ORGANIC FOOD BUSINESSES IN LOCAL ALTERNATIVE AGRI-FOOD NETWORKS IN PIRKANMAA REGION IN FINLAND

Corporate Environmental Management
Master’s Thesis
September 2008

Author: Judit Csoszánszki
Supervisor: Ari Paloviita
### Abstract

The aim of the research is to study local alternative agri-food networks in Pirkanmaa region in Finland, where organic food production is in focus. Three entrepreneurs have been chosen for the study, the berry wine producer Teisko’s Wine Lodge that opened the first wine kiosk in Finland; the programme and accommodation provider Knuutila Manor House that is run by a group of entrepreneurs, giving perfect example of networking; and Restaurant Henriks where safe and tasty food are prepared from local organic ingredients. Personal interviews were conducted with entrepreneurs, based on five semi-structured themes with structured interview questions.

The main research question is: How do entrepreneurs perceive benefits and barriers from joining local alternative agri-food networks? Four sub-questions support the main problem: (1) What is the role of organic food in the networks? (2) What are the significant aspects of local quality food in alternative networks? (3) How do farmers think about environmental issues in networks? (4) What are the significant aspects of multifunctionality and direct selling within the networks?

Results demonstrate that entrepreneurs benefit from joining local alternative agri-food networks. Advantages are economical, marketing, trust builder, eco-efficiency, sustainability and reduced food-miles. During the co-operations, formal and informal relationships are formed among actors. However, there are common characteristics between the firms, the studied enterprises cannot be generalized. The three entrepreneurs are unique and have special values within their own local networks. Each entrepreneur built up successful business and reached an exceptional career. Even though the entrepreneurs do not consider themselves green activists, observation shows their interests to be environmental entrepreneurs.

### Key words

Environmental entrepreneur, local, alternative, agri-food network, quality food, organic, direct selling, multifunctionality, farm, Pirkanmaa, Finland

### Place of storage

University of Jyväskylä / School of Business and Economics
## CONTENTS

1. INTRODUCTION
   1.1 Research background ................................................. 2
   1.2 Research problem and strategy ..................................... 3
   1.3 Research methods ..................................................... 5
   1.4 Introduction and plan of empirical data ................................
      1.4.1 Networks as tools to find entrepreneurs for the study ...... 6
      1.4.2 Networks of entrepreneurs ....................................... 7
   1.5 Introduction of chosen entrepreneurs and choosing criteria ........ 8
   1.6 Overview of organic farming in Pirkanmaa region .................. 9
   1.7 Outline of the study .................................................. 13

2. ALTERNATIVE AGRI-FOOD NETWORKS ..................................... 14
   2.1 Types and classification of networks .................................. 14
   2.2 Alternative food supply networks ..................................... 16
   2.3 Actors of networks .................................................... 18
   2.4 Motivations ............................................................ 19
   2.5 Benefits of networking ................................................ 21
   2.6 Trust and commitment .................................................. 23
   2.7 Barriers of networking ................................................. 24

3. NETWORK BASED ENVIRONMENTAL ENTREPRENEURSHIP ................. 29
   3.1 Classification of entrepreneurs ....................................... 29
   3.2 Rural entrepreneurs as ecopreneurs .................................. 39

4. RESULTS .............................................................................. 45
   4.1 Teisko´s Wine Lodge ..................................................... 47
   4.2 Knuutila Manor House ................................................... 49
   4.3 Restaurant Henriks ....................................................... 53

5. CONCLUSIONS .................................................................... 62
   5.1 Evaluation of the research ............................................... 65
   5.2 Ideas for further research ................................................. 66

6. REFERENCES ...................................................................... 67

7. APPENDICES ...................................................................... 70
   Appendix 1: Interview themes and questions ............................... 73
   Appendix 2: Teisko´s berry wines ........................................... 74
   Appendix 3: Programme possibilities at Knuutila ......................... 75
   Appendix 4: Menu on week 10 and 24 in Restaurant Henriks ........... 76
1. INTRODUCTION

Entrepreneurship and environmentalism are recognised as emergent models that demand understanding of sustainable environmental entrepreneurship (Anderson, 1998). Industrialization of modern agriculture has created problems, such as food-borne diseases; the society realized the risk factor in food production. Offering a second choice for consumers is a new trend that makes wider possibilities for purchasing goods. Alternative food networks have developed to produce organic, safe food ingredients; as a base for the future of agriculture (Storstad and Bjorkhaug, 2003.) Sustainable production methods have become popular and economical thus sustainable consumption has become a core policy during the new millennium in national and international fields. It is sufficient to give up polluting processes and follow a cleaner production style in businesses. (Seyfang, 2006.) To reach a greener result, the industry has to adapt and develop new technologies, also modifying the consumer’s thinking to a greener lifestyle is essential. Seeking long-term sustainability is not an effortless project. There is an enormous need for high quality, professional knowledge, new products and services in agri-food sector. All of these ideas can be explained in new terms, like alternative agri-food networks (AAFNs), organic food supply chains, local knowledge and ecopreneurs. The mentioned definitions are studied in present research. According to DuPuis and Goodman (2003) there are growing numbers of agri-food scholars who believe that the word local is not a harmful term. Usually critiques are against “the local” of local food systems and the idea of locality and quality. Unfortunately, often products are said to be local but have been purchased from a supermarket. Based on Seyfang (2006), it is a challenge for governments to integrate sustainable consumption and production principles to everyday life.

Developing rural locations are essential because consumer’s motivations have changed during the last decade; currently people are more enthusiastic towards local travel. As Swarbrooke (1999) has presented, visiting rural places are getting more popular, where guests can see craft centres, farms, small factories and discover how people earn living in rural areas. In many places, visitors can participate in activities and try their own abilities to create products. Usually, it is also possible to purchase products directly from the factories and farms. There are a few expectations from rural goods and activities; the product should be created and
managed by local entrepreneurs; the manufactured goods have to be authentic and present countryside and the traditional life of locals; the products have to possess specific local differences and brand marks. Visitors give great values of experiencing real countryside where quality is highly appreciated. The focus of rural entrepreneurs should be also on product and service development with special attention for individual guests.

The perspective between nature and local entrepreneurs goes through the question of sustainability. As McDonagh and Prothero (1997) highlight, it is more considerable to understand the company itself from an environmental point of view, rather than observing the environment from the organization’s viewpoint. Different network frameworks are in charge today for local sustainability. The growing needs for developing rural local products and services creates a closer footstep to sustainability via specific actions.

The focus of this research is to study a local agri-food network in Pirkanmaa region in Finland, and to seek for answers of entrepreneurs’ benefits and barriers when joining a network. An important part of the research is how entrepreneurs think about environmental issues, and what is the significance of local food in networks. Multifunctionality and direct selling are also considered as significant aspect during the study.

1.1. Research background

Due to the increasing demand for information, researches have been made in the last few years on the field of environmental and sustainable entrepreneurship. The topic itself is a very new idea in the 21st century thus many useful articles can be applied. Accomplishing a novel and original ideological way of thinking from different authors and from different countries around the world is necessary during the study. Applying European and preferably some Scandinavian articles are desirable in case of local rural agri-food networks. Unfortunately the lack of special scientific books was typical for the research. In general topics, like sustainability, ecotourism or entrepreneurship straightforwardly can be found many books but that type, which would combine all of these issues within one book, are not much written yet. Moreover, some facts and data are presented from different webpages because of the language
barriers. Therefore using information from webpages, such as KokousNet and Pirot paranee programmes, written in English made the research more convenient.

The main motivations behind the research vary. First of all are the writer’s previous economical studies on the field of tourism, especially sustainable tourism. Making of different researches during the bachelor studies would help to analyze several results. Secondly, a personal motivation plays a role concerning Pirkanmaa region because of the former exchange period spent in Pirkanmaa University of Applied Sciences in Tampere (Piramk). Hence the previous knowledge of some of the ecopreneurs in the region is evident. And finally, there is a professional motivation too. Since sustainability, networking and entrepreneurship are in a close interest to the writer, applying the knowledge from different courses during the studies are essential.

1.2. Research problem and strategy

This study is going to deal with one main question and three sub-questions. The main research problem is

How do entrepreneurs perceive benefits and barriers from joining local alternative agri-food networks?

The author uses four sub-questions to help answer and understand the main question. The sub-questions are

What is the role of organic food in the networks?
What are the significant aspects of local quality food in alternative networks?
How do entrepreneurs think about environmental issues in networks?
What are the important aspects of multifunctionality and direct selling within the networks?

There are various aims concerned this study. The writer would like to discover the network between different entrepreneurs and get answers for the research problems. Though it is not easy to find out the thinking of a person but important to give a chance for opening new ideas
which could unwrap the thinking of this field. Also it is valuable to get answers about the thinking of locals and organic food among small and medium size enterprises (SMEs). As Seppänen (2004) investigate, a farm is also the place of the family to live even though production and processes are significant in the business. During the research the family is considered to be part of the processes, especially in case of family businesses. However, present study does not deal with family life and its challenges. Jokinen and Järvelä (2005) indicate that agriculture defines rural nature and acts like consumption goods for urban population. Rural economy emphasises sustainable rural development with the focus on alternative food supply chains, generating sustainable countryside. Agricultural farms provide multifunctionality that creates new policies to encourage farmers for contributing rural areas’ well-being while managing environment. Basic idea of agriculture’s modernisation is to reach economic growth and environmental improvements in farming practices. In Finland, rural family farms are defined as multifunctional by tradition, even though traditional entrepreneurship does not exist nowadays because of the highly preferred modernisations and technological innovations. New practises should be involved to create a balance between multifunctionality and traditional farming activities. Multifunctionality and direct selling have changed the working life of the entrepreneurs. Guests visit their working environment and get involved with local organic food production. Even though no direct link has been set in earlier stages of the research, the two expressions - organic and local food production - became tightly connected because all three entrepreneurs work with organic ingredients and has a network of local farmers. Locally produced food means good taste and safe production style not only for producers but buyers also.

The research problems focus on locally produced quality food networks that are produced in alternative way. Producers are part of the Finnish farming society, forming local networks among each other and also with restaurants and festivity manors. The alternative way of creating food ingredients covers non-conventional production where traditional cultivation is based on bio- and/or organic food elements. Thinking of the research question opened up more minor topics that are collected in sub-questions to help to unfold the main problem. Investigating organic production became significant during the research thus all three businesses deal with locally produced organics. The author assumed that locals play important role in networks, creating quality food and high expectations from consumers. Environmental thinking gives more motivations for the study. The writer investigates that the chosen
entrepreneurs are environmental entrepreneurs. However, conclusions might be difficult as the definitions of rural entrepreneurs, environmental entrepreneurs, ecopreneurs and sustainable entrepreneurs overlap.

1.3. Research methods

Three interviews have been made with entrepreneurs to support the empirical part of the research. The aim was to find those firms who work already in networks. Therefore a studied firm had to be presented in a network from few years previously. The interviews are based on five themes. Moreover, the interview questions are structured within the five themes. The themes are presented later in the next chapters. The interviews were conducted in Pirkanmaa region in Finland during November 2007 and February-March 2008. Data has been collected from three different ways. First, personal interview with involved entrepreneurs has been conducting. Second, field study of the farms and restaurant were carried out before and after the interviews. Third, online data collection has been used from the potential businesses’ websites. (Håkansson, Havila, Pedersen, 1999.) The purpose of this procedure was to gain an overall picture of the analyzed enterprises. The personal interviews, which were managed with three entrepreneurs, have produced the main part of data for the research. The author has analyzed the interview data to collect answers for the research questions under the five interview themes. The results are presented in Chapter 4.

