as belongingness to a group and an emotional attachment (Smith and Stewart 2010). Emotions of fans and spectators are an important characteristic in team sport business because they attract and engage the customers to the team they support, affect their behaviour and create the atmosphere of the game event.

The winning versus profit aspect is interesting; some professional sports are very much profit-seeking businesses, such as Formula 1 teams, most of the football clubs in Europe, or North American football and basketball teams. When it comes to smaller countries, such as Finland, the aim for top-level businesses is to be profit-seeking entities, however, they are still very often supported by municipalities, shareholders and volunteer work. In order for a professional sport team to stay competitive, there needs to be on-field success but also a competitive sport league to ensure interesting competitions (Smith and Stewart 2010). There is always a need for competition in sport business, since the events cannot take place without direct competitors and collaboration between them (Beech and Chadwick 2013, 9). The focus of activity being the event of competition held in one of the competitors' facilities, the competition is never neutral, but affected by fans and the location of these facilities. This can be further extended to the idea of sport value framework by Woratscheck et al (2014), which describes the sport event as a platform for value co-creation for different stakeholders. Stakeholders in sport business often differ from other businesses, especially in terms of distinct customers, but also in terms of partner organizations. Sponsors are a very unique form of partners in sport business, where the monetary support for the team can be remarkable and the benefits for the sponsor very largely intangible.

Short termism in decision making in all levels is typical for sport business companies, and there are seldom long-term strategies. The aspiration or necessity for sporting success on the field, and the effect of individual players, forces clubs to focus on short term planning (Moore & Levermore 2012). Player sales and individual performances are a big risk in team sport companies when hiring their rosters (Radaelli et al. 2018). Another industry specific issue in relation to decision-making is the lack of the possibility to make all decisions independently since they are dependent on federations or other umbrella organizations (Ratten 2012). At the top level in Finland, there is the national federation, national first league association, European governing body and global governing organization, which all have their specific rules and regulations that influence the team company. The risks that come with the industry of professional team sports and the decision-making issues are what makes forming long-term plans challenging. It would be impossible to predict many of the on-field factors or new regulations of the several governing bodies that play a role in a team sport company's strategy. Short termism allows for considering these factors, whereas a long-term strategy often doesn't.

Very typical special character for sport business is volunteers working together with professionals, which could be a challenging combination for managers. Although, the focus of event organizers is in hiring professionals instead of volunteers, they are still a necessary resource for many first league companies in Finland. Sport enterprises often exploit both, volunteers and paid employees to assure their human resources (Ratten 2012). Volunteers participate also in sport business companies' operations and volunteer management is one essential part of sport firms' human resource management. Wicker (2017) suggest that the process of volunteerism in a sport organization includes aspects, such as selection and training, task allocation, logistics, communication and recognition of volunteers. In a sport business organization, there are volunteers on all levels of operations; events, board of executives, different services and operational tasks throughout the club. Volunteers are an invaluable human resource for sport organizations and their motivation needs special attention (Kim 2018). In addition to volunteer management, one challenge is player management, since player contracts are not similar to employment contracts. There are often difficulties in managing two distinct groups of employees and the allocation between players and other staff is can be difficult (Moore & Levermore 2012). The different contracts between groups of employees and the involvement of volunteers creates a need for managers with a broad and industry specific skillset.

Social entrepreneurship means an entrepreneurial activity addressing societal pains or fulfilling a task that meets a certain community need (Gallagher et al. 2012). In sport business, it means the entrepreneur's willingness to bring their own business knowledge, professionalism, networks and experience to use without monetary returns (Gallagher et al. 2012) or it can be seen as a marketing tool for the sport club (Gilmore et al. 2011) and a means to enhance the brand equity (Shropshire 2012). In sport, a social entrepreneur is often not motivated by profits, but more by the opportunity to make a social contribution to the community (Ratten 2010b). This leads to the discussion of profit maximization versus utility maximization in the sport industry. In sport business, the focus is very often first in the utility maximization on the field instead of gaining revenues, which makes this business somehow different from the mainstream where the aim for a company is to gain profits.

Negative special features of sport exist as well, such as corruption, money laundering and problems with intellectual property rights (European Union 2007), however, these cannot be identified as shaping much of the sport industry in Finland. In international context, these, together with doping issues, are negative outcomes related to sport business.

1.3 Research questions and objectives

The first aim of this study was to identify special sport entrepreneurship challenges in small and medium sized team sport enterprises. Sport has its unique nature and there are special characteristics that cannot be found from other industries. The second aim of this research was to deeper understand those challenges sport entrepreneurship faces in team

sport SME's. Maxwell (1996) describes research questions as the heart of one's study and points out that in qualitative research, there must be some amount of flexibility. Qualitative research should have research questions to start with, but they could be clarified further along the way. He also states that too precise questions too early might cause misinterpretations and lack of analysis (Maxwell 1996, 49-52). In a case study, a research question needs to have a substance (what is it about?) and form (how? why?) (Yin 2014, 10-11).

The main research question for this study is:

What are the challenges in entrepreneurship for small and medium sized team sport enterprises?

First action in this study was to identify sport entrepreneurship in the context of team sports in Finland (article I). The second article describes business growth and the characteristics affecting it in these top league enterprises. The subjects of observation were those turning points in the enterprises' development and especially those entrepreneurial actions that had led to their organizational growth (article II). McKelvie and Wiklund (2010) suggest that growth entrepreneurship research should concentrate more on understanding "why and how" enterprises have grown by researching their growth paths. They argue that recent literature has concentrated on growth rates instead of growth modes, and they present three different growth streams and techniques to study them. The importance of social entrepreneurship was stressed both in literature and the conducted interviews, and this led to the third article: social entrepreneurship and corporate social responsibility in team sport enterprises (article III). The fourth article in this dissertation was raised by multiple discussions in the field of ice hockey industry together with the case interviews. Since ice hockey is the most popular sport in Finland, the lack of empirical research of what the bottom line of entrepreneurial success in this industry is, generated the interest in further examining the ice hockey case (article IV).

The research questions derived from the theoretical framework and empirical data for the attached articles were the following:

1. What is sport entrepreneurship in a small and medium-sized team sport enterprise?
2. Why and how have the two studied first league sport enterprises grown?
3. What is the role of social entrepreneurship in team sport SME's?
4. What is the influence of internationalization in team sport SME's?

The answers to these research questions emerge from multiple sources of evidence. The results including the answers to these questions are further observed in each article.

1.4 Research approach and design

This study stems from a desire to understand sport entrepreneurship and different entrepreneurial characteristics that have influence entrepreneurship in ice hockey and football team sport business firms in Finland. The actual research topic was chosen purely based on researchers' interest towards entrepreneurship and sport business development. The research focus of understanding elite sport enterprises' entrepreneurial orientation and challenges takes this study into a field that has had very little research attention in Finland (or even elsewhere).

According to Hallebone and Priest (2009, 6-7), the next step, after perceiving the research question and aims, is to choose the appropriate philosophy of science and the logic of inquiry. This study falls into the interpretivist philosophy of science since it utilizes a qualitative case study approach and aims to generate understanding of a particular phenomenon in its real-life context. Interpretivist epistemologies often seek to describe and understand socially constructed realities, interpret the researched phenomenon and use qualitative methods (Hallebone and Priest 2009, 27). When the research involves behavioral approaches to entrepreneurship, it does not involve large-scale data sets but is more likely to be resorting to experimental methodology (Audretsch 2012).

The development towards top level team sport companies in Finland has been very recent since elite sports became an area of business only in the 1990's, and mainly ice hockey and football teams started working as professional companies. Professional ice hockey and football league sports are also the ones that attract most the media, sponsors, participants, fans and spectators in Finland. These professional league sport companies are characterized by their being in the highest national level, employing professional players and having a professional business policy.

After screening the elite sport business industry in Finland and the limited companies in it, it was found that there were professional businesses, i.e. limited companies, mainly in ice hockey, football, few in basketball and volleyball, and in some individual sports, such as alpine skiing, golf and tennis. In order to limit the choices and to be able to compare the results from the studied cases, the data was delineated to concern national league clubs in ice hockey and football. Two enterprises, HJK, Helsinki Football Club and JYP, Jyväskylä Ice Hockey Club, were chosen to be interviewed after measuring publicly available financial data of 11 national league football and 14 ice hockey companies. In the Finnish national football league, there are 12 teams playing, but one of them was still a non-profit organization. A third case from Swedish football industry was added in the social entrepreneurship study to enrichen the empirical data. The theoretical background consists of theories of entrepreneurship, sport business and sport entrepreneurship. The theoretical framework of entrepreneurship is enriched by bringing in a theoretical aspect of social entrepreneurship and internationalization in sport. The actual research process related to this report could be divided into different stages as follows:

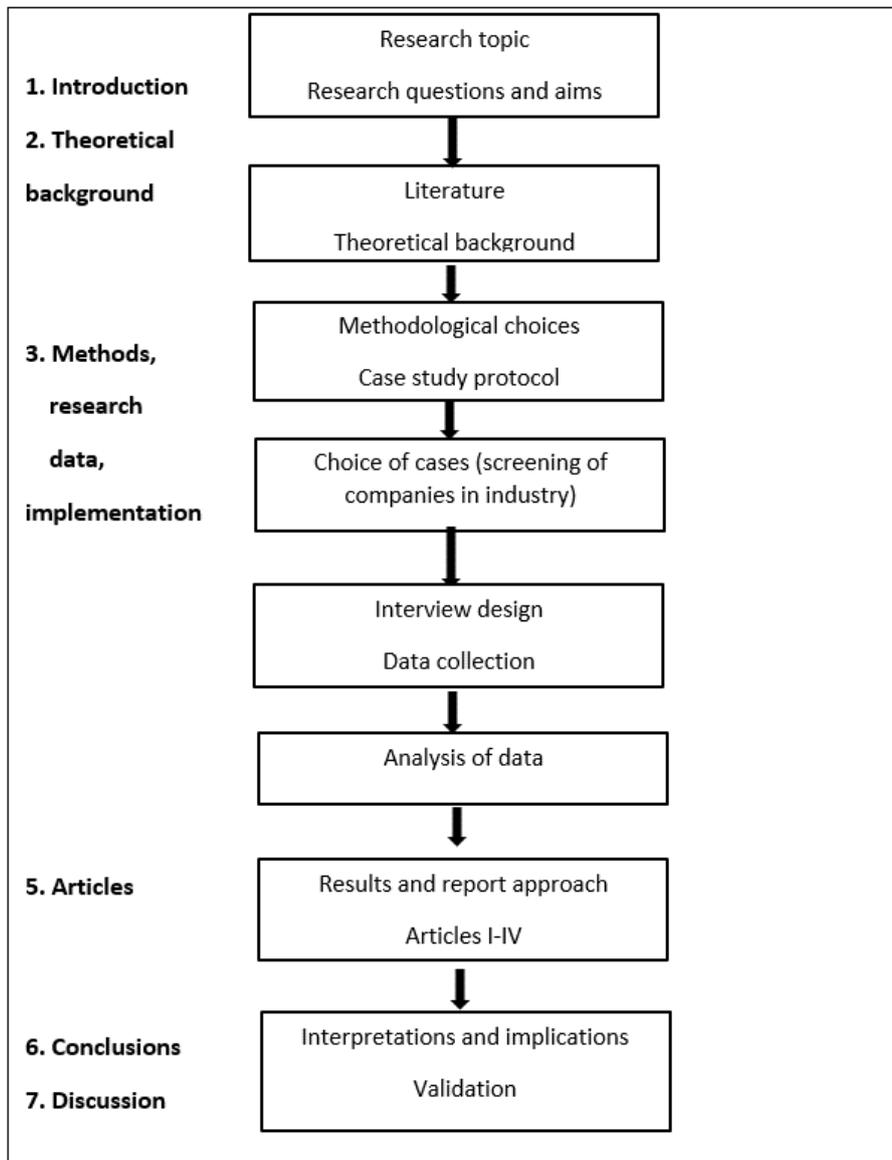


Figure 1.4: The research process of this study

1.5 Structure of the report

The structure of this report is very straightforward and delineated according to the design of this research as indicated in the above Figure 1.4. The report is divided into five sections: introduction, theoretical background, methodology and research data, summary of the publications and conclusions. In addition to these, all four published papers are

attached at the end of the book. In the introduction, the focus is first on introducing the background interest of this research and explaining its relevance to the Finnish sports industry since the focus of this study is mainly national. Secondly, the research questions and research design are presented in the introduction section to introduce and specify the research focus. The theoretical background section declares the theoretical framework of this study by presenting traditional theories of entrepreneurship, which are then combined with perspectives of sport entrepreneurship. This section combines the theoretical background discussed in all four papers whose summaries are presented in section four. In the last conclusions section, summarized answers to the research questions are discussed, theoretical and managerial contributions identified, the study is critically evaluated, and suggestions for future research are made.

1.6 Boundaries

The boundaries of this study are related to the temporal, geographical and industry characteristics and perspectives as well as case number delimitations.

This study focuses on understanding the entrepreneurial challenges in two studied Finnish cases, Helsinki Football Club and Jyväskylä Ice Hockey Club. The reasons for the number of cases are as follows: first, there are only two team sports in Finland where all the first league teams are limited companies and, secondly, two cases from different sports and different market areas give a richer picture than cases from the same sport could do. In the third article included in this study, a similar case from Sweden was added to enrich the discussed social entrepreneurship context, and to compare whether the situation within the same sport but in a different environment would result different aspects.

Geographically, this study is limited to Finland (and Sweden in paper III), and might, therefore, have some cultural features that exist only in the Nordic sport or business culture. Limited companies might be regulated differently in different countries, which may cause some aspects to function differently. Furthermore, the sport context adds some delimitations or at least some special features to this study as well. This is especially true with regard to the research background and earlier discussions since there is a very limited number of studies available concerning sport entrepreneurship. This gives an extra challenge to this study, but it makes it very fascinating as well.

The perspective in this study is on entrepreneurship from the entrepreneur's and enterprises' point of view. All of these companies are small and medium-sized enterprises, and their entrepreneurs can be assumed to have a strong impact on their actions. The attached research papers discuss several aspects of entrepreneurship from an organizational viewpoint, together with the individual entrepreneurs' impact on firm performance.

2 Theoretical background

2.1 Entrepreneurship

An earlier chairperson of the Finnish Entrepreneurs' Association stated that growth entrepreneurship is like world class sport:

“A growth entrepreneur is like a top athlete aiming at World Championship. A growth entrepreneur trains according to a specialized program, prepares carefully for the record, and pushes himself every day to being better than those entrepreneurs who do not wish to expand.” (Wuorinen 2010).

Entrepreneurship theories are often presented from either the organizational point of view or an individual entrepreneur's perspective. In this study, both aspects, organizational and individual level are considered in building the conceptual framework for this study. In sport SME's, such as the company cases in this study, strong entrepreneurs can create and define the organizational culture and, therefore, the individual entrepreneurs strongly affect the organizational level. These individuals have a strong position in their enterprises; they define the guidelines for entrepreneurial actions and have the power to make decisions on their own. An organization, on the other hand, is highly dependent on the environment of the industry where it operates, which in this case is unique and often quite turbulent. Therefore, both the individual entrepreneur and the enterprise as an organization are included in the theoretical background literature review.

Entrepreneurship has been defined in many different ways over time. The first definitions concerning entrepreneurship or entrepreneurial action can be tracked down to Richard Cantillon's writings (approximately 1680-1743) (Landström 2006, 28). The very first modern definition for entrepreneurship and entrepreneur is the one that Schumpeter introduced already in 1934. He states in his famous article from 1934 as follows:

“The carrying out of new combinations we call enterprise; the individuals whose function it is to carry them out we call entrepreneurs.” (Schumpeter 1934).

Schumpeter (1934) further reflects whether a capitalist is a synonym for an entrepreneur or not. On the one hand, he claims that a company's shareholders (who are defined to be capitalists) should be included in the entrepreneur's definition. However, on the other hand, he separates entrepreneurs from shareholders. Schumpeter's era is also evident in his text. In 1934, the world was quite different from today, and entrepreneurship was not considered a profession. The way in which Schumpeter (1934) explains that the entrepreneur is his own technical expert, professional specialist, buying and selling agent, head of his office, his own personal manager and legal adviser, shows the differences between our way of thinking and the 1930's way of thinking. Today the entrepreneur

usually has a large business network for all the necessary support functions instead of doing everything himself.

It is also important to understand the difference between a manager and an entrepreneur, although both functions are certainly needed in entrepreneurial actions. To this effect, Baumol (1968) defines a manager to be the individual who oversees the ongoing efficiency of continuing processes. In contrast, he defines an entrepreneur to be a Schumpeterian innovator, meaning that his job is to identify new ideas and to put them into action. He must lead and inspire, and he cannot allow things to fall into repetitive patterns, and for him, today's custom is not good enough for tomorrow. (Baumol 1968). An entrepreneur can be a manager as well, but a manager is not necessarily an entrepreneur. Obviously, the definition of an entrepreneur depends on whether we define the phenomenon from, for example, the juridical, economic, social or functional points of view. However, at the end, an entrepreneur is a person who takes great social and economic responsibility in his actions and manages a wide network in order to put new ideas in place.

Shane and Venkataraman (2000) define entrepreneurship to be recognition, evaluation and execution of opportunities by certain individuals: entrepreneurs. This definition implies that there exist business opportunities that can be evaluated by certain individuals, and furthermore exploited by these individuals. Hence, this means that entrepreneurship cannot be defined only based on these individuals' characteristics. However, the differences between individuals have an impact on who discovers the business opportunities and who does not. According to Mason and Harvey (2013), entrepreneurship and entrepreneurial opportunities are always dependent on context specific circumstances, conditions and historical processes.

2.1.1 Entrepreneurial opportunities

Entrepreneurship can also be defined through a certain process where entrepreneurs have certain characteristics and they behave in a certain way, and their businesses are at a certain level of the enterprise lifecycle. Cunningham and Lisher (1991) separate six different schools of thought to define the entrepreneurial process. Four of these schools take notice of different subjects in entrepreneurial actions. They conceptualize entrepreneurship by exploring the answers to questions concerning what kind of persons entrepreneurs are, what they achieve and what they do. In principle, schools of thought based on entrepreneurial characteristics address the characteristics from two different directions, one being interested in entrepreneurs' values and the other stressing the importance of great personalities. Apart from this, they also separate the idea of the intrapreneurship school of thought that refers to employees' entrepreneurial approach to their work. (Cunningham and Lisher 1991.)

Table 2.1: Summary of approaches for describing entrepreneurship (Cunningham and Lischeron 1991)

Entrepreneurial Model	Central Focus or Purpose	Assumption	Behaviours and Skills	Situation
"Great Person" School	The entrepreneur has an intuitive ability-a sixth sense, and traits and instincts he/she is born with.	Without this inborn intuition, the individual would be like the rest of us mortals who "lack what it takes".	Intuition, vigor, energy, persistence, and self-esteem.	Start-up.
Psychological Characteristics School	Entrepreneurs have unique values, attitudes, and needs which drive them.	People behave in accordance with their values; behaviour results from attempts to satisfy needs.	Personal values, risk taking, need for achievement, and others.	Start-up
Classical School	The central characteristic of entrepreneurial behaviour is innovation.	The critical aspect of entrepreneurship is in the process of doing rather than owning.	Innovation, creativity, and discovery.	Start-up and early growth.
Management School	Entrepreneurs are organizers of an economic venture, they are people who organize, own, manage and assume the risk.	Entrepreneurs can be developed or trained in the technical functions of management.	Production planning, people organizing, capitalization and budgeting.	Early growth and maturity.
Leadership School	Entrepreneurs are leaders of people; they have the ability to adapt their style to the needs of people.	An entrepreneur cannot accomplish his/her goals alone, but depends on others.	Motivating, directing and leading.	Early growth and maturity.
Intrapreneurship School	Entrepreneurial skills can be useful in complex organizations; intrapreneurship is the development of independent units to create, market and expand services.	Organizations need to adapt to survive; entrepreneurial activity leads to organizational building and entrepreneurs becoming managers.	Alertness to opportunities, maximizing decisions.	Maturity and change.

These different entrepreneurial process descriptions, in other words, schools of thought are highly dependent on the stage of the company's life cycle. However, characteristics

from the different schools can be defined based on one enterprise and its entrepreneurs' actions. In the sport business, intuition can have a remarkable role still in the maturity stage; hiring the right, expensive players in a team is based on the facts of the player, but often also on intuition since the outcome is never guaranteed. Intrapreneurship is needed in the sport business since the working hours are very often different to office hours and some kind of passion for sports is a very common feature for the employees as well as for the entrepreneurs. Even though it can be argued that different characteristics from different approaches can be found in one enterprise, the school of thought logic follows a pattern that is very rational in firm growth and development.

A very important point in this discussion about entrepreneurs and overall entrepreneurial actions is the effect of the political environment. Environmental changes have been studied carefully in entrepreneurial research as in other economics research. These changes have often been the major facts that affect the economic development of the enterprises. For example, changes in social and political environments can cause major modifications in economic development in terms of regulations, and legal issues. With legal regulations, governments can affect entrepreneurial opportunities and adjust the legal environment where the enterprises operate. Today, the discussion concerning governmental actions is wide since entrepreneurship has become more and more important to society. The tendency today in welfare states, such as Finland, is to abolish these barriers that might prevent entrepreneurial actions, and to encourage entrepreneurs to exploit the existing opportunities and establish new businesses.

Business opportunities are the core of the entrepreneurial process. Schumpeter (1934) argues that new possibilities are constantly being offered by the surrounding world, and, in particular, new findings are added to the existing store of knowledge all the time (Schumpeter 1934, 79). Furthermore, Leibenstein (1968) also emphasizes the entrepreneur's role by arguing that the inter-firm motivational state is important in entrepreneurial opportunity discovery. He examines the demand side of entrepreneurial action and defines different inputs to be gap-filling and input-completing capabilities. (Leibenstein 1968). In turn, Shane and Venkataraman (2000) define entrepreneurship to include an entrepreneurial person as well as the existence, recognition and exploitation of entrepreneurial opportunities. In addition, Laukkanen (2007) argues in his entrepreneurship definition that entrepreneurship is, above all, a business action and in order for it to be successful, it needs an entrepreneur and a favorable operational environment. It is obvious that in successful entrepreneurial actions both the entrepreneur and the surrounding environment play an important role.

Today the environment is more and more turbulent, and the changes that the entrepreneur must face are greater. One of the interesting impacts on the environment is the role of uncertainty. The role of uncertainty is in focus in Kirzner's description of the Misesian system and its entrepreneurial profile. Mises points out that entrepreneurial actions cannot be separated from individual human actions, but that they are affected by the surrounding uncertain environment as quoted by Kirzner (1982):

“The entrepreneurial element cannot be abstracted from the notion of individual human action because the uncertainty of the future is already implied in the very notion of action. That man acts and that the future is uncertain are, by no means, two independent matters, they are only two different modes of establishing one thing.” (Kirzner 1982).

The Misesian theory discusses the differences between human action and economizing activities in the ever-changing world. The main point of this discussion is the fact that entrepreneurs must operate in an uncertain world where the future is partly unknown. (Kirzner 1982).

Opportunity recognition is an important issue in the entrepreneurial process before and throughout the entrepreneur’s career. Shane (2003) gives an interesting insight into this entrepreneurial development process. The starting point is opportunity recognition, discovery and exploitation. Both opportunity recognition and exploitation are the key issues in the entrepreneurial process (Bygrave 1994; Shane 2003, 18-19). This model of entrepreneurial actions consists of four stages: the existence of entrepreneurial opportunities, the discovery of these opportunities, exploitation of them and allocation of resources, and the design of an organization and strategies. It could be pictured as follows:

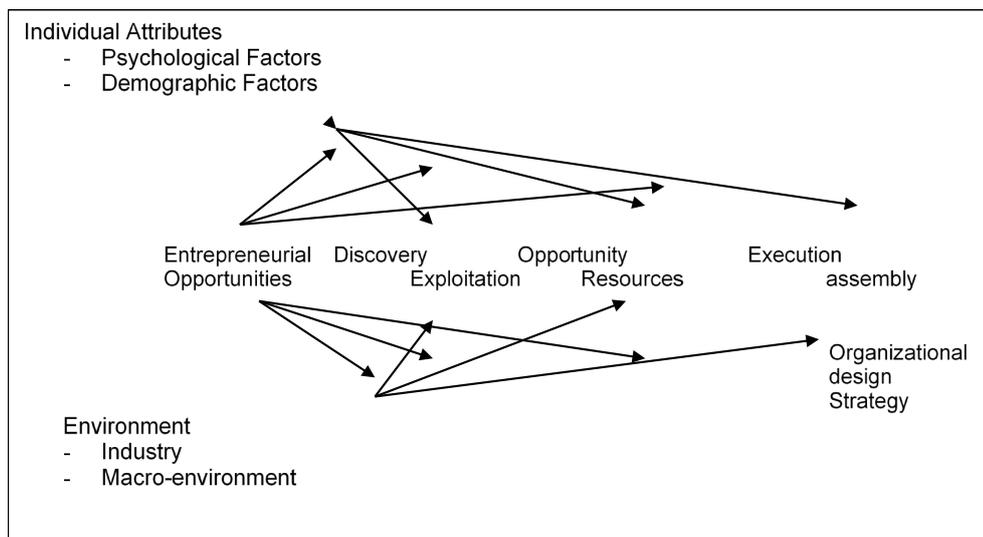


Figure 2.1: A model of the entrepreneurial process (Shane 2003,11)

Shane (2000) argues that the unit of analysis should not necessarily be the enterprise because it might give a one-sided view of the entrepreneurial actions. Therefore, the unit of analysis should also be the entrepreneur. When talking about opportunity recognition, he also highlights the importance of the entrepreneur’s previous knowledge. All people

cannot recognize the same opportunities because their previous experiences are different. The information networks through which persons analyze the world affect the possibilities to see opportunities where they exist. Nevertheless, people sometimes do find these opportunities without acknowledging them or without actively searching for them. All the decisions concerning the entrepreneurial process, such as strategies of how to enter the markets, or which resources to use, are reliant on the entrepreneur's previous experiences. (Shane 2000). Davidsson (2015) takes this further by discussing the role of entrepreneurs (actors) and external enablers, and how they affect the new venture ideas. External enablers represent the environmental circumstances that have an influence on opportunity recognition and usage when developing new businesses. The third construct that they stress is opportunity confidence which refers to the actor's individual evaluation of possible opportunities. (Davidsson 2015).

One common opinion is visible in the different definitions of an entrepreneur: an entrepreneur always creates something new, operates in a turbulent environment and is "a step ahead" when an opportunity exists (Bygrave 1994, Scarborough 2011, 25-27). Not all people have the required power to become entrepreneurs. Shane and Ekhardt (2003) introduce the theory of an individual-opportunity nexus where they conclude the previous discussions and highlight the individual cognition in the entrepreneurial process. The reasons why some persons are more likely to discover entrepreneurial opportunities than others include characteristics, such as risk-taking capability, self-direction, strive for autonomy and resources as well as financial, experiential, social and human capital. Opportunity recognition is, therefore, a result of a cognitive process, and the implementation needs sufficient conditions for entrepreneurial behavior. (Shane and Ekhardt 2003). Dimov (2011) highlights the importance of research from three different perspectives: opportunity as happening, opportunity as expressed in actions and opportunity as instituted in market structures. In other words, research should focus on venture ideas, markets and entrepreneurs' actions in relation to opportunities.

Sarasvathy (2001) discusses the difference between effectual and causal reasoning in entrepreneurial decision-making. Causal reasoning is based on the logic of a predictable future when effectual reasoning assumes future to be controllable. In other words, in the causation models, one can control the future if it can be predicted, and in the effectuation models, there is no need to predict the future as long as it can be controlled. (Sarasvathy 2001). This effectuation logic stresses the importance of the way in which entrepreneurs think instead of the individual characteristics or firm performance. The uncertainty of the future can be controlled by using effectuation logic in the entrepreneur's decision-making. Instead of long-term planning, which is dominant in causal logic, the entrepreneur seeks solutions that work for the time being (Puhakka 2007, Laukkanen 2007), which can be connected to sports' seasonal nature. The use of effectuation logic in decision-making enables the entrepreneur to change the set goals whenever the changing business environment requires something other than what has been planned. Effectuation logic applies especially when the markets cannot be precisely defined in advance.

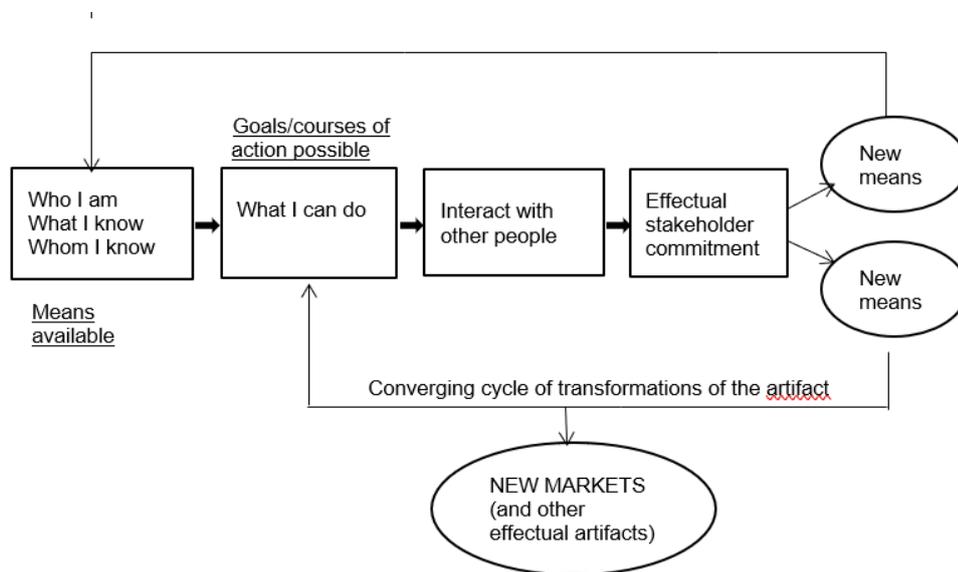


Figure 2.2: Dynamic model of effectuation (Sarasvathy 2008, 101)

Effectuation logic begins with the entrepreneur's know-how and previous experience and proceeds in a cyclic mode. Effectuation logic requires commitment, experience, learning and knowledge from the entrepreneur. By different means, the unpredictable future can be controlled even though the content may change along the development process. (Sarasvathy 2008, 101-106). Sarasvathy's ideas together with Shane's opportunity recognition theories widen the understanding of why and how some people discover opportunities and what the possible barriers are for some entrepreneurs to not recognize them. Moreover, the same aspects can be discovered in Ronstadt's (2007) corridor principle theory. He argues that an enterprise is like a corridor where new opportunities can be found in new corridors that open from the first one. These corridors might lead to the same direction as the previous business or to a totally new direction depending on the entrepreneur's intentions and capabilities. The corridor principle explains why the entrepreneur sees a certain opportunity and not something else. This opportunity exists because of the previous enterprise. The entrepreneur's knowledge of his/her customers, trends and suppliers together with the entrepreneur's capabilities, such as know-how, interests and abilities play an important role in opportunity recognition. (Ronstadt 2007).

2.1.2 Entrepreneurial orientation

The environment where entrepreneurs operate is often turbulent, and they must have certain personal characteristics and drivers to be able to cope within this ecosystem. Literature suggests that entrepreneurial orientation together with certain environmental factors might improve a firm's performance. Entrepreneurial orientation refers to an

enterprise's entrepreneurial activity in terms of strategy, decision-making style and practice. Covin and Slevin (1991) introduce a firm-behavior model of entrepreneurship and argue that entrepreneurial performance and orientation are functions of both the organizational level and individual level. Companies with an entrepreneurial orientation are willing to take high risks when aiming at success; they are proactive, innovative and opportunity seeking. They argue that the organization itself is never entrepreneurial, and, therefore, the behavioral models in the organizational and individual levels are necessary for understanding both the company level behavior and individual entrepreneurs' actions affecting the entrepreneurial process. This entrepreneurial condition or attitude is affected by three kinds of research variables. The first are the external variables including the external environment, technological innovations, dynamism, hostility and the industry's life cycle stage. Secondly, there are strategic variables, such as mission strategy and business practices and tactics, and, finally, there are internal issues, such as management style, resources, competencies and organizational culture and structure. (Covin and Slevin 1991). Lumpkin and Dess (1996) describe the entrepreneurial orientation construct to contain five different dimensions: risk taking, proactiveness, autonomy, innovativeness and competitive aggressiveness. The entrepreneurial orientation is context-specific, and these dimensions vary independently within their context. Kreiser and Davis (2010) renew this discussion by identifying three sub-dimensions of entrepreneurial orientation, namely innovation, proactiveness and risk-taking, to form a special relationship with organizational performance affected by the environment and organizational structure. Wiklund and Shepherd (2005) also stress the importance of the relationship between business performance and a dynamic environment. According to them, both entrepreneurial orientation and firms' access to financial capital positively influence the firms' performance. They also define entrepreneurial orientation to consist of risk-taking, innovativeness and proactiveness.