There is some information what can be found only from the webpages of KokousNet, MeetingNet and Pirot paranee, therefore some internal material were collected from these sources. Thus analysis of secondary data is available in the research. A qualitative descriptive research method was used during the study. The theoretical background for the thesis research relies on different concepts, such as environmental networking, ecopreneurship, and sustainable entrepreneurship connected only to food industry, locality, rurality and organic farming. The results from the interviews were analyzed and compared with previously demonstrated theories. In case it is a qualitative research method, no sophisticated software analyzing was needed during the research.
The writer looks forward to potential results. Most likely the entrepreneurs’ motivations towards benefits and barriers in networking reach the expectations, concerning personal interest of entrepreneurs, to get more marketing channels with the help of the network and helping each others in the business. Barriers, which are discussed in detail, arise during business life and co-operating, as well. Whilst different connection types are within the network, the co-operating types vary. Based on logistical, marketing, formal, informal and financial relationships, goods and services are delivered within the networks from producers to consumers.

As it is mentioned earlier, face-to-face interviews have been made with the entrepreneurs where five semi-structured themes with structured interview questions have been used. The main themes, such as (1) general questions about the firm, (2) networking of the businesses, (3) environmental thinking of the enterprises, (4) benefits of networking and (5) negative issues, were selected with the round of the research question and sub-questions. The interview themes and questions are presented in Appendix 1. Each focus interview discussion lasted from 2 to 3 hours in length. In general, entrepreneurs were forthcoming in their views on the topics and willing to discuss all issues mentioned in the research. Participants expressed strong sympathies for sustainable entrepreneurship.

1. 4. Introduction and plan of empirical data

1. 4. 1. Networks as tools to find entrepreneurs for the study

Tampere Convention Bureau, the congress-marketing unit of the City of Tampere, maintains the webpages KokousNet and MeetingNet. The Finnish version of the page is KokousNet, and in direct translation the English version is called MeetingNet. They provide a wide range of social programmes, individual events, complete event packages, conferences and other events held in Pirkanmaa region. It includes cultural, wellness and evening programmes, wilderness hikes, adventures, safaris, and team-building packages for groups of different sizes. All services listed on MeetingNet are available in English and some of them are in other
languages too. This way it is possible to get direct contacts with programme service providers in Pirkanmaa region. (MeetingNet, 2008.)

*Pirot paranee* is a rural development project on business travel catering and programme services, which forms quality entrepreneurs to a networking group. The members are individual service entities of catering and programme services in Pirkanmaa Region. The project is financed and supervised by a EU programme, called European Cultural Tourism Network (ECTN). 67 small and medium size enterprises (SMEs) and also some higher education organizations are concerned in the list. 35 of them are still very active today and ready for a new project. In cooperation with Tampere Convention Bureau, a secondary programme bank was built online. This store collected SMEs applicable to conferences, meetings, tourism- and catering services. The webpage can be found online at www.kokousnet.fi. The English version of this page is available from the beginning of November at www.meetingnet.fi. The aim was also to develop and to market the Pirkanmaa brand name. The focus was on local food and service culture. The products should be produced locally but not necessary organic way. They have to provide original Finnish food culture. (ECTN, 2004.)

1. 4. 2. Networks of entrepreneurs

Service and programme providers were formed as small entrepreneurs. The companies committed themselves to the network cooperation that was mapped beforehand. Not only KokousNet but also Pirot paranee programme required a high quality standard from the joining enterprises. All the programmes and services provided by these entrepreneurs are checked and tested by the representatives of Pirot paranee. The tests ensured the functioning and marketing ability of the programmes and services. After the tests the firms and their programmes were attached to the ancillary programme bank (KokousNet) that works as their own marketing channel. Even the project was running between 1. 10. 2004 – 28. 02. 2006 in Pirkanmaa region, the cooperation between many firms is still functioning today. During the project, three new customer-oriented enterprises were formed and firms established over 100 various networks. There were different connections between the companies, like business know-how, management of public relations, joint reservation system and customer
information. Most of the entrepreneurs have different types of businesses. All of the contacted firms will be described later in this paper. In advance, it is important to mention that even though their fields of working differ from each other, they found the channel how to interact and work together. Also the sizes of the firms and farms vary a lot. Ecotrip organisers, bed and breakfast house runners or a natural Finnish lifestyle programme provider can be found between these places.

All the firms who would like to join the KokousNet or Pirot paranee networks have to make an application for the programme. If the application is accepted, volunteer members of Pirot paranee staff is going to visit and test the programmes. If the offered activities, products and services are received as expected, the visited businesses can be present in the network of KokousNet, MeetingNet and Pirot paranee. One important requisite to join the network is that everyone has to present Finnish culture in his or her own way. If the company is able to provide the activities in more foreign languages, their access to MeetingNet is open.

1.5. Introduction of chosen entrepreneurs and choosing criteria

The target of the research relates to the network of quality production, organic farming and direct selling from farms, restaurants or festivity places to customers. Highly localized entrepreneurs have been chosen for the experimental study. Focus is on three individual cases of non-conventional network members. In an attempt to reflect the research question and sub-questions, eligibility criteria within the research was formed from academic existing literature. Based on Venn, Kneafsey, Holloway, Cox, Dowler and Tuomainen (2006), all the chosen entrepreneurs had to meet four main principles. First, the entrepreneur has to work in a network and present connections with other entrepreneurs and customers. Second, only non-conventional supply chains are appreciated during the study. Third, the adaptation of sustainable entrepreneur’s principles such as organics, sustainability, trust and locality, are necessary. Finally, quality promotes and preserves traditions and welcomes more visitors at farms, that is why quality production counts. One more important criterion had to be added for the list; all the entrepreneurs had to speak in English not to cause language barriers for the author. All entrepreneurs work with organic products that also earn significant answers for the research questions.
A multiple case study has been conducted with three entrepreneurs for the research. All of the firms are present either in KokousNet databank or in the Pirot paranee rural development programme that helped the author to find enterprises. A critical overlook and selection have been made before choosing the studied businesses. All the three entrepreneurs have significant features to consider. First of all, Teisko’s Wine Lodge opened the first wine kiosk in Finland and offered wine tasting from own berry wines. Secondly, a flourishing successful company have been growing at Knuutila Manor House in the last years that present a perfect model of networking, since a group of entrepreneurs are running the business. Finally, Restaurant Henriks is member of Chain des Rotisseurs; a French gastronomic society that invites only masters of naturally produced food and fine dining worldwide. With high expectations from the firms, the mentioned enterprises have been chosen with strong belief of an accurate example of well working networks. Following, the firms have been characterised by the type of work that is made at the place. Pirkanmaa region is the location of all businesses. More specifically, Teisko´s Wine can be found in the town of Teisko, about 25 km to North from Tampere. Knuutila Manor House is located in the village of Siuro, 8 km from the town Nokia. Henriks Restaurant is directly in the centre of Tampere, close to the harbour, at Satamakatu.

1.6. Overview of organic farming in Pirkanmaa region

To produce safe and tasty food is the aim of the Finnish food chain. On-farm quality systems help to improve animal welfare, environmental protection and food safety. The structure of agriculture in Finland has changed in recent years; increase in farm size and improvement of farming efficiency became fundamental. Finnish agriculture is still based on family farms today. Private ownership represents almost 90 per cent of the total farms. Today about 70 000 farms exists in the country. The majority of Finnish farm production is milk or cultivated cereals, grass, outdoor grown vegetables as well as greenhouse vegetables. (Ministry of Agriculture and Forestry, 2006.) During the agricultural overview focus is mainly on organic farming, as one type of alternative food supply chains, thus conventional cultivation is not discussed in present study.
Rural areas are an essential element of Finnish settlement and culture. They provide food and wood as well as produce other important goods and services to the whole society. Finland is the most rural country in the European Union. 27 per cent of the Finnish population, almost 1.5 million people, live in the most rural areas, i.e. rural heartland areas and remote rural areas. The countryside is host to a wide range of economic activities. Farming agriculture is still the most important livelihood, with a significant impact on rural landscape as well. (The Agency for Rural Affairs MAVI, 2008.) The average arable area of a farm is 31 hectares in the country. Compared to other countries in European Union, the average size of livestock farms in Finland is relatively small (Ministry of Agriculture and Forestry, 2005).

FIGURE 1 explains the tendency of organic farms in the country. In the end of 2007, 399 organic farms were recorded in Pirkanmaa region, which equals 8 per cent of the total farms in the province. As FIGURE 2 shows, 50 of the mentioned farmhouses are organic animal farms. The Finnish quality system proves that during organic farming there is no commercial cultivation of genetically modified crops. (Ministry of Agriculture and Forestry, 2006.) Among all the provinces in Finland, Pirkanmaa has the second most organic farms and the third most organically cultivated field areas in hectares. Organically cultivated area in Finland was 149 869 hectares in 2007, which is 7 per cent of the total Finnish cultivated area. The amount of organic animal farms in Pirkanmaa is the second highest in Finland. Typically organic farming at Pirkanmaa has a relatively large proportion of organically cultivated area as grass. Oat is the most common organically cultivated grain in Pirkanmaa; and the most ordinary produced berry is blackcurrant. About 20 hectares of organic potatoes and 45 hectares of berries were grown in Pirkanmaa in 2007. (ProAgria Pirkanmaa, 2008b.) On the other hand, organic potato, open land vegetables and berry-growing areas have decreased in recent years. In practice, carrot, onion and cabbage are not produced in Pirkanmaa province at all. Also organic strawberry production is small in relation to market demand. (National Food Agency EVI, 2002.)

One of the major problems that the sector faces is the lack of organic products thus organic markets fail to develop and grow. Special shops selling organic foods and professional kitchens have shortage of organic ingredients due to the deficiency of organic goods. (ProAgria Pirkanmaa, 2008a.) Organic production accounts for 5 per cent of the cereal cultivation area in Finland. In 1998, the area under organic production was about 32 000
hectares, and the share of cereals in the whole arable area approved for organic farming was about 37 per cent. (Ministry of Agriculture and Forestry, 2001.) FIGURE 3 demonstrates the area sizes that are used for organic cultivation, while FIGURE 4 illustrates the usage of land in case of organic farming.


![The number of organic farms (pc) in Pirkanmaa region, between 2000-2007](image)


![The number of organic animal farms (pc) in Pirkanmaa region, between 2000-2007](image)

In the beginning of 21st century, the region of Pirkanmaa concentrates on increasing organic products and production as well as maintaining the organic status in the entire supply network. The main focus includes the development of supply chain of organic vegetables,
increasing the amount of organic meat, improving the purpose of organic meat production, delivering information and training in professional kitchens. (ProAgria Pirkanmaa, 2008.)


![Graph showing the number of organically cultivated area (ha) in Pirkanmaa region, between 2000-2007.]


![Pie chart showing land use of arable organic area in 2002 in Finland (%).]

The following table (FIGURE 5) includes different organic goods that are produced in different areas of Pirkanmaa. Entrepreneurs offer organic foods as well as services.
FIGURE 5. Farms offering organic products and services in Pirkanmaa region (Luomulaituri, 2008)

<table>
<thead>
<tr>
<th>Region</th>
<th>Services</th>
<th>Organic food</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hämeenkyrö</td>
<td>Serving meals, accommodation, cottages to hire, celebration and meeting facilities, gifts</td>
<td>Strawberry, potato, grain, carrot, currants, onion, timber, cabbage</td>
</tr>
<tr>
<td>Ikaalinen</td>
<td></td>
<td>Grain, onion, tomato, paprika</td>
</tr>
<tr>
<td>Juupajoki</td>
<td>Accommodation, cottages to hire, celebration and meeting facilities</td>
<td>Raspberry, currants</td>
</tr>
<tr>
<td>Lempäälä</td>
<td></td>
<td>Meat</td>
</tr>
<tr>
<td>Luopiöinen</td>
<td>Caravan premises, cottages to hire</td>
<td>Grain, tomato, cucumber</td>
</tr>
<tr>
<td>Längelmäki</td>
<td>Cottages to hire, accommodation</td>
<td>Currents, jams, juices</td>
</tr>
<tr>
<td>Nokia</td>
<td>Programme providers, serving meals, cottages to hire</td>
<td>Cheese, pastry</td>
</tr>
<tr>
<td>Orivesi</td>
<td>Serving meals</td>
<td>Eggs, grain</td>
</tr>
<tr>
<td>Ruovesi</td>
<td>Serving meals, accommodation, celebration and meeting facilities, sauna to hire</td>
<td>Grain</td>
</tr>
<tr>
<td>Sahalahti</td>
<td></td>
<td>Meat, eggs, onion, currants, strawberry, potato</td>
</tr>
<tr>
<td>Tampere</td>
<td>Cottages to hire, sauna to hire</td>
<td>Strawberry, lamb, currants, eggs, herbs, grain, onion, paprika, cucumber, potato, jams, juices, tomato, carrot</td>
</tr>
<tr>
<td>Valkeakoski</td>
<td>Programme providers, celebration and meeting facilities</td>
<td>Grain, lamb</td>
</tr>
<tr>
<td>Vesilahti</td>
<td></td>
<td>Grain</td>
</tr>
<tr>
<td>Viljakalala</td>
<td></td>
<td>Currents, grain</td>
</tr>
<tr>
<td>Vilppula</td>
<td>Handicraft, serving meals, caravan premises, celebration and meeting facilities, accommodation</td>
<td>Grain, carrot, potato, pastry</td>
</tr>
<tr>
<td>Virrat</td>
<td></td>
<td>Grain, strawberry, herbs, flowers</td>
</tr>
</tbody>
</table>

1.7. Outline of the study

Master’s thesis consists of introduction part (Chapter 1) that gives details about the research background and method, explains the research problem and strategy. Chapter 1 also introduces the empirical data and overviews agricultural facts in Pirkanmaa region in Finland. The theory part contains of two sections, Chapter 2 and Chapter 3. Chapter 2 studies alternative agri-food networks on a wider level of networking, while Chapter 3 moves on to the level of entrepreneurship. Empirical results of the study can be found in Chapter 4 where research questions are answered. Conclusions with evaluation of the research and giving more ideas for further research are covered in Chapter 5. The body text is followed by the list of references and additional appendices close the study.
2. ALTERNATIVE AGRI-FOOD NETWORKS

A review of relevant literature considers the possible types of networks, giving definition and description of network categories in agricultural food production. Distinguishing alternative agri-food networks leads to observe the actors of networks and their motivations why different businesses join a network. Following, the most important success factors for firms are presented. A short description of trust and commitment will pursue the theory of benefits. Finally, explanation of networking barriers closes the theoretical frame in the study. Chapter two describes a wider level of networking in alternative agri-food (AAFN) production while chapter three narrows the topic to the level of entrepreneurship in networks.

2.1. Types and classification of networks

Network analyses have to consider both the structure of the network and the nature of the interactions between network actors (O’Donnell, Gilmore, Cummins and Carson 2001). Even though many literatures consider different types of networks, during this study the focus is on alternative agri-food networks (AAFNs). Thus only those types of networks are collected here, which are important for present research of AAFNs. Descriptions of vertical and horizontal networks are needed to understand the basic connections within actors. Later on the ecobusiness classification follows the definitions. Finally, the categorization of alternative agri-food networks close this chapter.

The term network can be described in different ways. The definitions point out the cooperation between different firms instead of competing each other. According to Fuller-Love and Thomas (2004), the last years’ discoveries became vital, especially the organisational structure and the way of how businesses operate together. Observing the theory of networks expanded the way of co-operation for small and medium size enterprises in everyday life situations. Enterprises have to find the channel how to make use of the networks, how to improve their effectiveness and competitiveness in business life. Firms have to be more effective and ready to develop their business ideas to be more competitive in future. Mouzas (2006) concludes the term network as a metaphor for adjusting connections in a market. The eco-market is the meeting place for ecopreneurs, where marketing actions take forms.
Including new product development, launching a brand, extending already existing products into new segments, it can involve co-operation with suppliers, improving the quality of products.

The concept of network provides a new paradigm of rural development. Even though networking effects geographic extension of the business, there are other important characteristics to concern. The firm’s spatial extension can be vertical; these networks link rural areas into the agri-food sector. Vertical networks allow local companies for a joint activity, where consumers, suppliers, distributors and farmers are coping for a successful long-term relationship. (Stathopoulou, Psaltopoulos and Skuras, 2004.) Vertical networks focus on the typical buyer-seller relationship, where members of the value-adding system and distribution chain are starting with suppliers and reaches end-users (O’Donnell et al., 2001). Horizontal networks refer to a relation into more general and non-agricultural processes of economic change. Horizontal networks differ from verticals. Horizontals create relationships with local producers, farmers and consumers, not necessary only from agri-food businesses. (Stathopoulou et al., 2004.) In horizontal networks, organisations are present from the same industry; the connections are among potential competitors (O’Donnell et al., 2001). Agri-food businesses have different connection types with various actors.

Potential members have individual informal networks that provide those people who they know and would expect to support with specific services (O’Donnell et al., 2001). Very often the individual person’s networks are unofficial and do not have strict policy how to act within the network. With regard to Morrison, Lynch and Johns (2004), private networks influence environmental circumstances and give chance to meet other actors and gain some advantages such as marketing and business development activities. Conversely, public networks represent regional, national and international developments and supply public sector resources; its difficulty can be to find the optimal level of participation. Continuous participation in agri-food networks is essential to keep good relationships with other actors.

Considering Linnanen’s categorization (2002), ecobusiness classification covers four different segments. Ecobusinesses are deeply part of agri-food networks. The created boundaries cover ecobusiness classification, and have to be taken into account when the categorization is made. First, nature-oriented enterprises that take advantage of economic and human resources to
develop the environment, such as eco-tourism fears or natural world habitat conservation and protection. Second, manufacturers of environmental technology to reduce environmental responsibility on water, air and soil. Third, providers of environmental management services, aiming to advice guidance for corporations to utilize environmental control as a competitive advantage. Fourth, the producers of environmentally friendly products who gain a better environmental appearance over the product life-cycle. Ecobusiness classification covers only ecopreneurs even though other environmental or sustainable entrepreneurs can run agri-businesses too.

2.2. Alternative food supply networks

Even the quantity of food production is significant, a wide range of alternative and short food networks are emerging nowadays. According to Higgins, Dibden and Cocklin (2007), AAFNs show a different side of food production, focusing on quality, place and nature; creating a new rural development, re-localised high food quality and sustainable farming possibilities. Based on Venn et al. (2006), alternative agri-food networks reconfigure connections between consumers and producers. Opposite to conventional food systems, AAFNs give up distances between food production and consumption with strong connections and local purchase. In contrast with conventional food networks, AAFNs give attention to social, ethical and geographical characteristics of networks. End-users appreciate the extended supply network; that they do not only get the product but also possible to see the farm and production line in place on the farm. AAFNs resocialize and respatialize food and get closer and more authentic interaction among buyers, sellers and the food. Multifunctionality of farms and producers remain. Joining an AAFN means of growing organic, quality, specialty, local food and drinks in a specific region in decent relation with other farmers.

In accordance with the classification of agri-food scholars by Higgins et al. (2007), three types of relations can be separated. First, in face-to-face AAFNs the re-localised production and supply are important. Customers purchase food products directly from farmers that mean direct selling. The producers encourage the development of consumer’s trust, authenticity and product’s quality. Second, proximate AAFNs are based on ecological and social production such as generating standards and certification. The products are ensured to be sold in the same
region of origin. Third, extended AAFNs step out of the original region of production to reach wider range of markets. Extended AAFNs depend on conventions, standards and use special labelling that enable customers to engage with the local values.

The identification of one specific network is not always preliminary in different studies. Frequently, less attention is given to methodology to examine network theories. Alternative agri-food networks are pitted against conventional food networks regularly. Researchers refer to individual farmers from different stages of ecobusinesses, concentrating on AAFNs. Venn et al. (2006) suggest four different types of alternative agri-food networks. The fundamental of selection was the nature of connectedness of costumers to food production. First category of ‘producers as consumers’ collects examples where the manufacturing and consumption phase made by the same people; that the food was produced in a community garden and consumed by locals. In this case, not only the farmers but also the buyers have own solutions to eliminate passive recipients of networks. Second, the ‘producer-consumer partnerships’ relates to a certain amount of control where the increase of customer activism is considerable. Satisfying personal ethical frameworks, offering innovative and attractive choices changes the consumer’s values. The third category is ‘direct sell’ that refers to a close relation between buyer and seller of the actual product. Face-to-face supply networks are formed giving a chance to secure food with evident origin. Consumers get contact with products as a ‘moment of connection’ to be at the correct time of the actual purchase at the farmer’s market. The fourth type is ‘specialist retailers’ which seeks to create moments of connections also. However, the strong connection between buyer and seller is missing. A third partner is involved in the business, a retailer, who frequently pays close attention to customers. In this case, consumers are less likely to get direct contact with sellers, only relates to the intermediaries. Retailers give opportunity for customers to know more about the purchased food and the production method also.

The production sector needs more local and more natural foods; AAFNs are understood to represent alternatives and other options to food supply chains. Farmers, working in AAFNs, are highly engaged with the production of organics, local and artisan food. The term ‘alternative’ provides different options and choices between various processes and products. Alternative attempts to closeness and connectedness also and establishes ethical relationships between farmers and customers. (Venn et al., 2006.) Alternative production re-localize food
networks, emphasizes marketing purposes of quality foods and the importance of rural development. Consumer’s perception and understanding of new production forms and results engage customers with alternative networks. (Holloway, Cox, Venn, Kneafsey, Dowler and Tuomainen 2006.) Green production phases are obvious for farmers and the responsibility is expressed as high quality products at the end of the supply chain. AAFNs illuminate the advantages of producer’s co-operations, reinforcing the emphasis on socially embedded relations and engagement with quality. In AAFNs, new scopes of quality and food promotion are reembedded recently; local systems are characterized. (Venn et al., 2006.)

According to Holloway et al. (2006), AAFNs sustain reasonable businesses of agricultural production, maintaining rural community and local economy; preserving unique locality, special traditions and knowledge, activating locals to organize food networks into sustainable farming practices. The rural way of life improves sustainable production and generates relation with cultural, social and economic goals.

### 2.3. Actors of networks

The participants working in agri-food networks are described as actors, who can be people, farmers or businesses (Fuller-Love and Thomas, 2004). Defining the nature of relationship between actors and their advantages when being in a network is essential. Jarosz (2000) indicates that small family farms that promote local food, social, environmental sustainability and organic agriculture have recognized the values and strengths of agri-food networking. All the actors of a network, including local organic producers with small-scale agricultural practices, farmers, retailers and consumers, are deeply part of a regional community. Within the local commune, the relations and interactions bring actors together. Störmer (2008) shows that motivations for acting have special needs. Rationally, actors have understood theoretical reasons for acting. Practice, inspiration and spontaneous domination of power are necessary for acting. Actors represent own company and have skills to implement decisions. Actors are ready to learn for further actions and growing interrelationships when joining a network. Actors have well-built awareness in finding the most favourable solutions that can serve all members of the agri-food network.
In the concept of sustainable consumption, the principal actors are individual customers who create change with their demand (Seyfang, 2006). Modern individual drives alternative market transformation. Sage (2003) states that the construction of agri-food networks’ purpose is to understand the vision and uncompromising dedication to core principles. Recognizing the significance of alternative forms of value within the economy that involve a high quality personal interaction beside the exchange of supplies and services. Supporting strong ethical values in regional networks help to promote the ideology of trust. Yli-Pelkonen and Kohl (2005) conclude as local ecological knowledge refers to a person’s general knowledge about nature and more specific local knowledge. The concept drives ideas to local participation and potential enthusiasm for local activities in agri-food networks.

As Stathopoulou et al. (2004) and Murdoch (2000) investigate, the structure of Actors Network Theory (ANT) has to be understood as a force of relationships in networks. ANT seeks to manage regional agri-food networks and focuses on micro-macro partnerships with special interest to connections. Understanding entrepreneurial practices, significant questions are examined, such as promoting the aims and processes of rural farmers, their new technologies and networking. During the development, entrepreneurs play an actor role in the network, co-operating with other members, their products, services, technology, infrastructure and knowledge. Recently realised that the possibilities within the network are better than other choices outside of it. ANT emphasises that actors represent themselves directly on the market thus the good connection with other actors and buyers is important.