The three sub-dimensions of the entrepreneurial orientation, namely, proactiveness, innovation and risk-taking, are moderated by the external environmental characteristics and the internal organizational structure. Innovation relates to the organization's enthusiasm to support new ideas and products, creativity and novelty. Risk-taking describes the extent to which entrepreneurs are willing to take financial risks and how much other resources there are available. The high level of risk-taking as a contributing power to entrepreneurial success has been identified in many studies related to entrepreneurial performance (Covin and Slevin 1991, Kreiser and Davis 2010, Lumpkin and Dess 1996). Proactiveness associates with entrepreneurial opportunities; the entrepreneur discovers and takes advantage of the existing opportunities before the competitors and is capable of acting in a rapidly changing environment (Lumpkin and Dess 1996, Kreiser and Davis 2010). These three dimensions have a differential relationship with firm performance and other organizational variables, which Kreiser and Davis (2010) have identified in their study of entrepreneurial orientation. The external environment has a sufficient effect on the relationship between the sub-dimensions of entrepreneurial orientation and firm performance.

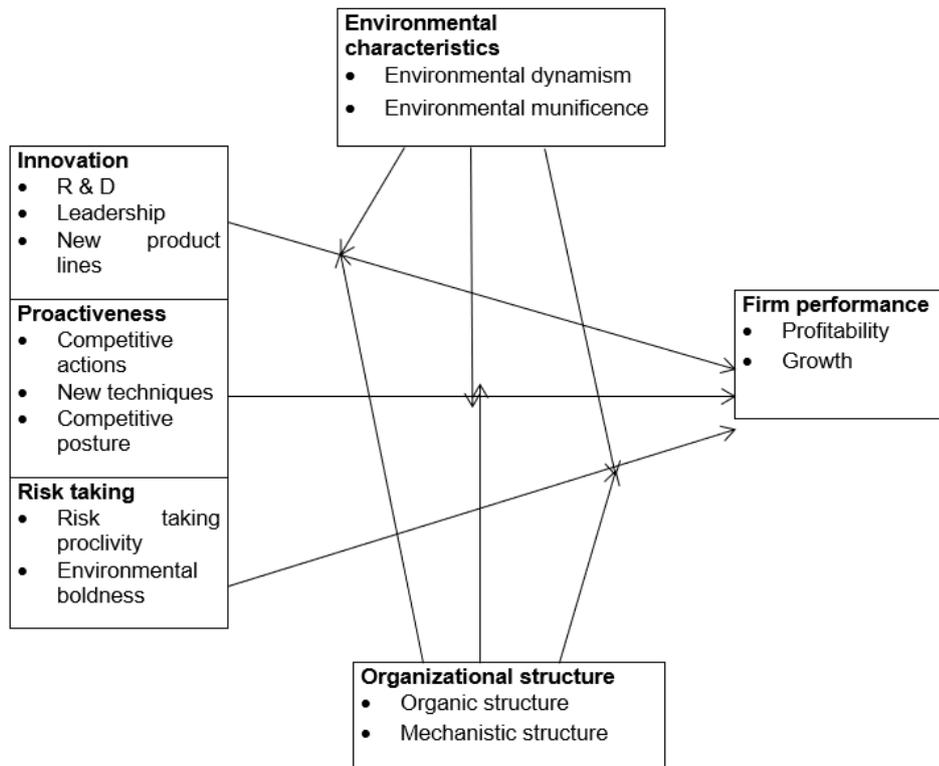


Figure 2.3: A theoretical model of EO-environment-structure-performance relationship (Kreiser and Davis 2010)

The more uncertain and dynamic the environment is, the more opportunities there exist (Kreiser and Davis 2010), and firms act proactively in trying to gain a competitive advantage. Growth and profitability are both related to environmental dynamism and proactive strategies. Environmental dynamism refers to a firm's internal facts, such as innovations and uncertainty, when the munificence of the environment refers to external opportunities and resources. Firms operating in munificent rather than hostile, and dynamic rather than stable, environments can benefit from innovative and proactive strategies together with convenient risk-taking behavior. (Kreiser and Davis 2010). Organic structures with a high level of flexibility, open policies in planning, effective decision-making and communication have a positive impact on the relationship between entrepreneurial orientation and firm performance, and this may lead to financial success and growth (Kreiser and Davis 2010, Lumpkin and Dess 1996). Mechanistic structures with a high level of bureaucracy, control and hierarchy do not encounter with entrepreneurial orientation. Organic structures give a firm flexibility to act proactively when opportunities exist and promote the needed innovative behavior when exploiting these opportunities. (Kreiser and Davis 2010.) A dynamic and uncertain business environment also requires a certain amount of flexibility in company decision making

and strategy in order to be able to compete and succeed or even grow in the rapidly changing markets. To conclude about the importance of an entrepreneurial orientation in relation to firm performance and the effect of internal structures and the external environment, Kreiser and Davis (2010) argue that:

“A firm operating in a dynamic and munificent environment should emphasize very high levels of innovativeness and proactiveness, moderate to high levels of risk taking, and should implement an organic structure.” (Kreiser and Davis 2010).

Moreover, Wiklund and Shepherd (2005) argue that the firm performance is not only influenced by the sub-dimensions of these entrepreneurial orientations. However, there is clear evidence that it is also influenced by access to financial capital. According to it, entrepreneurial orientation can be adopted to overcome certain restraints, and companies that have a limited access to financial capital and who operate in a stable environment might benefit the most in adopting an entrepreneurial orientation strategy. (Wiklund and Shepherd 2005.) It is obvious that there is a distinct link between the three sub-dimensions of entrepreneurial orientation and firm performance affected by a certain organizational structure and a certain operating environment.

2.2 Growth entrepreneurship

In the 1990's and still at the beginning of the 21st century, the discussion on entrepreneurship in Finland was based on the idea that we should increase the number of enterprises. This conclusion was a consequence of the economic depression at the beginning of the 1990's when the number of enterprises considerably decreased. The growing interest towards growth entrepreneurship has changed the direction of the discussion as well as introduced the idea of the quality and growth possibilities of companies. The number of growth enterprises is very small in Finland, but their significance to the national economy is great since they create most of the new jobs. It is necessary for firms to grow, first, in order to create new jobs and, secondly, to develop new products and services, new business models, service processes and production systems (Hyrsky 2007).

Growth entrepreneurship is a very complex and versatile phenomenon and rather a combination of different characteristics. Organizational growth can be traditionally divided into two basic categories: organic growth within a company or growth through corporate acquisitions. McKelvie and Wiklund (2010) add another, third, category, namely, hybrid growth models. Organic growth is a firm's internal growth, usually performed based on its current resources, and it is very typical for small and medium sized enterprises (Davidsson et al. 2006, 30). Growth by acquisition simply means growth by buying new businesses. The third way to grow, the hybrid models are neither organic nor acquisitive but somewhere in between. They represent business models, such as franchising, licensing and strategic alliances (McKelvie and Wiklund 2010). According

to Hyrsky and Lipponen (2004), companies can grow by expanding their current market, creating new business or through corporate acquisitions. In the present study, the focus of the growth entrepreneurship literature review is on organic growth since the studied enterprises are small and medium sized, and they have grown organically.

Penrose (1959) describes firm growth in her famous “Theory of the growth of the firm”:

“The continued growth of a modern business firm can, I think, be most usefully viewed as the continual extension of the range and nature of the activities of an organization in which the role of the owners may or may not be relevant, and of which even ‘central management’ (or entrepreneur) is only a part, though a very important part. It is at the organization as a whole that we must look to discover the reasons for its growth.” (Penrose and Pitelis 2009, 57).

Both, the individual entrepreneur and the whole organization are important when achieving growth. However, the role of the entrepreneur in small and medium sized companies tends to be more significant and directional than in large organizations. Besides this, Davidsson et al. (2006, 33) argue that organizations can only grow if they are successful.

In literature, there are various studies that explain entrepreneurial growth in distinct ways. Even though there are multiple interests and a massive amount of research concentrating on entrepreneurial growth, it seems that there is a lack of theory capable of explaining the mainly organic small business growth. Different researchers stress different approaches when studying growth entrepreneurship. Some concentrate on external forces, when others underline the importance of internal factors and the individual entrepreneur’s role. According to Mäki-Fränti (2006) and Hyrsky (2007), at least four internal factors affect possible growth, namely the characteristics of the organization, the individual entrepreneur as well as growth and leadership strategies. Laguir and Den Besten (2016) identify that work experience and motivation are the cornerstones of entrepreneurial growth for micro and small business enterprises. On the contrary, Osborne (1993) argues that the basis for a company’s growth comes from the business concept’s operability. An entrepreneur should identify the needs of his customers and the company’s market possibilities so as to develop the best possible competition strategy (Osborne 1993). This is further stressed by Weber et al. (2015) who argues that growth is always part of a company’s strategy and that willingness to grow determines the success of this strategy. Laukkanen (2007) defines growth entrepreneurship as entrepreneurial actions aiming to gain quantitative growth and generate wealth. A growth enterprise, he defines, is a firm managed by highly growth-oriented leaders. (Laukkanen 2007). Hyrsky and Lipponen (2004) have described the criteria of growth entrepreneurship in Finland as follows:

Table 2.2: Criterion for growth entrepreneurship (Hyrsky and Lipponen 2004)

1. Growth orientation	<ul style="list-style-type: none"> - Entrepreneurs commitment to growth and development - Evidence of growth; credible objectives and plans or materialized growth figures - Desire; ambitiousness and attitude towards growth - Ability to take risks - International markets
2. Growth ability	<ul style="list-style-type: none"> - Key persons know how - Innovativeness - Economic resources and realistic plans - Stake holders, personal network
3. Recognizable competitive advantage	<ul style="list-style-type: none"> - Innovation; product or service - Know-how - Cost efficiency, price competitiveness - Brand and customer relationships - Market orientation, strategic companionship
4. Market opportunity	<ul style="list-style-type: none"> - Clear focus - Demand and customer needs identifiable - Growth potential - Competition situation

In the different stages of their lifecycle, companies grow differently, but certain basic elements exist in a firm's business principles if it achieves growth. Entrepreneurs are very much entrepreneurially oriented, prepared to take risks, and they have the ability to recognize opportunities and face competition. For a start, there should be markets and demand, and the company's employees' abilities must meet the expectations of the growing business. Innovativeness and motivation to grow are defined to be competitive advantages for business growth. (Hyrsky and Lipponen 2004).

Poufelt (2007) points out seven important strategic elements for growing enterprises in his growth entrepreneurship study. Growth enterprises focus on a special area of business, they have well-functioning business systems, large value chains and networks, good self-financing, they tend to grow organically and their profile is internationalized. These companies' organizational development is advanced, and they manage successful employee recruitments. They also have a skillful executive board with members outside the firm, determination and an attitude of speed and action towards their work. He argues that by focusing on the core business activities and products and avoiding expansion outside the core business, the entrepreneur can keep the company profitable, and that enables growth. According to his study, all the unprofitable businesses have been closed down quickly. Active networking is one of the main functions of a growth enterprise, as well as a functioning infrastructure. By growing organically, a firm might grow more slowly but steadily and, hence, gain a long-term competitive advantage. The organization should be ready for the change that growth brings and educate the personnel accordingly. Successful recruitments and task delegation are key factors in managing growth. Ability to make fast decisions and determination characterize these enterprises. (Poufelt 2007).

Laukkanen (2007) identifies six growth possibilities for organically growing enterprises: innovation-based enterprise, managed business diffusion, previous enterprise as a base, acquisition, portfolio growth and growth from external pull. Innovations can be either technical innovations or an innovative solution to a problem. Innovations are also important when managing business diffusions. Enterprises can grow by taking several small steps over time together with effective marketing and branding or by adopting fast growth strategies. Previous businesses can act as a base for a new growth enterprise either financially or operationally since entrepreneurs have gained know-how and experience from their previous businesses, and they can utilize it by setting up new businesses or branches. Portfolio entrepreneurs set up various businesses in order to practice different business activities. All these actions very often require favorable external conditions, demand and markets. (Laukkanen 2007, 31-40).

On a firm level, entrepreneurial orientation affects the firm's performance success, and there is evidence that it affects the firm's growth as well (Wiklund et al. 2009, Covin and Slevin 1991). Wiklund et al. (2009) developed an integrative model of small business growth where the determinants were entrepreneurial orientation, the environment and the firm's strategic fit with it together with resources and the management's attitude. They suggest that the firm's entrepreneurial orientation tends to be the guiding actor conveying the impact of the environment on, resources for and attitudes towards growth entrepreneurship (Wiklund et al. 2009). As mentioned earlier, entrepreneurial orientation has a positive effect on a firm's performance and success, and therefore, it can be assumed that it has a positive impact on growth as well. Entrepreneurial orientation includes such characteristics as innovativeness, risk taking and proactiveness, which are closely connected to growth entrepreneurship. Lumpkin and Dess (1996) argue that entrepreneurial orientation and performance are not only dependent on a firm's internal strategic actions, but that they are also context specific phenomena and, therefore, dependent on the external environment. Wiklund et al. (2009) have found that the strategic choices that the management makes in developing entrepreneurial orientation have a positive effect on small business growth, and that the environment, management attitudes and resources have a direct effect on small business growth and an indirect effect on growth through entrepreneurial orientation.

A dynamic environment with constant change offers more opportunities for entrepreneurs to pursue and exploit. This provides them with the possibility to grow. However, the effectiveness of entrepreneurial orientation requires a fit between the company characteristics and the operating environment. According to Wiklund et al. (2009), resources that influence the entrepreneurial orientation can be divided into financial capital, human capital and entrepreneurial networks or, in other words, social capital. The financial capital enables a firm to function more easily, in other words, exploit opportunities, take risks and invest. The human capital refers, especially to the entrepreneurs', but also to the staff's know-how, experience and skills to lead and run the company and pursue opportunities when necessary. Social capital means entrepreneurial networks that provide access to information, capital and resources necessary for

functioning and growing successfully. These might include alliances with other companies, internal relationships with the management team and relationships with the company stakeholders.

The management's attitude towards growth together with motivational factors are of importance in small business growth since the personal goals of the entrepreneur might either help the progress of growth or set limits to it. To conclude, Wiklund et al. (2009) argue that the three most influencing constructs affecting small business growth are the level of entrepreneurial orientation, the management's growth attitudes and the dynamism of the environment. Dobbs and Hamilton (2007) studied the previous discussion on business growth and divided the determinants of small business growth into four categories: management strategies, the entrepreneur's characteristics, environmental and industry specific facts and firm attributes. The same conclusions can be found in Lumpkin and Dess (1996) as they stress the importance of environmental variables, such as industry characteristics, environment dynamism, munificence and complexity, and organizational factors, such as structural and strategic processes, resources, company size and management team to be critical in utilizing the entrepreneurial orientation in order to achieve high performance and growth.

Enterprises' growth can also be described through different growth models. According to McKelvie and Wiklund (2010), research has been focusing on explaining differences in firms' growth without paying attention to how these companies have grown. They argue that more attention should be drawn to qualitative differences in firms' growth processes. The growth process can be explained by using different growth approaches, which intend to explain why some businesses grow. Storey and Greene (2010, 222-241) identify six different growth approaches: evolutionary approaches, social networks, resource-based views, managerial approaches, economic approaches and random approaches. Dobbs and Hamilton (2007) also name six approaches to studying small business growth: stochastic, descriptive, evolutionary, resource-based, learning and deterministic approaches. These two perspectives are compared in the table below.

Table 2.3: Comparison of two approaches of explaining the small business growth (After Storey and Greene 2010, 222-241, Dobbs and Hamilton 2007)

STOREY & GREENE	DOBBS & HAMILTON
Random approach Growth is random, because there are so many different variables affecting the business performance for growth to even become a matter of chance.	Stochastic approach There is large number of variables affecting the growth and the size of the firm.
Resource based view Focus on physical, social and human capital resources and the firms' dynamic capabilities that enable the growth.	Resource based view Management resources and capabilities to identify opportunities, and a strategic fit between the firm and resources.
Managerial approach Individual entrepreneur's psychological profile and intention to grow, management style and entrepreneurial orientation have an effect on business growth.	Learning perspective Entrepreneurs gain the sufficient knowledge to facilitate the growth of their business through learning.
Social networks Growth is associated with the use of formal and informal external resources. Focus on both individual and firm level networks.	Evolutionary approach Growth is dependent on the interaction of external and internal resources.
Economic approach Growth is path dependent and strongly influenced by the industry's cost structure.	
Evolutionary approach Growth is organic and explained by using stage models which describe the life cycle of the business together with growth development.	Descriptive approach Growth is explained by using stage models of how small businesses adapt growth internally.
	Deterministic approach Identification of stable variables (on all individual, firm and industry environment level) that could explain the growth. Emphasis on what causes the growth.

Random or stochastic approaches assume that growth is an outcome of many different variables affecting the business performance and even sometimes of pure luck (Storey and Greene 2010, 235-237). There are many factors that affect business performance and growth, especially in small businesses the growth path can be very heterogeneous, and therefore, together with a turbulent task environment, this approach can be in some cases justified. The resource-based view of business growth is based on Penrose's (1959) theory of growth (Dobbs and Hamilton 2007), and it stresses the importance of each firm's unique resources, capabilities to exploit entrepreneurial opportunities and competencies to maintain a competitive advantage. This approach is close to Storey and Greene's (2010) managerial or learning approach and Dobbs and Hamilton's (2007) learning perspective. The managerial approach connects the entrepreneur's psychological profile, growth intention and managerial style together in this managerial approach. Entrepreneurial characteristics and growth intention, as well as a certain managerial style,

can partly explain the causes that have led to organizational growth. However, they ignore the impact of the external environment. Growth intentions together with innovativeness, proactiveness and risk taking create a firm level entrepreneurial orientation, which has been proved to have a powerful effect on business growth (Wiklund and Shepherd 2005). The learning perspective strengthens the discussion of individual entrepreneurs' or managers' role in business growth by emphasizing the importance of learning in knowledge creation. The entrepreneur achieves the necessary resource of knowledge by learning (Dobbs and Hamilton 2007) and from previous experiences (Politis 2005). The entrepreneur's know-how and career experiences, such as managerial or industry specific experiences, together with an entrepreneurial orientation can have a crucial influence on entrepreneurial learning (Politis 2005).

Social networks as an approach to achieving business growth contain both entrepreneurs' formal and informal networks and environmental influences ranging from the geographical location to other important companies and stakeholders. In an economic approach, the influence from the external environment is limited to the industry's cost structure. (Storey and Greene 2010, 235). According to Dobbs and Hamilton's (2007) evolutionary approach, these social external networks and internal forces both have an effect on business growth, and there are no standard models for demonstrating the growth path since the circumstances of growth are individual and unique. This evolutionary approach differs from Storey and Greene's (2010) evolutionary approach that is based on stage models that emphasize growth as clearly defined stages.

The last approach presented in the table earlier is Dobbs and Hamilton's (2007) deterministic approach where the emphasis is on what actually causes business growth. The aim of this approach is to identify certain variables that explain growth. The focus is on individual, firm and the industry's environmental characteristics that can affect growth rates over a period. (Dobbs and Hamilton 2007). The deterministic model pays attention to all levels of small business actions and contexts where they operate, and it can, therefore, explain the possible causes of growth in more detail than the previously mentioned approaches. Regardless, also these deterministic models have their limitations since they can only explain some variations in business growth but not fully explain it. However, this approach is also supported by McKelvie and Wiklund (2010) as they stress the importance of the growth mode instead of the growth rate, and they highlight the significance of reasons to grow in the growth development process.

2.3 Sport entrepreneurship

Sport business has been defined in many different ways, depending mostly on the context in which it has been discussed. Sport itself is often defined as a physical activity that typically, but not always, is competitive and played by the certain rules (Taylor 2011, 15). Sport as a business, especially in Finland, is still at its introduction stage in its lifecycle, even though it has developed rapidly during the past decades. It can be expected to grow further and offer multiple business opportunities to entrepreneurs. There have been

several factors influencing this global growth and development: the complexity of the sport industry, the growing interest of media, development of the globalized marketplace, strengthening competition, the influence of technological development, for example, the Internet and the convergence of the global customer behavior (Santomier 2002).

Sport has been studied from different viewpoints, such as economics, philosophy, physiology, psychology and ontology (Olivier 2006, Ratten 2010a). Sport business has been researched mainly from the marketing, management and leadership points of view. Although recent studies also focus on entrepreneurship in sport business, usually together with management theories, the number of studies is still very limited. Sport entrepreneurship remains an unstudied phenomenon (Bjärsholm 2017). Porter and Vamplew (2018) combine sport history and business history, and present new approaches to sport entrepreneurship based on the innovations and the idea of new opportunity exploitation. Demand for sport entrepreneurship research is explicit since sport businesses need to become more entrepreneurial in order to compete in the local and global markets.

Sport entrepreneurship includes a variety of businesses, and it is very heterogeneous by nature. Sport business also acts differentially depending on the environment where it operates because social, legal and governmental restrictions differ a great deal depending on the country (Ratten 2011a). Sport requires innovations and operates in a turbulent environment, just like entrepreneurship (Ratten 2011a). Taylor (2011, 169-171) discusses sport business as a part of leisure business and connects it closely with tourism. He divides sport and leisure business into three different categories: the private, in other words, commercial sector, public sector and the third sector, meaning non-profit organizations. From these three, the commercial sector generates most of the revenue in sport related businesses. Ball (2005) also emphasizes the importance of entrepreneurship for the hospitality, leisure, sports and tourism businesses. These industries are growing globally, and they are important contributors to national economies. There are different challenges in the growth of these industries due to the rapidly changing environment, human resources, product and service development, and entrepreneurship is the driving force in this change. (Ball 2005).

Fullerton (2010) divides sport products into three segments: access to spectator sport events, the provision of venues for participation in sports as well as sporting goods and apparel (Fullerton 2010, 4). Sport historian Hardy (1986) starts his analysis of sport entrepreneurship, organizations and marketplace by defining the development of the sport industry. This involves the sport products, entrepreneurs developing the products and the networks and organizations that the entrepreneurs create. He argues that a product's nature usually defines the organization that produces it. He identifies sport products to include the activity or game form, the service and the goods. (Hardy 1986). Santomier (2002) introduces the US sport industry in three sectors: performance, production and promotion. In the performance sector, consumers are spectators or take part in the actual trainings. The production sector provides the equipment for the sport, and the promotion

segment includes, for example, marketing and sponsoring activities. He connects all these sectors tightly to entrepreneurship and stresses the possibility to recognize entrepreneurial opportunities and create new business ventures in each sector. (Santomier 2002). In sport business, there are multiple entrepreneurial opportunities, and entrepreneurial activities are needed to develop different sport-related organizations (Ciletti and Chadwick 2012, Ratten 2011a, Santomier 2002).

Innovations, proactiveness and risk-taking are also closely connected to sport entrepreneurship (Ciletti 2012, Hardy 1986; Ratten 2010a). Technological innovations have shaped the overall sport industry and developed new sports, new products and services, sports participation and marketing activities. Digitalization, including different ways of promoting and broadcasting sport as well as digital marketing together with the fragmentation of the traditional media, has especially had an enormous impact on sport. Social media have given sport enterprises new ways to market their products, stream their events and engage the sport consumers. Sport organizations often act as agents of change in society or advance sustainability in their operations (Ciletti 2012). Sport organizations have been proactive in progressing sustainability in their operations by exercising environmental responsibility or enhancing social responsibility. However, proactiveness also appears in the field of marketing, especially in not so highly valued ambush marketing. Ratten and Babiak (2010) connect sport entrepreneurship with corporate social responsibility and philanthropy and argue that these issues have become an important part of sport organizations' business operations.

Risk taking in sport organizations was not previously such an issue as it is today since sport organizations were not considered profit seeking organizations. Government and other institutions highly subsidized them, and they operated mainly by volunteer resources (Hardy 1986). However, today's sport entrepreneurship is a high-risk business including both social and financial risks. Ciletti (2012) defines different risks in sport business to be related to expansion, finances, recruiting employees and athletes, licensing, markets and buyer behavior as well as legal and political issues. Due to the turbulent environment and the globally and rapidly changing industry area, sport entrepreneurs need to take risks in order to develop their businesses further. This risk taking is especially evident in sports, such as football, which invest heavily in worldwide scouting to employ the best talents (Radaelli et al. 2018), and the same applies to ice hockey. Radaelli et al. (2018) argue that the human capital of players should be seen as a business opportunity rather than just a resource of a company. Human capital, understood as the skills and talents of the players, represents an opportunity to improve the sporting performance and popularity of the team (Radaelli et al. 2018).

One of the first sport entrepreneurship theories is the sport-based entrepreneurship theory (Ratten 2010a, 2011a), which brings traditional entrepreneurship discussion in sport context. It argues that:

“Sport is an entrepreneurial process as innovation and change are key elements of sport.” “Sport-based entrepreneurship involves proactive, innovation and risk-taking behavior in the sporting context.” (Ratten 2011a).

This theory identifies a number of different types of entrepreneurships affecting sport such as social, technological, community-based, corporate, institutional and international entrepreneurship (Ratten 2011a). It contains sport-related activities processed and managed by entrepreneurial individuals, together with innovations to develop the business venture. Both entrepreneurship and management play an important role in this context. As sport business is regarded as a fast-changing industry, entrepreneurs are expected to be innovative, willing to take risks and capable of interpreting the opportunities. In sport-based entrepreneurship, the emphasis is on the value creation process and the possible ventures resulting from this process. In this theory, value creation is also linked to social responsibility. (Ratten 2010a). This theory is a good starting point for sport entrepreneurship discussion combining the traditional entrepreneurship discussion into the context of sport entrepreneurship.

Moore and Levermore (2012) discuss small and medium-sized businesses' viewpoint of sport entrepreneurship and study whether their parameters can be applied to English football clubs. They argue that certain organizational characteristics, such as resource constraints, informality and authoritarian management as well as short-termism are characteristics of small and medium-sized enterprises (SME's) in general and especially in sports. Resource constraints in small and medium-sized sport organizations can be seen in the scarcity of financial and human resources. These companies can seldom offer the same career opportunities as bigger employers, especially for people in background duties. The scarce availability of finance is often a barrier to growth and development in small and medium-sized enterprises. Short-termism is also evidenced in financial and human resource management, together with a lack of long-term strategic planning. This short termism and lack of long-term objectives was also highlighted by Hemme et al. (2017) in their study of fitness sport enterprises. Owner-managers are too often tied to the day-to-day operational issues, and the mentality of short-termism characterizes the decision making. Owner-managers easily adopt several roles in their business and rely on their experience rather than delegate or engage other board members or managers in decision making. SME's operate by using informal policies and unstructured methods. Even though these factors can be identified in sport SME's, especially in football clubs, sports still have important industry specific issues which affect a club's business by rapidly changing the interest towards it and the number of tickets sold, in other words, its success. Poor playing can quickly turn the cash flow into a negative revenue. (Moore and Levermore 2012). However, success in the field can have the opposite effect just as easily. The lack of success does not necessarily mean that the company cannot grow. For example, the operating environment, fan base, marketing skills and management actions can all affect the company's success as much as sporting success. Hammersmith (2019)

identifies that entrepreneurial orientation is closely connected to both successful financial and sport performance in professional football clubs.

What motivates the entrepreneur in sport business? From the historical perspective, Hardy (1986), leaning on previous studies, suggests that profit was the motivator for sport entrepreneurs in the 20th century America. Even though success and possible profits are motivators for entrepreneurs, a distinctive feature for a sport entrepreneur has been innovations. (Hardy 1986). Furthermore, sport entrepreneurship can be seen as a tool for non-profit organizations when their managers and owners act as entrepreneurs and with a desire to respond to a market opportunity (Ratten 2010b). However, even if the financial returns or profits are not the driving force, they are often the necessary resource for developing the sport organization and to achieve its other goals. One common characteristic for entrepreneurs and sport people is that they are willing to take risks in order to develop their business further. Sport business owners bare the financial risk, for example, by employing expensive athletes based on their reputation and future development possibilities without knowing whether the outcome is successful (Ratten 2011b). Another motivational aspect is the decrease of public funding in sport. Sport has become more professional and entrepreneurial due to this development, and the role of sport in society has changed (Ratten 2019).

2.4 Corporate social responsibility and social entrepreneurship in sport

Corporate social responsibility (CSR) has become an important part of many sport organizations' activities, and sport is, perhaps, a better platform to promote these matters than many traditional industries due to its emotional impact on people. Corporate social responsibility in sport can be seen either as actions in sport or through sport. CSR in sport refers to the content of the message and organizations' need to behave in a socially responsible way. In sport organizations, this need can be even bigger due to the negative aspects, such as doping, match fixing and gambling. CSR through sport refers to the organizations' capability of disseminating the CSR actions to their stakeholders. (Breitbarth et al. 2015). The latter can be connected to the improvement of brand equity or image amongst stakeholders through CSR. According to Bradish and Cronin (2009) CSR is one of the most important current sport management practices and a tool to impact the society. The core of the CSR is to combine business strategy with goodwill or other social causes (Bradish and Cronin 2009). Godfrey (2009), who presents the corporate social responsibility in general and its historical development (in the US), points out the dilemma of different definitions and discusses the special nature of CSR and sport. CSR can be seen as a part of different sport institutions' operations and reversely sport can have a role in other companies' CSR (Godfrey 2009). For its many definitions and purposes, CSR in sport can be quite difficult to categorize. It can manifest many, very different actions carried out by either the sport organizations themselves or by one or multiple stakeholders. What actions are required for an organization to be socially

responsible also vary with the times, so there may not even be need for a specific definition as the concept of CSR isn't a constant truth, but an idea that develops.

Sport provides a platform for CSR actions through organizations, athletes and coaches; hence CSR actions can also provide ways for sport organizations to affect the community. Many international sport federations have established their own CSR programs in order to be socially responsible and gain in terms of having a positive image. The operating environment influences sport organizations' possibilities to implement different CSR actions. Sport organizations' CSR actions are dependent on external pressures and internal resources (Babiak and Wolfe 2009), and they are influenced by sport policies (Miragaia et al. 2017). Many business partners of sport organizations want to introduce and strengthen their social sustainability and community projects (Ratten and Ratten 2011) and see the sports teams, athletes, and events as appropriate platforms to promote their social and commercial goals by utilizing CSR (Smith and Westerbeek 2007, Bason and Anagnostopoulos 2015). Professional sport clubs and leagues, companies, teams and athletes have a big role in societies when building CSR related programs and activities (Babiak and Wolfe 2009).

Walzel et al. (2018) provide a profound literature review of studies of CSR in professional team sport organizations. They argue that CSR is a permanent tool for team sport organizations, and the discussion now is how to implement and plan CSR actions and how to measure its effectiveness. According to them, CSR is a multidimensional approach in team sports, and it has different outcomes depending on the status of the organization, non-profit or profit-seeking. In addition, CSR must include legal and economic considerations, not only socially driven actions. (Walzel et al. 2018). Babiak and Wolfe (2009) identify the external and internal drivers of team sport organizations in terms of socially responsible activities and present a framework to adopt CSR in professional team sports. They identify four key factors that are different in team sport companies in comparison to other industries, namely passion, transparency, economics and stakeholder management. Passion in sport events is often very intense, and fan engagement to the sport product can be very strong. Sport often receives economic support from the community and therefore, the expected responsibility towards the society is high. Sport organizations actions, including player salaries and public behavior, are often public knowledge in media, and it is common for sport organizations to commit CSR actions that improve their image. All these three are part of the complex stakeholder management in professional sport industry, and these relationships can benefit from active CSR actions. (Babiak and Wolfe 2009).

Breitbarth and Harris (2008) argue that the corporate social responsibility combined to the football business increases its competitiveness, value and enhances its performance. They develop a value creation model in professional football through CSR. Professionalization of the football industry has brought new forms of partnerships and growing opportunities to benefit from adopting CSR in their strategies. Football can create financial, human, cultural and reassurance value for its stakeholders. By offering

different ways to use CSR tools for the stakeholders, the sport club can improve its competitiveness in the marketplace and operational environment. They argue that CSR can create value to the stakeholders through four different approaches, namely integrative, functional, ethical and power related, and by doing so improve the competitiveness, financial gains and institutional relevance. (Breitbarth and Harris 2008). CSR provides new ways of engaging the stakeholders to the clubs and can be seen as one of the tools to improve the financial performance, image and connection with the surrounding society. CSR actions are what makes a team seem like a more profitable and desirable partner in comparison to a sports team that does not engage in CSR. For a potential partner, a sports team that has an image as an organization that aims at doing good for the society has the potential to give their partner that same image if they were to collaborate. Thus, sports teams engaging in CSR actions not only have more support from the general public, but also a bigger potential to negotiate ideal partnership deals and can so perform better.