2.4. Motivations

Companies would like to improve their performance in business life that is why co-operations are valuable in agri-food networks. Fuller-Love and Thomas (2004) proves that networking is cost-effective for small and medium size firms. Co-operations provide significant information sources and advantages including ideas, contacts, problem solving or effectiveness. One important issue, where a firm can profit from networking, is to lower marketing costs. A remarkable question has to be decided since it is the basic pillar for decision making. Strategic behaviour gives another reason for a superior connection between firms when networking. Observing the opportunity what the firms could get using a high level of understanding their
own strategic behaviour makes the statement obvious that these companies can reach the market before their customers. Entrepreneurship demonstrates another factor when joining a network.

As Störmer (2008) indicates, the agri-food networks’ activities are determined by the actors’ motivations. For green businesses, the goal and motivator is to increase the company’s environmental performance, precede a stronger market arena, to save the growing expenses and protect its own business co-operations in future. Though actors look for best practices and services, it is very significant to stay up to date on developments such as environmental management systems, supply market for environmentally friendly products. In the classification of motivations two separations can be made. First, the internal motivations of the network support the firm’s interests in the market, for instance implementing common projects. Second, the external motivations of the network that are creating mainly the image in the public areas and markets. The aim is lobbying and presenting the company’s environmental initiatives.

Network analysis considers structure and process of relationships. The contents of connections in agri-food businesses concentrate on individual’s motivations, expectations and outcomes of network membership. Entrepreneurs have to believe and develop own skills and ability for networking to use business development tools. (O’Donnell et al., 2001). As Fuller-Love and Thomas (2004.) point out, it is important to see how close the connections can be between firms and also how dependent one firm is on the other. When co-operation plays a role rather than competition, it helps the company achieving its own goals. The connections are described as collaborative relationships. Companies enter into alternative agri-food networks for different reasons. In most networks, not only single enterprises but also their competitors are present too. Being part of a network is a voluntary agreement where advantages are possibly presented for the members. The participants of the networks are defined as actors.

However, there are many reasons why networks have developed among agri-businesses too. A network is not only a structure between firms; it embodies processes amongst businesses. (MacGregor, 2004.) The same approach, different reasons are prepared about entrepreneur’s motivations why to join agri-food network. Storstad and Bjørkhaug (2003) states that a
common motivation factor between farmers is the environmental concern, food safety and economic incentives. Furthermore, emphasis is also on farm related or personal attitudes that motivates growers for organic farming.

Weatherell, Tregear and Allinson (2003) concluded a survey among British customers, analyzing consumer’s priorities when choosing food. The highest importance was intrinsic food qualities, such as taste, freshness and appearance. Second, motivation was on expediency issues, such as price and the convenience to prepare food. The third most mentioned preferable included civic issues such as environmentally friendly, British, locally produced, organically produced food, health and animal welfare. The same focus group has been analyzed by dividing them to rural or urban citizens. The difference is considerable. Rural respondents had greater importance on the origin of food, freshness, animal welfare and environmental issues.

2.5. Benefits of networking

As Jarosz (2000) describes, there are key factors for a successful network. Flourishing cooperation includes trust, sharing information, gives new relationships between customer and supplier, involves reliability and openness, and requires honesty, power and direct communication between actors. The aspect of agri-food networking brings many benefits, advantages and development opportunity for the firms (Fuller-Love and Thomas, 2004). Entrepreneurs can analyze their goals and set up their own values. For small and medium size businesses the development is present mainly in technological fields, improving effectiveness. The benefits of a network are not seen beforehand in many cases, thus companies have to operate together and exchange ideas when solving problems. It is obvious for all the members that reaching a maximum profit are one aim for everyone; consequently an efficient and profitable stage has to be reached during networking. Based on Stathopoulou et al. (2004) facilitating market development combined with innovation creates competitive advantages, efficiency and contributes to the firm’s survival. It means that networking sustains long-term business objectives.
Environmentally centered processes are economically reasonable and help increasing competitive advantages (Störmer, 2008). As Babakus, Yavas and Haahti (2006) point out, there are considerable differences between the performances of SMEs. Some of the SMEs fail while others flourish. Even though networking can be cost-effective, it can also offer a precious source of support, information and a means of sharing resources (Fuller-Love and Thomas, 2004).

Sage (2003) suggests that actors, expressing alternative food networks, bring to wider public awareness concerns over farming practices and government regulations. Agri-food networking embraces discourse between locals and direct contact to consumers. The term good food refers to quality and a variety of different products and materials. Good food embodies nature and culture and gives special characteristics for the offered food. Suggesting loyalty to customers when buyers are present at the farms is the way of rural lifestyle. Consumers are unwilling to compromise their principles thus the whole price difference between organic and conventional food cannot be paid by buyers. Customers have expectations from organics; the good food has to be tasty, has to present local growers, and has to care of nature during processes. Attaining basic needs, the buyers show respect and value through the purchase by emphasizing the need to support small food producers. The agri-food networks grow today continuously, including spaces where visitors can obtain products and meet farmers. Important objectives are to support and promote agri-food growers, high quality foods in a small region, and raise awareness of customers to production methods, establishing a good reputation for local original food.

According to Morrison et al. (2004), the benefits of networks build profitable businesses cover three main fields; learning and exchange, business activity and community. First, in the field of learning and exchange, significant benefits are the transfer of knowledge, the process of education, communication, development of values, acceleration of implementing new ideas. Second, the benefits of agri-business activity are co-operating activities during marketing, purchasing and production; encourage of needs-based approaches; increasing of the number of visitors at farms; best usage of small enterprises and support for them; increased entrepreneurial activities; discussion within the network; enhanced product quality and visitor experience; new opportunities for business development. Third, the community field that fosters common purpose and focus; support of the community for development of
the region; engagement of small enterprises with locality and rurality; and moreover, the income stays locally in the region.

2.6. Trust and commitment

Swarbrooke (1999) divides customer’s behaviour to two different sources. First, consumers have to make compromises when purchasing alternative products and the result has to fit in their own modified wishes. Second, understanding that all purchasing decisions are compromise is also the question of trust and learning. Choosing between motivators and determinants establishes the purpose of behaviour. Störmer (2008) states that trust is an essential principle for an open information and experience exchange channel. Usually, actors grow trust within voluntary agri-food networks such as a good relationship with a neighbour. One of the main success factors of a running network is trust. Shared values are the basic ideas of dependence and trust. Sharing the mission and vision of the firms and acting co-operative proposes a quality flow of information between agri-businesses.

As Stathopoulou et al. (2004) examines, informal business exchanges depend on trust, friendship and family relations. Entrepreneurships that are embedded in social context focus on personal network perspective. Agri-food entrepreneurial connections are deeply involved in social networks; personalized relationships convert trust and provide emotional support for actors. Entrepreneurship has different phases in relation to business objectives. Observing the personality of entrepreneurs and their personal relationships can be noticed as a continuous change, which is an effect of learning processes. Nieuwenhuis (2002) contribute that rural entrepreneurs have to organize their networks to facilitate being innovative and willing to learn. Ecopreneurs are professional learners that arise from their special nature of businesses. Innovation requests interactive network learning and arranges a complex process. Those farmers, who would like to become successful, have to develop into innovators, instead of implementing existing policies. Major principles of innovators concentrate on best farming practices with the transformation of agricultural system.

Environmental entrepreneurship (enviropreneurship) causes innovation, opportunities and possibility for developing relationships. Keogh and Polonsky (1998) suggest that commitment
can also be a valuable for environmental businesses. However, the food artisan sector can aim that customers become loyal and regular buyers from organic growers (Sage, 2003). As Nieuwenhuis (2002) introduces, innovation is possible to be an informal learning activity where networks play essential role. Actors learn by creating connections, using their knowledge, transforming creative and adaptive learning operations. During the learning phase, reliable sources of information are partners, competitors, suppliers and consumers. One of the most powerful information is the network of colleagues, thus participation is necessary in agri-food networks.

2.7. Barriers of networking

Sinding (2000) points out the main barriers that can cause problems during networking. First, institutional guidelines, made by government or trading associations. Risk is in copying organizational forms, which have been already profitable. Second, economical barriers means additional transaction costs for maintaining and running the network. Reasons for transaction costs can be opportunism, uncertainty, regularity or the possibility to reach advantages. Third, organizational barriers bring problems when realizing basic changes within the firms. Since organizations prefer responsibility and consistency, more possibility is given for inertia among the aims of the companies. Finally, informational barriers come up during networking. Standardization, trade and monitoring of environmental information need to arise with the management of administration at the same time. Opportunistic behaviour can develop from the control and admission of information.

Environmental problems, which are caused by industries, have today’s innovative challenges. Industrial waste and emissions lead to long-term thinking and continuous influence on nature. Uncertain and unpredictable conditions of nature are shouting for change. The realised necessary innovation for greening industries is, having the correct information about impacts and learns how to act sufficient. Innovation has also the risk for negative impacts in the long scale if the development process fails or its hazard is not foreseeable at that moment, only years or decades after. (Störmer, 2008.)
During networking, barriers can be found in connection with environmental entrepreneurs, too. Jarosz (2000) points out that a negative social and environmental hazard resulted between farmers and agri-businesses. Thus food safety and high quality products give important outline for farmers. Nieuwenhuis (2002) concerns negative consequences of increasing environmental awareness in European society. Consciousness has been combined with serious food production scandals such as overproduction, fall of agricultural employment and increasing social requirements when producing food without environmental hazards to health. Small and medium size enterprises have to yield for their own eco-market and meet the needs of quality and environmentally-sound production. It is admitted by Stathopoulou et al. (2004) that most of the local rural firms are small and medium size enterprises. In rural areas one of the disadvantage for the businesses is the limited size of the farm.

According to Seyfang (2006), there are five basic obstacles to sustainable consumption that might affect networking of entrepreneurs. First, the misleading price signal that is given in the market. In some cases, consumers represent strong commitment to environmental and social sustainability and ready to buy slightly more expensive goods and feel support for environment. Considering social and ecological knowledge, customers have to choose between different products; and very often lower price leads easily. Unfortunately, consumers do not have possibility to revalue the entire market when purchasing, even though occasionally conventional food can be more expensive. Second, the behaviour of consumers demands changes because sustainable consumption requires alternative approach. Setting objectives regarding personal and social relationships are valuable, such as locality and developing trust for organic growers. The third barrier is the competition between individuals against corporations. Alternative production argues against global businesses and global networks of food supply chains. Private production gives possibility for curious guests to visit the farms and learn about the production facilities at the growing place. Fourth, a principal criticism is that a new market channel has to be opened; the existing markets and practices are not appropriate any more. An alternative infrastructure has to be built to overcome the limitations of global food supply networks. Finally, societal consumption has to be accepted universal. Supplying public sector catering such as schools or hospitals can be set up as an aim for farmers.
Higgins et al. (2007) observe the extension of AAFNs within a market that might weaken the capacity of AAFNs to maintain their horizontal embeddedness. To meet the standards, extra workload and inputs are essential from producers. Frequently a lack of understanding can be seen from consumers concerning the market demand of certified products. Besides, the pressure of expansion can be felt on price margins. Isaak (1998) developed green logic that is the reason of the long-term environmentalism that seeks to reduce environmental risks. The term ‘green logic’ gives objective for three main ideas; saving, innovation and investment. It often presents humanity, integration of cultures and planning new ideas. Good life has a green beginning part, which means to run green entrepreneurships and being sustainable competitive.

Störmer (2008) defines corporate greening as the company’s skill for positioning a long-term strategy that expects further challenges from its environment. Eco-efficient lifestyle and production are major concerns when discussing about environmental protection. Corporate greening has high expectations in eco-networks because of its special place in the local systems. Corporate greening is not only about a company; moreover, describes the field of the firm, its connection to the environment and gives experience about the competitors. Corporate greening can be also problem for agri-businesses to set up long-term strategies. Aim for corporate greening is to strengthen the reasonable advantages of the firms. Reasons are for companies to gain challenges and prepare innovation in their processes. The appropriate explanation considers clean technologies, implementing organisational and operational change and chance for development. Increasing eco-efficiency provides environmental profits in future. To reach an eco-efficient process, radical changes are recommended for the firms and its customers too. Interpreting innovation is possible through changed processes. Also a new connection can be set up between producer and customer.

Collective learning is placed in organizational context that means a social learning conducted by a particular cultural tradition (Isaak, 1998). Even though collective learning requires the whole firm to be involved, in some cases only the leader of the business is concerned about cultural issues. Integrating various levels of networking is one of the main functions of eco-networks. Störmer’s (2008) principle is that through participating in information networks, new contacts, knowledge and information can be reached. Eco-networks have less organised activities and to reach the firm’s aim is not necessary applicable in one common result. The
connection between the actors is not that radical task oriented, and does not have a strong strategy. On the contrary, it is a real local agri-food network.

The barriers of producing safe food remains when concerning environmental fields thus animal diseases in food production are also worth mentioning. Storstad and Bjørkhaug (2003) emerge two important factors that affect safe food, trust of customers and food control. First, animal meat import is strictly regulated, and second, the small farms are scattered thus diseases cannot spread straightforwardly. In organic production the use of genetically modified organisms are banned. Emphasis is on to create environmentally friendly technology for sustainable development. The belief in green production of conventional farmers gives a barrier of sustainable thinking. Based on Storstad and Bjørkhaug (2003), farmers has shown that organic farming practices concerned with a higher level about natural environment than conventional farmers. The reason is very evident; organic producers would like to grow only healthy and fresh food on a natural way.

Distances and travelling provide problems in agricultural production as well as negative environmental impacts. Farms are far from urban areas and usually no public transportation is possible. Visitors have to use own cars to reach sustainable farms. Moreover, conventional farmers value more living in a rural district than the value of interest in nature (Storstad and Bjørkhaug, 2003). Viitaharju, Lähdesmäki, Kurki and Valkosalo (2005) investigate that agriculture makes an important contribution to rural economy. Regions restructure their food chains through creating new markets via product differentiation. New strategies are necessary because of some regions’ structural disadvantages, their peripheral location and also the small size of farms; all of which tend to make regions uncompetitive in agri-food markets.

In conclusion, present chapter collected the types and classifications of networks. Basic categories were mentioned from academic literature. Stathopoulou et al. (2004.) described the vertical and horizontal networks and their relations among actors. The new concept of network became part of rural development. Private and public networks were introduced and ecobusiness classification followed in role. Venn et al. (2006) suggested four types of alternative agri-food networks. The significance of alternative food supply networks is collected since the study is network based. Re-localised multifunctional farms and food production sites are new characteristics of networks. Locals join partnerships to create safe
and tasty food. A short analyzes of network’s members and their motivations were followed by benefits of partnerships. Actors represent own company, own motivation and separate financial backgrounds. The Actor Network Theory also got growing interest in last years’ studies that expresses the significance of actors and their connections on the market. Member’s motivations vary, depending on the business idea. Achieving own goals are essential for all entrepreneurs. Personal attitudes might change the company’s motivation. Benefiting from a business is a fundamental motivation for actors. However, many benefits can be mentioned from joining an alternative agri-food network, some scholars do not realize their importance.

The importance of trust and commitment and some negative issues are in focus at the end of the chapter. Not only formal but also informal connections depend on trust as well. Friendships and family relations are significant for entrepreneurs thus improvements on the fields of trust and commitment are vital. Every firm has to deal with problems and barriers. Barriers appear suddenly causing hazard and risk for the business. Consequently, safe food and high quality products is essential framework for farmers.
3. NETWORK BASED ENVIRONMENTAL ENTREPRENEURSHIP

Chapter three first discusses classifications of environmental entrepreneurs made by different authors from existing literature. The other part of the chapter focuses on rural entrepreneurs that is one type of the classification. Significant to add entrepreneurial types for the thesis to help the deduction of the theories. Supplementing other green activity and characteristics such as organic farming, locality and rurality, create an entire illustration of the entrepreneurial frame. The revise of literature brings back ground for the three entrepreneurs who had been studied during the report. In chapter four, results are presented and can be emerged whether the chosen entrepreneurs are environmental entrepreneurs. The difficulty of separating entrepreneurs from ecopreneurs, rural entrepreneurs or sustainable entrepreneurs can be seen later in conclusions when answering the research question and sub-questions. Chapter three examines a smaller, entrepreneurial level while chapter two explained a wider level of networking.

3. 1. Classification of entrepreneurs

Present chapter describes the role of enterprises in alternative networks. Since many various types of entrepreneurs have been discovered in academic literature and some definitions overlap, a comparison is vital for classifications by different authors. The categories cannot be divided accurately from each other because alternative entrepreneurs care about environment, sustainability and organic farming. Besides, alternative entrepreneurship opens the view to additional possibilities in farming styles, not following conventional supply networks. Studying firms where rural, environmental, sustainable entrepreneurs appear as bioneers of their businesses creates an entire presentation of organic and alternative farming. Alternative agri-food networks present environmental networks thus studying environmental entrepreneurs are fundamental for the research.
Usually businesses have one important aim in business life that is to make more profit and run a successful firm. According to Schaltegger (2002), those entrepreneurs who are involved in environmental businesses have another objective; they are ready to orientate the company on environmental goals. Thus the communication of environmental issues is essential for them. The company’s core business is centralized around environmental alternatives, focusing on bioneers and ecopreneurs. Sustainable development requires market innovations on a sustainable way, focusing on environmental target. New products and services have been created by ecopreneurs who are actors of environmental processes. The term ecopreneurship became from the combination of ecological and entrepreneurship; thus the definition of ecopreneurship means entrepreneurship through an environmental lens. The purpose of generating an alternative food chain is to reduce environmental impacts in future businesses and to improve animal welfare and human quality life. As Schaltegger points out, ecopreneurs differ from conventional entrepreneurs during their activities. Ecopreneurs also connect consumers to sellers like other firms, but aim to get a closer balance in environmental processes and alternative food markets.

Another type of entrepreneur defined by Schaltegger (2002) is bioneer that is the fusion of bio and pioneer and present to express the importance of research and development. Bioneers seek for consumers with high values and preferences for innovations. The focus of this group is on the very attractive market of eco–products where potential consumers are present. With positive environmental and innovative influence gaining for business success through environmental solutions. In alternative food markets, bioneers open new trail of environmental development. Customers of alternative goods have higher revenues and special demand towards natural products. Bioneers are formed to attempt for harmony between environmental aims and naturally produced targets.

Schaltegger (2002) describes the assessment of ecopreneurship based on previous case studies of seven national and international oriented companies; the results are collected in the ecopreneurship positioning matrix (FIGURE 6). The matrix allows the management to measure environmental and financial processes of the firm comparing to other companies. The venue has two main divisions; first, main concern of environmental goals is sorted from low priority to medium and to high priority. Low preference is given to environmental protection when considered as trust. Medium priority is marked when environmental issues
are considered as extra added values to the business. High concern means integration environmental questions to the firm’s core policy. Second, the company’s market effect can be small, medium and large, according to its efficiency. Small effect works on the alternative scene of the business, medium is in a promising part of eco-niche. Large effect can be described when the mass market shows great influence of innovators.

FIGURE 6. Positioning matrix for ecopreneurship (Schaltegger, 2002)

<table>
<thead>
<tr>
<th>Priority as business goal</th>
<th>Market effect of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental performance goals are core to the business</td>
<td>Alternative scene</td>
</tr>
<tr>
<td>Environmental goals are supplementary to core business goals</td>
<td>Alternative actors</td>
</tr>
<tr>
<td>Environmental protection is regarded as a trustee duty</td>
<td>Environmental management</td>
</tr>
</tbody>
</table>

Environmental administration implements basic regulations, standards and rules, to focus on environmental issues with a large effect to the business and low preferences for goals. Environmental management works with high efficiency on market and with medium business goals. The leaders of the enterprises consider eco-efficient products and services, assume competitiveness and cost reduction. Ecopreneurs strongly connect the business idea to environmental issues thus the successfullness of the firm depends on their environmental performance. For alternative actors, the business wealth is not in focus; only their own personal capital is vital without any importance to market shares. Bioneers represent medium-sized segments from the market; product research and development is essential as well as satisfying customers’ needs with innovations.

Most of the ecopreneurs are committed to their business and to the environment. Their aim is not to make more profit but it involves a willingness to make the world a better place to live. However, Linnanen (2002) argues whether we find differences between conventional and environmental entrepreneurship or not, since most of the ordinary practices are valid also for
environmental companies. Linnanen observes that ecopreneurs face major challenges when starting the new business. Even though there is a good business idea, it has to be recognised in practice. Inventing a market requires a strong belief and trust of own visions and competences of the entrepreneur. Furthermore, investors consider ecopreneurs’ knowledge about financial gaps creating a barrier for running the business. Linnanen concludes that ecopreneurs faces major problems with product development. Although the environment could be a successful market growth for companies, it cannot effect the decisions of venture. Since ordinary market breakthrough takes about two to three years to succeed, this time is not enough for eco-products to become viable. As a consequence, environmental missions are not significant for conventional chains’ managers.

As FIGURE 7 shows, Linnanen (2002) developed the typology of environmental entrepreneurs, based on two criteria. First, the inspiration of changing the world for a cleaner and greener place and second, ecopreneurs will to earn more money in business life.

FIGURE 7. Drivers of eco-business sectors (Linnanen, 2002)

<table>
<thead>
<tr>
<th>Desire to change the world</th>
<th>Desire to make money</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Non-profit business</td>
</tr>
<tr>
<td>Low</td>
<td>Self-employer</td>
</tr>
</tbody>
</table>

Non-profit businesses cannot divide business from non-profit roles thus the organisational targets are often unclear. Even a strong believe of changing to a greener market is present, problems occur with financial performance of the firm. A high willingness of change drives the enterprise, but no demand for grows can be shown in the business. The majority of small and medium size enterprises are in the group of self-employer, who cannot succeed financially and does not have a willingness to grow. Repeating the same mistakes is a common characteristic of the firms that matches with low desire to proceed among ecopreneurs. The lack of entrepreneurial drive gains to low incomes with rational living standards. Opportunists usually have professional skills from different industries. As conventional enterprises, expanding the business seems to be a good idea without any environmental concerns. The aim
is to increase the financial balance of the company thus the driver is mainly economically significant. Opportunists do not try to change the values of the world. *Successful idealists* have power to grow and succeed while they make the world better and earn more money. Their motivation creates environmental markets and the customer’s positive attitude towards them circulates a cycle that is showed in FIGURE 8. Positive results of the business activities and strong entrepreneurial values increase the cycle.

FIGURE 8. The virtuous cycle of ecopreneurship (Linnanen, 2002)

Ecopreneurs smoothly interact with environment, understanding entrepreneurial businesses. Transacting sustainable entrepreneurial activity with local actors ensures chance to participate and benefit from opportunities and services. (Stathopoulou et al., 2004.)

Anderson (1998) demonstrates that entrepreneurship is principally personal economic act, but it can be determined by moral attitudes too. Entrepreneurs not only distinguish possibility but also build corporations to arrest and secure the modification of society. Moreover, environmental entrepreneurs provide an environmentally sound business by stable characters. Farmers are unique and they represent own personality and value individual perceptions; attention is given to the development of environment also. Anderson (1998) points out the dangers of our new shopping style in the 21\textsuperscript{st} century. For many consumers unnecessary and artificial goods become normal; customers have reached the point of affluent consumption where basic products are elaborated and only fancy and stylish goods are bought.
McDonach and Yaneske (2002) indicate that sustainability is considered as stability between nature and human being and its activities. Thus sustainability equals with satisfactory biosphere requirements, adding human desires from a socio-economic perspective. McDonach and Yaneske (2002) investigate that understanding impacts on environment demands a deep analyzing of environmental aspects from the organisation’s offers of products and services. The importance of aspects’ evaluation is based on the harm of environment.