Giulianotti (2014) connects corporate social responsibility in sports to neo-liberal, strategic developmentalist, developmental interventionist and social justice policies. Big corporations can be linked to all these different policies whereas team sport clubs are mainly utilizing the developmental interventionists policies in implementing different sport development projects, and social justice policies in campaigning for good causes. The concerns of all CSR activities in sport are, according to Giulianotti (2014), whether these actions and their benefits within the different policies can be measured and evaluated. Technical, dialogical and critical issues need to be paid attention to when developing CSR projects within sport organizations, meaning that all activities need to be related with the organizations' strategic goals, communicated clearly and reflected critically. In sports CSR is often involved in multiple levels (i.e., organizations, events, athletes and coaches) and affects different stakeholder groups, which makes it even more challenging to manage. According to Walters and Tacon (2010) stakeholder management in connection to society is one of the key aspects of CSR.

CSR through sports is examined by Levermoore (2010) and Smith and Westerbeek (2007), and they explain how corporates can utilize sport organizations to achieve their CSR objectives. Dowling et al. (2013) follow this approach and present how CSR through sport is leveraged in sport mega events, and especially in London 2012 Olympic Games. They argue that when the partners are right, objectives common, expectations suitable, and initiatives are innovative and creative, both parties can benefit substantially. In addition, Levermoore (2010) argues that sport has built-in social responsibilities that can be used to utilize in developing CSR actions through sport. This is especially efficient due to sports' possibilities to create partnerships between organizations that would not normally co-operate and sports' ability to reach communities that other industries do not work with (Levermoore 2010). Sport has unique opportunities to leverage sponsorship, improve the brand, enhance employee relations, build community networks, and influence in social matters (Babiak 2010). Sport has always been described as something that unites people and that can also be seen when talking about CSR in the sport industry.

Sports include people and communities that other industries do not, which makes CSR in sport unique and more efficient than in many industries.

When discussing the phenomenon of sport entrepreneurship and CSR, the concept of social entrepreneurship could be drawn into attention. In sport enterprises, social entrepreneurship is often seen as functions of CSR, including economic, social, and environmental impacts on society. Social entrepreneurship in sport has been defined differently depending on the context. One of the earliest definitions of the connection between social entrepreneurship and sport entrepreneurship was given by Ratten (2010b) who defined that social entrepreneurship is the use of social issues to create change. In the case of sport enterprises, that are often SME's, the entrepreneur has a crucial role in social entrepreneurship. A social entrepreneur is not only motivated by the profits, but also by the possibility of making a social contribution (Audretsch 2012, Ratten 2010b). Douglas and Prentice (2019) identify prosocial, profit, and innovation as the motivation pillars of social entrepreneurship that can be related to commercial entrepreneurs who wish to innovate, make profits and serve a social purpose, all of which relates to corporate social responsibility. Social entrepreneurship is linked to intentions and promises of improving social conditions in society (Aliaga-Isla and Huybrechts 2018) as well as to empathy (Bacq and Alt 2018) and innovative ways to meet certain socio-economic needs without necessarily making a profit (Shaw and Carter 2007). The importance of social entrepreneurship is recognized widely in corporate culture as a part of its CSR (Shaw and Carter 2007).

Social entrepreneurship in sport is often connected to small sport organizations operating in the non-profit sector (Gilmore et al. 2011), but a social factor can also be identified behind profit-seeking sport enterprises as well. Gallagher et al. (2012) identify social entrepreneurs in professional league sport clubs as being entrepreneurs who bring their experience and networks to use to help the club's development. These social entrepreneurs are often entrepreneurs in other companies, and they do only volunteer work for small sport clubs. Social entrepreneurs focus on societal benefits by generating a social impact through, for example, charity work. Social entrepreneurship can be studied both from individual and organizational perspectives and divided into different schools of thought according to the conceptualization of the phenomenon. The social impact can either be made for altruistic reasons or with the hope of increasing the brand equity of the company and entrepreneur (Shropshire 2012).

2.5 Internationalization and sport SME's

Internationalization is one form of business growth, and businesses in the sport sector internationalize in order to seek new markets beyond the domestic markets, for various reasons. International movement of people, technological innovations, economical investments, evolution in media production and value creation has shaped the internationalization of sport industry, and more sport organizations are seeking to grow

in international markets (Zhang et al. 2017, 2). Internationalization in sport SME's is one way of exploiting entrepreneurial opportunities by creating new strategies and implementing new operations or seeking new markets. In many cases international markets offer new opportunities when domestic markets might have saturated or there are no possibilities for growth (Zhang et al. 2017, 2-3). Sport businesses are interested in international markets in addition to their local operations (Ratten and Ratten 2011), and national leagues in major sports are seeking new income from internationalization (Woratschek et al. 2018). For some sport organizations, internationalization can even be a means to stay in business. If the demand of the domestic market has dropped due to new sports coming in from abroad and creating new trends, international markets may also be where they find a new customer base altogether.

Internationalization in sport business has become an interesting research topic lately due to the globalization and rapid professionalization and commercialization of the sport industry. The global marketplace has become available for all sport organizations due to the overall development of globalization and growth of sport business sector. Technological development, efficient communication, and transportation together with the rapid development of sport industry have boosted internationalization. Global sport politics have also been more visible already since the 1990's, and more attention has been paid to the global sport economy (Giulianotti 2015). This has impacted the sport leadership, and all the decision makers on different levels of sport governance must be prepared to face the change in the global sport industry and its image (Zhang 2017, 3). This global trend in sport business, together with the development of international leagues, has also given local sport businesses better possibilities to enter the international markets. The overall globalization of sport business and especially sport teams can be seen as a necessity caused by competition of consumers interest, growing salaries of players and technological development (Richelieu 2012) together with the effects of social media, Internet and integration of global economies (Horbel et al. 2020). The overall sport market is growing globally, and sport teams and clubs are seeing a strong growth in the future (9,1 %) (PwC 2019).

Small and medium-sized enterprises' internationalization process is often dependent on both, the individual owner-entrepreneur, and the organization. The international orientation of the firms is related to the managers and entrepreneurs' motivation to grow (Oystein et al. 2016). In sport, internationalization can be described as being a network approach containing formal relationships, alliances, and memberships of professional organizations (Hynes 2010), which in sport often means global governing bodies and international leagues. The market selection is related to the sport's size in the global scale and internationalization status. This kind of a ready network can save the scarce resources of the SME's (Hynes 2010). The globalization of sport has improved the possibilities of different enterprises to internationalize. Visible evidence of globalization over time is the diversity of athletes in teams, diminishment of religious and language barriers for participation (Thibault, 2009), free movement of athlete employees in Europe (Bosman ruling), the effect of broadcasting and social media, and the increasing interest of fans

from around the world. This development has created new opportunities for sport enterprises at different levels to expand to international markets.

The company's life cycle stage affects the internationalization process and the choice of markets to enter (Andersson 2004) together with different internal and external success factors (Bose 2016, Hynes 2010). In SME's the owner-entrepreneurs' impact on the internationalization process is remarkable (Andersson 2000, Mc Dougall and Oviat 1996), and companies with entrepreneurs actively seeking international opportunities, communicating this motivation to the employees and developing resources to internationalize are more likely to grow internationally (Oystein et al. 2016). This is a plausible case in sport management when talking about sport SME's and their internationalization strategies. The team's success, financial situation and operating environment are industry specific factors that affect the enterprises' willingness to internationalize, but the driving force is often the owner-entrepreneur. However, in terms of player movement, the impact of the entrepreneur is not significant due to the open player markets. The impact of global media has boosted the internationalization and globalization, but there is a big difference between developed countries and developing countries in how to utilize the internationalization of sport (Thibault 2009). North American and European sport organizations have been increasingly interested in selling their products and services beyond their regional markets (Zhang et al. 2017, 4), and therefore, there are more internationalization opportunities also for smaller team sport companies in these areas.

In sport, the growing revenues from broadcasting, technological changes, the entertainment function of sport, increased global fandom and capital investments in infrastructure have boosted the internationalization of sport (Zhang et al. 2017, 3). Internationalization offers new business opportunities and new streams of revenues, and capitalizing on a strong sport brand can be very profitable for a sport organization (Richelieu 2012), however, the latter applies only for bigger leagues and sports, such as NHL, NBA etc. In the European level the Premier League has shown that the export of national sport leagues can be very beneficial (Woratschek et al. 2018) and German Bundesliga teams have extended their markets for example to China (Horbel et al. 2020). In Finland, national leagues are quite small, and this kind of development is still on its infancy and the focus is more on teams itself and their international opportunities.

Sport has become more and more a form of entertainment broadcasted in different ways through media, which better brings it available for consumers in the global marketplace (Richelieu 2012). Sport events have also become an important part of the economic development of cities and their branding (Taks et al. 2013, Knott et al. 2015), and the economic impact of international game events can be remarkable for the hosting city as well as for the sport club, especially in smaller countries and cities. The international sport event provides new entertainment experiences for fans and spectators, volunteers, players and all the other stakeholders, but also possibilities for economic gains for different stakeholder groups. Sport events can have many positive tangible but also intangible

effects on a host city. Something like an improved image as a tourism destination, after a sports event, can be a huge factor for a smaller city's development.

There are also managerial implications in internationalizing the sport teams or organizations. Teams' success, international popularity of players and the club, together with the right choice of entry, seem to be the key factors in international markets (Woratschek et al. 2018). Entry to international markets also requires personnel skills, commitment to manage the new operations, effective leadership and a strategic plan (Zhang et al. 2017, 5). In the case of smaller countries team sports, market entry is highly dependent on international leagues and the possibilities to enter those. This is then dependent on the team's success and possibilities to make the necessary investments. The national league's support for the international efforts of sport club is essential for these operations to succeed (Woratschek et al. 2018). In Finland this can be seen also the other way round; when Finnish clubs manage to get popular foreign clubs to visit, the game event often gains more media coverage, spectators, and sponsorship money.

Bose (2016) identifies the main success factors for SME's internationalization to be "internationalization scenario, future internationalization prospects, internationalization competencies, and strategies for internationalization". The internationalization scenarios are based on the industry's and other similar companies' internationalization possibilities. Prospect evaluation and implementation of opportunities together with efficient decision making define the amount of success in entering the international markets. Utilization of these prospects into action by management and entrepreneurs, create the competencies for capacity building, development policy, strategic networks and innovations. Strategy for implementation and evaluation, consisting of modes of internationalization, destinations to target, right operational decisions and timing for internationalization, is the key to utilize the opportunities scenario, prospects, and competencies the company has. (Bose 2016). Different industries need to apply different strategies (Andersson 2004). In growing industries, such as sport business, the internationalization process and the logic of market entry is different. In high growth industries, the internationalization is dependent on firm's internal resources, knowledge of entrepreneurs and management, networks in targeted market areas and strategic decision-making procedures (Andersson 2004). Branding strategies play a crucial role in sport teams internationalization and the team can capitalize on it (Richelieu 2012), however in case of Finnish team sport enterprises branding is still done mainly locally, not internationally, and internationalization is highly dependent on international leagues, federations and other networks.

3 Methodology and research data

3.1 On ontology and epistemology

A philosophy of science determines the frame of reference and research foundation for a study. Ontological and epistemological assumptions are included when making the appropriate methodological choices for collecting and analyzing the data. Ontology is defined as a philosophy of how the social reality is viewed (Smith 2010, 7, Stokes 2011, 90), in other words, a way the researcher looks at the world. Realist ontology employs the perceptions and presumptions of the existing reality, whereas in constructionist ontology the reality is socially constructed and dependent on social influences and under constant revision (Smith 2010, 8, Hallebone and Priest 2009, 26-27). A starting point for this study was a constructionist assumption that a sport company can be seen as an intentional organization and entrepreneurship as a desired developmental process in such an organization. Since the studied phenomenon was defined as “What are the challenges in entrepreneurship for small and medium sized team sport enterprises?” the ontology focuses on the “what” question. According to Hallebone and Priest (2009, 27), reality is socially constructed from individual cognitive processes and influenced by previous experiences. Constructivism construes that people create the reality through their everyday interactions (Stokes 2011, 23-24). In enterprises, the people working there create the reality by applying their own experiences and knowledge.

When ontology is related to the researcher’s view of the existing reality, epistemology is associated with the theory of knowledge. Epistemology defines the way how the knowledge related to the reality in a particular context is understood and exploited (Hallebone and Priest 2009, 45-47). Epistemology defines the methods used in the research and guides the choices that the researcher makes along the way. The guiding philosophical framework for this study was interpretivist epistemology. Interpretivist epistemology aims at understanding and illustrating socially constructed realities by using language-based methods, such as interviews (Hallebone and Priest 2009, 27). In interpretivism, the focus is on people and how they describe the research phenomenon and how they construct their world (Thomas 2013, 108-110).

In this kind of case study research, intimate information could be received only from those tightly involved in the organizations. The main owners and managers were the best source of data for explaining the studied phenomenon. In order to fully understand the interviewees’ narratives and their meanings, absorption must appear within the researched cases and the researcher. In this study, the worlds of the researcher and interviewees encountered, and subjectivity in interpreting the data was prominent. In interpretivism, the key is to understand the studied phenomenon (Thomas 2013, 108-110). Theme interviews were conducted in order to gain in-depth understanding of the interviewees’ experiences. In addition, the interview data and concepts from the literature were explored in order to generate new insights into the topic.

3.2 Qualitative case study research

When studying a phenomenon of reality and society, such as a sport organization, case study research is a particularly appropriate approach (Skille 2013, 161). In this study, a qualitative approach was used together with the case study methodology, presented, for example, by Yin (2014). The purpose was to combine information from theme interviews, company strategies, annual reports and financial data. However, the main source of the collected data was the interviews.

A qualitative approach is suitable when studying real-life cases aiming at understanding what is happening in certain companies. In this study, the qualitative method was used together with a case study research strategy. A case study illuminates the importance of methodological decisions; why they were taken and how they were implemented, and what the outcomes of these decisions were. (Yin 2014, 12). Case study research has lately become more popular in sport management research, especially when researching sport policies or sport organizations (Skille 2013, 161). Yin (2014) defines a case study as follows:

“A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between the phenomenon and context are not clearly evident. A case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis.” (Yin 2014, 16-17.)

With regard to this study, the boundaries between the phenomenon and the context have not been identified clearly in previous discussions and research. This gave further support to the choice of a qualitative case study approach. The literature review of previous studies and theories acted as a base for the research approach and research question formulation. The existing theories of entrepreneurship provided a framework for analytically (not statistically) generalizing the results of this study, and they were used as a template to compare the results from these studied cases. The aim of analytical generalization could be to advance the existing theory or conceptualize a new theory that arises from the results (Yin 2014, 40-43).

Since there is no previous research in this particular context to be used as a guide when deciding the number of cases, i.e. the units of analysis, the decision was based on the assumption that two cases would be sufficient for drawing an analysis, and for providing deeper understanding than one case. In article III, another case from Sweden was included to gain further understanding of the social entrepreneurship in football industry and to consider the studied phenomenon in the Nordic context. Since the aim was to more deeply understand entrepreneurial challenges in the chosen elite team sport companies, the cases were carefully selected and discussed both as individual cases and presented by cross-

analyzing the results from different viewpoints. According to Yin (2014, 57), two or more cases that support the same theory may justify a literal replication of the theory.

The theory for this study was built by reviewing literature and constructing a synthesis of previous entrepreneurship discussions related to the general entrepreneurship, growth entrepreneurship and sport entrepreneurship theories together with insights on social entrepreneurship and internationalization. The existing entrepreneurship theories provide a wide theoretical framework for this study, and the chosen literature represents an overview of the appropriate theories. Theory building based on case study research attracts the interest of many researchers, since it creates new insights into diverse topics (Eisenhardt and Graebner 2007). As the researched phenomenon in this study was a new context of entrepreneurship, and as a new approach to study sport business was adopted, the goal of analysis was, on the one hand, to expand entrepreneurship theories in the sport business context, and, on the other hand, to more distinctly understand the characteristics affecting entrepreneurial challenges in elite first league team companies. In this study, all cases were analyzed separately, and they served as replications and could be contrasted in their real-life context and, consequently, they expanded the emerging theory. Theory building occurs in a cyclic process where the research data, literature and new theory emerging from the results alternate. The highlight of theory building from case studies is on developing propositions and on theories that can be later tested in mainline research (Eisenhardt and Graebner 2007).

3.3 Method of analysis

The analysis approach used in this study was hermeneutical, and the study represents the constructivist paradigm and interpretivist epistemology aiming at interpreting and understanding the phenomenon of selected sport organizations' entrepreneurial challenges. Even though the unit of analysis was an enterprise, the data came from multiple sources of evidence and, especially, from individuals' personal experiences. The focus was on the appearance of entrepreneurship in the companies and entrepreneurs' and managers' perceived meanings attached to it. Hermeneutics involves the process of interpretation. Hence, the context of the studied phenomenon, and the person conducting the interpretation have an influence on the outcome (Stokes 2011, 55). Hermeneutics is about interpretation of meaning and a phenomenon and the relationship between them. Moreover, the reflections and prejudices of the interpreter must be identified. (Skille 2013, 163.)

In this study, the interviews were theme interviews, and the interviewees were asked to speak about their own experiences and opinions. In this way, they could express their viewpoints freely, and the themes were the guiding principles for receiving the desired data. The analysis started from pre-understanding the whole picture during the interviews. By transcribing the interview data, a detailed explanation of the phenomenon was produced. The more detailed the description of the studied phenomenon, the better is the understanding of the analysis. A researcher's task is, according to Skille (2013, 165), to

first move from understanding to explanation and then from explanation to understanding. The data was divided into categories according to the previous literature, and that logic was followed throughout the analysis process of each article. The interview data was processed and analyzed in order to interpret the information and to gain a comprehensive understanding of the phenomenon in its context. The researcher's own background: work as a sport management lecturer, a former athlete and a volunteer worker, both in administration and in the field in several sports clubs, could be identified as an influential element when analyzing the interpretations. However, the theme interview approach was chosen to let the interviewees speak freely and thus keep the researcher's influence minimal.

Previous literature was used to formulate a frame of analysis for the interview data. Although a literature-based synthesis was used as logic in the analysis, especially in articles I and II, new issues rising from empirical evidence were taken into account when conducting the case analysis of the interview data. These new matters raising from the interviews were further examined in papers III and IV. The analysis was generated by following the hermeneutical approach from pre-understanding to understanding the wholeness, and then creating a deeper understanding of the research phenomenon and its parts. Hermeneutics can be seen as a process of interpretation and concerns the understanding of the meaning of a text. In modern organizational research it is seen as an epistemology and philosophy of interpretation (Prasad 2002). The hermeneutic circle of interpreting the data in this study can be further illustrated as follows:

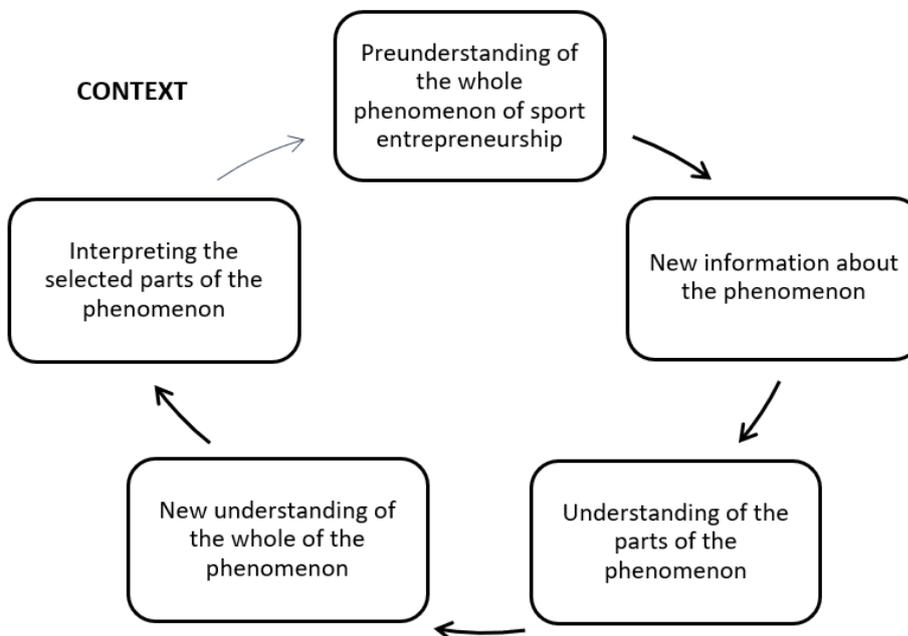


Figure 3.1: Hermeneutical process in this study

Hermeneutic task aims at understanding what a particular text means (Myers 2013, 170), and the term text can be expanded to mean organizational practices (Prasad 2002), not just text itself. Hermeneutic circle emphasizes the interpretation of this text in its context. Historical, social and cultural surroundings might have an effect in the contexts where the information is interpreted (Stokes 2011). The hermeneutic circle describes the idea of a dialogue where the interpreter moves from the whole to the parts and then back again to the whole (Myers 2013, 171). The hermeneutic circle in this study refers to making sense on the whole phenomenon and the relationships between the company, entrepreneurs, and the challenges in sport business context. Hermeneutics as an approach to a particular text is about understanding the complex whole by interpreting the preconceptions, meanings of the parts and their relationships (Myers 2013, 185-186). In this study the understanding and knowledge grew along the way and different aspects (parts) stand out from the empirical data. The discussion between theory and data (from interviews and other sources) influenced the choice of topics to study further in the attached articles.

3.4 Data collection methods and measurement

The first step in data collection was a one-stage screening process to screen all the major league football (11) and ice hockey (14) companies in Finland, and to compare the data that was available in public sources. All the companies in the football league and ice hockey league were examined by screening their financial figures and entrepreneurial positions. This selection aimed at finding companies where the entrepreneur was in a decision-making position and these companies met the criteria of small and medium sized company.

Research data was collected from two elite sport enterprises from Finland, HJK Helsinki Oy (Helsinki Football Club Ltd) and JYP Jyväskylä Oy (Jyväskylä Hockey Team Ltd). Since there are limited companies only in team sports in Finland, more precisely only in the major leagues in ice hockey and football (and a few in basketball), the selection of the possible growth enterprises for the study was very narrow. Both of these companies can be identified to be small and medium sized companies (SME). The overall football and ice hockey industry in Finland is dominated by SME's when using the European definition of a small and medium sized enterprise: turnover < 50 M Euros and < 250 employees.

In the Finnish football industry, the selection was clear since HJK Helsinki Ltd was clearly the most successful of all corporatized first league clubs. It could be seen as the only profitable and well professionalized first league football team sport enterprise. In the case of ice hockey, there were multiple choices that met the set criteria. However, in some cases the ownership issues were not very clear, and in some cases, variation in business success within the research period was quite remarkable. JYP Jyväskylä Ltd had grown steadily during the researched period. The environment where JYP operates is very different compared to that of HJK, which gives this study a possibility to identify whether

this has had an effect on entrepreneurial challenges, and which makes this study even more interesting.

The research data was collected case by case by using the theme interview method. In both selected cases, two persons were interviewed: the managing director, representing the operative management and the entrepreneur/owner/chairman, representing leadership and the organization's board. The board is otherwise based on voluntariness and small share ownership. As mentioned earlier, the number of companies was only two (and a third one only in article III), which was justified because in a qualitative study there is no right number of cases. A more important objective than the number of cases was limiting the data and building a contextual understanding of the studied cases (Eskola and Suoranta, 2008, 60-65). With a straightforward theoretical background and lesser need of certainty, two or three cases for a case study approach is sufficient (Yin 2014, 56-65).

3.4.1 Interview approach

The interviews were the primary sources of evidence in this study. By interviewing the key persons in these sport enterprises, the knowledge of the characteristics affecting entrepreneurial growth was possible to identify. Since this research was qualitative by nature, the interviews were conducted case by case, and the understanding of the theoretical framework developed during the interview process. Theme interviews were selected as a tool for this study for numerous reasons. Firstly, the phenomenon of top elite sport entrepreneurship has not been studied widely, and the possible outcomes were highly unpredictable. Secondly, the form of theme interviews gives the researcher the opportunity to add supplemental questions during the interview if needed. The third reason for this choice was the interpretivist approach of the study. There was no hypothesis aiming to test theory. Instead, the research aimed to explain concepts that emerged from the interviews, literature and the companies' reports as well as to interpret the meanings behind them in order to understand the entrepreneurial growth in these cases. Moreover, the aim was to create new insights into the entrepreneurship theory from the sport business perspective by highlighting different approaches in the articles. When using the case study methodology, the main source of data is usually interviews, and they are often more guided conversations than structured interviews (Yin 2014, 111-113). In case study research that aims to build new theory, qualitative interviews together with other sources, such as history reviews or archives, are the most commonly used sources of data (Eisenhardt and Graebner 2007).

A theme interview is an intermediate form between a structured and open interview, and it is widely used in qualitative surveys since it is in accordance with many of the points of departure in the qualitative approach (Hirsijärvi et al. 2006, 197). The aim of the interview structure was to collect information according to the line of research as well as to gain information that was unexpected. Previous literature served as a basis for forming the theme interview outline. The theme interviews in this study were headlined under certain themes according to the entrepreneurship literature, meaning that they were

guided by certain topics drawn from previous studies and the theoretical framework. The theme interview method was chosen because it allowed the researcher to focus on certain aspects of the studied phenomenon. Moreover, it gave some flexibility for listening to the interviewees in the interview situations and giving them a chance to speak freely. All the interviews were approximately 90 minutes long.

Maxwell (1996, 78) indicates possible data analysis methods in qualitative research to be memos, categorizing strategies and contextualizing strategies. In this study, the main data processing was based on coding and categorizing. All the interviews were digitally recorded, transcribed verbatim and then coded and categorized by using the NVivo data analysis program. Coding categories in a qualitative study can be drawn from both the theoretical framework and collected data (Maxwell 1996, 79). In theoretical categorizing the data is analyzed by using concepts and classifications created on the basis of theory (Kananen, 2011, 61). As the aim was to understand and describe the characteristics affecting growth, the actual analysis started from listening to the interviews and reading the transcriptions and continued by coding the data. By listening to and transcribing the interviews, a pre-understanding of the studied cases was formed. An essential history of both cases based on their history publications was written before starting the actual analysis so as to gain a comprehensive understanding of the selected cases. The analysis was conducted by, first, positioning the interview data into these categories and sub-categories and, secondly, by analyzing the data from these cases and the literature review.

The interview data was supplemented with other sources of evidence. The public sources, such as the Trade Register and the sources of economic journals, were used to collect the financial information about the industry and the football and ice hockey first league companies. The chosen cases were then examined in more detail before creating the main data collection procedure and the interview outline. Other sources, such as the companies' annual reports, strategies, income statements, balance sheets, web pages and history publications, were used together with the interview data in order to form a complete picture of these cases. According to Yin (2014), when conducting a case study, the researcher should use multiple sources of evidence, create a database for the case study, always maintain a chain of evidence and be critical of what data sources to use (Yin 2014, 118-127). The electronic sources that were used were the web pages of these two companies and the national football and ice hockey leagues.

3.5 Validation of the study

In a quantitative study, the validation procedure often contains the validation of reliability and validity. Reliability measures whether the same results could be achieved if the research was to be repeated later on. Validity measures whether the findings truly reflect the phenomenon, and whether they could be generalized to a larger population. In a qualitative study, such as this study, these concepts are not as clear as in a quantitative survey and therefore not as easy to measure. In a qualitative study the question of validation becomes simplified into the soundness of the research process (Eskola and

Suoranta 2008, 210). Instead of considering reliability and validity, the validation of the research can be examined by utilizing the concepts of trustworthiness (Lincoln and Guba 1985, 290) and authenticity (Veal and Darcy 2014, 50). Trustworthiness includes credibility, transferability, dependability and confirmability, whereas authenticity designates fairness and ontological, educative, catalytic and tactical authenticity (Veal and Darcy 2014, 50). The validation of this study is further discussed and analyzed in the discussion section.

4 Summaries of publications

4.1 Publication I; The importance of entrepreneurship in small and medium-sized sport enterprises

AIM AND BACKGROUND

The aim of this paper was to discuss the importance and different aspects of entrepreneurship in the sport context, especially in small and medium-sized sport enterprises. The paper introduces some basic definitions of entrepreneurship and connects entrepreneurship with sport in SME's. Sport business in Finland has gone through major changes in the past few decades. Sport organizations have shifted from non-profit to profit seeking businesses. Public sector funding is decreasing, volunteerism slightly disappearing and commercialization growing in the global sport industry. This is further illustrated with a short team sport SME case of Finnish ice hockey.

Entrepreneurship and sport business is a combination that will have a remarkable role in the future. In Finland, the sport business sector is still mainly run by municipalities and non-profit organizations, and this trend has been changing recently since the public funding for sports is decreasing. Sport is not a very international phenomenon, especially in the business field in Finland, even though Finns have won several Olympic and World Championship medals and sport is very visible in the Finnish media (Heikkala 2009). Top level sport in Finland became an area of business only in the 1990's with the message from community was that professional sports could not identify themselves as non-profit organizations any longer, and professional leagues in ice hockey were identified as profit seeking businesses. Non-profit sport associations became businesses or at least a part of their operations, the national league teams, had to become firms. (Rosbäck 2012).

Entrepreneurship can be connected to Schumpeterian (1934) innovation-based school of thought and Shane and Venkataraman's (2000) opportunity recognition school of thought. Sport entrepreneurship has been identified as sport organizations acting innovatively in a business context (Ratten 2010a; Ciletti and Chadwick 2012). Sport entrepreneurship is connected to risk taking, innovativeness and proactiveness (Ratten, 2012) and sport entrepreneurs' motivation often raises from other than monetary aspects. Due to the commercialization and professionalization of sport business, it offers multiple business opportunities for capable entrepreneurs. Entrepreneurs have been seen opportunity-seeking, creative, self-confident, risk tolerant (Timmons and Spinelli 2009) and able to operate in a turbulent environment. These characteristics are easy to connect to sports as well. Opportunity recognition plays an important role especially in small and medium-sized sport enterprises due to the changing industry environment. Professionalization has created the need to commercialize different functions within the non-profit organizations and establish new companies. Entrepreneurs' role is often remarkable in SME's and their personal skills and resources are important in developing their companies. Entrepreneurial resourcefulness combines the individual's personal

skills and behavior to recognize and exploit opportunities in a successful manner (Misra and Kumar 2000). Sport entrepreneurs are often strongly connected to the sport they are involved in. Sport also generates big emotions amongst its stakeholders, entrepreneurs included, which is a special feature in the sport business.

MAIN FINDINGS

Professionalization and commercialization have created a need for sport entrepreneurs in the sport business sector. Opportunity recognition and capability of exploiting them play a crucial role in the Finnish elite sport sector. The dominant design of the team sports industry changed at the turn of the century and top teams have established limited companies to replace the non-profit organizations. This development has continued ever since.

The markets are limited in a small country like Finland and the overall industry structure lies on small and medium-sized enterprises. The case example, JYP ice hockey team, became an entrepreneurially driven company at the turn of the century when the whole industry changed. JYP's owner-entrepreneur was highly motivated and had a strong passion for ice hockey when exploiting the opportunity to become a sport entrepreneur and ice hockey team owner. The fast-changing operational environment required entrepreneurial orientation, risk taking, innovativeness, creativity and resourcefulness. The monetary returns were non-existent and the possibility to make a social contribution was one of the motivating factors for the entrepreneur.

Entrepreneurship has been the corner stone for JYP's development. JYP is a typical SME and the entrepreneurial orientation on all levels has been important for its success. The special nature of sport business, the uncertainty of the outcome, high risks in player employment, short termism in the operational planning and strong role of the owner-entrepreneur are all characteristics of sport SME's.

CONTRIBUTION

This paper acts as a starting point for the future research in sport entrepreneurship in the Finnish context, and especially in team sports. It is obvious that entrepreneurship is more needed in the sport sector due to its professionalization and commercialization. There are multiple characteristics that are common in entrepreneurship in SME's and sport. The importance of entrepreneurship and the role of the entrepreneur is vital in these kinds of sport SME's where the market is limited and where operations need to be run in a fast-changing environment. The sport sector offers multiple opportunities in Finland and possibilities for starting new businesses are high for capable entrepreneurs. Sport entrepreneurship is a growing phenomenon and it needs to be further studied from different viewpoints.

4.2 Publication II; Entrepreneurial growth in elite team sport SME's in Finland

AIM AND BACKGROUND

This paper concentrates on entrepreneurial growth in elite team sport business companies in Finland. Entrepreneurship and entrepreneurial growth has been topics of discussion amongst sport policy makers in Finland, as well as an emerging discussion topic in the field of economics. The aim of this paper was to describe entrepreneurial growth in team sport SME's and identify what has influenced their growth paths.

The theoretical background of this study consists of different theories of growth entrepreneurship and sport entrepreneurship. The development of SME's growth starts from the recognition of entrepreneurial opportunities in the sport business and entrepreneur's personal skills. Entrepreneurship can be described as a process which goes through different stages of growth and an entrepreneurial career. By analyzing the outcomes of the most important epoch-making events in enterprises' career the results explain particular factors why and how these businesses have grown.

In SME's, strong entrepreneurs often create and determine the organizational culture, especially in sport companies, and therefore, the individual level strongly affects the organizational level. An important aspect of successful growth entrepreneurship is the recognition of entrepreneurial opportunities, and exploitation of them (Shane and Venkataraman 2000). This together with entrepreneurs' individual characteristics, such as personality issues, experience background and know-how (Ray 1993) enable the successful growth. In addition, Osborne (1993) argues that the business concept and its functionality are the main agent for company growth.

Ratten's (2011a) theory of sport-based entrepreneurship stresses the special nature of sport entrepreneurship and the importance of individual entrepreneurs. Cilletti (2012) connects sport entrepreneurship with the same characteristics as traditional entrepreneurship by identifying sport innovations, risk taking and proactive nature to be substantially entrepreneurial. Entrepreneurial orientation, including innovativeness, proactiveness, risk tolerance, competitiveness and autonomy (Kreiser and Davis 2010, Lumpkin and Dess 1996) together with entrepreneurial opportunities that exist in the sport business create sport entrepreneurship. However, entrepreneurial individuals willing to pursue these activities are widely needed in order to develop sports related organizations (Chadwick and Cilletti 2012, Ratten 2011a, Santomier 2002).

MAIN FINDINGS

The findings of this paper were interpreted by using the developed sport entrepreneurship growth model of three different growth entrepreneurship approaches: growth ability, growth opportunity and growth orientation. Growth ability, including industry-specific

characteristics, organizational and individual resources and working environment seemed to be the basis for entrepreneurial growth. Access to resources, such as financial, social, experiential and human capital were important reasons in changing the business from non-profit to a company model. Fast changing operating environment and the industry-related issues, such as uncertainty, short termism and risk taking, also had a significant impact on growth.

The development of the growth in these team sport SME's had started from the recognition of entrepreneurial opportunities. New business opportunities appeared within the existing business and outside the core business. Internationalization, stakeholder value creation and developed sponsorship models provided new possibilities within the existing business, whereas, the utilization of the existing facilities and creative new business ventures offered entrepreneurial growth opportunities outside the core business functions.

Growth orientation was the sum of individual efforts but also the organizational features. External environment and policy makers' influence created a favorable business environment and growth atmosphere. This in connection with internal strategic actions, future orientation and intensive development, together with entrepreneurs' determination, progressed the growth orientation. The studied entrepreneurs had characteristics of social entrepreneurs due to their motivation and passion for their sport without expectations to financial contribution. They were capable of taking big financial risks in terms of sporting performance success and employment. Their entrepreneurial experience and know-how proved to be important to the growth of these sport companies.

CONTRIBUTION

This paper gives new insights into sport the entrepreneurship discussion by combining traditional growth entrepreneurship theories with sport entrepreneurship theories. This paper contributes especially to the discussion of growth in small and medium-sized enterprises in the team sport business sector. This discussion is rather small even in international comparison even though growth entrepreneurship is a growing phenomenon in policy makers' interests. Sport business is a fast-growing industry area in the global context and offers multiple business opportunities. This study states that there are certain identifiable characteristics that have affected the entrepreneurial growth in these studied cases. As the sport entrepreneurship sector has been researched very little, this paper gives some insights to the discussion. However, this is limited to the team sport context and Finland, and cannot, therefore, be widely generalized.

4.3 Publication III: Social entrepreneurship and corporate social responsibility 67 in team sport clubs

4.3 Publication III: Social entrepreneurship and corporate social responsibility in team sport clubs

AIM AND BACKGROUND

This paper discusses one of the growing trend in sport entrepreneurship, namely social entrepreneurship. The focus of this paper is on the entrepreneur and his/her role as a social entrepreneur. This is connected to the so-called triple bottom line of corporate social responsibility (CSR), in other words, economic, environmental and social issues in sport context. The case examples of this study are both from football industry, one from Sweden and one from Finland. Football has been one of the leading sports in adapting the CSR in its actions. Case examples from two different Nordic countries within the same sport give interesting insights into the subject. Nordic countries face similar challenges in terms of sport entrepreneurship, and their market situation is quite similar.

Social entrepreneurship in sport is often connected to the society and small sport clubs in non-profit sector bringing innovative solutions to social problems (Gilmore et al. 2011). Social entrepreneurship can occur also in for profit businesses where the entrepreneur behaves as a social entrepreneur and the company brings benefits to the society. Social entrepreneurs in professional league sport clubs can be identified as being individuals who help the development of the club and bring their previous experience and network to use. They offer their knowledge of business and professional skills to the club, which helps its development and growth. (Gallagher et al. 2012). These social entrepreneurs are often entrepreneurs in other companies and do only volunteer work for small sport clubs. However, there are often owner-entrepreneurs in sport clubs, non-profit or company-based, who also have social goals to meet in their entrepreneurial actions. Sport entrepreneurs motivation to become entrepreneurs and they ability to recognize opportunities can be affected by social goals. Social entrepreneurship can be used as a marketing tool for sport SME's (Gilmore et al. 2011).

Sport organizations have the responsibility to act to improve individual wellbeing and offer benefits to the society, and at the same time the amount of sport organizations practicing CSR has increased (Ratten 2011b). Different stakeholders in sport companies expect more CSR activities, and it can be an important development tool for the sport club in terms of sponsorships and partners. Many partnering organizations see sport clubs as a form of implementing their corporate social responsibility. CSR can be applied in sport and through sport, the first meaning the different CSR actions implemented in sport organization and the latter referring to sport organizations used as the channel for communicating CSR activities (Breitbarth et al. 2015). Corporate managers and sport managers can use sport as a vehicle to implement CSR (Smith and Westerbeek 2007).

MAIN FINDINGS

Both of the case example clubs are involved in multiple CSR actions and they meet the definition of social entrepreneurship. They are engaged in youth programs, environmental sustainability enhancement, career development programs and promoting social integration. CSR programs run by these clubs are important for their brand equity and promotion. Soft values in relation to youth and sports have gained more attention from sponsors in the past few years, and therefore, those are important actors in attracting sponsors and other stakeholders. Value creation for different stakeholders has been implemented through social, environmental and financial impacts, the triple bottom line of CSR actions. The operating environment and Nordic sports culture play a role in these clubs' CSR actions as well as regarding, for example, environmental issues which are self-evident in these countries.

The role of the key actors, such as managers and entrepreneurs, is to be the driving force in these team sport enterprises in conducting different social projects. The impact on the stakeholders and brand equity is evident, but altruistic motives can be identified behind these actions as well. Career development, support for youth athletes and children's projects are good examples of non-commercial CSR actions which benefit society and give possibilities to the less fortunate people in society.

CONTRIBUTION

This paper contributes to the discussion of social entrepreneurship in small and medium-sized team sport enterprises. Social entrepreneurship and CSR in sport have been emerging discussion topics (Breitbarth et al. 2015, Ratten 2011b, Miragaia et al. 2017), and different conceptual aspects have been studied, but little empirical evidence is available, especially regarding small and medium-sized sport enterprises. Social entrepreneurship and corporate social responsibility are growing trends in the sport industry, and sport enterprises are expected to benefit society and create positive impacts on community in terms of economy, environment and society.

4.4 Publication IV: Strong entrepreneurial focus and internationalization – the way to success for Finnish ice hockey: the case of JYP ice hockey team

4.4 Publication IV: Strong entrepreneurial focus and internationalization – the way to success for Finnish ice hockey: the case of JYP ice hockey team

AIM AND BACKGROUND

The aim of this study is to illustrate how international influences from North American Hockey League (NHL), Kontinental Hockey League (KHL) and Champions Hockey League (CHL) have affected the development of Finnish ice hockey in its professionalization process. This is studied through the phenomena of sport entrepreneurship and internationalization in one successful Finnish Ice Hockey Club, JYP Hockey Team, by demonstrating its development from a small town ice hockey club to multiple time Finnish Champion and European Trophy (2014) and Champions Hockey League (2018) winner.

The development of European ice hockey has been heavily impacted by North America and NHL (Backman 2018). Söderman (2016) connects democracy, gender equality and social integration closely to the development of ice hockey in Nordic countries.

Ice hockey has had an important effect on sports culture in Finland and it is so far the most professionalized sport (Lämsä, 2012). The National Ice Hockey league was the first league to commercialize in Finland, and it has become the most widely followed sport in terms of spectator numbers and media coverage. Internationalization has played a remarkable role in this business development. The internationalization process of Finnish ice hockey companies has been influenced, first, by the NHL and the KHL (Backman, 2018), and later by the CHL. Ice hockey commercialized fast at the turn of the century, and clubs' operations divided, as the first league teams became entrepreneurial driven organizations, and the non-profit nature changed into profit seeking businesses, whereas juniors and women remained non-profit.

Entrepreneurship is a growing phenomenon in sports in Finland due to the recent commercialization. Sport entrepreneurship can be divided into three main aspects; innovation-based, business formation and opportunity recognition (Ratten 2018) which was the framework used in this paper to identify the internationalization effects in JYP's entrepreneurial development. Innovation-based entrepreneurship refers to constant change in the marketplace, which in sport is very fast. Innovations in this model are identified as new ways of remaining competitive, which are in this case the internationalization and new business opportunities. Business formation means changes in the business structure when exploiting and achieving the new opportunities.

MAIN FINDINGS

One of the turning points for JYP was the transformation from a non-profit organization to a profit seeking enterprise at the turn of the century. The dominant design of the whole

industry changed due to commercialization and governmental changes. This change in the business model made decision making and risk taking easier and JYP was able to develop its business functions together with team development. At the beginning of the entrepreneurial path, JYP created an innovative business strategy, took high risks in terms of the player budget and acted proactively to secure its facilities. One big part of JYP's success has been the monetary and operational influences of international ice hockey leagues. Internationalization has affected both the financial returns and team performance.

The NHL has especially influenced the business model of JYP but also its player roster. Over ten players have transferred to the NHL, and the same number has been sold to the KHL. The KHL has, overall, been an important actor in the Finnish ice hockey markets for the past decade in terms of financial returns. The first player sales in 2008 confirmed JYP's position as a profitable organization and gave it the necessary investment possibilities to develop its business further. JYP has sold players to the KHL even though it has recognized the risk of selling its success together with the best players. However, the KHL market has been declining in the past few years, and its importance today is also declining. Later, the importance of the European markets and the CHL has grown. The CHL has provided opportunities in terms of more game events and sales, brand awareness and player development.

Another aspect in this development has been the owner-entrepreneur's international orientation and willingness to expand. The aspects introduced by Ratten (2018) in relation to sport entrepreneurship, namely, innovation-based, business formation and opportunity recognition can all be connected to internationalization. However, opportunity recognition plays a crucial role in terms of clubs identifying opportunities within the international markets, both regarding international games but also player sales.

In the future, international markets in the ice hockey business can be expected to grow due to internationalization, technological development and expanding marketing possibilities. This gives opportunities for those clubs that qualify to play in international leagues. Future challenges for the Finnish clubs and the National Ice Hockey League are to keep the quality of the games at a high level, attract star players and find new innovative ways to improve the whole industry. Innovations in terms of strategy and improved operations, such as customer services and digitalization, have been a cornerstone of JYP's success. JYP can maintain its position by investing in its players together with developing its business functions both locally and internationally.

CONTRIBUTION

This paper contributes to the discussion of sport entrepreneurship and internationalization in the ice hockey business. Internationalization was identified as one important segment in entrepreneurial growth. As sport business is a globally growing industry, this case study brings this development into the local club level. The number of countries playing ice

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hockey on a national and international level is increasing, and international markets can be expected to grow. This study gives new viewpoints and understanding in the process of the internationalization of a small and medium-sized sport enterprise. This aspect has not been discussed to a great extent in the European ice hockey context even though the European Ice Hockey League has strongly developed its series.

5 Conclusions

5.1 Discussion

5.1.1 Sport entrepreneurship in team sport SME's

Despite the fact that the studied two Finnish enterprises represent different sports and operate in different market areas, there are still many similarities in their entrepreneurial paths. Both interviewed entrepreneurs can be seen as Schumpeterian (1934) innovators but at the same time modern social entrepreneurs. They operate in wide networks, they carry the social and economic responsibility for their company and their youth teams and the society. In addition, both of the Finnish team sport entrepreneurs have established their companies by recognizing an opportunity to be involved in the sport business. Whether this was caused by the change in the industry's dominant design or their passion for their sport, can be further discussed.

The entrepreneurs themselves are as important as the companies for their success and business performance. Timmons and Spinelli's (2009) core and desirable entrepreneurial attributes are easy to identify in these entrepreneurs. They both show deep commitment and determination to their sport companies by stressing the importance of having passion for their sport and the sports industry as a whole. They both have a high tolerance of risks and they are able to bear the uncertainties of the industry. They have both taken big risks in terms of hiring expensive players, organizing sporting events and recruiting the key personnel. They have the motivation to excel, and their motivation is not driven by money, but more by the enthusiasm for their sport. It is difficult to position sport entrepreneurs into a certain model presented by Cunningham and Lischeron (1991) but there can be seen characteristics from the "Great person school" and "Leadership school". The team sport entrepreneurs are persons who have strong intuition, and they are also motivating leaders of people. In such a turbulent environment as the elite team sports industry, self-confidence and decision-making capabilities together with those of delegation are very important skills for leaders and managers.

The decision-making process in these kinds of elite team sport companies contains the elements of effectuation logic introduced by Sarasvathy (2008) when the set goals can be changed according to the changes in business situations and the environment. This logic starts from the entrepreneur's know-how, skills and experience and extends to interactions with other people and requires a strong stakeholder commitment. This logic can be applied to these team sport companies since the importance of the entrepreneurs' role, networks (spectators, fans, volunteer etc.) and stakeholder commitment (sponsors) is evident. The uncertainty of the sport business environment supports the use of effectuation logic, and the need for quick decisions and constant change is stressed by the entrepreneurs.

Both companies are in the maturity stage in their lifecycles, and they have settled their positions amongst the top Finnish ball game companies. Due to the seasonality of the industry, short-term decisions and solutions are often required together with long-term strategies as stated by Moore and Levermore (2012). Seasonality causes challenges, especially in terms of finances; the operating costs are mainly stable, but the income might differ highly during the season or in different seasons. The entrepreneurs' commitment, learning and know-how are required characteristics for controlling the unpredictable future. Their personal role in creating and effectuating the business operations and committing the shareholders and other network members is essential. In all these cases, the entrepreneurial orientation dimensions, namely, innovativeness, risk taking, autonomy and proactiveness (Kreiser and Davis 2010) define the firm performance and are influenced by the sport business industry's environmental dynamism. Sport entrepreneurship in these kinds of team sport SME's is the combination of motivated and capable entrepreneurs, a good business structure and a suitable operating environment.

5.1.2 Entrepreneurial growth in sport SME's

Growth entrepreneurship in sport is divided into three different approaches in this study, namely growth ability, growth opportunity and growth orientation. The growth ability is affected by the environment, sport industry specific issues and company resources. Uncertainty of outcome, emotional involvement, volunteer workers and the sport events' unique nature are commonly mentioned as industry specific issues. The tolerance of bearing risks is high, yet the control of the risks is also tight and manageable. The entrepreneurs highlight the risk management together with the ability to bear the pitfalls. Innovativeness and proactiveness occurs in many areas of this intriguing business, for example, in sponsorship deals, new product development, stakeholder advertising and the use of social media. Sponsorship is a unique element in sport business, and it rarely occurs in other businesses. It is essential in sport companies' operations, and it represents a remarkable share of their annual turnover. Sporting companies have become their sponsors' media, and they offer different services and possibilities to gain competitive benefits from the partnerships.

Growth ability in the team sport industry has been somehow context specific. On the one hand, central associations whose actions have influence on all teams govern the operating environment in Finland, and on the other hand, the change in the whole sport industry's dominant design has affected the business and growth. Most of the actors in the sport industry in Finland are still non-profit organizations, but the trend has been shifting quite rapidly towards professional business companies. The policy makers have supported this development of change in the dominant design of sport industry, and this has created a positive operating environment and encouraged the professionalization and business creation development.

The international markets in terms of games and player sales have become essential in the future development and ability to grow for the companies. Player sales generate revenues and give financial resources to develop the business further. Although the

importance of international markets is emphasized, also the importance of domestic business development is underlined, meaning the sponsorship media, better use of facilities and service development. As defined by Woratscheck et al. (2014), a sporting event is the platform where different stakeholders create value. These sport clubs and their events could be described as environments for creating value. They are their sponsors' media for visibility and their fans home base where they can feel social inclusion. Moreover, they offer entertainment to the stakeholders and a place to enjoy the atmosphere and services.

Growth opportunity starts with the recognition of business opportunities, and it is influenced by the business environment where the enterprise operates, together with individual attributes (Shane 2000, Shane and Ekhardt 2003). The characteristics affecting the growth opportunities include clear growth strategies, human capital, performance success in the field and in business as well as effective leadership. As sport business is regarded as a fast-changing industry, entrepreneurs are expected to be innovative, willing to take risks and capable of identifying and exploiting business opportunities. The emphasis of exploiting business opportunities in these cases has been, on one hand, in a value creation process for the shareholders, and, on the other hand, in entrepreneurial capabilities.

Even though sporting success is not a measurement criterion for a growth enterprise in sport business, it has been essential for the opportunity to grow in these cases. The role of uncertainty plays a crucial role in the sports industry, since the outcome of a game is always uncertain, and it might have a great impact on the organization's sporting performance and business success. Without success in sport, it is very difficult to attract spectators, sponsors or other stakeholders. Sponsoring partners are often more attracted to successful elite sport companies than the non-successful ones. However, success in itself is not sufficient for attracting stakeholders or partners since sporting companies must have the business knowledge to offer marketing solutions that bring real benefits and meet the right target groups of their sponsors. Successful sponsorship deals are a vital condition for the studied companies' growth since their revenue share of the business is remarkable.

These studied companies have well-functioning business systems (Osborne 1993) led by entrepreneurially oriented managing directors and committed owner entrepreneurs. The key personnel in the administration have all been with the company for several years, which indicates that the recruitments have been successful, which is according to Poufelt (2007) one of the key functions in business growth. He also emphasizes the effect of a skillful executive board with members from outside the firm, which is also the case in both of the studied firms. Innovation and motivation to grow are competitive advantages (Hyrsky and Lipponen 2004) for these companies. Opportunity recognition and exploitation require both an entrepreneur who is willing to go ahead and an entrepreneurially oriented management as well as sufficient organizational characteristics to support the actions.

Entrepreneurial orientation is often supported by a dynamic environment and a clear organic structure (Kreiser and Davis 2010). Proactiveness, innovativeness and risk taking are identified to be necessary characteristics of sport entrepreneurs (Ratten 2010a). The entrepreneurs and managing directors are all very entrepreneurially oriented, and they highlighted the importance of creativity and innovativeness in their businesses, together with the importance of proactive working in terms of competitive advantage in sponsorship development, shareholder commitment and new business development. As Kreiser and Davis (2010) also state, entrepreneurial orientation is a summary of company and individual behavior. A growth strategy at an early stage of their company lifecycle and a specified vision where to be in future in terms of sporting success and company development are important elements of the growth orientation in team sport SME's. The management's attitude towards growth was very positive, which according to Wiklund et al. (2009) is, together with entrepreneurial orientation and environmental dynamism, the most important construct of small business growth.

Organic structure with a high level of resilience in decision making, open operational policy and an efficient communication, are according to Kreiser and Davis (2010) essential for profitable growth performance. The firms in this study have grown organically by developing their operations. Moreover, their ownership issues are very clear, the main owners are the entrepreneurs and chairmen of the boards, and thereby, they have the authority to make decisions. This clarifies the daily operations and allows flexibility in decision making, which is required in a turbulent sport industry environment. The entrepreneurs' individual characteristics, such as previous know-how and experiences, management attitude, together with company resources have all contributed to successful growth.

Business growth and sporting success seem to be somewhat compounded in these cases, but it is only one function affecting possible business growth, and its effect on growth is difficult to measure very accurately. The characteristics affecting business growth in sport SME's are multifaceted and complex, but the entrepreneur has a significant role in the entrepreneurial growth. However, without the right abilities, business opportunities or entrepreneurial orientation growth is not likely to happen. In other words, all the three dimensions, growth ability, growth opportunity, and growth orientation, must exist if a sport enterprise wants to grow its business. The characteristics within these approaches might differ between firms, depending on the context and operating environment. However, entrepreneurial growth in team sport enterprises seems to be a sum of different characteristics rather than caused by just certain elements. It can be described as a process where multiple characteristics affect each other and the outcome at its best is successful business growth.

5.1.3 Social entrepreneurship in team sport companies

Social entrepreneurship in sport has become an important aspect in the past years. Social entrepreneurship can be viewed from two different perspectives, from that of the company performance or the entrepreneur's actions. Social entrepreneurship is one part of the

corporate social responsibility culture (Shaw and Carter 2007) and an important part of many partnerships in sport companies. According to Ratten (2010b), skillful business executives and entrepreneurs work for sport enterprises in order to make a social contribution to the sport and community instead of having monetary motives. Therefore, it can be said that the entrepreneurs are not motivated by the profits, but by the possibility to make a contribution to the community. This can be their willingness to support the junior teams, create different charity events, contribute to the surrounding society and to offer their business knowledge and professionalism for the club's development and growth. The passion for sport and the passion for growth could both be seen in these cases as socially driven motivations to be involved in sport business. Sport entrepreneurs are motivated by the intangible results, such as the feelings of winning, the possibility to make a social contribution or the special atmosphere in the stadium. Profits are minimum and the entrepreneurs' own returns are not significant.

The operating environment, meaning mainly the home cities, is important in terms of spectators, fans and game events. The attitude and commitment that the surrounding society holds towards the sport and the club were seen to be essential. The local media, municipality and decision makers have a significant effect in building the brand of the sports club. Social community projects and the entrepreneur's commitment to the society together with a positive entrepreneurial attitude towards the club can act as effective promotional tools for sport SME's development.

Many aspects of social entrepreneurship and corporate social responsibility can be seen as improvements in the company image or brand equity. Different charity projects, environmental responsibility campaigns and sustainability programs are important for the image of team sport companies but also for their business development. They attract new spectators and new sponsors, and they act as one driver for the company's success. Many businesses are interested in collaborating with sport firms in social sustainability and community projects (Ratten and Ratten 2011). CSR and social entrepreneurship are new trends in business and can create new, interesting entrepreneurial opportunities for sport SME's.

5.1.4 Internationalizations' influence in sport SME's

The globalization and internationalization of sports companies have opened new business opportunities in multiple directions. Global media development has increased the possibilities for sport companies tremendously and decreased the barriers to participate in or watch sports (Thibault 2009), which has opened new markets for sport firms. For team sport companies in ice hockey or football, these opportunities have two main forms: international player sales and international games. The willingness to internationalize is related to the entrepreneurs' motivation to expand their businesses (Oystein et al. 2016), and it is sometimes a necessity for a team sport organization. From the economic point of view, the international player market is very important since the studied companies have profited from player sales and international games. The European market is the most important one for football clubs, and the possibilities of the players to access the European

clubs is essential for both, the players and the clubs. This market is highly competitive, and good relationships with the major European clubs are needed for the possibility to supply players to bigger teams. In ice hockey, the main outside market for player sales has been the Kontinental Hockey League in Russia. The North American Hockey League is also an important opportunity for the players, but the clubs do not receive a significant payout for players transferring to the NHL, whereas the KHL pays to the club for all the transactions in the form of a contract payment, and these revenues have been very important financial gains for ice hockey SME's. Selling the top player is always risky, since these transactions might cause a loss in success at the same time when gaining financial profits. However, these transactions are somewhat unavoidable since player contracts allow the players to have the possibility to transfer abroad. Moreover, these international playing opportunities also attract players to be employed in teams where they might have the possibility to go abroad.

Internationalization as one aspect of business performance has gained financial profits for the studied companies and generated more interest in their teams and match days. Even though the best players require heavy investments from the company and sometimes from the entrepreneurs themselves, it was stressed that it has always been worth the investment and risk. The possibilities to multiply the money invested in a good player was seen substantial. One way of making real profits in such a small market as Finland was to operate in the international markets. The boost for this internationalization has been the entrepreneurs' international orientation and capability to exploit these opportunities. The effect of an owner-entrepreneur's motivation to internationalize and their capabilities to communicate and find resources for this development are keys to success and growth (Oystein et al. 2016, Andersson 2000). Internationalization has proven to be an important source of finances together its positive effects on team sport firms' performance on the field and in business.

5.2 Theoretical contribution

As the aim of this study was to understand the challenges shaping the entrepreneurship in team sport companies, the frame of reference was sport entrepreneurship and professionalized team sport enterprises. This study was hermeneutical and therefore, the understanding of the phenomenon grew along the way while the empirical study was implemented. The framework for the articles and this dissertation was built in interaction with empirical findings and previous relevant literature. These cases and approaches presented in the four different articles explain the importance of entrepreneurship in sport SME's, entrepreneurial growth in these companies, and the effects of internationalization and social entrepreneurship. The summary of the challenges found, that these team sport enterprises face in their entrepreneurial business can be described as follows:

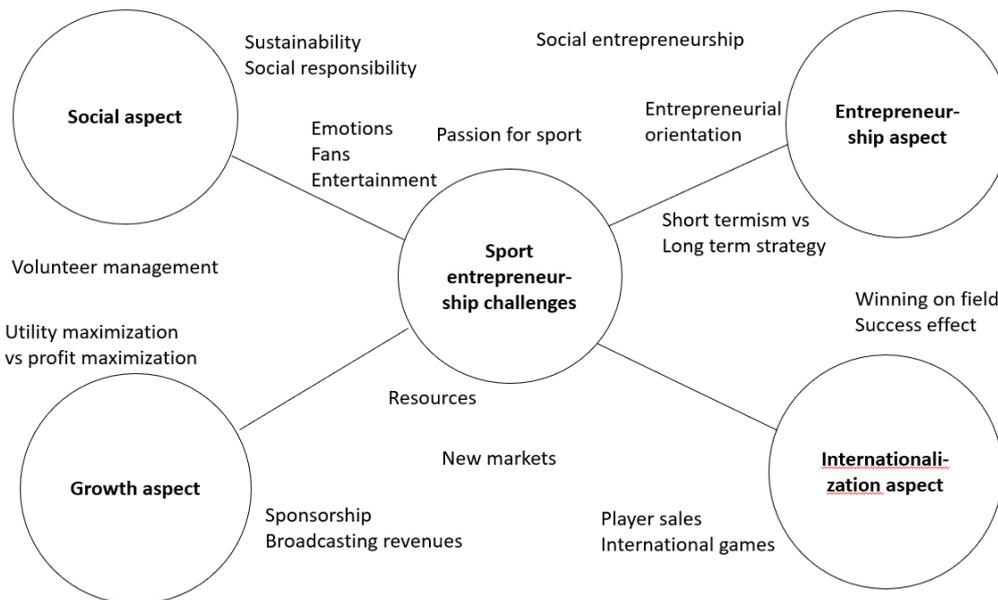


Figure 5.1: Challenges in sport entrepreneurship in team sport SME's

The entrepreneurial challenges found in this study can be divided into the need for entrepreneurship, social responsibility, business growth and internationalization. In these kinds of small and medium-sized enterprises, the focus needs to be in both, the entrepreneurs' actions, and characteristics, as well as in a functioning business system.

The need for entrepreneurship starts from the rapid professionalization of the team sport industry in Finland. The development from non-profit organization into profit-seeking businesses require capable entrepreneurs and entrepreneurial orientation. The shared passion for sport seems to be a common characteristic but there's a need for functional business performance in order to make the business successful. The studied cases show that the entrepreneur's role in overcoming the different challenges of business performance is crucial. Short-termism is a model that works in team sport enterprises due to the seasonality of the business, but it also requires a long-term business strategy to comprehend the business behavior to achieve success on a larger scale. The effect of business success and its significance for the company can be measured and evaluated but in a sport enterprise, the on-field success also plays an important role in terms of new business opportunities, such as internationalization.

Internationalization is an important aspect for team sport enterprises as a way to gain new markets and utilize business opportunities that can widen their revenue streams. The challenges in terms of internationalization relate to its uncertainty. Sporting success often determines the opportunities to internationalize, and the special challenge is that these opportunities are often also managed by an international governing body. These opportunities are important in two ways, for business expansion but also for sport

development. International games and player sales are the most common forms of these international opportunities.

New markets often bring in business growth, which has its own challenges in terms on profitability and financial decisions. The team sport business, especially in Finland, has been a business for passionate individuals, and the motivation for entrepreneurs in the studied cases seems to link to the entrepreneurs' willingness to be part of the particular sport. The biggest individual revenue sources for team sport enterprises are sponsorships, ticket sales and broadcasting rights. These sources differ from the traditional business structure and make the business vulnerable for changes in both, business and on the sporting field. The relationship of business and on-field success is very difficult to measure or prove but it can be said that the sporting success has an effect on the business success. The possible business growth is dependent on different revenue sources, business performance abilities, business opportunities together with company's growth orientation and the entrepreneur's willingness to grow. It can be discussed whether the aim of sport business is profit maximization or utility maximization. In the studied cases both aspects can be identified. The businesses have long-term strategies to grow but also short-term goals in sporting success, which do not necessarily deliver at the same time.

Corporate social responsibility and sustainability need to be connected in modern sport entrepreneurship. CSR is often part of the business in multiple ways; other companies are utilizing team sport companies to achieve their own CSR objectives, but team sport SME's also have their own CSR and sustainability programmes. The passion for sport as a motivator for the entrepreneur can also be a motivator to act as a social entrepreneur to give back to the community and the sport in question. The social aspect of team sport entrepreneurship is shaped with different challenges in human resource management due to the different stakeholder groups connected to the company. Sport event volunteers require different managerial knowledge than staff members, fans, spectators, or partners. Emotions are often involved in these stakeholder groups' actions, which can lead to additional challenges for management.

The studied cases showed that there are certain challenges in terms of need for entrepreneurship, company's internationalization, business growth and social aspect, that can be closely connected to team sport entrepreneurship. The special features connected to sport entrepreneurship give team sport business companies extra challenges in terms of entrepreneurship and business performance. New markets are connected to internationalization and business growth along with the industry specific challenges of uncertainty of outcome and sporting performance. Social entrepreneurship connects to sport marketing where it is used as a tool to market through sport or sport itself to pursue the corporate social responsibility actions and image goals. Passion for sport and emotions are present on multiple levels of team sport SME's performance from athletes to spectators and entrepreneurs, which makes the human impact to business remarkable.

5.3 Managerial contribution

The empirical contribution of this study is the deeper understanding of the challenges of team sport SME's from certain perspectives presented in the four papers attached to this dissertation. These examples may offer some ideas to consider especially for team sport enterprises and entrepreneurs in similar circumstances. Moreover, the findings can be used in developing other team sport companies' business strategies. By monitoring these cases, team sport enterprises could compare their actions to these companies and, perhaps, learn something that might help them to develop their businesses. In addition to contributions to elite team sport companies, this study offers interesting information to sport associations, such as the Finnish Football Association or Finnish Ice Hockey Association. These associations can benefit from these results in their task to advise and develop the football or ice hockey clubs in Finland. Furthermore, this study can benefit the governmental institutions working in the sport field and sport policy decision makers by offering understanding of business growth in the sport context.

The change in the dominant design of the sport industry and the establishment of limited companies have been some of the most effecting turning points in these case companies' development. Sport managers in similar sport companies in Finland should not prevent this kind of change and professionalization since it seems to have a positive effect on the overall company development, and especially on decision making, strategic development and organizational progress. The change from a non-profit organization to a limited company clarifies the responsibilities and the decision-making process, gives better access to financial capital and improves the investment possibilities. An organic structure and a good business concept together with the right recruitments should be in the focus in team sport enterprises' development. By managing the risks of recruitments and by reacting proactively to the changes in the industry, a sport company can create competitive advantage in its markets.

Sport business managers should aim at long-term planning in terms of their strategies, despite the fact that some sport performance-related decisions must be taken in short term due to the seasonality of the industry. Growth and the aimed aspects of it, such as internationalization or expansion to other areas of business, should be planned ahead and fit into the overall strategy of the firm. The entrepreneurs' own experience and business skills are important factors, especially at the beginning of the company life cycle. In later stages of the company life cycle, a future oriented perspective in strategic planning together with a skillful executive board and wide networks can help create successful business. Skilled businesspersons as board members can bring new know-how and a powerful contribution to the decision-making. Volunteer management at all levels of business functions in team sport companies, from the executive board to the coffee shop, have a strategic impact on the business, and with the right human resource management system, sport companies can gain remarkable benefits.