As Fuller-Love and Thomas (2004) investigate, three significant factors show how entrepreneurs can be described. First, entrepreneurs can directly manage their own business without asking permission from other managers. Second, entrepreneurs have no overall control or any superior observer giving directions for them. Finally, using external resources for their works are highly recommended.

In food systems, the local value chains and alternative food networks maintain rural livelihoods and localism. DuPuis and Goodman (2005) observe that re-localized, embedded food systems are seen as a mean to enhance the competitiveness and economic-environmental sustainability of farming. New rural approaches turn to quality of food provisioning constituting a new rural development practise by bioneers. The new paradigm of farming style is based on the optimal use of local resources during short food supply chains. Farmers are encouraged to short networks creating valuable partnerships with other producers and consumers. Through the co-operations, the firms are engaged to quality, locality, speciality and nature.

Sustainable entrepreneurs create firms, organizations that are not only profitable but excellent in their occupation for social and environmental causes (Choi and Gray, 2004). Based on a previous study, sustainable entrepreneurial process has been discovered and recognised (FIGURE 9). The process starts with the entrepreneur’s own recognition for the opportunity that needs educational professional background then generating the idea. Social or environmental awareness are part of the business inspiration. In second step the assembly of resources are in focus. Financial background is a significant question for managing, controlling and running the firm. Usually companies start with little financing but straightforward control over it. The third step is launching the venture, starting a strong marketing and branding campaign, giving value for the product and quality. Many consumers
buy goods because of the company's statement of environment. After enlisting buyers, financial and operational questions are in focus that is *managing the growth*. Creating a strong organizational culture helps to support the business. The final part is *harvesting the business* that is making interesting decisions about enlarging or selling the firm, which are not made on purely financial decisions, but sustainable entrepreneurial skills count.


Jarosz (2000) defines sustainable agriculture, the term that is tremendously connected to sustainable entrepreneurs. It indicates a concentrated, on-place system of flora and fauna production practices that create quality food, care for and improve environment and inspire the quality of local communities’ life. As Störmer (2008) indicates, the way of ‘regional greening’ creates a link between sustainability and networking. Usually, national and regional
levelled co-operations demand a networking framework between the actors. Different working groups coordinate their aims for development and greener production methods. The term ‘sustainable development’ had more definitions after it was first introduced in 1992 on the Rio Conference. Sustainable development means meeting the needs of the present without depletion of future needs. The theory is based on less natural resource usage. Störmer (2008) adds that the concept is also based on innovation, consisting of different possibilities for actions, such as searching, learning and designing new processes. Sustainable future requires new actions from the actors, dealing with environmental problems. A multi-faced cube has been designed by Störmer (2008) to connect network’s objectives (FIGURE 10).

FIGURE 10. Three-focused eco-networks (Störmer, 2008)

Three main focuses are pointed out when joining a network. (Störmer, 2008.) First concentration is on a single actor, secondly is the internal design of networks and thirdly, external influences on other members. Internal design does not only mean the change of goods, but information and other resources also, such as exchanging problem solving
techniques, common development projects. Changes are allowed within the arenas that make
more flexible to work within the network and create stable future circumstances. However,
arguments can be shown whether the three-focused eco-network is connected to
entrepreneurship. On the other hand, the example forms model for networks.

Collaboration among firms is needed to promote learning and innovation for environmental
transformation and sustainable development. Acknowledged by Von Malmberg (2007),
sustainable development demands change in technology as well as in the structure of the
company. Developing environmental practices, improving quality and performance, the
businesses gain to become more competitive in future. Considering high environmental
performance and sustainable development, firms take into account important drivers of
innovation and regional change.

Based on Isaak (2002), the ideal ecopreneur establishes green-green businesses to transform
the economic sector to a more sustainable field in which they function. This type of business
exists if the business behaviour dedicated to sustainability. Operating towards sustainability
also means cost reduction, being more efficient and reducing resources. Supporting green
networks within a community is founded on ‘doing good’ while local interest and community
groups become actors. Isaak (1998) suggests main characteristics of ecopreneurs that can be
fit general; usually ecopreneurs are social activists who aim to change the structure of the
company’s culture and social links. Trying to overcome with ideas through proactive,
ecological strategies. The meeting area for ecopreneurs is the eco-market, where eco-sensitive
products are distributed. The eco-business idea is driven by the ecopreneur who contributes a
way of living to the representative business design. Green-green businesses are innovative
places for environmental consciousness and negative harms are isolated. Isaak (2002) notes
that ecopreneurs accept free-rider motivations that stimulate themselves and transform into a
creative person who is ready to create new and work for an environmentally responsible
community. Ecopreneurs take risks of money, resources and the stability of the business.

As Seyfang poses (2006), generally a public need pulls new environmental ethics that can be
reached towards more sustainable lifestyles when facing to environmental problems.
Ecological citizenship embraces new possibilities in the development of consumption where
sustainable consumers are key elements of the activities. Ecological citizenship could be a
motivating influence for sustainable consumption through the expression of consumer behaviour such as purchasing local organic food. The alternatives of an individual actor guide to market transformation and new financial perspectives. FIGURE 11 shows a developed relationship between ecological citizenship, local organic food networks and sustainable consumption.

FIGURE 11. Amended diagram showing relationships between ecological citizenship, local organic food networks and sustainable consumption (Seyfang, 2006)

As FIGURE 11 presents, the structure of the diagram has been enlarged with the diverse arrow, showing that education, outreach and community are also part of networks. Local organic food networks have influence on ecological citizenship; educating locals about organic goods and promoting healthy and green lifestyle. Sustainable consumption can be reached by using local products, organic goods and local networks. Holloway et al. (2006) highlight the ecological entrepreneurs, who are highly motivated, pioneering and innovative, and engaged in networks that allocate environmental, economic, social and cultural specialities of rural areas; searching for sustainable and environmentally sensitive rural growth and expansion.
3. 2. Rural entrepreneurs as ecopreneurs

Placing entrepreneurs to a rural environment, the image of rural entrepreneur develops. The rural entrepreneur is taking risk, ready to work alone, self-confident and optimistic, willing to work hard to achieve own goals. They are usually creative and innovative persons, who create new products, services and opportunities for local rural areas. Rural entrepreneurs live in rural locations and have effect on entrepreneurial processes. Following a special lifestyle let them to make a living and grow personal satisfaction from their businesses. (Stathopoulou et al., 2004.) As the definitions of rural entrepreneur, sustainable entrepreneur, ecopreneur and environmental entrepreneur overlap and extend the meanings; attention is given to define whether rural entrepreneur can be considered as ecopreneur.

Based on Stathopoulou et al. (2004) findings, there are three main factors that strongly affect entrepreneurship; these are features from the physical environment; location, natural resources and landscape. These factors create rurality that gives balance between tradition, modernization and migration, the very significant factors of sustainable rural development. Moreover, rural location has effect on business aspects. Stathopoulou et al. (2004) outlined the rural entrepreneurship model (FIGURE 12) that is a three-stage entrepreneurial process in the rural milieu.

To conclude all the three stages of the entrepreneurial process by Stathopoulou et al. (2004), a successful entrepreneurial character has to meet with the social, physical and economic environment. Interaction and influencing others are common within the procedure. The top part of the table collects the effects of rurality and the bottom part shows entrepreneur’s characteristics. Decisions depend on the actor’s personality, knowledge, social- and human networks, entrepreneurial culture and alertness. Possibilities are open for changes and challenges mainly on second level.
FIGURE 12. The framework of rural entrepreneurship (Stathopoulou et al., 2004)

<table>
<thead>
<tr>
<th>Physical environment</th>
<th>Socio environment</th>
<th>Economic environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Social capital</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>Natural resources</td>
<td>Governance</td>
<td>Business networks</td>
</tr>
<tr>
<td>Landscape</td>
<td>Cultural heritage</td>
<td>Information and communication technology</td>
</tr>
</tbody>
</table>

Rurality affects all three stages of entrepreneurship

**Perception or creation of an economic opportunity (first stage: conception)**
New economic opportunity, new product or service, new production method, new marketing or delivery

**Exercise the option and realize the economic opportunity (second stage: realization)**
New allocation of inputs, new organizational structures, interaction with others, creation of partnerships

**Entrepreneurial objectives (third stage: operation)**
To aim for profit, better employment, social, power and personal satisfaction

**Main entrepreneurial characteristics**
Ability to discern or create an economic opportunity and innovation
The entrepreneur is risk lover, coordinator, allocator, arbitrageur, decision-maker, supervisor, contractor
Ability to assess, evaluate, monitor, adapt and re-orient entrepreneurial objectives and targets

Agriculture has significant value when developing biodiversity; outlines rural landscape and recreational facilities. In future expectations, agriculture might give place for renewable energy production too. (Niemi and Ahlöstad, 2007.) As Storstad and Bjørkhaug (2003) presents, rural entrepreneurs use organic foods that has a rapid increase, despite the market shares are still low in organically produced products, less than 2% in most European countries. Nevertheless, organics get a lot of attention from media as well as from consumers. Organic farming practices co-exist with natural systems, rather than dominate over them; they build soil fertility, minimise pollution and damage to the environment; also minimise the use of non-renewable resources, like no chemicals are used during farming; ensuring the ethical treatment of animals are important; as well the protection and increasing the quality and value of the farm environment; and consideration of wider social and ecological impacts of agricultural systems. (Morgan and Murdoch, 2000.)
The term organic production refers to a special type of agricultural tillage, which avoids usage of chemical fertilisers and pesticides; animals are kept in natural conditions without the use of drugs, antibiotics or wormers. Organic production creates a harmony with environment and local ecosystem, hence soil and food quality is improved and the real taste of raw materials is secured. (Seyfang, 2006.) As Dimitri and Greene (2002) point out, organic fruits and vegetables are produced on land that has had no prohibited substances applied to it for at least three years prior to harvest. Organic food must be stored and sold separate from conventionally grown produce; the packaging containers are free from synthetic fungicide, preservative or fumigant. Keeping all regulations, local growers can harvest good organic food and deliver to consumers at the right time and satisfy them with high quality requirements. Dimitri and Greene (2002) investigate details of organic products, their markets and marketing channels also. Organically produced food can be fresh fruits and vegetables; grains, oilseeds and legumes; processed foods such as frozen vegetables; dairy products; meat, poultry and eggs; fibres such as cotton, rayon and linen; herbs and flowers.

The increasing number of eating locally produced food may shape eating preferences and habits of consumers. The growing demand for locally grown organic produce can be seen already. However, Jarosz (2000) argues whether large-scale organic operations in production, processing and retailing are on the rise. Suggestions have been made for small rural farm sector to be more involved in promoting the ecological, economic and social sustainability of agriculture. Seyfang (2006) explores that inventing a network provides source of sustainable livelihoods and business viability for small local organic producers that supports small growers in a region. Customer’s motivations are vary when purchasing local organic products. First, organic food is considered safer, more nutritious and tastier. Second, a common motivation is the way of environmental protection. Third, supporting local farmers and community are significant motivators that means that alternative agriculture has future.

Indicating the use of regional networks of smallholders, the certification practices vary with respect to farm types. Gómez Tovar, Martin, Gómez Cruz and Mutersbaugh (2005) states, producers are environmentally sensitive instead of demand centred manufacturers. The long-term commitment for clean organic agricultural products depends on its perceived benefits. Gómez Tovar et al. (2005) point out that productions of large chains lose admittance to markets and basic prices thus the return to conventional marketing channels is necessary.
without respect for ecological consequences. As Morgan and Murdoch (2000) states, there are significant differences between conventional and organic food supply chains. First, conventional food chain depends on demanding inputs into food production approach and attend to deliver knowledge towards input providers. Organic food supply networks allocate knowledge back towards the farm, as farmers must re-localise their awareness and concepts of the production method.

Small family farms are under discussion continuously recently. Locally produced food often brings the feeling of higher quality and food safety rather than globally produced food system. Price is no longer the only value; ecological, social and health issues encourage production and consumption practices. (Jarosz, 2000.) Localizing food supply chains is a foremost environmental logic to reduce impacts of food miles; that is the distance what food travels from producer to consumer (Seyfang, 2006). Reduced food miles cut the energy consumption and pollution during transportation of products around the country or even abroad, thus rural entrepreneurs become more efficient. Also, moderate food miles make prices comparable for consumers, generating the real cost of local organic food. Locality is a vision for many entrepreneurs and customers; it builds direct link between farmers and consumers, creates more sustainable food supply networks, also local economies and communities benefit of it. (Seyfang, 2006.)

Locality can be activating as a dominant policy of territorial competition between regions. (DuPuis and Goodman, 2005) Locality and trust recognize politics to identify food re-localization as a way of social act. DuPuis and Goodman (2005) point out a new term, glocal logic that is the harmony between global and local. However, the global-local relation argues whether globalization creates new innovation and localism acts against global services.

Stathopoulou et al. (2004) defines rurality as exert dynamic and complex influences on entrepreneurial activity in rural areas. Rurality is an energetic entrepreneurial resource that shapes opportunities and constraints. Rural entrepreneurship sets an integrated view on future researches. Rurality express an innovative and entrepreneurial background in which rural firms can increase and prosper or become inhibited. Stathopoulou et al. (2004) point out rural areas that result awareness and training in the recognition of infrastructure, investment costs and business size. Usage of telecommunication brings advanced services to rural regions,
improving education, resident’s knowledge and generates a common interest among locals. Jokinen and Järvelä (2005) note multifunctionality as an important part of rurality. Rural development includes different activities such as quality production, local products, special care of neighborhood environment, development of agri-tourism and alternative food supply chains. In sustainable agricultural farms, rural resources are used environmentally friendly way, with the emphasis on quality products, animal rights, food security and environmental management on landscapes.

In conclusion, the differences between authors’ descriptions of entrepreneurs’ classification can be seen from various aspects. Schaltegger (2002) provides a framework that collects the goals of the ecopreneurs; to enlarge and grow the market share of innovative alternative products and realize financial benefits in mass markets. The positioning matrix of ecopreneurship assists companies for self-assessment and to focus on environmental development. Linnanen (2002) states that environmental entrepreneurs share more values with other entrepreneurs. First, creating market for alternative goods is more difficult than joining present ordinary markets. Second, mistakes are made during the decision making process thus high value is given for ethical business culture when producing safe food. Third, the complex flow of market establishment can face to problems because of the difference between existing literature and business life. Linnanen invented the typology of environmental entrepreneurs and categorizes the actors of eco-business sector by their desire to change the world and to earn more. Based on the classification, successful idealists have the most positive feedback from consumers of their good businesses. A virtuous cycle of ecopreneurship has been described providing additional strengths and motivation for successful ecopreneurs.

McDonach and Yaneske (2002) suggest that to reach sustainability needs to find stability between biosphere and human demands. Unlikely, no one has the knowledge whether the balance has been already reached or not. However, organisations have responsibilities about environment and have to understand and create own mission towards sustainable entrepreneurship. Stathopoulou et. al. (2004) focus on sustainable entrepreneurial activity in rurality. Individual locals go through a three-stage entrepreneurial process to participate and benefit from opportunities and activities. Fuller-Love and Thomas (2004) conclude that small and medium sized businesses like to co-operate to aim a common goal by sharing information and other resources. With inexpensive partnerships a more efficient operation is possible that
leads to improvements in business performances. Networks operate well if members share both positive and negative experiences, such as ideas, problem solving, effectiveness, economical gaps and basic information. As Anderson (1998) highlights, in many cases business idea meets entrepreneurial moral values to stabilize environmentally sound business, but customers’ interactions can be unusual due to wealthy consumption habits. Based on DuPuis and Goodman (2005), glocalization is the new term to bring together global and local that are not impossible in the same situation due to new circumstances in the developed world. Globally known products made by locals are ordinary in today’s selection. Saving local food systems leads to understand food relocalization that creates trust among customers towards locally produced goods.

Choi and Gray (2005) discovered that even sustainable entrepreneurs have limitations in business life; with innovative marketing strategies and focus on quality they are able to start and expand the firm. Most of the sustainable entrepreneurs have strong organization culture and control over operations. Sensitivity for quality products is common between actors. Störmer (2008) investigated a three-faced cube that studies network’s objectives from a single actor point of view, the network’s internal design and also external arenas, pointing out that three focuses are within a network. Following, the definition of sustainable agriculture was given suggestion that learning and innovation are two basic elements of networking. Isaak (1998; 2002) highlights that ecopreneurs are significant actors since creating green business models that helps enlarging productivity while using less resources. Ecopreneurs stand for harmony between human and nature, combining social, economical and environmental objectives. Seyfang (2006) applied new theory to develop an alternative sustainable consumption model to find out whether ecological citizenship can help to influence sustainable consumption. Studying consumer’s behaviors, Seyfang (2006) concludes that customer’s motivations are expressed by purchasing habit among local organic foods. Ecological entrepreneurs were defined with high innovative motivations for acting in networks. A comparison of organic food production in Europe gave interesting detail for the chapter. Producers are environmentally sensitive and differ from ordinary markets. An analysis of organic farming practices within an alternative model has been described and the definition of organics gave detailed information about organic production.
4. RESULTS

The three studied businesses give different perspective of locality and organic cultivation since the firms’ main professions varies; there is a wine producer, a festivity and lodging facility manor and a restaurant. Entrepreneurs are not categorized during the study; no personal attitudes are under analyzes. Problems and barriers occur in business life, thus some social, environmental, economical and networking questions are investigated. Though barriers of networking are mentioned in each company, environmental impacts are not considered deeply. The studied businesses are unusual, as all of them welcome visitors, not like in case of other farms generally.

Findings are presented according to the three studied enterprises. Generalization was not the aim of the study thus special features of the firms reveal. Considering the interview themes, outcomes are collected also around each theme. The first theme brings a general overlook about the three entrepreneurs and their businesses. Focus is mainly on how they started to run the business, how the firms operate today and what are the expectations for future. Descriptions of the places are presented such as location, set-up of different buildings, fields and their use in business life. If necessary, short descriptions of the products or services are available either in this chapter or in the Appendices. Discovering the characteristics of entrepreneurs is not in focus. However, the personality of the leaders and main attitudes of the businesses can also be found from the descriptions.

The second theme deals with the question of networking. All the three enterprises formed their own connections with locals to make the business run easier. The number of connections with other enterprises depends on the entrepreneurs’ activities and attitudes. In this case, entrepreneurship is based on networking. New marketing, logistics, catering, economic and personal channels are formed continuously during networking. All the entrepreneurs understand that local growers and producers depend on each other. Helping another partner will bring some advantage in future. The idea to help each other is one of the fundamental theories to use in the network. The third theme concentrates on environmental thinking of the studied firms that is difficult but significant question. Defining environmental, sustainable or green acts of enterprises brings challenges to the research. However, entrepreneurs have been asked what they think about themselves concerning environmental issues. Answers were very
similar from Teisko’s Wine Lodge and from Knuutila Manor House. In the past, when starting the business, environmental issues were not important; emphasis was only on the business concept and to survive the starting years. Later on, after some education, both ladies came up with new ideas how to change their existing image to a more productive but protective style for environment. Recently, sustainability is still not part of their businesses but some environmental issues take their attention.

Based on theme four, significant benefits can be found during networking. One of the major reasons to work in networks is to profit its advantages that can be various. The variety of businesses and diverse fields of firms give opportunity for a wide range of benefits in entrepreneur’s life. Positive and active attitude of entrepreneurs are needed for stabilizing good connections. The last theme concentrates on possible negative issues in the life of the companies. Every firm has challenges, difficulties and problems in business time. Usually entrepreneurs think positive which help to focus on a successful concern. Even though small- and medium size enterprises have to deal on their own, problems and negative experiences occur in almost every entrepreneur’s life. Difficulties come up in the beginning and during running the business as well.

The entrepreneurs of the network are supplying different products and services. Some of the firms deliver ecoproducts to grocery stores and restaurants. The writer had preliminary interviews in Tampere with programme providers. Listening delight and satisfaction believes from entrepreneurs who are committed to local quality products gave a positive feedback of a correct selection process for the author. Päivi Syrjänen is the programme coordinator of the networks of KokousNet, MeetingNet and Tampere Convention Bureau. As Syrjänen explained, the main principle of the enterprises is to include as much local ingredients to food products as it is possible during four months of the year. Unfortunately, Finland is a cold country thus vegetables and fruits yield only in warm months. Other important details for the co-operative farms are that they all mediate Finnish culture and serve visitors at the same time.

*Helena Kairamo* is the project manager of Pirot paranee local development programme that works within the European Cultural Tourism Network (ECTN). Kairamo stated that using local products needs personnel connections with farmers. Being in touch from five to eight
producers at a time can be enough. However, Helena mentioned more examples when
entrepreneurs join a wider network. The typicality of the partnerships is if someone does not
have the ordered vegetable or fruit, the growers ask their friends and neighbours to contact
and deliver for the customer. Focus is not only on making profit, as the entrepreneurs said,
more a marketing channel and making connections for future. Local farmers also highly
appreciate the fact that they can distribute their own products for fine quality restaurants in
Tampere.

4.1. Teisko’s Wine Lodge

Teisko’s Wine Lodge is located in the village of Teisko, 25 km North from Tampere. This
small size farm produces the famous Finnish berry wines. Teisko’s Wine is a family business
and the owners proudly represent their products since 1998; on that summer the family
produced already two different berry wines. The farm was the first place in Finland to open a
wine kiosk. Possibility is to buy berry wines with decorative bottles and other hand-made
surprises from its shop. For groups, organized wine tastings are held in the glass building.
From 10 to 30 guests can be seated at time in the wine house. The owners also teach wine
etiquette for order.

At the moment eight different tastes are released. Eloisa is sparkling wine that means cheerful
liveliness and made of Arctic bramble. Four red wines are produced, Mustikka is made of
bilberries, Metsän Kuningas is the King of the Forest, and Fasaani relates for the bird
pheasant, Menninkäinen is the name of a forest goblin. Three white wines are in production,
Päivänsäde means sunshine, Kukkanen is spring flower and Tomaatti has a complete tomato
taste to match with delicious Mediterranean food. More information about Teisko’s berry
wines can be read in Appendix 2. Teisko’s Wine Lodge can be reached online also where
visitors find plenty of information about processing of berry wines. (Teisko’s Wine Lodge,
2008.) The Auer family runs the business. Titta Auer is the main person of the business but
her husband is also working on the farm. During the winter the wine house is closed on
weekdays, and open on weekends. For special order it is possible to arrange visits during
weekdays. During the summer, the business is open every day for visitors.
Auer states that without good co-operations, local businesses cannot survive. Using connections and their own network make the business life easier and possible. She believes that none of the entrepreneurs can work alone nowadays. Even though 27 wine producers are in Finland at the moment, the conflicts and difficulties are very rare phenomena among wine producer enterprises. The leader of Teisko’s Wine mentions about 20 good connections with other entrepreneurs. The frequency of visiting and co-operating with other firms is weekly. Unfortunately no more specific information was given about the networking of the firm.

Using berries of nature is fundamental for the business. Wines are made of own and local berries and vegetables. Most of the berries are cultivated organic way. Harvesting is done frequently, depending of the fruits’ ripen. Even though the Auer family does not grow all the berries what needed for wines, the family is deeply engaged with harvesting berries. However, Titta does not feel to be ecopreneur, she thinks their business is just like as others, not giving too much attention for environmental thinking. Although, organic cultivation and using local ingredients are important for sustainability.

The farmer mentioned only a few ideas that create benefits for their business. The most important were to get good connections with other entrepreneurs, help each other and to find good marketing channels for the company. The firm’s principality is to have good relationship with others, especially with neighbour farmers. In many cases, entrepreneurs need help from other locals; co-operations based on trust are essential in farmers’ business life. Even though the company has advertisements in different media, finding new and useful marketing assistance through co-operations is also a major challenge. Concerning future challenges, Titta plans to continue running the business same way as before but trying to get more co-operations with local farmers.