Financial risks and investment decisions should be taken carefully and considered in co-operation with different actors, such as the municipalities and private investors. Risk

taking is an essential part of the sport business, and managing risks in a rather turbulent environment is an essential part of entrepreneurs' career. In team sport companies, these risks need to be weighed both from the sport and business side in order to manage the balance between monetary gains and sporting losses. In a turbulent sport industry environment, the awareness of the surrounding markets, possibility to act proactively and the capability of bearing risks are key functions to sport entrepreneurs. Risks should be controlled but not avoided.

Team sport companies in Finland are financially very dependent on their sponsors and business partners, and innovative ways of attracting new stakeholders or acting as their media to reach their target groups have grown. Sport often attracts people in ways that any other industry cannot, and people are interested in the social aspects of business, such as environmental issues, sustainability or different charitable events, and this is one form of creating new partnerships with sponsors or other stakeholders. These different functions of corporate social responsibility are often interesting ways to offer partnerships to companies interested in marketing through sport. Corporate social responsibility and companies' actions in relation to CSR has become a new trend and a way to attract both businesses and spectators to commit to a team sport company. Spectators' growing awareness in environmental and sustainability issues have created new sponsorship possibilities and markets for sport enterprises.

Sport organizations can benefit from the entrepreneurs' creativity, innovativeness and passion to the sport in the form of entrepreneurial experience or business knowledge. Proactive actions to the changes in the sport industry design or policies are vital conditions for success. Sport managers and companies should be widely connected to the surrounding business environment, sport policy makers and national and international federations. By acting in these networks and responding to the change, both the company and the entrepreneur can have an influence on the development of the whole industry and its regulations. Sport managers should take advantage of the rapid professionalization of the sport industry and actively seek to commercialize the non-profit businesses where the business functions demand that. In the existing profit seeking businesses, the ability to recognize and utilize new business opportunities either within the core business or outside it is essential in order to remain competitive and grow.

5.4 Validation

5.4.1 Ensuring the trustworthiness of this study

As is commonly the case, there were some challenges in this research process. Firstly, the studied industry area is quite new in Finland, and there are still very few enterprises in the whole team sport industry. However, it is an admitted fact that the private sector is growing in the field of sports, whereas the public and non-profit sector are declining. Especially among elite sport companies, the number of growth enterprises is very limited, and this did not allow but a limited selection. Another challenge was that there was not

much previous research conducted in entrepreneurship in sport business. However, this was also an opportunity to gain some understanding to this phenomenon and start further research and discussions.

The trustworthiness of this study was ensured by following the presented case study process carefully. In an attempt to avoid the possible overall lack of credibility, this research was conducted by describing every step of the research in detail. Misunderstandings were avoided by recording and verbatim transcribing the interviews. Furthermore, the credibility of the interpretation was confirmed by selecting an appropriate theoretical framework against which to compare and analyze the data, and by using multiple sources in conducting the analysis. Transferability in this study was mainly ensured by carefully documenting the steps of the research process. Whether these results are transferable to other similar cases remains to be seen in future research, but these results explain the studied phenomenon in a certain context and are, therefore, transferable to some extent. Dependability and confirmability both stand for the consistency of the results, and they can be checked by other researchers, in this study by the supervisors and examiners. In qualitative case study research, the interpretation of the same data is never similar since the researcher starts from his or her basis with different background experiences and knowledge.

5.4.2 Ensuring the authenticity of this study

In a qualitative study, the question of the sufficiency of the data is difficult. In this study, the chosen amount of the collected data and sources was previously justified and explained. Since the researched phenomenon was new and there was no previous research, and since the elite team sport industry is very young in Finland and the total number of enterprises in the ball game leagues fairly small, it was justified to conduct a case study and keep the number of cases small. Even though the number of the cases from Finland was two (and one case in one article from Sweden) some saturation of data could be identified.

The analysis was conducted by using a computer software program called NVivo in order to ensure the extent of the analysis. All the steps were documented, and an interview database was created in the NVivo qualitative data processing program. By using the analysis technology in coding the interview data, the possible disregard of important points was minimized. Ontological and methodological choices were explained and justified in order to ensure the authenticity of this study. The reader should be able to follow the analysis and interpretations of this study. When presenting the results of the analysis, some quotations are used in the articles in order to indicate the correctness of interpretation and strengthen the authenticity of the study.

The studied framework is somewhat new in the context of sport business and management, and it provides new insights into the entrepreneurial discussion as well. The issue of growth entrepreneurship in sports, or even the issue of overall entrepreneurship in sports, is nationally very important in Finland. The sports sector is commercializing

quickly, and more non-profit organizations are turning to businesses. Therefore, this study is an important starting point for this research area, and it may benefit the sport industry in Finland. A possible bias in interpreting the data may occur because the researcher is never totally objective in qualitative research but influenced by previous knowledge and experiences.

The sources of evidence in this study were multiple. According to Yin (2014), a complete case study needs to show that the effort to collect all the necessary evidence was real, the most relevant evidence was presented, and the boundaries were identified (Yin 2014, 200-205). The use of multiple sources was important in meeting the aim of the study to understand more deeply these sport enterprises' challenges. Company histories and information from web pages, annual reports, some financial data and strategies gave the background information for the big picture, and interviews together with a literature review produced the parts of discussion and conclusions. The research process was logical and hopefully easy to follow.

5.4.3 Limitations

One limitation in qualitative research is always that the researcher's interpretations and possible biases or previous experiences may affect interpretation. In this research, the aim was not to generalize the findings, but to gain knowledge and understanding of the researched phenomenon, and, therefore, the interpretation was dependent on the researcher. The possible biases were limited to a minimum by carefully transcribing the interviews, describing the research process in detail and keeping the report logical.

This case study research is limited to medium and small sized team sport companies and cannot be generalized further to sport companies at large. However, a theoretical or analytical generalization could be possible as the results are parallel with several earlier well-tested theories of sport entrepreneurship and special features of sport business. The study is also geographically limited to Finland (and a Swedish football company included in one article). The case study approach limits this study to only a few cases, and the phenomenon needs to be further tested in mainline research.

5.5 Suggestions for future research

This study gives a starting point for sport entrepreneurship discussion in the Finnish team sport industry and sport SME's in general. In the future, more systemic research should be conducted in order to empirically test the presented model of sport entrepreneurship in sport business in mainline research. One way of testing this theory would be to compare these findings to the whole team sport industry in Finland or within the same sports in different operating environments. Since the conclusion is that there are certain industry specific challenges that shape the team sport entrepreneurship, it can be further discussed whether there are differences in different operating environments. Another approach for

future studies would be to identify possible other aspects of different challenges in sport entrepreneurship in team sport enterprises or other sport business SME's.

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THE IMPORTANCE OF ENTREPRENEURSHIP IN SMALL AND MEDIUM-SIZED SPORT ENTERPRISES

Aila Ahonen and Sari Savolainen

Introduction

Entrepreneurship is an interesting area of research in the field of sport management since sport has been studied from various business viewpoints, such as marketing, management and leadership, whereas sport entrepreneurship has gained much less attention. Sport is a complex phenomenon; the commercial aspirations growing together with non-profit goals makes it difficult to identify whether sport enterprises are profit-seeking businesses or more social enterprises. Although the sport industry is growing rapidly in both the non-profit and profit-seeking sectors, sport organizations in Europe are still mainly non-profit and often run, at least partly, by volunteers. However, during the past couple of decades, more sport organizations have been transferred to privately owned enterprises and sport has become highly commercialized business. In Finland, where the case example is from, the change has happened, especially at the highest level of sport, since the public sector pulled out from funding professional or semi-professional sport. Sport entrepreneurship is rather a new phenomenon in Finland, existing since the 1990s, while in the US, sport has been commercialized for much longer. Although sport entrepreneurship has been most noticeable at the highest level, it exists on all levels from elite sport to grassroots sport (Gilmore, Gallagher & O'Dwyer, 2011; Ratten, 2011).

Sport entrepreneurship has been defined as sport-related organizations acting innovatively in a business context (Ratten, 2010; Cilletti & Chadwick, 2012). The role of entrepreneurship, and especially the role of an entrepreneur, has become important in small and medium-sized sport enterprises (SME) due to commercialization. Business, in general, targets profit maximization whereas, in sport business, the target could be utility maximization (Spender, 1989). This does not mean that profit is not important in sport entrepreneurship but entrepreneurs and business managers of sport-related enterprises can enhance their economic performance by harnessing the power of sport to deliver community and social objectives (Smith & Westerbeek, 2007). Entrepreneurs in SMEs are often motivated by something other than financial returns and have a strong passion for their sport.

The aim of this chapter is to identify the importance of entrepreneurship in small and medium-sized sport enterprises. The chapter introduces some basic definitions of “entrepreneur” and “entrepreneurship” and presents some of the common features of sport

and entrepreneurship that are discussed in the literature. A short case example of the importance of entrepreneurial orientation in an ice hockey SME from Finland further illustrates the phenomenon introduced in this chapter.

Entrepreneurship and entrepreneur

Entrepreneurship researchers have provided several different definitions of entrepreneurship as a phenomenon. The first definitions of entrepreneurship can be found in Richard Cantillon's writings (1680–1743) (Landström, 2006). The first modern definition of entrepreneurship is Schumpeter's (1934). He defined entrepreneurship and entrepreneurs as follows: "the carrying out of new combinations can be called enterprise and the individuals whose function it is to carry out them can be called entrepreneurs" (Schumpeter, 1934). Schumpeter sees that the entrepreneur is his own technical expert, professional specialist, buying and selling agent, head of his office, his own personal manager and legal adviser. Schumpeter's definition shows the differences between our way of thinking and the way of thinking in the 1930s but it is still applicable today. Nowadays the entrepreneur usually has a large business network with support functions rather than doing everything himself. Entrepreneurship is a combination of innovativeness (Schumpeter, 1934), effectiveness (Kirzner, 1982) and opportunity recognition (Shane, 2003). Entrepreneurship is a mixture of risk-taking, investing and potential growth-seeking (Holt, Rutherford & Clohessy, 2007). The same characteristics can be identified as crucial for a sport organization's leadership.

Shane (2003) defined entrepreneurship as an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes and raw materials through organizing efforts that previously had not existed (see also, Venkataraman, 1997; Shane & Venkataraman, 2000). This entrepreneurship definition includes explanations of why, when and how entrepreneurial opportunities exist; the sources of those opportunities and the forms that they take; the processes of opportunity discovery and evaluation; the acquisition of resources for the exploitation of these opportunities; the act of opportunity exploitation; why, when and how some individuals and not others discover, evaluate, gather resources for and exploit opportunities; the strategies used to pursue opportunities; and the organizing efforts to exploit them (Shane, 2003; Shane & Venkataraman, 2000). Some people see more opportunities than others and are therefore more likely to become entrepreneurs. Resourcefulness is often connected to entrepreneurship and entrepreneurial resourcefulness has been defined as the ability to identify opportunities in the environment and regulate behaviour to successfully manage an organization in order to pursue the opportunity (Misra & Kumar, 2000). In general, resourcefulness means the ability to self-regulate and direct one's behaviour successfully in order to cope with stressful and challenging situations (Meichenbaum, 1977). Correspondingly, Welter and Xheneti (2013) see resourcefulness as a dynamic concept encompassing multiple practices that change over time. These are results from a close interplay of multiple contexts with entrepreneurial behaviour. The sport business environment is a constantly changing one that requires resourceful management and leadership skills from entrepreneurs.

Cole (1959) has defined an entrepreneur as an individual who is primarily responsible for gathering the necessary resources to initiate a business. Pickle and Abrahamson (1990) define an entrepreneur as a person who organizes and manages a business by undertaking and assuming the risks for the sake of profit. On the other hand, entrepreneurs are individuals who implement entrepreneurship by discovery, evaluation and exploitation of opportunities (Shane & Venkataraman, 2000). They see that an entrepreneur evaluates perceived opportunities and

strives to make the decisions that will enable the firm to realize sustainable growth. This opportunity exploitation often involves high risks. In sport business, for example, risks include hiring expensive players without any guarantee of their performance. Entrepreneurs' abilities to bear these risks influence a firm's performance and its potential to develop and grow. Entrepreneurs are often seen as individuals, usually founder-owners, who perceive entrepreneurial opportunities, exploit those opportunities, establish ventures by certain means and purposes and manage their ventures in a certain way (Gibb, 2002).

The individual characteristics of an entrepreneur have frequently been a topic of investigation in various studies (Leibenstein, 1968; Brockhaus, 1982; Kuratko & Hodgetts, 1995; Giannetti & Simonov, 2004; Timmons & Spinelli, 2009). Different writers define different personal characteristics as important for an entrepreneur. An example of an earlier conceptualization is presented by Leibenstein (1968), who defines the entrepreneur as an individual or group of individuals with four major characteristics: (1) the entrepreneur connects different markets, (2) he can make up for market deficiencies, (3) he is an input-completer, and (4) he creates or expands time-binding, input-transforming entities (i.e. firms) (Leibenstein, 1968). Leibenstein thus concentrates more on the task of an entrepreneur than the individual or psychological characteristics.

Schumpeter defines entrepreneurs as a special type, their behaviour as a special problem, and their motivating power as drawn from several significant phenomena (Schumpeter, 1934). Entrepreneurial characteristics include, for example, the desire for responsibility, entrepreneurial family background, confidence, entrepreneurial freedom, ambition, competitiveness, future orientation and value for money (Mariotti & Glackin, 2012, pp. 6–10; Scarborough, 2011, pp. 20–24). Timmons and Spinelli (2009) divide entrepreneurial characteristics into three different categories: core characteristics, achievable characteristics and non-entrepreneurial characteristics. The most important core characteristics are commitment and determination, which can help to overcome some possible obstacles. They see successful entrepreneurs as good leaders and supportive managers, who do not try to achieve excessive independence from the surrounding environment. They are opportunity-seeking, ready to act in a fast-changing, turbulent environment. They are creative, self-confident and able to cope with a reasonable amount of risk and uncertainty (Timmons & Spinelli, 2009, pp. 249–262). Entrepreneurs enjoy the freedom of owning their own business but do not prefer the often long working hours, and non-monetary aspects are great motivators in venturing into business (Alstete, 2008).

Ownership, and especially psychological ownership, is an interesting context in which to explain entrepreneurship in sport, even though it is not commonly connected to theories of entrepreneurship. In practice, every entrepreneur is a business owner, which brings along entrepreneurial responsibilities, duties, rights and even risks of losing the target of ownership. Legal ownership is defined by the owner being able to exercise his natural powers over the subject-matter without interference, and more or less excludes other people from such interference (Holmes [1881] 1946, p. 246). The owner answers only to himself. Psychological ownership is defined as a cognitive-affective construct that is based on individuals' feelings of possessiveness and of being psychologically tied or attached to objects that are material and immaterial in nature (Pierce, Kostova & Dirks, 2001). Understanding ownership and psychological ownership in sport entrepreneurship is important since sport business activities are often strongly connected to sport itself and the feelings it causes. Furthermore, sport entrepreneurs are often emotionally connected to the sport, and these kinds of emotions in business activities cannot be found in many other fields of business.

Entrepreneurship in entrepreneurially-driven sport organizations

Professional sport has undergone major structural and operational changes over the past decade and it is both similar to and different from a traditional business. However, all business ventures, including sport, aim to widen their market share, build a strong brand and make profit (Smith and Stewart, 2010). Sport contains many features similar to entrepreneurship; in both, the aim is to win and to be a forerunner compared to competitors. The traditional aim of on-field success is still important in sport but there is a growing awareness that revenue and profits, together with sporting success, are the key to overall successful performance (Smith & Stewart, 2010). In sport SMEs, sporting success does not guarantee success in business, and therefore it is essential that the business knowledge of the entrepreneur is of a high standard. One fast-growing form of sport entrepreneurship is event organization. The growing number of sport events have also become an important economic and social driver for regional development around the world. According to Hall (2006), sport events, and especially sport mega-events, are very important forms of urban sport entrepreneurship.

Sport entrepreneurship in SMEs is very heterogenic in nature; it contains different businesses from several sectors. Sport entrepreneurship and entrepreneurial actions in SMEs can be divided into four main categories: (1) sport events and participation activities, (2) sport supplies and services, (3) sport facilities and arenas, and (4) sport investors and owners (see Figure 34.1). Entrepreneurial activities and business actions can happen while simultaneously overlapping in different categories.

Very often SMEs act in all the areas of sport entrepreneurship described in Figure 34.1. Entrepreneurs' social networks between sport organizations and external business providers give them opportunities to access knowledge, information and other resources (Ratten & Ferreira, 2016). Wide stakeholder networks are essential for sport entrepreneurs to create value for their customers.

Successful sport entrepreneurship requires innovation, creativity, proactivity and the ability to take risks (Ratten, 2011; Cilletti, 2012). In the sport industry, there is a growing amount of entrepreneurial opportunity, and individuals who can recognize and exploit these opportunities are needed (Cilletti & Chadwick, 2012). Entrepreneurship in sport can be based on earlier activity in the same field of sport. An athlete might have seen an opportunity for entrepreneurial activities connected to sport during his/her active sport career, and utilized this opportunity later. Sometimes entrepreneurship can be built on the earlier non-profit organization's actions around sport. Very often non-profit voluntary work has dried up or public funding has decreased, and the organization has changed into a profit-seeking business.

Ratten (2011) introduces a theory of sport-based entrepreneurship, arguing that "sport is an entrepreneurial process as innovation and change are key elements of sport". Sport-based entrepreneurship exists when sport-related entrepreneurial opportunities are exploited by creating value. Sport entrepreneurship comprises individual entrepreneurs who combine

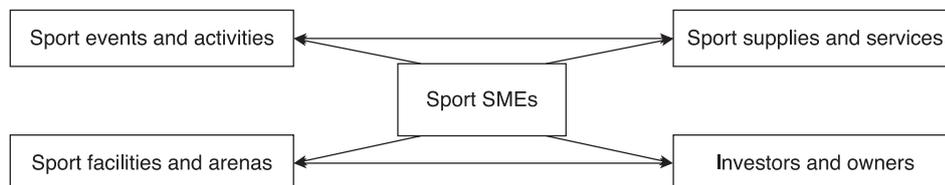


Figure 34.1 Main forms of small and medium-sized sport entrepreneurship

opportunities that arise from their networks, and optimize resources where they are effective (Ratten, 2011). Moore and Levermore (2012) argue that resource constraints, informality, an authoritarian management style and short-termism in decision making are characteristics in SMEs in sport business. These are characteristics that are connected to entrepreneurial orientation as well. Lumpkin and Dess (1996) and Covin and Slevin (1991) identify autonomy, innovativeness, risk-taking and competitive aggressiveness to be dimensions of entrepreneurial orientation, while Kreiser and Davis (2010) add innovation and proactiveness to these characteristics to exploit entrepreneurial behaviour. An entrepreneurial orientation together with a favourable environment and the right organizational structure is needed to achieve profitable firm performance or growth (Kreiser & Davis, 2010).

Innovativeness, proactiveness and risk-taking are identified as key concepts of sport entrepreneurship by Cilletti (2012). Technological innovations and new media solutions have provided opportunities for sport enterprises to expand their businesses. The sport sector's uniqueness in terms of uncertainty of outcome and fast changes requires proactive actions from sport entrepreneurs. Risk taking in terms of financial risks such as athlete contracts, licences and market-related risk, together with social risks of serving change agents or breaking down traditional barriers, are characteristics of sport entrepreneurship (Cilletti, 2012).

The case of entrepreneurial development in JYP Ice Hockey Club

Ice hockey is the most popular sport in Finland in terms of spectators and broadcasting. Finland has also been very successful in ice hockey in international competitions, such as the Olympics or World Championships, by winning several medals over the years. Jyväskylä Ice Hockey Club (JYP) is a small-town ice hockey team that has played in the Finnish national league since 1985. JYP is also one of the most successful businesses within the national ice hockey league companies in Finland with several national championships and a European Trophy league win in 2013. JYP operated as a non-profit organization until it was corporatized at the turn of the century (Ruuska, 2013). Today, JYP operates as an SME and a majority of its shares are owned by the entrepreneur, who also acts as a chairman of the board. The first push for the corporatization was that player contracts were seen as employment contracts by the taxation authorities, and profit-seeking ice hockey clubs could no longer identify themselves as non-profit organizations. The benefits of the corporatization were that decision-making processes became streamlined and entrepreneur-centred risk taking increased, access to financial capital became easier and competitiveness grew substantially. The owner-entrepreneur invested heavily in the club at the beginning and took big risks in terms of player recruitment and team building (Ahonen, 2017).

JYP has gained on-ice success and managed to develop that into a business success even though the facilities and environment have provided some challenges. JYP operates in the smallest ice hockey arena in the national league and its home market in a mid-sized city with multiple sport offerings is rather small (Ahonen, 2017). In 2004, JYP published a strategy called "Mission 2007" and defined a clear growth strategy in terms of sporting success and revenues. It succeeded in terms of marketing and finances but not in terms of sporting success. The success in sport followed a couple of years later in 2009 when it won the Finnish National Championship title for the first time (JYP, 2017). Behind this success was its owner-entrepreneur's entrepreneurial orientation, innovativeness and willingness to take risks (Ahonen, 2017).

JYP's entrepreneurial orientation includes both organizational and individual level actions and actors. The entrepreneur and staff both show a big commitment and determination to their company and the sport. The entrepreneur's motivation to run the business is more connected to enthusiasm towards the sport itself and to motivation to excel than monetary revenues. The entrepreneur's previous knowledge and innovativeness in decision-making, together with the ability to exploit the opportunities when they exist, are drivers for success. Exploitation of internationalization opportunities with the Kontinental Hockey League (KHL) in Russia were important in achieving financial success. Player sales to KHL played a big role in JYP's development (Ahonen, 2017).

Value creation for stakeholders is one key to success in sport event organizing (Woratschek, Horbel & Popp, 2014) and JYP has exploited this by creating high-quality services for sponsors, spectators and fans. Due to cooperation with the city of Jyväskylä in investing into new facilities, JYP had the opportunity to build new service facilities and gain more income from extended restaurant and VIP-lounge services (Ahonen, 2017). Since the game events are more like platforms where value is created for different stakeholders (Woratschek, *et al.*, 2014), the importance of off-field customer services are very great for such a small sport enterprise. The entrepreneurially driven value creation process is essential for sport SMEs in order for them to be less dependent on uncertain sporting success.

JYP's business success has not been the motivator for its entrepreneur but more a facilitator for future development. The owner-entrepreneur's motivation to be a sport entrepreneur has a lot to do with social entrepreneurship. The company has supported the non-profit youth teams and the possibility to make a social contribution to the junior teams and the community act as a motivator to the entrepreneur (Ahonen, 2017). This co-operation can be seen also as an asset influencing future sporting success in terms of future players.

Conclusion

In small countries, with limited markets for sport events and sport services, the importance of SMEs in the sport sector is growing. The public sector is pulling out from funding sport and sport clubs are becoming service providers and commercialized businesses instead of voluntarily run non-profit organizations. Opportunities exist in multiple sectors in sport business, and entrepreneurs who are capable of recognizing and exploiting these opportunities are widely needed. The challenge for SMEs in sport is the lack of financial returns and profits.

Motivational factors play a big role in establishing sport SMEs. The concept of psychological ownership can explain some of the reasons behind sport business ventures. Emotional ties to a certain sport can act as a motivator to become an entrepreneur and a business owner in the field of sport, despite the small monetary returns. The special nature of sport business, with its variety of feelings and passions, offers returns that cannot be found in many other businesses. The challenge of a fast-changing operating environment requires special individual characteristics in sport entrepreneurs including innovativeness, creativity, the capability to act proactively, the ability to bear big financial risks, an entrepreneurial orientation and resourcefulness.

Sport entrepreneurship research is in its infancy and the aim of this chapter is to give an insight into entrepreneurial aspects in sport SMEs. SME's roles in Finland and in the Scandinavian sport sector are important due to the size of the countries and markets. Volunteer work and public funding are decreasing, sport clubs are commercializing and the number of

local and international sport events is growing. Entrepreneurial opportunities exist and possibilities for new business ventures are high. Despite a decrease in public funding for sport in Finland, support for start-ups is available and creates a positive environment for establishing new firms in the sport sector.

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Entrepreneurial growth in elite team sport SME's in Finland

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Abstract

Purpose –Entrepreneurship in the sport sector has become an important discussion topic amongst public policymakers in Finland, and the interface between entrepreneurial sport companies and the public sector is crucial in the development of sport entrepreneurship. The purpose of this study was to discuss the entrepreneurial growth of two elite team sport companies in Finland by describing the entrepreneurial characteristics and organisational development affecting their growth. This paper aims at giving new insights into the discussion of growth entrepreneurship in small and medium sized enterprises (SME's) in the team sport context.

Design/methodology approach - A qualitative case study approach was chosen to best describe the phenomenon of entrepreneurial growth in top sport team SME's.

Findings - The results indicate that the entrepreneurial growth in these two cases comes from entrepreneurial opportunities, growth orientation and growth ability. Industry-specific issues, organizational characteristics, a favourable operating environment, entrepreneurially oriented owner-entrepreneurs and the policymakers' capability of supporting the growth have affected the success of these team sport enterprises.

Research limitations– This study is limited to the Finnish sport context and these studied cases.

Practical implications – This paper explains the entrepreneurial growth of two successful Finnish team sport enterprises and offers interesting insights for sport management and similar entrepreneurial sport enterprises in the industry.

Originality/value – This paper contributes to the discussion of sport entrepreneurship, and, especially, offers further understanding of growth entrepreneurship in small and medium sized sport enterprises.

Keywords - Sport entrepreneurship, Growth entrepreneurship, Sport entrepreneur, Sport business management, Team sport, Small and medium sized enterprise

Introduction

The importance of globally growing sport businesses for national economies has become significant in many countries. This global development has been influenced by the complexity of the industry, media, globalized marketplace, growing competition, technological development, and the convergence of the global customer behaviour (Santomier, 2002). Sport tourism related mega-events or international events can produce remarkable positive economic impacts on their hosting cities or countries (Preuss, 2007) together with community development (Kaplanidou *et al.*, 2013). Sport is unique by its nature because it is a rather passionate industry area, its products and services are highly dependent on the context, it is often seasonal and supported by public money. Governments and organisations can influence sport through entrepreneurship, since it offers new solutions for business operations and influences the society (Ratten, 2018, 21; Ratten, 2017a).

Sport and physical activities have always had a great importance for the Finnish people and society, and success in sport has had a substantial impact on the national identity. The sports culture has always been strong in Finland, both in terms of participating and spectating sports. Lately, sport entrepreneurship and entrepreneurs have been in the spotlight in the policy makers' discussions in Finland. Sport is part of politics, and political decisions affect the development of sport on the local and national level. Many projects on the regional level rely on sports, and cities use sport as a tool for city branding (Knott *et al.*, 2015; Herstein and Berger, 2013). Developing sport entrepreneurship amongst elite sport is one of the challenges that public policy makers face, and the importance of entrepreneurially run sport organizations is growing because the public sector is pulling out from financing the sport sector in Finland (Diges, 2010). This development towards entrepreneurial sport organizations is very recent in Finland compared to, for example, the more widely discussed and studied US sport industry. In Finland, top-level sport organizations started to become businesses only in the late 1990's.

Sport is part of innovation policies (Ratten, 2017b) and it can, therefore, be connected closely to the development of growth entrepreneurship. The levels of education and innovativeness, which are of high standard in Finland, are often combined with growth enterprises. However, the growth numbers in small and medium sized enterprises (SME's) in Finland are very low in international comparison (SME business barometer, 2018). In Finland, the company structure lies heavily on SME's since only 0.16 % of the Finnish companies employ more than 250 persons and 0.86 % more than 50 people (Statistics Centre, 2015). Only every tenth enterprise in Finland actively seeks to grow and has a growth strategy (SME business barometer, 2018). Business opportunities exist especially in the service sector to which most of the sport business also belongs. Sport entrepreneurship can be seen to

include multiple businesses ranging from sport itself and coaching to education, facility management, sports marketing, tourism, events, utilization of modern technology and sports equipment (Diges, 2010).

Traditionally, the difference between business and sport is that sport is more concerned about the winning performance on the field than profitable business performance. This is due to the dominance of non-profit organisations in sport. Nowadays, when sport has professionalized, the battle is often in two arenas: on the field and in business. The importance of revenues and profits, as well as access to resources, a good financial situation and cooperation between the private and public sector have also proved to be key success factors in sport performance. Both professional sports and conventional business are aiming at building profits, strengthening their brand, and winning more market share (Smith & Stewart, 2010). Even though professional sports are mainly run as profit-seeking business ventures, many sport entrepreneurs have a social impact focus on their performance as well. Entrepreneurs can create other than monetary value by focusing on positive social impacts, such as building their own or company brand or altruism (Shropshire, 2012).

Sport entrepreneurship is a growing field of research, but entrepreneurship has not been widely studied in the sport context. Increased research interest in sport entrepreneurship is due to the continuous change in the market, its competitive nature and fast global development (Ratten, 2018, 1-2). Sport business has often been studied from the economic, philosophical, physiological, psychological and ontological points of view (Olivier, 2006; Ratten, 2010a), and management and marketing studies are the most common aspects in the sport business field. The growing number of entrepreneurship studies and, especially, growth entrepreneurship studies, in sport together with the global industrial growth indicates that this area of research will develop in the future. Entrepreneurship is one of the driving forces in the global growth of the sport and leisure industry (Ball, 2005), and therefore, an interesting area to study.

This study focuses on two elite sport team enterprises, a football company and an ice hockey company from Finland, and their entrepreneurial growth development. The aim of this paper is to understand why these small team sport enterprises have achieved a sustainable entrepreneurial business growth, and what the entrepreneurial functions in their growth are that explain this success. The main research questions in this study were: Why and how have these two studied first league sport enterprises grown? What have been those entrepreneurial characteristics in terms of growth ability, orientation and opportunity that have affected their business growth? This paper aims at giving new insights into the discussion of growth entrepreneurship in sport SME's in the elite team sport context. The three approaches used to describe the entrepreneurial growth were drawn from

literature dealing with entrepreneurship and growth entrepreneurship in small and medium sized companies. Growth entrepreneurship has received relatively little research attention in the sport context, and therefore, this study gives interesting viewpoints for further studies. Nevertheless, SME's dominate entrepreneurship in the sport context (Moore and Levermore, 2012), and therefore, understanding the growth entrepreneurship characteristics within these SME's is important, and it can provide interesting insights on entrepreneurship in the sport context. The rising role of sport in society together with the growing impact of sport on the international economy has grown interest towards sport entrepreneurship. An entrepreneurial sport policy is important in developing sport management, public policy and innovative entrepreneurship (Ratten, 2017a) and "Entrepreneurship is a process inherent to business development, which is a key part of sport policy" (Ratten, 2017b). In Finland, and in most European countries, elite sport clubs have traditionally been run by volunteers, and they have focused on non-profit utility maximization rather than profit maximisation. However, professionalization has led to these clubs to establish firms in order to better compete in the changing markets. Business growth is essential for these small and medium sized companies' competition (Dobbs and Hamilton, 2007).

Growth entrepreneurship and sport SME's

Entrepreneurship is a complex phenomenon that cuts across many fields of business (Low and McMillan, 1988). The theoretical background of this study consists of a synthesis of entrepreneurship and entrepreneurial growth, together with the theory of sport entrepreneurship. In this study, the focus in building the conceptual framework is on the organizational level. However, in these kinds of small and medium sized sport enterprises, strong entrepreneurs can create and determine the organizational culture, and, therefore, the individual level strongly affects the organizational level (Wright and Stigliani, 2013).

Entrepreneurship has been defined in different ways through history, and there seems to be no single right definition. Venkataraman (1997) discusses the problem of defining entrepreneurship and states that it is often defined only from the entrepreneurs' perspective and that entrepreneurship involves both profitable business opportunities and individual entrepreneurs. However, the effectiveness of entrepreneurs can be measured in terms of their companies' performance (Covin and Slevin, 1991). Shane and Venkataraman (2000) also define entrepreneurship to be the discovery, evaluation and exploitation of opportunities together with individuals utilizing them. Entrepreneurship is a process in which individuals seek for opportunities without regard to the resources they have (Stevenson and Jarillo, 1990). Conversely, Gartner and Baker (2010) point out that entrepreneurs may discover and exploit opportunities either with or without

regard to the resources at hand. In other words, opportunities can be either discovered or created, but they are always the core function of entrepreneurial activities, and important in entrepreneurial growth. Understanding the importance of opportunity recognition, innovative business development and the importance of individual entrepreneurs is the key to policymakers' support to growth entrepreneurship.

Growth entrepreneurship can be divided into two categories: organic growth and growth by acquisitions. Organic growth usually happens within an organization, and it is based on its current resources (McKelvie and Wiklund, 2010), not on buying new businesses. In this study, both cases have grown organically, and therefore, the focus in the theoretical framework is also on organic growth. In literature, there are multiple ways to define entrepreneurial and small business growth. Some studies concentrate on the external factors, whereas some claim that the internal aspects are the most important when studying SME's growth. Osborne (1993) argues that the basis for a firm's growth comes from the business concept and its functionality. Laukkanen (2007) combines the enterprise and entrepreneur in his definition of entrepreneurial growth: he identifies a growth enterprise to be a firm led by highly growth-oriented entrepreneurs. Hyrsky and Lipponen (2004) identify the four most important issues connected to entrepreneurial growth, namely, growth orientation, growth ability, a recognizable competitive advantage and market opportunities. Growth is very often directly connected to business success and profitability (Davidsson *et al.*, 2009; Clarysse *et al.*, 2011), whereas in SME's the willingness to grow is the key for a successful growth strategy (Weber *et al.*, 2015).

In order to grow, an enterprise must be successful (Davidsson *et al.*, 2006). Success itself depends on multiple external and internal factors, some of which are controllable and some uncontrollable. Growth ability is based on skills, competencies and knowledge, as well as on the ability to obtain resources and coordinate scarce resources (Shane and Venkataraman, 2000). According to Shepherd and Wiklund (2009), entrepreneurial growth depends on small business managers' aspirations to expand, their previous experiences and education, together with environmental dynamism. Small business growth is very often measured as an outcome, where growth is a dependent variable influenced by independent variables (McKelvie and Wiklund, 2010). These independent variables are those that enable growth, although there is no consensus on which of these have a consistent effect on growth (Shepherd and Wiklund, 2009). Gilbert *et al.* (2006) point out that growth is a function of entrepreneurial decision-making about how and where to grow. Growth is part of an enterprise's strategy (Weber *et al.*, 2015), and the entrepreneur must choose to grow. Particularly for new firms, such as those studied in this case, human, financial and outside resources are important aspects in successful growth (Gilbert *et al.*, 2006). Growth is a process and outcome that always occurs in a certain period of time (McKelvie

and Wiklund, 2010). Policymakers' challenge is to recognise these growth-oriented enterprises and create an environment that supports the growth. According to Faggian *et al.* (2017), a positive environment for economic growth can be created through creativity, entrepreneurship and human capital. An entrepreneurial sport policy, innovations and technological change can boost sport entrepreneurship on local, national and international levels (Ratten, 2017a).

The recognition, discovery and exploitation of opportunities are some of the necessities of entrepreneurial actions and growth (Shane, 2003, 18-19). Not everybody recognizes entrepreneurial opportunities, and the same opportunities may be discovered differently due to the entrepreneurs' different previous experiences, knowledge and know-how. The information networks of individuals through which they see and analyse their environment affect their possibilities to recognize entrepreneurial opportunities. (Shane and Venkataraman, 2000). Entrepreneurs with previous business ownership experiences identify more opportunities and are more innovative and creative in exploiting those opportunities (Ucbasaran *et al.*, 2009). Shane and Ekhardt (2010) introduce the theory of an individual-opportunity nexus concluding the previous discussions on reasons why some individuals are more likely to discover entrepreneurial opportunities than others. They highlight the importance of individual cognition in the entrepreneurial opportunity discovery and exploitation. They identify individual characteristics, such as willingness to take risks, self-direction and aspiring to autonomy, as well as access to such resources as financial, social, experiential and human capital to be of importance in this process. In order to be successful, the intent of action also needs sufficient conditions for entrepreneurial behaviour. (Shane and Ekhardt, 2010.)

Growth orientation is a sum of an entrepreneurial orientation and a positive operational environment. Entrepreneurial orientation is a very useful construct for understanding small business growth and, specifically, the impact of resource utilization, environment and attitude towards growth (Wiklund *et al.*, 2009). Covin and Slevin (1991) argue that entrepreneurial orientation and performance must be present on both the company and individual levels. On the company level, entrepreneurial orientation, the environment and the firm's strategic fit with it affect small business growth and profitability. Firms with an entrepreneurial orientation are willing to take high risks, they are innovative, proactive and opportunity oriented (Wiklund *et al.*, 2009; Covin and Slevin, 1991). These are also characteristics of sport entrepreneurship (Ratten, 2011; Cilletti, 2012).

Entrepreneurial orientation is always context-specific, and therefore, industry-specific issues together with organizational characteristics play a crucial role when defining the entrepreneurial growth orientation of the studied companies. Entrepreneurial orientation contains three different

dimensions, namely, innovation, proactiveness and risk taking, and it is affected by the environment and organizational structure (Kreiser and Davis, 2010). All the three sub-dimensions have different relationships with the firm's performance and success. To a certain degree, increased risk taking has a positive effect on a firm's performance, together with high levels of innovativeness and proactiveness. These sub-dimensions are moderated by the external environment and internal organizational structures. Organic structures with these three functions of entrepreneurial orientation lead to increased levels of firm performance. (Kreiser and Davis, 2010.) A turbulent environment can increase the opportunities and proactive firm behaviour. Companies need to make risky decisions in order to be able to compete in a rapidly changing, dynamic environment, whereas in more stable environments, risks can be avoided, and resources are more available. The operational environment is often dynamic, and uncertainty exists on a high level. This is especially true about sport where the industry environment is in constant change, and the level of professionalization has an effect on growth orientation in the sport context. In addition, Wiklund and Shepherd (2005) still connect access to financial capital to these sub-dimensions affecting entrepreneurial orientation.

Sport entrepreneurship

Sport business as a globally fast-growing industry can be expected to offer multiple business opportunities all over the world. Both sport and entrepreneurship have many similar characteristics. They demand innovativeness, proactiveness and risk-taking, and they operate in a very turbulent environment. (Ratten, 2011; Ratten, 2018, 12.) In the development of sport entrepreneurship, new business ventures play an important role because they increase the competition and create business opportunities (Ratten, 2018, 13). Top-level sport and business growth have similar features because both demand competitiveness and determination. Growth entrepreneurship and top sports both aim to be better than the competitors in a turbulent business environment. In sport business, the competition is in two arenas, in business and in sport (Beech and Chadwick, 2013). Business, in general, often aims at profit maximization, whereas in the sport business the aim could be more in utility maximization, which can be connected to social entrepreneurship. On the one hand, entrepreneurship is a driving force for economies to grow, and on the other hand, entrepreneurship can be a resource for growing sport organizations.

Ratten (2011) introduces a theory of sport-based entrepreneurship where entrepreneurship is discussed in the sport context. Sport-based entrepreneurship is identified as sport-related activities that are produced and managed by entrepreneurial individuals. Ciletti (2012) also connects innovations, risk taking and proactiveness to the characteristics of sport and entrepreneurship. Innovations have already been connected to sport business

by Hardy (1986) as he describes them as one indicator of sport entrepreneurship. Innovations in sport enterprises include technological, promotional, product (Ciletti, 2012; Ratten, 2011) and service innovations. Innovations can be found on different levels in a sport enterprise: the organizational, team or individual level (Ratten, 2011), and they can be the driving force for the development of a policy that supports new venture creation and development in sport (Ratten, 2017b). Due to the global growth in the sport industry, a wide variety of entrepreneurial opportunities exist in the sport business, and entrepreneurial activities are needed in the development of different sport-related organizations (Ciletti, 2012; Ratten, 2011; Santomier, 2002). Sport has become more competitive and sport managers need to develop new ideas and utilize entrepreneurial opportunities (Ratten, 2017b). Ratten (2018, 12) also connects creativity together with innovations, proactiveness and risk taking to sport entrepreneurship development. Sport leaders are often creative, and they manage change very well. Sport entrepreneurs' personal characteristics and commitment influence their success, and together with the operating environment, they have a big influence on sport entrepreneurship.

In order to combine the different aspects of entrepreneurship, entrepreneurial growth and sport entrepreneurship presented in the framework, it was necessary to determine the different entrepreneurial elements affecting growth in the sport business (see Figure 1). The first segment, the ability to grow, includes the company's resources, operating environment and sport industry-specific characteristics. This segment separates sport entrepreneurship from other businesses since sport is affected by certain elements, such as excitement and emotions, uncertainty of outcome and need for competition, which cannot be found in other industries. The growth opportunity segment includes firm characteristics affecting the growth, business opportunities and resources. Organizational characteristics also influence the third segment, growth orientation, which also contains the entrepreneurial orientation and the entrepreneurs' personal characteristics. This is summarized in Figure 1 below.

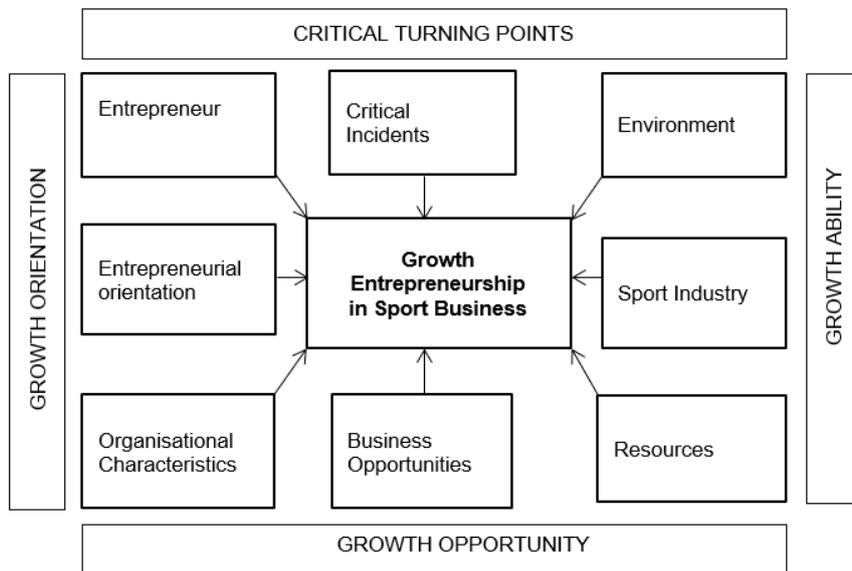


Figure 1. Growth entrepreneurship in sport business

The starting point for this segmentation was the need to understand what is involved in growth entrepreneurship in sport. The aim of this synthesis was to clarify the issue in question and to create a basis for data analysis. As the aim was to understand the phenomenon, the deductive approach to data analysis was taken, and the aim was to substantiate the synthesis with the data.

Method and implementation of this study

This study was conducted as a qualitative case study aiming at interpreting and understanding the phenomenon of two sport organizations' entrepreneurial growth. The qualitative case study approach was chosen since the aim was to understand why and how these studied enterprises had grown and to gain a broader understanding of the phenomenon of growth entrepreneurship in the sport context. This study followed mainly Yin's (2014) case study methodology. Case study research is popular amongst sport organization or sport policy studies (Skille, 2013) since it can be used to more deeply understand something that has not been studied to a great extent before. The focus in this study was more on the growth mode than on the growth rate. However, the case selections from the ice hockey and football companies in Finland were made based on financial data. The selection of these cases was based on identifying those indicators that qualify a firm to be a growth enterprise in the national elite sport business. By using Storey and Greene's (2010, 210-211) criteria of growth measurement, two positive

cases that had grown steadily within a five-year period were selected for analysis. The assumption in this study was that a dual case study analysis would be more powerful than a single case study analysis, and furthermore, two different sports might give more fruitful findings than just one.

The main research questions here were; why and how have these two studied first league sport enterprises grown, and what have been those entrepreneurial characteristics in terms of growth ability, orientation and opportunities that have affected their growth and success. The answers were drawn from multiple sources of evidence including company strategies, sources of financial data, literature, company histories, and interviews with the owner-entrepreneurs. In both companies, the entrepreneurs (main shareholders) and managing directors (minor shareholders) were in-depth interviewed by using the theme interview approach. Each interview lasted from 90 to 140 minutes. The main themes of these interviews (in addition to background information) were the critical turning points that had supported the growth and the factors that had affected the growth.

The reason for choosing two cases from two different sports instead of just one case was that, according to Yin (2014, 57), if there are two or more cases that support the same theory, a literal replication of the theory may be justified. Central to this theory building approach is the multiple case study replication design (Eisenhardt and Graebner, 2007). In this study, the cases served as replications and could be contrasted in their real-life contexts. Both cases were analysed first separately and then cross-case in order to compare the findings. The analysis in this study was a cyclical process where the research data, literature and new theory emerging from the results alternated. The emphasis of theory building from case studies is on developing propositions and theories that can be later tested in mainline research (Eisenhardt and Graebner, 2007). The qualitative approach in this study was justified since no existing theory would produce ready perspectives for the studied phenomenon, and, hence, the results could act as a starting point for mainline research.

The case selection was based on the growth rates of the studied firms. The first step was to screen the selected growth figures of 11 football and 14 ice hockey first league team companies operating in Finland. Storey and Greene (2010, 210-211) identify eight measures for company growth: sales, profits, financial ratios, employment, market share, the entrepreneur's income as well as subjective (e.g. owner satisfaction) and multiple measures. This criterion was used as a starting point for measuring the growth of the possible cases. Wiklund and Shepherd (2005) identify the most common criteria for measuring small business growth to be sales, profits and employment figures. The measures used in this first round were turnover, profits and personnel expenses, and all this information was publicly available in Finland. Turnover described the sales figures of these companies and showed that the selected

two companies had grown heavily during the examined five-year period. Their turnover was above average when compared to the other first league team companies in their field of sports. In addition to turnover figures, the returns and profits, together with employment expenses were studied to indicate the growth rate of each company. Financial ratios were not considered important since they might have been sensitive to divergences in different companies. Moreover, market share was found to be very difficult to measure since all the first league companies in football and ice hockey operate in different cities with varying market areas.

Even though the growth rate of these two selected firms varied during the researched five-year period, the overall growth clearly met the criteria set for a growth enterprise. Variation in growth rates might propose different events in the company's lifecycle, such as a major contract or new product development (McKelvie and Wiklund, 2010), which was the case with these companies as well. The peaks in their growth rates were caused by, for example, extremely expensive international player sales or service product development. The period of five years was selected to ensure that the growth was steady and not caused only by one or two major transactions. Different time periods are used in growth entrepreneurship studies, although the most common ones are 1-, 3- or 5-year periods (Delmar *et al.*, 2003).

The data analysis started from the interviews with a pre-understanding of the phenomenon. The interviews were recorded and transcribed verbatim. The analysis of the transcripts was conducted by using the NVivo program by employing an appropriate coding and categorizing system. The categorization and coding were developed based on a synthesis of growth entrepreneurship in sport as outlined in the literature (see Figure 1). Even though the analysis was based on a synthesis drawn from the literature, new aspects raised by the interviewees were also discussed. The analysis followed the hermeneutical approach of interpretation from pre-understanding to a deeper understanding of the phenomenon. A cross-case analysis was conducted to identify how the studied cases replicated or contrasted with each other (Yin, 2014, 167).

The studied cases in brief

The football club of the study, HJK Helsinki, is the most successful football club in Finland with regard to business operations as well as sporting success. HJK has won altogether 28 Finnish Championships, 12 Finnish Cup victories, and it has played in the Champions League and in the Euroleague (HJK, 2018). HJK operated as a non-profit organisation until the year 2000 when the current Ltd was established. HJK has developed its business functions with determination and with passion for sport and football. The entrepreneur who owns most of the shares has been with the club since he was a child

when his father was the Chairman of the then non-profit club's board. He has invested heavily in HJK, and the club has gained a leading position amongst the Finnish football clubs. The managing director, who was interviewed, has been with the club for a decade, and he has observed the development towards professionalization very closely. Multiple books have been published about HJK together with thousands of newspaper articles.

The ice hockey club of the study, JYP Jyväskylä, has been one of the most successful ice hockey teams in Finland during the past ten years. JYP won the Finnish Championship in 2009 and 2012, the European trophy in 2014 and the Champions Hockey League in 2018 (JYP, 2018). The non-profit club turned into a limited company in 1999. The entrepreneur owns the majority of the shares, and the interviewed managing director owns again a minority of the shares. Regarding the ice hockey team companies, a choice had to be made between three companies for this study, and JYP was selected because its growth had been steadier than that of the other two, and because its ownership was clearly entrepreneurial. Despite the turbulent first years as a profit-seeking company, JYP has gained a balanced financial position and managed to retain its sporting success amongst the best ice hockey teams in Finland.

The critical turning points in the history of these companies provided very interesting occasions affecting growth throughout the existence of these companies. In order to understand the cases more deeply and to identify the characteristics affecting their growth, some of the occasions in their growth paths are worth mentioning. Some of the incidents that were considered important happened already before the studied period. Both teams became corporatized at the turn of the century (Ruuska, 2013; Aalto *et al.*, 2007) because of sport business professionalization in Finland. Non-profit sport associations started to become businesses because the message from the government was that professionally operating sport teams could not identify themselves as non-profit organizations anymore (Rosbäck, 2012). Player contracts were defined as employment contracts, and the nature of the first league teams' operations were determined as profit-seeking businesses. Both enterprises suffered from serious losses before their present entrepreneurs took over, and the first years of the firms were still years of instability (Ruuska, 2013; Aalto *et al.*, 2007). According to the entrepreneurs, the benefits of establishing firms instead of non-profit organizations were easier decision-making, non-divided responsibility, access to financial capital and lighter administration.

A few years after establishing the limited companies, both teams acquired new facilities (Ruuska, 2013; Aalto *et al.*, 2007). This renewal of the facilities was an epoch-making turnaround for both companies after the new venture creation. A new football stadium and a renovated ice hockey arena were crucial investments for both companies at the beginning of the century. The

main benefit of these new facilities were the possibilities to gain more income from customer services. New lounge areas, restaurant services, spectator areas and media visibility possibilities were developed for the stakeholders. The investments in these facilities for such small companies were heavy, and the entrepreneurs had to take great risks.

Another very critical change was the development of the international player markets. In football, the market had existed longer, but in ice hockey, the international market (apart from the NHL) opened as a result of the establishment of the Kontinental Hockey League in Russia. During the studied period, both companies had one significant international player sale, which resulted in big profits. The importance of these sales is significant, although these kinds of sales are not annual, and they are also highly coincidental. However, the opening of new international player markets, together with the opportunity to play European games, gave the businesses new opportunities for gaining profits and expanding their businesses.

The important turning points were very similar in both cases despite the fact that they operated in different market areas, different sports and had very different histories. JYP Ice Hockey team is located in a mid-size city in Central Finland with 140.000 inhabitants, whereas HJK Football Club operates in Finland's capital Helsinki with 650.000 inhabitants (the Metropolitan area 1.4 M). Both companies are now in the maturity stage of their lifecycles, they have settled their positions amongst top teams in Finland, and their brand awareness is good. Moore and Levermore (2012) argue that in the English Premier League, the companies' directors and owners tend to be highly involved in the day-to-day operations and apply control over the organization. In these studied cases, the owners' main business is elsewhere, and they do not take part in the daily routines but they are very much involved in the decision-making.

Results

Growth ability

Growth ability consists of the company resources, working environment and the industry-specific characteristics. Access to resources, such as financial, social, experiential and human capital, proved to be important factors affecting entrepreneurial growth. In growth entrepreneurship literature, especially the roles of human and financial capital are stressed (Gilbert *et al.*, 2006) as a key to success. The financial resources for these kinds of team sport companies in Finland can be divided into four main sources: game event revenues, sponsorship money, international games and player sales. For example, broadcasting plays almost no role at all. In addition, the highly seasonal nature of this business presents an extra financial challenge. The

operational costs are stable, but the incomes differ due to the seasonality, and even during the season according to the success of the team.

An industry-specific issue regarding the human capital is the uncertainty of outcome in recruiting the players for the team. Expensive players might end up being wrong investments, or they might be injured during the season. Despite the risks and uncertainties of player purchases, all the interviewees stressed the importance of team building. A successful team requires top players together with knowledgeable coaches. Even though the best players are expensive and require heavy investments from the company and entrepreneurs, both entrepreneurs were still confident that it was always worth the investment and risk. The possibilities to multiply the invested money were seen enormous. Both entrepreneurs felt that the only way to make real profits in such a small market as Finland was to operate in the international markets, in football the European markets and in ice hockey mainly in the Russian markets.

" We buy the player and he progresses in our coaching. Someday, we might be able to sell him for double, triple or tenfold the price." (B)

Human capital issues affecting the performance and growth, on and off the field, include the right people in all positions, the players, the supporting personnel and administration. The key personnel in the administration have worked for these companies for a long time, which indicates a commitment to their tasks. Successful recruitments and a skilful board of executives are the core functions of business growth (Poufelt, 2007), and entrepreneurial management has a positive effect on growth (Bradley *et al.*, 2011). Successful recruitments were seen very important in all company sections. Both enterprises have skilful team managers, and they use professional consultants when recruiting the team members. Sport leaders and coaches are important actors in creating visions and ideas as well as in influencing the level of creativity needed in entrepreneurship (Ratten, 2018, 9).

" Successful teams, those that thrive in this business, are very well-knit. You can see that they are very tightly together. There must be the right persons, right people in terms of playing but also the right chemistry, not too similar persons, but not too different either. It is some kind of witchcraft." (C)

The financial resources in these sport enterprises contain their income sources, investment possibilities and financial risks. The division of income in Finland is very exceptional since TV-broadcasting rights play practically no role in the team sport companies' budgets, whereas in Central Europe they are a very important part of the first-league team sport companies' income.

"In Finland, the income structure is different; we don't really get anything from TV-broadcasting. The paradigm is that the role of our partner

organizations has grown, and their share of the whole income is not in the right proportion.”(B)

Since the broadcasting rights do not generate a great deal of income, the role of sponsors, customers (spectators, fans and VIP guests) and stakeholders is essential. Since the income structure relies very heavily on sponsors and all the stakeholders, it is of utmost importance that there is value creation in these companies' networks. Social entrepreneurship issues, such as corporate social responsibility, are important approaches to attract sport sponsorship (Miragaia *et al.*, 2017). Relying on sponsors, especially when the economic situation of society is unstable, is precarious.

“ We should be able to increase our ticket sales, the income from the paying customers and the season ticket holders. Building on sponsors is not safe, since there are always good and bad times in society, and we are tied to the society.” (B)

It is also essential that these companies develop other income sources than game events. Furthermore, the financial importance of the European games and successful international player sales were stressed by all interviewees. The European games are important because the prize money is remarkable and they tend to attract spectators more than ordinary games, especially when the opposing team is famous.

One aspect in the financial capital is the benefits of the corporatization of these companies. A limited company has traditionally better access to financial capital than a non-profit organization. Therefore, corporatization was also a necessary tool for these organizations in order to be able to obtain loans for their investments and keep their credibility in the eyes of their sponsors. However, both entrepreneurs stressed the importance of cash flow in the operational actions, and loans were options only when bigger investments, such as arena investments, were needed. Neither of these companies had needed a great deal of external capital in the past few years, but the situation had not always been as stable as it was now.

“With 30 years of experience, there has been my money, sometimes my friends' money and sometimes the bank's money involved. At times, we've had horrifying amounts of debt.” (A)

Social capital can be understood to involve different stakeholders and operational networks. Team sport companies' stakeholders form different groups, such as sponsors, customers, banks, suppliers, junior teams and other sporting organizations. Sports clubs and their game events can be described as platforms where the stakeholders create value (Woratschek *et al.*, 2014), which means that the fans have their home base, the sponsors gain the required visibility, and the spectators can enjoy the atmosphere and

services. This value creation is essential in terms of maintaining business success, and it helps the company to be less dependent on sporting success.

Success in sport was not one of the growth measurement criteria since there is no solid way to measure it. Nevertheless, the sporting success has been one of the growth contributors in these cases. The small population in Finland together with multiple sport and leisure offerings makes the competition very intense, and to gain a competitive advantage, the team must be sufficiently successful to attract spectators and sponsors. Both companies have developed their partnerships by developing technical equipment in the stadiums and by offering multiple marketing possibilities and innovative media solutions for their sponsors. The role of these kinds of technological sports innovations together with social media is important in firm development (Potts and Ratten, 2016).

The operating environment, meaning the hosting cities, is, of course, important in terms of regulations and governing issues. The surrounding environment affects the sport entrepreneurs' possibilities to access markets or obtain funding (Ratten, 2018, 11). The attitude that society holds towards the sport and the club was seen to be very important. The local media have a significant impact on building the brand of the sports club amongst the local people. The surrounding community and its fans' engagement with the club were seen as crucial factors for success.

The role of uncertainty is defined as one of the entrepreneurial characteristics, and it plays a crucial role in the sports industry since the outcome of a game is always uncertain and it might have a great impact on the success of the organization. Performance success has an enormous impact on the operations of both companies. If the team drops out of the series at an early stage, the number of games will be smaller and, consequently, less money will be made with the ticket sales and services. In addition to this, the spectators tend to be more interested in successful teams, and, therefore, value creation in order to enhance commitment to the team is essential. All the interviewees stressed the importance of committed fans and emphasized the significance of developing the game event so that it would better serve different stakeholders.

Short-termism is one of the industry-specific characters because sport companies very often focus on the sporting success in short term at the expense of long-term planning (Moore and Levermore, 2012). At some point, this is compulsory since future success is often uncertain even despite having the best possible players. Seasonality in the business makes it more difficult to plan ahead, since the players might transfer in the middle of the season, and the following season's player recruitments have a strong impact on planning. However, both studied companies stressed the importance of strategic long-term planning and clear goals, especially in their

administration, sales and marketing. Even though it is difficult to plan the team related issues in a long term, both companies have administrative, financial and operational strategies on a long-term basis. A long-term goal for both HJK and JYP is in the international markets where they see opportunities to grow and gain profits.

"We must be successful. In future, there is hopefully a European league, since that might give us the possibility to keep up this big-budget team, which is expensive in these circumstances." (C)

As mentioned earlier, ice hockey and football differ from the other sports in Finland because in these sports, the first league clubs are limited companies instead of non-profit associations. Even though they operate as businesses, they still have many characteristics of non-profit associations, such as volunteers, passionate employees and spectators, emotions involved in the decision-making and business operations. It is challenging for the managers and owners to manage these people. The owners of HJK and JYP have other businesses to run, and their motivation is based on their passion for this particular sport.

One remarkable industry specific character in the Finnish football is that there is no player market in Finland. Teams do not purchase players but wait until the season ends and bargain the deals during the off-season period. The only transactions have happened when HJK has bought players from other national league teams. The prices are high in proportion to the Finnish football industry. However, they are not comparable to the European player prices.

Growth opportunity

The respondents stated that the development of their growth enterprises had started from the recognition of entrepreneurial opportunities in their sport. The role of opportunities is important in entrepreneurship; they exist in a variety of ways and in different occasions (Shane and Venkataraman, 2000; Shane and Eckhardt, 2003). The core business of game events is not sufficient in such a small market as Finland, and in order to be able to survive, the companies must identify opportunities outside the core business. Internationalization, stakeholder value creation, developed sponsorship, utilization of the existing facilities and creative new business ventures have offered entrepreneurial opportunities for these businesses.

Opportunity recognition in the existing sporting businesses, such as HJK or JYP, is a vital condition for them. Both entrepreneurs underlined the importance of finding new business opportunities by exploiting the existing business operations, but also by discovering new business areas. In terms of sports, the internal opportunity for them could be to train more of their own

junior players for the first league team's fourth or fifth line-up. Both of these clubs also have many possibilities to develop their functions outside the core ice hockey or football business, such as utilizing the arena for other events.

"We should find business opportunities outside ice hockey. That leads to the arena and our restaurant services there. We should develop events around the year there since we have a monopoly for catering, selling alcohol and advertising in the arena. We have invested heavily in it. We have 365 nights a year, and only 40 show time game events. That is not much." (D)

The trend in sponsorships nowadays has shifted from supporting the first league team to supporting the overall club or mainly junior operations. Soft values in sports, especially those related to children, have become popular within the big corporations, and they require actions from the sporting organizations. Sport can be an effective vehicle for corporate social responsibility (Smith and Westerbeek, 2007), and sport events that benefit the community have become important in terms of attracting sponsors (Miragaia *et al.*, 2017). This creates opportunities for sport companies to create new business inventions together with new sponsorship offerings.

"This city has a lot to offer for businesses, and therefore, we must be able to differentiate, we must be interesting in the eyes of our customers. We have one good side in our business at the moment, and that is children's and youth sport, it is trendy nowadays, and companies want to be involved in it." (B)

International games and player sales have generated the necessary revenues and extra income for developing the business further for both of the studied companies. The Kontinental Hockey League (KHL) in Russia has developed a new market for the Finnish ice hockey clubs since the club also benefits financially when selling players to them. However, when a player moves to the North American National Hockey League (NHL), the Finnish club does not benefit financially. In the football industry, the international markets have existed longer, and for the biggest Finnish football clubs these sales are essential not only financially but also operationally. The European market is the most important, and HJK has emphasized the possibilities for players to access the European clubs through them. This market is highly competitive, and it demands good relationships between HJK and the bigger European clubs to be able to supply players to the European market. On the other hand, these development possibilities guarantee that HJK interests the best players in Finland. European markets attract the top players to join the clubs from where they have the possibility to move to Europe. The Euroleague games also attract more spectators and sponsors on the local level.

"The European league could develop into a professional league, and some of the Finnish ice hockey teams could play both the European and national games." (D)

Another characteristic affecting business growth is the position of the company in its lifecycle. According to the growth models, growing businesses usually go through different kinds of crises before reaching the maturity state (Greiner, 1972; Barringer and Ireland, 2012, 468-470; Carter and Jones-Evans 2012, 411-414). Both studied enterprises have their backgrounds as non-profit organizations, and it can be assumed according to their company histories that they have gone through different crises during that time. HJK and JYP have both professionalized their functions first by establishing limited companies and since then improved their actions by recruiting educated professionals in their administration departments. Furthermore, they have grown their administration slowly by hiring, first, a capable managing director, and secondly, well-trained marketing and sales personnel. Growth has required creativity and leadership at the first stage, delegation and coordination skills at the second stage, and finally, strong collaboration within the whole company and its stakeholders. Both enterprises are in the maturity stage in their life cycles, and the future challenge is to keep the core business there and develop new business opportunities.

Growth orientation

Very often entrepreneurial growth is strongly connected to the entrepreneurial orientation of the owners and managers. Firm level entrepreneurial behaviour can be connected to economic success and growth (Covin *et al.*, 2006; Covin and Slevin, 1991). Firms with an entrepreneurial orientation are willing to take high risks when pursuing success. They are also innovative, proactive and opportunity seeking (Ratten, 2011; Ratten, 2017b; Ciletti, 2012). Organizations are never entrepreneurial without individuals who are capable of managing the organization and pursuing the necessary actions. Entrepreneurial orientation is always context-specific, and therefore, industry-specific issues together with organizational characteristics play a crucial role when defining the entrepreneurial growth orientation of the studied companies. Since elite sports, and especially team sports, is very much an emotional business, it is crucial that there are strong and capable individuals leading the business activities.

An entrepreneurial orientation and firm performance together with internal strategic actions and the external environment all create a favourable growth atmosphere (Kreiser and Davis, 2010). Proactiveness, risk taking and innovativeness are characteristics of successful sport enterprises (Ratten, 2010a) and entrepreneurially oriented companies (Covin and Slevin, 1991; Lumpkin and Dess, 1996). It can be said that the entrepreneurial success of these companies has been largely based on their entrepreneurially oriented owners and managing directors. They all highlight the importance of proactive actions in developing a competitive advantage, innovativeness in sponsorship and stakeholder commitment and risk taking in business development. Growth has been in both cases a purposeful choice, not a coincidence, and a

consequence of a growth strategy. The management's attitude and commitment together with an entrepreneurial orientation and a dynamic operating environment are important constructs of small business growth (Wiklund *et al.*, 2009).

Innovativeness as one characteristic of entrepreneurial orientation includes innovative products and services together with innovative business solutions. Opportunity recognition plays a crucial role in innovativeness in terms of creating new business ventures by expanding the current business. Creativity as a part of innovativeness is a fundamental issue in sport business when the uncertainty of the outcome does not always support the product. Both companies emphasize the importance of innovations and creativity in their business actions.

"Some things already exist as they are, like the game itself. That is very static. However, when it comes to the business, we need creativity." (B)

Proactiveness in sport enterprises can be linked to opportunity exploitation before competitors, acting in advance in a changing operating environment or quick decision-making. There are multiple tasks in this kind of industry where proactiveness is a necessary function. These tasks include, for example, teambuilding and especially attracting the right players on time or recruiting promising junior players. One also needs to consider changes in success or in the overall industry and marketing or promotional issues, for example, in social media.

"Even though I have been involved in this business for a long time, I have to evaluate my procedures constantly. Times change, and we must also change; we cannot just say that we go through that door because we are used to doing that. We have to keep an open mind and be ready to do things differently, we have to stay awake in order to avoid getting into a rut." (B)

Both owners mentioned that they were not motivated by the profits, but by the possibility to make a social contribution. Even though these companies are profit-seeking organizations, they have characteristics of social entrepreneurship. A social entrepreneur is motivated by the possibility to make a social contribution instead of gaining financial returns (Audretsch, 2012). Social responsibility also gives sport organizations opportunities to improve their image and business outcomes (Ratten, 2010b). Social entrepreneurship in the elite sports is often connected to non-profit organizations where entrepreneurs voluntarily bring their knowledge to use. In addition, Gallagher *et al.* (2012) identify that social entrepreneurship may also occur in professional league enterprises. In these cases, the main source of income for both entrepreneurs is not the team sport enterprise but their other businesses, and therefore, the possibility to make a social contribution is an important motivation factor for them.

Conclusion

The aim of this study was to understand entrepreneurial growth in team sport SME's. Combining the sport context to growth entrepreneurship theories was interesting since there was very little previous research available. The characteristics affecting entrepreneurial growth are multifaceted. The results show that the ability to grow, opportunity recognition and exploitation together with an entrepreneurial orientation were all important in these companies' growth paths. The identification of these three approaches to growth showed the complexity of growth in sport SME's and its implications for an entrepreneurial sport policy.

The ability to grow is affected by the operating environment, resources and industry specific issues. Both of the studied companies operated initially as non-profit organisations, and they were corporatized at the turn of the century as a consequence of professionalization. Now, they are in the maturity stage of their life cycles, and they have achieved a stable position in the industry, although the uncertainty of outcome in sport keeps the environment turbulent. Business growth and sporting success seem to be somehow compounded in these cases, which indicates that success is one growth indicator even though its effect on growth is hard to measure very accurately. Although these sport SME's operate as businesses, they still have many characteristics of non-profit associations, such as volunteers, passionate employees and spectators, emotions involved in the decision-making and business operations. Their operating environment is highly influenced by the public sport policy, and the growing sport companies should be supported in every stage of their development. Understanding the context of sport, its cultural differences and industry specific features is a challenge for policymakers.

Growth orientation is affected by the organisational characteristics, entrepreneurial performance, innovativeness, risk taking and proactiveness. Sport companies cannot rely on the success of the team, and therefore, exploitation of new opportunities inside and outside the core business seems to be crucial. Although the concept of social entrepreneurship is often linked to non-profit sport organizations, it can be connected to such profit seeking businesses as these studied companies as well. The entrepreneurs are motivated to run their businesses although the profits are not remarkable and the risks are high. They have made the decision to grow even though it would mean bigger financial risks and more commitment to the company. This growth needs to be supported by policy decisions concerning both financial and non-financial resources. Sport companies should be encouraged to grow and thereby create jobs and economic growth.

Growth opportunities in these cases include experienced and capable entrepreneurs, clear growth strategies, effective leadership, success in sport and firm performance and stakeholder value creation. The motivation of the entrepreneurs to excel, capable management and staff, together with an organic structure, dynamic environment and a certain amount of risk taking, proactiveness and innovativeness in business operations have made these organizations very much entrepreneurially oriented. Cooperation in sport business between the public and private sector requires flexibility, quick decision-making and policymakers' willingness to involve sport entrepreneurs in policy development.

The studied growth entrepreneurship phenomenon is rather new in the context of sport, and it provides new insights for the field of sport entrepreneurship. However, the results need to be further tested in the mainline research. The limitation of this study is that it is country specific, and therefore, the findings are strongly related to the Finnish team sport industry and sports culture. However, due to the growing professionalization in team sports in Finland, the results can provide a practical contribution for the other team sport companies and entrepreneurs, also in other countries with similar situation.

The results can be further tested in the mainline research amongst entrepreneurially managed sport enterprises, for example, by researching all the team sport companies in Finland or by comparing these results to other countries team sport SME's. It would be interesting to investigate the negative, not growing enterprises as well to identify the possible reasons for the lack of business development and growth. Further research could also study whether there are differences in the entrepreneurial characteristics affecting the business growth in sport SME's in different countries or different sport industry areas. By studying the policy decision makers in a certain area together with sport entrepreneurs would generate more understanding of their influence on the firms' opportunities to grow, and whether the environment's influence is bigger than the internal forces in the decision-making process concerning the willingness to grow. Connected to this, it would also be interesting to explore if different governmental sport policies influence the innovation level, risk-taking behaviour or willingness to exploit the potential business opportunities.

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Interviews: A and B from HJK Football Club and C and D from JYP Ice Hockey Club.

Publication III

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Social Entrepreneurship and Corporate Social Responsibility in Team Sport Clubs

Two Cases from Sweden and Finland

Aila Ahonen and H. Thomas R. Persson

Abstract Small and large sport clubs, in big cities or in the countryside, need to respond to external pressures created by social, financial and environmental factors. These pressures may come from the commercial environment, communities, national governing bodies, or political stakeholders. This chapter introduces the reader to the current pressures faced by Nordic sport clubs and the entrepreneurs' role in the clubs' development through the lens of entrepreneurship, and especially social entrepreneurship. This chapter addresses the role of the entrepreneur in relation to the triple bottom line of corporate social responsibility (CSR)—economy, environment, and society—in the context of Finnish and Swedish team sport clubs by using two football clubs as examples.

1 Introduction

Sport has become one of the fastest growing industries worldwide. It is a significant part of many people's lives, as it touches their everyday life as participants, media consumers, spectators, or through other types of engagements. This certainly applies to the Nordic countries¹ where the sports culture has always been very strong and played an important role in the creation of their national identities. This is, perhaps, not strange considering that the Nordic countries have historically been very successful in elite sports on a global level, despite their small populations (Peterson,

¹Nordic countries include Sweden, Finland, Norway, and Denmark. These countries face similar challenges in terms of sports development, although the development tracks have been quite different.

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2008). Notwithstanding certain differences between Finland and Sweden, the two countries discussed in this chapter have traditionally been successful in the winter Olympic sports, such as ice hockey, cross country, and downhill skiing and in the summer Olympic sports, such as wrestling, track and field as well as in the equestrian and aquatic sports. However, Sweden and Finland have over time with some exceptions lost some of their competitiveness in the professional Olympic sports (Andersen & Ronglan, 2012). The number one sport in both countries in terms of participants and spectators is football. In the mainstream debates, this is commonly explained by the media focus on the sport. Football is a global sport, and for big clubs and national federations, the international success of teams or individual players is often the most visible measurement of popularity. Naturally, this gains the most attention, whereas small- and medium-sized sports organizations mostly live an unnoticed life, at least as far as the media is concerned. However, the sport sector tends to be dominated by small organizations, and as such, the sector is best studied from an SME perspective (Moore & Levermore, 2012). The importance of these sport SMEs is especially remarkable in such small economies as Sweden or Finland. Hence, understanding the external pressures that these clubs face with regard to economic, social, or environmental aspects is important.

Both Finland and Sweden have gone through a major organizational change in their sport systems in the past decades (Andersen & Ronglan, 2012). Although sports have been traditionally based on non-profit sports clubs, amateurism and volunteerism, the importance of sport enterprises or for sport organizations to behave like enterprises and the need for entrepreneurially oriented leaders have risen due to the rapid professionalization and commercialization of the sports industry. In the Nordic countries, this development did not start until the end of the last century, since before then, professional athletes were not recognized as real sports men and women. To be paid as an athlete was, in fact, forbidden up until the 1960s (Peterson, 2008).

In both Sweden and Finland, football has been influential in the development of the sport model and sports culture in terms of integration, welfare, and even democracy (Andersson & Carlsson, 2009). Changes, such as when the Finnish public sector is withdrawing from funding sport organizations (Rosbäck, 2012), pressures the organizations at all levels of sports to find new sources of income. This has forced sport clubs to renew their operations and professionalize their organizations and actions. Moreover, it requires sport organizations to develop new business opportunities and attract more or more generous stakeholders in terms of sponsorship. One way of holding on to and attracting new sponsors is for organizations to develop a corporate social responsibility (CSR) agenda (Inoue, Kent, & Lee, 2011). CSR has become an important topic among sport policymakers, and the pressure from commercial, community, and political stakeholders, as well as from SGBs to deliver in terms of social responsibility is increasing (Persson, 2008, 2014). When both small and big sport clubs respond to this external pressure by implementing CSR, it can be explained as an expression of the entrepreneurial nature of sport, a result from constantly having to adapt to suit its own and society's changing needs (Ratten, 2010b). This chapter focuses on the role of the social entrepreneur in relation to the triple bottom line and sustainability, commonly associated with CSR and corporate

governance (Hernández-Perlines & Ibarra Cisneros, 2018). Hence, in similar fashion to the distinction between an enterprise's CSR and that of a social enterprise in terms of primary goals and handling of profit (Persson, Biggeri, Testi, Bellucci, & During, 2018), a distinction is made between the sport entrepreneur and the social entrepreneur in this chapter.

2 Sport Entrepreneurship

Entrepreneurship, or entrepreneurial traits have become an important topic in the context of the changing financial circumstances for sport, whether it is the state funding that is changing, stagnating or disappearing, or whether it is managing in a competitive environment where clubs compete both for sport results and sponsors. The turbulent and rapidly changing environment creates its own challenges for sport enterprises (Ratten, 2018). Sport as a business entity has certain unique characteristics: the competition is often held in two arenas, in business and on the field or pitch simultaneously, as teams in the same league and at the same time need to cooperate with and compete against each other as the uncertainty of outcome may affect the business unexpectedly. In all markets, but perhaps even more so in small markets, such as Sweden or Finland, sport clubs and companies need to seek new possibilities to grow their businesses and build their brands effectively. Hence, sport clubs need entrepreneurs at the same time as sport—specifically football and ice hockey—has become an interesting playground for entrepreneurs interested in sport. In Finland, the changes in state funding have created business opportunities for capable entrepreneurs willing to invest in sports, take risks and operate in a changing environment, while the 51% rule in Sweden is still an obstacle for big investments (Backman, 2018, p. 178, 183). This makes Finland and Sweden, with their own national circumstances, two interesting cases to study.

Moore and Levermore (2012) argue that the sport sector is primarily made up of SMEs and that it should, consequently, be studied and analyzed accordingly. They conclude that certain organizational characteristics of SMEs, such as resource constraints, short termism, informality, and authoritarian management, are also characteristics of sport SMEs. In addition, innovations, risk taking, and proactiveness are closely connected to both entrepreneurship and sport (Ciletti, 2012; Hardy, 1986; Kreiser & Davis, 2010; Lumpkin & Dess, 1996). The fact that many sports, such as football, are played on a seasonal basis, and the Swedish and Finnish football leagues between April and November, creates seasonal challenges both in terms of income sources and of how to be competitive in the European Cups. In other words, football clubs need to be innovative to counteract these weaknesses. According to Ratten (2010a), common characteristic to sports entrepreneurs is precisely that they are innovative, willing to take high risks, and work proactively to meet these challenges. Opportunity, recognition, and exploitation are core functions of entrepreneurship (Shane & Eckhardt, 2003), and sport business offers multiple opportunities (Ratten,

2011a, 2011b) on different levels of society. The exploitation of these opportunities is dependent on the individual entrepreneur and his/her personal entrepreneurial characteristics and motivation. Although profit has historically been the motivator for sport entrepreneurs (Hardy, 1986), more recent studies show that sport entrepreneurs are often more motivated by non-monetary aspects (Ratten, 2011b). Hence, the motivation of being an entrepreneur may change over time, and non-monetary aspects, such as being one's own boss, freedom of decision making, opportunities of success, satisfaction, and personal rewards can become greater motivators than money making (Alstete, 2008). Just as for sport enterprises, sport entrepreneurship can also be seen as a tool for non-profit organizations to develop their business ideas with a desire to respond to or create market opportunities (Ratten, 2010b) and to gain market shares. Thus, even when the financial returns or profits are not the driving force, they are a necessary resource for developing sport organizations and achieving other goals.

The distinction between sport entrepreneurship and social entrepreneurship may or may not, depending on the definition of social entrepreneurship, be a gigantic leap, just like the gap between CSR and social entrepreneurship. Miragaia, Ferreira, and Ratten (2017) connect the two latter to the point of view of the enterprise and the sponsoring of sport events at the community level. In their research, they place the social entrepreneur in the midst of a for-profit company, instead of the social enterprise sector (see Testi, Bellucci, Biggeri, & Persson, 2018). With its natural connection to social enterprises, social entrepreneurship is commonly defined as a not-for-profit activity that generates and maximizes social value while remaining economically profitable (Persson et al., 2018). Social entrepreneurship can be about fulfilling a task that meets a certain need of a community (Gallagher, Gilmore, & Stolz, 2012), which could be argued to be part of a firm's CSR actions. Social entrepreneurship in sport is often linked to small sport clubs operating in the non-profit sport sector (Gilmore, Gallagher, & O'Dwyer, 2011). However, in the context of this chapter, social entrepreneurship is not determined by the size of the organization but viewed in the light of motivation. A social entrepreneur is not motivated by the profits, but the opportunity to contribute to social change (Audretsch, 2012; Miragaia et al., 2017; Ratten, 2010b). Gallagher et al. (2012) identify social entrepreneurs in professional league sport clubs as entrepreneurs willing to assist in the development of the club by bringing their experience and networks to use. They offer their business knowledge and professionalism to improve the club's development and operations (Gallagher et al., 2012). Moreover, they use their networks, contacts, and time in community projects that benefit the sport club and society (Gilmore et al., 2011). These social entrepreneurs are often entrepreneurs who own other businesses, and sport clubs are their side business, or they work on a volunteer basis for a sport club. Their social impact can either be based on altruistic motivations or on a hope of increasing the brand equity of the entrepreneurs and their companies (Shropshire, 2012). More importantly, it is argued in this chapter that the definition of the social entrepreneur and social entrepreneurship in sport is context-specific, depending on a national context, the nature of the organization, and position of the person.

3 CSR as a Development Tool for the Sport Club

The current pressures that (Nordic) sport clubs are facing and the different ways in which they handle and respond to the changing situation can be understood through the lens of CSR (Persson, 2008, 2011). CSR is not a requirement for sport organizations, but it is increasingly an expectation. A growing number of sport federations and clubs are acting as if it was in their organization's best interests to become involved with CSR at some level. In line with Ratten (2010a, 2010b), it can be argued that sport in general has an entrepreneurial nature as it is constantly, sometimes voluntarily, and sometimes involuntarily, adapting to suit its own and society's changing needs. Besides Ratten's contribution on social entrepreneurship and innovation (Ratten, 2011a, 2011b) and sport entrepreneurship (Ratten, 2010a, 2012, 2018), surprisingly little attention has been paid to the entrepreneur in sport and even less to the entrepreneur behind CSR activities in a sport club context. Hence, the attention is on contributing to the knowledge of the role of the entrepreneurs behind the development of CSR as a response to the pressures that sport clubs are facing. Although these entrepreneurs might be viewed as sport entrepreneurs, social entrepreneurs, or entrepreneurs in general, none of these views is predetermined. In the context of this chapter, a distinction is made between CSR and social entrepreneurship in terms of primary goals and handling of profits. While both may have similar social goals, in the latter case the social goals are primarily for gaining profit and using the surpluses mainly to achieve the social goals (Persson et al., 2018, p. 201).

From the sport horizon, CSR has been a research topic for less than two decades (Babiak & Wolfe, 2006; Ioakimidis, Stergioulas, & Tripolitsioti, 2006; Irwin, Lachowetz, Cornwell, & Clark, 2003; Persson, 2008; Smith & Westerbeek, 2007), but CSR is far from being a new phenomenon. Formal studies on social responsibility are the product of the twentieth century, and Bowen's (1953) publication *Social Responsibility of the Businessman* is commonly seen as the landmark book of the topic. According to Bowen, CSR "refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953, p. 6). Sport scholars have brought a range of different foci to the study of sport and CSR, partly colored by their parent disciplines, and the list of topics covered in sport CSR literature is constantly growing. The focus has been ranging from CSR indicators (Chen, Chen, Tai, & Hsiung, 2015), conceptual models (Breithbarth & Harris, 2008), sector-specific frameworks (Fifka & Jaeger, 2018), CSR activities (Filizöz & Fişne, 2011), communication (Persson 2014), and implementation (François, Bayle, & Gond, 2018) to stakeholder/consumer/fan perceptions and expectations (Alonso & O'Shea, 2012). The focus list also includes decision-making processes (Anagnostopoulos, Byers, & Shilbury, 2014), brand equity (Baena, 2018), sponsor strategies (Djaballah, Hautbois, & Desbordes, 2017), entrepreneurship, and CSR (Miragaia et al., 2017), media framing (Carey, Mason, & Misener, 2011), environmental management initiatives (Babiak & Trendafilova, 2011), corporate and athlete citizenship (Agyemang, 2014), as well as literature reviews (Breitbarth, Walzel, Anagnostopoulos, & van Eekeren, 2015). With the growing amount of literature

stemming from different disciplines, it should not come as a surprise that there is little or no agreement among scholars regarding the definition of CSR or whether it is at all possible to measure and carry out an international comparative analysis of different CSR activities. Despite this, since 2011 it has been possible to compare the international ranking of one's own national football league to others around Europe and lately globally by studying the Responsiball Ranking (Responsiball, 2018). Despite the comparative nature of the two case studies from different countries, this chapter does not present a comparative analysis but, instead, a descriptive and reflective case study approach.

The concept of CSR has since the first publications at the beginning of the twenty-first century, started to appear in sport and gained increasing interest among politicians, sport federations, and clubs. A double-voiced political discourse with a twofold purpose (Bakhtin, 1999, p. 185) sets sport organizations challenging goals in terms of national funding (Persson, 2008). Especially in Sweden, where sport funding is based on the presumed benefits to the society in terms of public health and social integration, it is simultaneously argued that sport clubs should take on a social responsibility beyond their core activities, which makes them coproducers in the welfare sector. In the European context, football has been at the forefront of sports by communicating its CSR policies, agendas, and practices. National Football Federations have been signing up for UEFA's Good Governance principles for associations (UEFA, 2018) and developing their Corporate Governance (FA, 2017) and their CSR agendas (DBU, n.d.; NFF, n.d.; Suomen Palloliitto, 2019; SvFF, n.d.). Football is a big business, and like other businesses, top football clubs in the different European leagues, such as Malmö FF from Sweden (MFF, n.d.-a), Helsinki Football club (HKJ, 2019) from Finland, Manchester United (Manchester United, n.d.) from England, and the German Borussia Dortmund (BVB, 2018) have long since had their CSR policies, agendas, and practices in their strategies.

When researching CSR in the European context, the definitions by the European Commission should be drawn into attention. However, this chapter does not align itself completely with the EC definition (n.d.)—"the responsibility of enterprises for their impact on society"—or previous ones stressing the integration of social and environmental concerns in the business operations in contact with stakeholders, since these lack the financial aspect. Neglecting the financial responsibility of the organization results in an incomplete CSR concept in relation to the triple bottom line (TBL) including economic, social, and environmental dimensions (Hernández-Perlines & Ibarra Cisneros, 2018). In the context of this chapter, CSR is viewed as a concept where the organization takes responsibility for its impact on society and environment by integrating their own and their stakeholders' social, environmental, and financial concerns in their operations on a voluntary basis, not as a legal obligation.

4 Cases of Swedish and Finnish Football

Malmö FF (MFF) from Malmö, Skåne, Sweden, with a population of 339,313 (Ekonomifakta.se, n.d.) was formed in 1910, and it has played 82 seasons in the Swedish Premier League (Allsvenskan). It has won the Premier League 23 times,

became the Swedish champion 20 times, won the Swedish Cup 14 times, and reached as far as the European Cup final in 1979. During the past 10 years, MFF has won the national title five times (MFF, n.d.-a). Although it has many similarities with sport enterprises due to the 51% rule, MFF is a membership-based organization. Currently, Malmö FF is a financially stable club with its own stadium, something that is not common in the Swedish context. In 2018, Malmö FF had a turnover of SEK 342.9 million and a profit of SEK 39.6 million (MFF, 2019). Although a financially poor club in comparison to the top tier of the European “Big Five,” MFF’s financial situation—due to Champion Leagues and Europa League appearances in the group stages and beyond—puts the club in a very favorable position in the Swedish context.

Malmö FF’s CSR Manager does not come from the club’s own ranks. Instead, the manager has a long experience of cooperation between the public, private, and idea-based sector because of being involved in adult education (folkhögskola) that has a strong focus on social equality. The CSR manager is currently working with employment questions on a local level through Malmö FF as well as on the national level through the Swedish Elite Football as a member of SEF’s CSR steering group. The manager’s motto is “Football is more than just football,” and she is convinced about the increased importance of and opportunities created by sport and that together with the idea-based sector they contribute to a better society (Personal communication, April 2019).

MFF chooses, just like several other Swedish clubs, to what we call in this chapter refer to as social responsibility or CSR as *MFF in the community*. MFF frames their Football Academy, Career Academy, School Football against Racism, Football network, Summer football, Autumn football, MFF supports, and Bengt Madsen’s youth fund as part of their community engagement. To MFF, community engagement is a key word in their description of their activities with a focus on children and youth. Community engagement is about “positive and for the individual developing activities . . . spreading positive values . . . counteract violence and racism and increase integration” and reducing drug abuse. It is about faith in the future and inclusion. This they try to achieve through a variety of activities for different age groups. In order to support its community engagement, the club has linked six companies as their main partners (MFF, n.d.-a).

Three of the eight community engagement activities can be seen as CSR, if defined as something that goes beyond a sport club’s core activities. That is a general perception from the public point of view although the aim should be to integrate CSR with the club’s core activities. In most sport clubs and SGBs, the core activity is twofold: training and competing (in leagues officially recognized by the SGBs), and the former leads to the latter almost independent of age, and this is not an example of CSR. Accordingly, the three main CSR activities are the Career Academy, School Football against Racism, and MFF Supports. MFF has run their Career Academy since 2014, and it is based on collaboration with the City of Malmö through an IOP (idea-based public partnership), the Swedish Public Employment Service in Malmö, and several labor market policy projects. The Career Academy facilitates job matching, such as sharing job ads through their own channels and networks, providing and arranging opportunities for job interviews and other recruitment

events as well as providing their own online job search engine. On the Career Academy website, the club highlights their latest achievements in terms of successful internal and external job matching, and reports results, such as 200 successful job matchings with MFF's network of companies and nine career days arranged with 100 job seekers per meeting, out of which 50% have gone on to work, study or to internships (MFF, [n.d.-a](#)).

The School Football against Racism project is run by Pedagogical Inspiration, Malmö Municipality with support from Malmö FF and it is based on the four basic principles of the UN Convention on the Rights of the Child. The project includes working with the children in their classrooms, visiting the Malmö Stadium, and finishing with a football tournament at a local football arena. In 2018, 800 students from 13 Malmö schools participated in the project. MFF supports LifeWatch in increasing knowledge and understanding of autism, something they have done since the beginning of 2019 (MFF, [n.d.-a](#)).

Even though MFF has chosen to place its Code of Conduct and policy (MFF, [n.d.-b](#)) as part of their value base, instead of as part of MFF in society, their Environmental Policy should be seen as part of MFF's CSR work based on the TBL model. While some parts of this environmental policy stress the importance of following the environmental legislation, other parts are norm driven, such as being aware of our environmental impact, working with energy saving measures, such as minimizing the use of disposable items, limiting the consumption of supplies, using environmentally friendly alternatives with transportation and communication, meetings, goods, and services, as well as educating on environmental issues (MFF, [n.d.-b](#), p. 19).

HJK Helsinki, from Finland's capital, Helsinki is the most successful football club in Finland. Helsinki is the biggest city in Finland with a population of 634,272. Moreover, the Helsinki Metropolitan Area has around 1.5 million inhabitants (Helsinki, [2018](#)). The HJK football club was established in 1906, soon after football arrived in Finland, and it has since 1911 won the men's Finnish Championship (Veikkausliiga) title all together 29 times and the Finnish Cup 13 times. During the past 10 years, HJK has won the national title eight times and been the second and third once. HJK has been successful at all levels: men, women, and juniors (HJK, [2019](#)). Most of the successful Finnish players have played for HJK before going abroad, and HJK has been the best steppingstone for players to gaining recognition by European teams. HJK is the biggest club in junior football in Finland with 3100 registered players (Helsingin Sanomat, [2019](#)) on multiple different level teams around the Helsinki region.

HJK operated as a non-profit organization until 2000 when the current owner-entrepreneur took over and established the limited company HJK Ltd. (Aalto, Lehtola, Sulkava, & Tiitta, [2007](#)). HJK is divided into two different organizations: the team company and a non-profit association with recreational teams and junior teams. In the same year, a new stadium was built, which gave the club possibilities to develop its business further. Before that, HJK played in the Helsinki Olympic Stadium, which had a far too big capacity, and the field was not suitable for football matches in terms of atmosphere and functionality. HJK's turnover in 2018 was 4.6 million euros and that of its stadium company was 1.9 million euros with profits of 0.2 and 0.3 million euros, respectively (Asiakastieto, [2019](#)). HJK's revenues have

varied yearly according to player sales and international games. For example, in 2014 HJK played the UEFA Champions league and succeed to qualify to the group stage, which showed as a remarkable growth in its turnover and profits (Asiakastieto, 2019).

HJK has a long tradition of being one of the first football clubs in Finland and also values these traditions in its actions. Its current owner has been with the club since he was a child, and his father was the chairman of the non-profit club. Therefore, the motivation to start the HJK Ltd. was based on the entrepreneur's passion for football and ties to the club more than possible monetary returns. His other family enterprise, one of the biggest media houses in Finland, is his main business entity (Personal communication, 2014). By purchasing the majority of HJK shares, he brought his business networks, experience, and knowhow to the football company. The volunteer board of executives also consists of successful directors from different business areas. Together with the entrepreneur, the board has had a crucial role for the survival of the club, and it has increased professionalism in decision-making (Personal communication, 2014).

HJK has a public CSR strategy on its webpage, which identifies the three triple bottom line aspects—the social, environmental, and economic responsibilities in detail. The social responsibility includes children's rights realization, social exclusion prevention as well as lifelong learning, and well-being for different minority groups. The environmental responsibility is based on sustainable use of energy, recycling, and sustainable development in all actions. The economic responsibility relates to facilities and possibilities for people to play football at different levels with reasonable cost (HJK, 2019). This is based on the stable and healthy economy of the league company and the non-profit association.

HJK promotes CSR on different levels: it stresses diversity, sustainability, responsibility, and tolerance in its values. Moreover, the club has a sustainability program, offers football schools, football camps and city block football, and it is a big after-school care provider. The public sustainability program is an important part of HJK's corporate responsibility strategy, and it is based on three different programs: The "You are not alone"—campaign, Club Ball 2018–2021 and Aulis Rytönen Trust Fund (HJK, 2019).

The "You are not alone"—campaign is an EU funded project and run by the Family Federation of Finland and multiple sports associations (Väestöliitto, 2019). According to HJK (2019), they are one of the pilot organizations in the campaign that focuses on preventing bullying and inappropriate behavior in sports. The aim of the campaign is to secure safe sports practice in all clubs and teams and to develop ways to prevent bad behavior. Every player has the right to enjoy sports and to be treated equally with respect. The Club Ball—project aims at promoting non-exercising vocational school students' movement by offering easy access to sports opportunities. The project is run together with the Stadin Ammattiopisto vocational school and the Business College of Helsinki. The aim of the project is to encourage non-moving students to take exercise and thus promote their commitment to their studies. The project is an example of taking responsibility of youth outside the teams and helping them improve their life management skills. The Aulis Rytönen Trust Fund helps

players from low-income families by granting scholarships to talented young players. The watchword of the trust is that no one should be left outside for monetary reasons since that would be a loss for the whole football community (HJK, 2019). The trust was named after one of the football legends in Finland. Aulis Rytönen was the first player to go abroad in 1952 and play professionally in France (Aalto et al., 2007).

HJK has developed its business functions outside the core business in order to make use of the stadium also outside the game events. It provides work well-being services for companies in the Helsinki region by advertising the possibility to learn from the club and its team spirits (HJK, 2019). In addition, HJK is the second biggest after-school care provider for schoolchildren in the capital city region after the church by moving 500 children daily (Helsingin Sanomat, 2019). This benefits HJK in terms of field usage and revenue as well as the community in terms of encouraging the children's movement and providing after-school care activities. The City Block league is another example of a sport offer benefiting the community, and its effect on social integration is remarkable (Personal communication, 2014). HJK runs different city block teams around the city of Helsinki in order to offer children an opportunity to have a hobby in their own neighborhood at low cost.

HJK's entrepreneur has been the driving force in its development toward a successful, responsible and sustainable sport enterprise. He has acted as a social entrepreneur by investing time and money in the club's operations, bringing his business knowledge into the company, and by being innovative and ready to take risks. HJK has developed its CSR Strategy together with the Finnish Football Association (Suomen Palloliitto, 2019) and other stakeholders, and it has benefited both the club and the surrounding community. HJK Ltd. and the HJK Association work closely together, and business revenues have been used to support the junior teams over the years. The social cohesion among the whole club is one of the member priorities in HJK (2019).

5 Conclusion

The attitude that the surrounding society holds toward a sport club is often crucial in terms of community support and stakeholder involvement. Therefore, the importance of a CSR strategy and its implementation has grown in the past few years. The role of uncertainty in sport companies in terms of outcome and success is evident in the rapidly changing sport environment, and business functions in all sectors are important. Here, CSR strategies can be used to build a team's image, reputation, and brand equity. There is no doubt that value creation for the stakeholders through social, environmental, and financial impacts has been the guiding principle for the two clubs discussed in this chapter.

It takes an entrepreneurial mindset when investing in social responsibility in line with Malmö FF's Career Academy, which has been copied and currently operated by nine other Swedish clubs and advocated by Swedish Elite Football (SEF), and the

same applies to the Finnish HJK, which has been the role model for the rest of the smaller clubs in the Finnish league.

The entrepreneurial role and orientation of the management staff in these clubs have been the driving forces in their CSR actions. Although it never depends only on one individual, the case of Malmö FF and their CSR Manager, both due to her background and the CSR activities being developed and implemented by MFF as well as SEF, fits the description of a social entrepreneur. Moreover, being hired to work with CSR based on competence rather than a successful sport career is a good example of the professionalization currently taking over the Nordic sport sector. In Finland, because of a greater focus on business actions due to the structure of the organization and self-funding, there is no appointed CSR manager in HJK.

The characteristics of social entrepreneurship can be found in the activities of both clubs. Independent of the business-oriented nature and organizational form, both clubs show willingness to contribute to society, even though it might not always qualify strictly as CSR actions or be measurable in the short term. Different commitments, such as youth activities and socially beneficial CSR actions build their brand image and raise awareness among the stakeholders and public in the long term. The HJK “You are not alone”—campaign and the MFF Football against Racism are good examples of positive publicity and exquisite brand building.

Even though the sizes of these two clubs differ, similar aspects in terms of triple bottom line can be found. Both clubs have developed programs and projects with a core of social responsibility, especially in terms of social and socioeconomic responsibility and, to some extent, environmental sustainability. HJK has developed multiple ways of offering opportunities to more and more children and youth to play despite their economic backgrounds by creating programs to bring football closer to different demographic groups and by supporting low-income families’ children financially. These different recreational football programs support social integration and community development as well as the sports development within the club. The more players the club has at the junior stage, the greater is the selection of players at the elite stage. MFF’s CSR-flagship, the Career Academy has proven that sport clubs in collaboration with local authorities can be just as, if not more, successful than local unemployment offices on their own. As a result, the activity has now spread to several other elite clubs in Sweden.

Soft values in sponsorship have been the trend in sport for the past few years, and the role of CSR and social entrepreneurship has grown in partnerships between sponsoring companies and sport clubs. Therefore, the CSR programs run by the two studied football clubs are important in terms of promotion and stakeholder commitment. Successful CSR programs give the clubs a possibility to gain recognition and differentiate themselves from the competitors. In addition, as in the case of MFF’s CSR Manager, they can influence other football clubs to commit themselves to CSR activities.

Environmental sustainability does not play a prominent role in either club’s public CSR actions. However, environmental issues are often self-evident in the Nordic cultures, and therefore, they are often not discussed as separate projects. For example, MFF’s CSR Manager states, “we do things before we tell others about

them.” Recycling, sustainable energy use, and environment protection are everyday actions of all sport clubs in Sweden and in Finland.

This chapter is limited to two countries and cases from them, and in the future, it would be interesting to study if these findings of the role of the entrepreneur in relation to the triple bottom line of CSR would apply to small- and medium-sized sports clubs from different countries outside the Nordic countries. The assumption here is that the operating environment and sports culture as well as the level of social entrepreneurship in these clubs play a crucial role in the adaptation of CSR.

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Strong entrepreneurial focus and internationalization – the way to success for Finnish ice hockey: the case of JYP ice hockey team

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Strong entrepreneurial focus and internationalization – the way to success for Finnish ice hockey: the case of JYP ice hockey team

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ABSTRACT

Ice hockey is the most professionalized sport in Finland, and it has had an important effect on the overall sports development in Finland. The national ice hockey league was the first league to professionalize in Finland, and it is the most widely followed sport in terms of spectator numbers and media coverage. Internationalization and entrepreneurship have played a remarkable role in the development of Finnish ice hockey. Internationalization has been influenced, first, by the North American National Hockey League (NHL), and later by the Russian Kontinental Hockey League (KHL) and Europe's Champions Hockey League (CHL). The establishment of entrepreneurially driven limited companies amongst ice hockey leagues at the turn of the century was a pivotal point for professionalization and commercialization in Finnish ice hockey. The aim of this study is to examine the impact of internationalization on one successful entrepreneurially driven Finnish ice hockey club, JYP ice hockey team, by demonstrating its path from a small-town club to a multi-time Finnish Champion and Finland's first European Trophy (2014) and Champions Hockey League (2018) winner.

KEYWORDS

Ice hockey; sport entrepreneurship; sport internationalization; European hockey; team sport

Introduction

Ice hockey is the number one sport in terms of media coverage and spectator numbers in Finland, and the Finnish ice hockey league (SM-Liiga, branded as Liiga since 2013) was the first professional sports league in Finland. According to Sponsor Insight's annual sport barometer (2018), 49% of Finnish people over 18 years old are interested in ice hockey, and when divided according to gender, 60% of males and 38% of females are interested in ice hockey (Sponsor Insight 2018). Sports at all levels have always been strong in Finland, both in terms of participating and spectating. Success in sports, together with a strong sport culture, has had a substantial impact on the national identity of Finns. Finland has a rich competitive history in a variety of sports at a global level, but since the national ice hockey team's Olympic success in the late 1980s and 1990s, ice hockey is the country's leading sport (Lämsä 2012). Finland's national teams at all

levels, men, women and juniors, have won multiple medals in international competitions. The latest victories for Finnish ice hockey were men's gold medal and women's silver in the International Ice Hockey Federations World Championships in 2019.

The Finnish ice hockey League (Liiga) was established in 1975 in order to replace the national amateur league (SM-Sarja), and it has operated ever since (Liiga 2019). The North American National Hockey League (NHL) in terms of formatting the league and its operations, including play-offs, a closed league model, game events and trophies, has heavily influenced the Liiga. Other important international influences have been the Russian Kontinental Hockey League (KHL), especially in opening new player markets, and finally, the European Champions Hockey League (CHL) that has had an effect on local clubs in terms of international game events and developing the European market.

Top-level sport in Finland became an area of business only in the late 1990's, at the same time as ice hockey was professionalized heavily. This means that sport business in elite sports is a relatively new phenomenon in Finland, and that most sport organizations are still non-profit organizations mainly run by volunteers. However, the importance of entrepreneurially run sport organizations has been growing because the public sector is pulling out from financing and producing services in the sport sector (Diges 2010). The development started with the government's decision that professional sports could not identify themselves as parts of non-profit organizations anymore. They were seen as profit-seeking businesses where the focus was in gaining revenues like with any other business. Ice hockey players' contracts were listed as contracts of employment, and professional leagues in ice hockey and football, and later also basketball were identified as businesses (Rosbäck 2012), or at least their first league teams were seen to be too big and commercial to meet the standards of a non-profit association. Sport clubs divided their operations into for-profit businesses and not-for-profit organizations, and their national league teams became business enterprises, whereas the youth and women sports stayed within the non-profit clubs. Part of this development can be argued to be a consequence of the Bosman ruling and the free movement of labor within the EU. Even though this ruling primarily concerned football, it affected other sports and sporting clubs as well by providing an example of the free movement of labor within the EU (Douvis and Billonis 2005; Radoman 2017; Bindler and Findlay 2008). In Finland, this development towards entrepreneurial sport business organizations is very recent compared to, for example, the more widely discussed and studied US sport industry.

The objective of this paper is to discuss the development of ice hockey in Finland through the case study of Jyväskylä Ice Hockey Club (JYP). This case study aims to describe the influence of international ice hockey development on a Finnish ice hockey club's commercialization and business development. This development is examined through the lens of entrepreneurship. The aim is to understand how a local ice hockey club in Finland has been influenced by international hockey leagues (NHL, KHL as well as CHL) during its path from a non-profit organization to a profit seeking, professional and entrepreneurially driven business enterprise. This paper gives new insights into the discussion of sport entrepreneurship and the impact of internationalization on the ice hockey business in one of the leading ice hockey countries in Europe.

Method

The research method of this study was a qualitative case study approach. A qualitative approach is suitable when studying real-life cases, and when the aim is to understand what is happening in a certain company, and case studies are an effective way of gaining data from a certain social phenomenon in its natural context. A case study is an empirical inquiry that investigates a real-world case in its real-world context, where the connection between the phenomenon and context is not clear (Yin 2014). In this study, the phenomenon studied was the development of an ice hockey club from a volunteer based non-profit organization to a professional business organization in the context of internationalization and entrepreneurship with special attention on the influence of the NHL, KHL, and CHL.

The case selection was made by comparing the ownership structure and financial records of twelve Liiga clubs in Finland from 2008 to 2012 (one club's financial data was not available at the time of the research). The period was selected because of the establishment of the KHL and Euro Hockey League in 2008. The aim was to select a club that had been successful both on-ice and off-ice, together with a stable financial performance. Since sporting success does not guarantee business success, it was rather the business success that needed to be measured. In order to identify the business success, success criteria for sport enterprises were developed by using the Storey and Greene (2010, 210–211) company growth approach: sales/revenue, profits, financial ratios, employment, market share, income of entrepreneur, subjective measures and multiple measures. The most commonly used methods indicating business growth are sales and profits together with employment figures. (Wiklund, Patzelt, and Shepherd 2009; Delmar, Davidsson, and Gartner 2003). The final selection was based on the financial data, entrepreneurial ownership structure, sport success and the internationalization level. The selected club, JYP, has gained substantial success in the field of sport both nationally and internationally, and it is also a founding member of the European Champions Hockey League. The data for this study came from multiple sources of evidence, such as the company history and website and financial data sources, with the main sources being the interviews of the owner-entrepreneur and the managing director (who also owned a minor share of the company). The interview data was analyzed using NVivo software.

Sport entrepreneurship and internationalization

Sport entrepreneurship has lately been an emerging discussion topic globally in the field of business and economics, and this trend supports the development of sports. However, in the sport business context, entrepreneurship has not been widely studied, even though it has been recognized as a growing field in the industry. Sport entrepreneurship has two different roles in society: it can be a profit seeking business or a non-profit organization benefiting the community (Miragaia, Ferreira, and Ratten 2017; Ratten 2018). In a professional sport league, such as an ice hockey league, the business entities within the league not only compete against each other but also cooperate with each other (Zimbalist 2003). The battle is on two fields, on the ice or court and in the marketplace. Therefore, sport entrepreneurship forms an interesting area of research.

Entrepreneurship and entrepreneurs have been in the spotlight in sport policy makers' discussions in Finland for the past decade. The level of education and innovation, which

are of a high standard in Finland, are often combined with growth-seeking enterprises. However, the overall growth numbers amongst Finnish companies are very low in international comparison (SME business barometer 2014), and sports companies are very often not seeking growth but, rather, simply trying to survive. In Finland, the company structure lies heavily on small and medium size business enterprises (Statistics Centre), and there are many new opportunities for capable entrepreneurs in the service sector to which the sport business belongs.

Sports development in Finland for entrepreneurial companies has been slow, starting from the turn of the century, and most of these enterprises are still in their infancy. However, the decrease of public funding for sports has sped up the development. Ice hockey has led the way in commercialization and turning the first league teams into businesses. Since the market is very limited in such a small country as Finland, it has been of importance for professional league clubs to seek new business opportunities in the international and local markets.

Globalization has had an enormous impact on the sports sector, and it has encouraged small and medium sized enterprises to increasingly internationalize their operations (Richelieu 2012). An important aspect of this development is how a small firm's owner-managers practice internationalization (Lamb, Sandberg, and Welsch 2018), what the factors enabling internationalization are (Reuber 2018) and what the influence of the industry environment or the industry specific factors is. Big media corporations have developed the global sports market through broadcasting to global viewers and, thus, speeding up the market's internationalization. All this has affected sports development and entrepreneurship both globally and locally.

The sport industry has some special characteristics that affect the development of enterprises and entrepreneurs in the sport sector. Spender (1989) introduced an industry recipe theory, which explains that every industry is different, and that managers or entrepreneurs have to deal with uncertainties that are common to this certain industry area. In the sports sector, these industry specific issues include a fast-changing operating environment, rapid global growth, complexity and heterogeneity of products and services, volunteerism, the effect of the field on success and uncertainty of outcome. In addition, different motivational factors, such as the passion for sport and the emotions involved, are industry specific factors influencing sport entrepreneurship. In the sport business, the aim could be more in utility maximisation than in profit maximisation since the motivation to run a sport company might differ from that in general business. In utility maximization, the focus is on more achieving some other goals and maximum value, such as sporting success, than just gaining profits (Prinz 2019). Often the maximization goals in terms of winning are more important than profits, although profits might enable some other goals.

According to Ratten (2018), sport entrepreneurship can be described through three different aspects: innovation-based, business formation and opportunity recognition. Innovation-based entrepreneurship refers to the constant change in the marketplace and innovation to new ways of remaining competitive (Ratten 2018). Sport and entrepreneurship both require innovation, and they operate in turbulent environments (Ratten 2011). Sports' nature as innovation-oriented, risk taking and proactive is identified as substantially entrepreneurial (Ciletti 2012; Ratten 2010). Ciletti's Ciletti (2012) classifications of sport innovations into technological, product and promotion innovations are close to Santomier's Santomier (2002) description of the US sport industry falling into the performance, production and promotion subcategories. Innovations connected to sport products and services

often mean mostly technological innovations for developing a company's offerings. However, innovations in sport have developed new sports, new products and equipment, new ways to train sports and better uses of marketing activities. Digital marketing especially, has had an enormous impact on the sport business and its internationalization. Innovations in the new media and the fragmentation of the traditional media have caused an extensive evolution in sports promotion and marketing in the international context. Social media have given sport enterprises new opportunities to market their products and engage the sport consumers (Ciletti 2012). This development has improved the cooperation within different international sport leagues and local clubs, and created opportunities for businesses and players in the international markets.

The business formation perspective of sport entrepreneurship focuses on business creation based on new ideas or societal change. Sport entrepreneurs need to be creative in order to develop their business functions and implement new ideas (Ratten 2018). Globalization has been the guiding principle in the business formation of Finnish ice hockey (Backman 2018a, 414). The professionalization and commercialization of sport has caused the establishment of new profit-seeking businesses in the sport sector. The first league ice hockey teams in Finland have established businesses similar to the NHL model, whereas their Swedish counterparts have kept the ice hockey business still as a non-profit sector with their 51% non-profit majority owner rule (Backman 2018a, 414). This rule set by the Swedish Sport Confederation outlines that even though a team works as a limited company, the non-profit club needs to own at least 51% of the shares in order to keep the voting majority (Backman 2018b). In Finland, the voting rights and decision-making in these entrepreneurially driven companies are based on a commercial ownership structure, which means that the more shares one person has, the more votes he/she has. This makes decision-making easier and business development faster. Castano, Mendez, and Galindo (2015) connect entrepreneurs' innovation, internationalization and business growth expectations in business development in the service sector. An important way to seek growth opportunities in the Finnish sport markets is to expand to international markets.

Social entrepreneurship can be closely connected to business formation in sport. A social entrepreneur is motivated by the possibility to make a social contribution instead of only seeking profit (Audretsch 2012; Ratten 2010). Previous businesses can be the base for new business ventures operationally and financially, and entrepreneurs can utilize their previous experience and knowledge in establishing new companies (Laukkanen 2007). They might be individuals who offer their business experience to the club without expecting any financial return (Gallagher, Gilmore, and Stolz 2012), although social contribution and profit seeking can both be the goals in entrepreneurial sport organizations. This is very often the case when non-profit organizations, or parts of them, turn into businesses.

The third perspective on sport entrepreneurship is opportunity recognition and exploitation. In sport, the commercialization of business opportunities is important (Ratten 2018), and successful entrepreneurs are often opportunity oriented and capable of handling uncertainty and high risks (Timmons and Spinelli 2009, 249–262). Opportunity recognition is one of the key concepts in the field of entrepreneurship (Shane 2000; Eckhardt and Shane 2003; Short et al. 2010), and entrepreneurs' personal characteristics and individual cognition define the capability of seeing these opportunities (Eckhardt and Shane 2003; Ronstadt 2007). Sport organizations that can discover and exploit new opportunities can gain substantial advantages in the global environment (Ratten 2012), and entrepreneurial opportunities can

act as a starting point in international entrepreneurship (Oviatt and Baron 2007). Opportunity discovery can be a process to solve a business problem (Hsieh, Nickerson, and Zenger 2007) where the entrepreneurs' previous knowledge plays a crucial role and where the information networks, through which the entrepreneurs perceive the environment, affect their possibilities to recognize opportunities (Shane 2000). The performance of a small sport enterprise operating in a relatively small market is dependent on its ability to recognize opportunities locally and internationally. Together with the enterprise's capability to recognize and utilize business opportunities, the entrepreneurial orientation of the owner and the firm affect the firm's business success. Entrepreneurial orientation is connected to innovations, proactiveness and risk taking (Lumpkin and Dess 1996; Kreiser and Davis 2010). The overall development of the sport and ice hockey industry together with entrepreneurship development have affected the advancement of JYP and other clubs in Finland.

Ice hockey development in Finland

In Finland, the development of ice hockey started early in the 1920's, and the first Finnish Championships were organized in 1928, and the Finnish Champions League started in 1934. Ice hockey developed slowly together with the rest of the society. The Ministry of Education started funding the Finnish Ice Hockey Federation in the 1950's (Isotalo 2016), and Finland has participated in the Olympics and World Championship tournaments since 1957 (Lämsä 2012). Ice hockey was based on amateurism until the 1970's, and the organization and management then was still based on volunteer work and utility-maximization instead of profit-maximization (Backman 2018a, p. 411). The Finnish National Hockey League was established in 1975 (Finhockey 2019), and ice hockey started to professionalize. Ice hockey became one of the most popular sports in Finland, and it has maintained its growth. The year 1988 was the golden year for Finnish ice hockey as Finland won silver in the Calgary Olympics, and two Finnish ice hockey players won the Stanley Cup with the Edmonton Oilers squad (Finhockey 2019). At the same time, the establishment of regional radio stations made ice hockey live for bigger audiences (Lämsä 2012), and JYP was a pioneer in utilizing this platform and broadcasted its games via local radio. In the 1990s, the clubs signed their first television contracts, and the popularity of ice hockey grew even further.

In 1995, Finland won its first World Championships gold medal in Stockholm (Finhockey 2019), and this victory was very important for all of the sports fans in the country as the Finnish Lions beat their biggest rival and dear neighbor, Sweden. The championship victory boosted the popularity of ice hockey explosively with both the league and the clubs gaining financial windfalls (Mennander and Mennander 2004, 31–32). The lockout of NHL players during the 1994–1995 season generated increasing player movement to Finland (Lämsä 2012), and the Finnish League had its highest talent level, which attracted more fans and spectators. Finnish international success in ice hockey has remained stable from the beginning of 1990's until today. Finland has won several medals in the European Championships, World Championships and Olympics. Finland won its second World Championship gold medal in Slovakia in 2011, followed by a third gold medal in 2019, also in Slovakia. Adding to the men's team success, the women's national team and youth national teams in both genders have been very successful by winning multiple international trophies. This has boosted the ice hockey industry in Finland and helped the local clubs in their professionalization and commercialization actions.

The national ice hockey league, Liiga, changed its legal structure to that of a cooperative in 2000 for two years and then became a limited company in 2002. In the year 2000, the Liiga also became a closed series with thirteen teams, all limited companies and expanded to fifteen members by 2019. Due to the commercialization of ice hockey business, the Finnish government taxation office also defined Liiga teams as for-profit organizations (Rosbäck 2012) at the end of the 1990's, and the first league clubs were advised to corporatize their organizations. This was due to the high revenues generated by the clubs' events, the high salaries of players (ibid.) and the amount of sponsorship money compared to other sports. Player salaries represented 40% of the budget of the first league teams in 1998–1999, which was an unbearable amount for non-profit organizations (Mennander and Mennander 2004, 82–91). The aim of the corporatization of the clubs was that they could organize themselves better as employers and attract private investors to take risks and invest in ice hockey.

As a result of this corporatization, ice hockey clubs divided: the first team companies became businesses, but junior and women's teams remained as non-profit organizations. Since sport has been traditionally a non-profit activity and run by volunteers in sports clubs, this change towards for-profit enterprises put men's ice hockey into a different position without any public funding. However, this business development gave local clubs incentives to act more professionally and entrepreneurially. Many businessmen around the country became owners and entrepreneurs of ice hockey companies, without clear profit opportunities in the horizon. The motivation for these entrepreneurs was more related to their passion for sport than monetary reasons. This development gave new opportunities for both Liiga and the clubs to develop the ice hockey industry in Finland. At the same time, the discussion about cooperation with the Swedish Elitserien (the top ice hockey league in Sweden) and the development of European ice hockey was intensive (ibid. pp. 88–89). The Finnish league decided to concentrate more on developing its national league and adapted the NHL business model (Lämsä 2012).

All first league companies in the closed series have struggled with their finances from the beginning and this development has been distinctive until today. Depending on the year, some teams have been able to generate profit, but generally, their operations have been mainly unprofitable (Yle 2016; Kauppalehti 2017). Internationalization in terms of player sales and European games have been one solution to some teams in terms of generating more turnover and making extra profits from their core business. A ground-breaking event for the Finnish ice hockey industry occurred in 2013 when the whole Jokerit team joined the KHL and sold its arena to Russian investors (Yle 2013). Jokerit has, so far, been the only Finnish team to join the KHL despite the league's willingness to expand into neighboring countries. For the other first league teams, internationalization has meant possible player sales to the KHL and players signing contracts with the NHL together with CHL participation and European games.

Case: JYP ice hockey club

JYP is an entrepreneurially oriented ice hockey club in the small city (130 000 residents) of Jyväskylä, Finland. The club used to be an indebted non-profit sport club, but since 1999, when the current owner took over and changed it into a limited company, it has grown both financially and operationally. Today it is a successful ice hockey company in Finland with

multiple national championships. Moreover, it won the European Trophy League in 2013 and the Champions Hockey League in 2018. Behind this success is its entrepreneurial growth orientation and the internationalization of the ice hockey business.

JYP was established in 1923, and it had multiple sports in its offerings for several years. In 1947, ice hockey was taken into the selection of JYP's sports, and the first official JYP ice hockey team was established. The first outdoor ice hockey rink was built in Jyväskylä in 1950 with pure volunteer effort and without any financial support from the municipality. In 1960, the JYP team qualified for the second division, and during the same decade, the new innovative finance source 'Bingo'-game (game of chance played with numbered cards and balls in special Bingo-halls) started to function (Mennander and Mennander 2004, 26–27). The 1970's were a decade of change for JYP because it qualified for the first division, got its first artificial ice rink, went bankrupt and split into two different clubs with the remaining sports, ice hockey and football. In the 1980's, JYP hired its first professional coach, and the first ice hockey arena was built in Jyväskylä in 1982. During this time, JYP set clear goals for sporting success and economic stability by doubling its player budget and developing its game event. They also started to broadcast their matches on a local radio. In 1989, JYP finally won its first National Championships silver medal (Ruuska 2013, 14–93).

After this, at the beginning of the 90's, an economic depression hit Finland very hard, and sport sponsorship money decreased. A new practice arena was built, and the possibilities to play ice hockey improved, but the financial situation for JYP worsened, and the player budget was far too small for a national league team. The message from the government was clear: the players were employees and game events were considered professionally organized business events, not non-profit occasions anymore (Rosbäck 2012). The corporatization of the first league sport enterprises in Finland was, on one hand, forced by the government at the beginning of the century since player contracts became employment contracts. On the other hand, these organizations' operations had grown, and the game events had developed more and more towards entertainment. Ice hockey organizations, such as JYP, developed rapidly towards business-oriented companies, their operations became profit seeking and commercialized, and, therefore, they did not meet the criteria of a non-profit organization anymore. 'In Finland the taxation authorities took a stance on that league teams could not operate as non-profit organizations anymore since the businesses were so big and such in terms of their nature that a limited company was the right form of business' (Tyni, K., personal interview, 2015). Finally, in 1999, JYP was corporatized and JYP Jyväskylä Ltd was established. The new company bought the first league team and its place in the Liiga together with A-juniors (Ruuska 2013, 93–136).

At the same time, the league clubs corporatized from the non-profit organizations, and Liiga became a closed series. JYP played the league with limited success for several years, and the owners concentrated on coping with a relatively small budget. In 2004, JYP published a strategy called 'Mission 2007' which aimed to raise the club among the best teams in the league. In 2005, the main owner invested more money in JYP and bought the majority of its shares. This made the decision-making easier, lightened the administration and made it possible to increase risk taking and proactiveness. In addition, a professional marketing manager, who became the managing director later on, was hired together with a new head coach. In 2006, JYP had its first profitable year as a result of an innovative new marketing strategy, risk taking and successful recruitment. Mission 2007 succeeded in terms of marketing and finances by stabilizing the business performance but still failed in terms of sporting success.

JYP needed new facilities in order to keep up with the national league requirements, and finally in 2002, an arena was built in partnership with the municipality. 'We made the city decide whether ice hockey would still be played in this city or not. The message to them was clear, if there isn't a new arena, there won't be this company either. It'll be the last year, and this company will be put on hold or sold to somewhere where they want to build the arena' (Seppänen, J., personal interview, 2015). Even though the new arena was the smallest one in Finland in terms of seats, it made it possible for JYP to develop its off-field services. 'The new arena made it possible to improve our income since we got appropriate restaurant facilities, and even though we still have a small audience capacity, we can take our actions to the next level if we are good enough. It was, of course, a crucial decision, and our working environment improved essentially' (Tyni, K., personal interview, 2015).

To follow the 'Mission 2007' strategy, JYP invested heavily in its player budget in the 2007–2008 season in order to gain sporting success as well. This paid off in two ways: it made it possible for JYP to purchase more expensive domestic players, and JYP's star players attracted the attention of the KHL in Russia where their rights could be sold. JYP operated mainly in Finland until 2007, concentrating on climbing its way to the top of the Finnish League. The first player sale to the KHL in 2008 changed the business dramatically. This gave the club a possibility to gain some extra financial rewards, but these remarkable occasions did not emerge on a regular basis, and therefore, businesses could not be built on these sales. Another aspect of these sales was the perpetual question of selling one's success along with the best players. 'Every time we have questioned whether we sell our success, and that we cannot afford to do it, so, we are all the time searching for some kind of a balance of horror' (Seppänen, J., personal interview, 2015).

The KHL was established in 2008, and it replaced the Russian Super League (Hockey History 2019). Its emphasis was on the Russian markets, but interest towards players in Finland was big. JYP hosted KHL agents and made its first international player sale by selling its goalkeeper to Dynamo Moscow. The price of the sale was €500,000, which represented about 11% of the club's annual turnover. This was an epoch-making event in terms of internationalization and finances. This one sale turned the company from a barely stable to a profitable business. JYP's turnover shows a major increase in 2009–2010, which was due to another player sale to the Russian KHL league, to the Kazakhstan club called Ak Bars Kazan. This was the biggest trade of one player on that time, and it was worth 1,1 M€ for JYP. Although selling top players might jeopardize sporting success, it cannot be avoided since player contracts allow them to transfer. Moreover, in the case of the KHL, the monetary reward for the club is remarkable compared to transfers to the NHL. 'The NHL takes whoever they want, and we get a certain amount, but with the KHL you can sell and negotiate the price' (Seppänen, J., personal interview, 2015). Ever since, the KHL has played a big role in terms of player sales and monetary returns every year in JYP's operations. All together, these sales have been an important source of income because over the years, JYP has sold altogether 10 players to KHL clubs. KHL sales have represented 2–5% of JYP's turnover in the past years (apart from the very expensive player sales at the beginning described above). However, the KHL market is not growing anymore: 'KHL markets have been quiet in the past few years, and their role has diminished' (Tyni, K., personal interview, 2019).

The NHL has had an important role in the development of ice hockey in Finland. The idea of play-offs was copied from there (Backman 2018a, 412), and the administration of the Finnish league is based on the North American model (Lämsä 2012). The first Finnish player transfer to the NHL took place in 1969, and since then, more than 400 players have gone to the NHL from Finland (SJHS 2019). This trend has influenced JYP as well over the years when players have transferred to the NHL and caused replacements or changes in the planned squads. Even though the returns for the club have not been as big as with the KHL, they are still important both operationally and financially. Altogether, over ten players had transferred to the NHL from JYP by 2018. The overall effect of these transfers to the NHL and KHL have been remarkable, representing on average 7–8% of JYP's annual turnover. The main influence of the NHL for the players was the establishment of a player association, which was created to represent the players in their contract negotiations. The Finnish association was the first one in Europe to represent the interests of players (Lämsä 2012). Moreover, these international opportunities attract the players to play on teams where they see the opportunity to go abroad.

The establishment of the CHL in the season 2008–2009 (IIHF 2019) gave JYP an opportunity to enter the European competition. JYP is one of the founding partners of the CHL, and it has invested in the development of the European league. The interviewees highlighted the importance of international games as a source of income but also the possibility to improve the club's brand awareness amongst spectators and players. Entrance into the CHL, and especially the victory in 2018, has brought financial and operational success to JYP. The European competition adds more games to the regular season, attracts spectators, and sporting success in these games benefits the club in terms of income: more ticket sales and game payments, as well as more sponsorship money. JYP has kept its position amongst the top clubs in the Finnish national league, which has given it the continuing position to play CHL games. Other benefits of CHL games are the internationalization of the whole company and significant opportunities for player improvement. 'International games are important in terms of game development, and they bring great value to the club by all means and measures. These games teach the whole staff how to operate in international markets' (Tyni, K., personal interview, 2019). International games are a great opportunity for the players to attract international attention. 'International games are a great showcase for the players. Even the tempo of these games is good for the players' advancement' (Tyni, K., personal interview, 2019).

In addition to the opportunities in the international markets, it has been very important for JYP to develop the use of facilities and create other business lines in the team sport context since the core national game event business is very seasonal and highly dependent on sporting success. 'It has helped that we have been successful in sports. It goes hand in hand with business success, losing is not interesting, no matter how good the playing itself might be' (Seppänen, J., personal interview, 2015). The income structure has changed from ticket sales and sponsorship to a more complex variety of sources. JYP has realised the need to develop the game event towards an entertainment event, and therefore, they have developed their services to a new level. By improving the services and involving and committing the stakeholders, the value that attracts customers to come to the games can be created. JYP has maintained its position amongst top ice hockey clubs in Finland, and in terms of finances, it has been very successful even though its arena capacity is the smallest one in the national league.

Conclusion

The ice hockey development in Finland towards professional, profit-seeking business has been heavily influenced by internationalization, and especially by the culture of the NHL and KHL together with the development of the CHL. The ice hockey league has been a pioneer of sport professionalization and commercialization in Finland and the first league to establish entrepreneurially driven enterprises.

Innovations are the source of competitive advantage in sport firms (Winand and Hoerber 2017), and sport innovations can take different forms including risks, image constraints, value incentives and sport consumer services (Ratten and Ferreira 2017). Innovations in terms of strategy and improved operations, such as customer services and digitalization, have been a cornerstone of JYP's success. At the beginning of the entrepreneurial path, JYP created an innovative business strategy, took high risks in terms of player budgets and proactively secured its facilities to be able to compete effectively on ice and off ice.

Entrepreneurship plays an important role in the development of sport products and services (Ratten 2018). In JYP's case it was crucial that it corporatized in order to finance its facility and service development. By improving the sport value framework, a sport company can influence the success of its operations (Woratschek, Horbel, and Popp 2014). By improving the services, and involving and committing the stakeholders, the value that attracts customers to come to the games was improved. Another important innovation shaping the sport industry and JYP has been the development of digital media. Social media has given sport organizations the possibility to market them to larger audiences (Ciletti 2012). This development has been essential in attracting new sponsors and in promoting JYP's international game events. Global media corporations have developed the international markets through broadcasting and opened the opportunities to sports organizations to utilize these possibilities.

The dominant design of the sports industry changed in Finland at the turn of the century. This was affected by the government and overall environmental changes, such as the Bosman ruling. JYP changed its first league's business format from a non-profit to profit seeking enterprise. As a non-profit organization, commercialization and internationalization would have been more difficult in terms of finances and decision-making. The formation of the new profit seeking business model helped the company to make decisions faster, be more proactive in its operations and develop its international markets. The model of the Finnish ice hockey league was copied from the NHL (Backman 2018a), and the business is limited into 15 team companies (2019). This closed league model ensures that the participating teams have the resources necessary to compete, but it does not give opportunities for other clubs in Finland to rise to the first level. The NHL business model also guides the local clubs in their operations. The owner-entrepreneur's motivation to run the business is based on his passion for ice hockey and the possibility to make a social contribution. These attributes can be connected to social entrepreneurship (Audretsch 2012, Ratten 2010; Gallagher, Gilmore, and Stolz 2012) like JYP's entrepreneur's expectations are not financial returns but more the possibility to contribute to the sport and community.

Entrepreneurship in sport is a globally growing phenomenon due to commercialization (Ratten 2018), and more opportunities exist when the environment is dynamic and characterized by uncertainty (Kreiser and Davis 2010). High level of risk taking and proactiveness have been argued to advance the business performance (Covin and Slevin 1991; Kreiser

and Davis 2010; Lumpkin and Dess 1996). JYP recognized new opportunities in the local and global markets and utilized them by investing bravely in its operations. Even though the market in Finland is relatively small but ice hockey's position very strong in terms of sponsorship money and spectators' interest, this gives entrepreneurial ice hockey clubs, such as JYP, a good opportunity to develop their business. Another important aspect of successful opportunity recognition and exploitation with JYP has been the entrepreneur's personal characteristics, which include, for example, responsibility, entrepreneurial background, confidence, commitment, ambition, competitiveness, opportunity obsession, future orientation and tolerance of risks (Glackin and Marioti 2012, 6–10; Scarborough 2011, 20–24, Timmons and Spinelli 2009). JYP's owner-entrepreneur took high risks in terms of investing in and selling the players together with facility development. In addition, he designed a future oriented strategy, has an entrepreneurial background and is strongly committed to the club.

'Entrepreneurial activities are necessary for sport organizations to progress and go international.' (Ratten 2018). Internationalization has been important both in terms of finances and sport performance for JYP. Opportunity recognition in terms of international business opportunities amongst the NHL, KHL and CHL has been very important for JYP's financial development. These business opportunities often act as a start for a company's internationalization (Oviatt and Baron 2007). The KHL has been, overall, an important factor in the Finnish ice hockey markets for the past decade, and its importance in JYP's development is distinct in terms of financial returns. The first player sales confirmed JYP's position as a profitable organization and gave it the necessary investment possibilities to develop its business further. The first player transfers to the KHL happened at the same time as JYP's innovative new strategy, and together they boosted its economic development. However, the KHL market has been declining in the recent years, and its importance today is not very remarkable anymore. This development has forced JYP to develop its other opportunities in the domestic and European markets, especially with the CHL. The CHL has slowly developed to be the European counterpart for the NHL and the KHL. CHL games have gained awareness and income for JYP, and success in the European competition has been an important source of extra sponsorship income in addition to the national series. This has helped JYP to maintain its position amongst top ice hockey clubs in Finland.

In the future, the international markets for ice hockey can be expected to grow due to technological development, marketing possibilities and social media (Ciletti 2012). Teams can attract fans from different parts of the world, and the number of countries playing ice hockey is growing. This gives opportunities especially for those clubs that qualify to play in international leagues. Future challenges for the Finnish ice hockey clubs, and the whole national ice hockey league, are to keep the quality of the games at a high level and to attract star players to keep the international markets running. Another challenge is to find new innovative ways to improve the whole industry. Although financial success is still very limited in most of the clubs, the challenge is to find ways to attract more sponsors and develop the core business to be more attractive for different stakeholders. By developing the game events, side businesses, marketing communication, and new opportunities in international context, clubs can improve their operations.

This case study of JYP highlights the effect of international ice hockey leagues on the local club level. This paper contributes to the discussion of sport entrepreneurship and internationalization in the ice hockey business in Finland. It cannot be widely generalized, but its findings can be used as a start for testing them in mainline research.

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