At Teisko’s Wine Lodge the entrepreneur did not mention real problems from their business. The family has a positive attitude and facing all the difficulties with optimistic thoughts and feelings. Moreover, transferring problems into challenges is a frequent habit. Although the author tried to get more information about Teisko’s negative experiences, no success can be shown. Possibility is given also for the fact that the entrepreneur did not speak well in English thus the idea not to talk about problems made the result of hidden barriers. It also means that applying the choosing criteria was not an easy process, as the author did not know about each
entrepreneur’s language knowledge level before. However, a unique characteristic needs attention in the business. Teisko’s Wine Lodge is located a slightly far from the town that brings up the question of transportation. Unfortunately, the wine kiosk can be reached only by own car or hired bus in case of groups. Teisko is 25 km far from Tampere that means also local travelling, generating unnecessary food-miles.

4. 2. Knuutila Manor House

The Knuutila Manor House is located by the Kulovesi Lake and the Nokianvirta Stream in the village of Siuro. The farm is 8 km to the west from the town Nokia. It is a versatile lodging and festivity location. The area around the Manor House has the longest history of human habitation in Pirkanmaa province. Its history is dating back to the 14th century. The Manor House is owned by the City of Nokia and run by the Siuro-Seura, the local heritage association. Since 1977, Siuro-Seura society has been renovating the buildings of the Manor House. It now offers various possibilities for festivities, wedding parties and meetings, as well as for accommodation. Even though the owner of the farm is the town, a group of entrepreneurs runs the business from three years.

The main building was built in 1865 and completely renovated in the last decade. It has welcoming atmosphere for 110 guests in the meeting room. Another 80 guests can be seated in the second biggest building, just opposite to the main block. This log building was built in 1910 and gives a unique impression with its long wooden tables, benches and floor. The hotel building of the farm is 100 years old and is comfortable for meetings for 20 people. It has a modern kitchen, audiovisual equipments and wireless internet connection. There are also eight bedrooms for accommodation. A sauna in the hotel building brings convenient relaxing time for guests after meetings. Unique homemade cocktails are served in the medieval cellar of the old garden of Knuutila Manor House. In the garden flowers, aromatic herbs and special species are cultivated. Own grown flowers are used for decoration during the programmes. Local entrepreneurs bring to stand up bee boxes by the field to collect honey during the summer. Moreover, the main entrepreneur is baking own bread for special orders. The lake, the garden and the field are perfect location for outdoor festivities and programmes. There is
also an outdoor dance floor and a stage, surrounded by cherry and lilac trees, as well as a small cottage for short coffee breaks between meetings. (Knuutila Manor House, 2008.)

Knuutila is not a family business; it is co-ordinated by a group of entrepreneurs. Merja Tuominen is the leader of the group. She has invited local farmers and other entrepreneurs to join this business from three years. However, Merja has other occupation outside of Knuutila, still she spends 80 hours per week in Knuutila and 10 hours per week in another workplace. Knuutila became very successful and popular place during the last three years. A change is coming to Knuutila’s business idea this year. Merja divides the leadership with another entrepreneur who will take care of practical issues such as reservations, carry out programmes and wedding parties. Merja will continue with catering services and some special evening programmes such as Middle age or Greek evenings. Both of them will have close connections with locals in future too. The enterprise has to deal with many risks and difficulties that are presented in the following. A list of service and programme possibilities with selected entrepreneurs at Knuutila is accessible in Appendix 3. The webpage of Knuutila gives good impression for the first sight, visitors find sufficient information about the business.

Knuutila has several connections with local growers and other enterprises. Local caterers and programme providers are ready to offer unique experiences for guests. The main entrepreneur has formed her own local network and she invites the enterprises to work on the farm. Cretan Kitchen ABC is the name of the catering company of the main entrepreneur. Merja Tuominen is the leader of the farm’s catering. The leader has been living in Greece for 25 years thus the knowledge of Greek cuisine is fundamental. In Knuutila’s catering the combination of global and local is obvious and understandable when serving Greek style food made of local Finnish ingredients. Merja also organizes home-baked markets in the farm, where locals gather to bake together their own breads, cakes and sweets using local ingredients such as flour. One entrepreneur takes care of preparing meals, and another of cleaning the buildings. Two entrepreneurs are responsible for waiter tasks and for decorating the buildings with fresh flowers. One person is in charge of renting out the buildings for different occasions. Even though it is not a family business, Merja’s closest family members help the business and organizing special evenings.
Most of the entrepreneurs working at Knuutila are locals, from the village of Siuro and also from Tampere and Nokia. Merja keeps very good connection with other entrepreneurs who bring special tastes to the table for the events. A special bio cheese is ordered often from Mouhijärvi; and fresh vegetables, herbs, berries and organic eggs come from a local garden producer. Trying to get crabs and local fish has failed because of their tastes. Merja has also connection to Teisko’s Wine Lodge. Offering Teisko’s berry wines for some special evenings, such as tomato wine for Greek evening, is essential to give unique flavour for food. The leader does not have only connection with enterprises but gets ingredients from her family too. Merja’s brother produces a very rare bio cheese that is used as a dessert; and her mother grows herbs at her garden for Knuutila. Three more entrepreneurs have to be mentioned who help to run Knuutila’s business. First, the small enterprise where boats, canoes and bicycles can be hired. Second, the perfect connection between guests and service providers is Mona Ratalahti, performing stand-up comedy. Finally, a horse farm close to Knuutila takes horses to the farm for orders.

At Knuutila, the importance of nearby nature is obvious. Its catering deserved a good reputation because of using ingredients from nature. Merja prepares own specialties, such as a green salad, made of wild greens and herbs from own bio plantation. Aromatic herbs are used for flavoring dishes and own brewed tea is served during meetings and other occasions. Own grown flowers are used for decorating dishes and meeting rooms. Locals bring honeybee boxes for producing honey on the field of Knuutila. Own plantation and organic cultivation are significant part of the business. The town Nokia started to form a walking path that goes through the area of the farm. Starting from the village Siuro the trail reaches the lake and continues via Knuutila to Nokia. On the route, some resting benches will be applied with information boards about local flora and fauna. Merja states that environmental thinking starts with selective waste collection. Unfortunately, the town Nokia does not support selective rubbish collection.

Some of the information given by Knuutila’s main entrepreneur was similar to Teisko’s answers. The group of entrepreneurs also decided to get flourishing connections with locals to be successful. Good partnership means convenient business; the rules are flexible and made by the actors of the co-operations. One economical benefit at Knuutila is to pay less salary for employee. Until a worker is entrepreneur, Knuutila pays for the agreed work or for working
hours, realizing a smaller amount of payment for employee, rather than hiring full-time workers for the farm. The importance of entrepreneur’s idea was not to pay empty days or weeks when the farm is unoccupied and no activity is booked. All employees agreed and accepted the system of Knuutila. Thus Knuutila Manor House gets the benefit of less wages paying with the help of economical saving. Employees also get the benefit of Knuutila since effective entrepreneurs are always re-invited for the next season. Another noticeable benefit mentioned by Knuutila was to find open public among customers for local food and local ingredients. The leader entrepreneur Merja believes that open-minded consumers choose and value local products. At Knuutila, entrepreneurs would like to show for customers how much value is given for locals and for local ingredients; during their activities and programmes on the farm, locals give a short description or story of local food. Even though Merja is very proud of the profitable business at Knuutila, a new future has been drawn for the farm. The leader entrepreneur plans to divide the business and share the work with another entrepreneur because the workload gets heavier every year.

Facing problems at the farm needs a very courageous behavior. Spending hours with trying to get solved some of the difficulties make entrepreneurs exhausted in the business. The main entrepreneur expressed well many of their negative experiences from past and also some problems from present. Furthermore, the leader’s future plan has opened for the author. Knuutila’s roots are going back in history to the 14th century therefore negative issues occur from the past indeed. The basic disagreement is among Knuutila, the Siuro-Seura Society and the town Nokia about ownership, attention and renovation of the buildings, developments and improvements of the farm and its tools, and selective garbage collection. Since Nokia town owns the area of Knuutila, the Siuro-Seura Society renovates the buildings but a group of entrepreneurs are running the business of Knuutila, bringing an absurd situation and many disagreements for business life.

Additionally, Knuutila faces some minor challenges in the field of catering. Food preparation is one of the most significant characteristics of the offered programmes. Entrepreneurs regularly try new tastes, herbs that grow on the farm. Naturally, trying to taste local fish was an aim in the past. The leader entrepreneur contacted many fishermen for a long time until finding the correct person who was ready to distribute local fish from the river. Unluckily, after long and precise approach of the fish the result was a mud taste and became inedible.
Since then, fish is bought from the closest local shops in the village of Siuro or in Nokia. Another difficulty was to get bio colostrum milk for the programme presentations. Fortunately, solving the problem happened easily, since one of the entrepreneur’s relative breeds cows that delivered bio colostrum milk for the farm later on. Further challenge was to find out special needs of guests. Realizing that visitors seek for different taste of coffee and tea during all-day programmes resulted to offer new flavors that was essential and became a great achievement for the business.

Although Knuutila is dealing well with most of the problems, offering correct and reasonable price for the guests brings difficulties. Entrepreneurs believe that price matters a lot for visitors thus contributing suitable value for the products is important. High prices can scare away even regular guests. Knuutila’s book-keeping faces hard work also due to the great amount of invoices that derive from all local entrepreneurs who deliver and work for the farm. Even though entrepreneurs know that using only one or two supermarkets would not generate hundreds of invoices, co-operating with locals adds value and quality products for the business. Finally, transportation plays a role in the negative issues for Knuutila. The lack of near public transportation causes that all guests have to reach the farm by car or by rented bus in case of groups.

4.3. Restaurant Henriks

Restaurant Henriks is part of the chain Restaurants Aleksi. Other member restaurants of the network are Katupoika (Urchin), Laterna, Norimaru, Tiiliholvi (Brick Arch), Doris and Kahvila Valo (Café Light). Restaurants Aleksi is a family chain that offers delicious food and unique atmosphere from 35 years. The center of the chain is located in Tampere. Each of Aleksi’s dining places has its own character. Restaurant Henriks is located in the centre of Tampere, close to the harbour, at Satamakatu 7. Henriks is gourmand’s favourite dining place. (Restaurant Henriks, 2008.) This small restaurant has been awarded with the membership of Chain des Rotisseurs that is an international gastronomic society founded in Paris in 1950. Devoted to promote fine dining and preserving friendship around the table. The aim is to celebrate good food and drinks. The members of this international gastronomic society are amateurs and professionals as well. (Chain des Rotisseurs, 2008.)
In Restaurant Henriks, business lunches are served in the daytime, and a seasonal à la carte menu is served in the evening. Henriks offers European delicacies prepared with Finnish raw materials. Henriks is also ideal for private occasions of various kinds. Two cabinets can be reserved for private parties and meetings where 10-30 guests can be seated. The lunch and dinner are served in the main hall that gives place for about 50 visitors. The restaurant is fully licensed with a comprehensive wine list. Henriks’ chef de cuisine is Heikki Ahopelto who is concerned about environmental issues during his work.

Networking and using local products from local producers are the main theory of the enterprise. Ahopelto is the person who keeps contact with all the locals with whom Henriks works. As the chef described, keeping good connections is fundamental in service sector. Not only the good connection with guests are important, also noticeable a producing co-operation with local growers. Inspite the fact that difficulties come to surface sometimes in the network, satisfied guests heighten the hard work. Recently, from six to eight local food producers are kept in touch with Henriks to provide fresh local products for the restaurant. The local farmers bring their products for order only. The philosophy of Ahopelto is very reasonable; if the chosen farmer cannot provide enough quantity of the ordered product, the chef asks the farmer to look after the missing amount at other farmers or neighbours.

Ahopelto very often also visits the farms to keep personal connection with farmers. Thus the chef knows most of the farms and available fields, crops, plants and animals around in the neighbourhood. Personal visits are very significant for both parties. The possibility to check the farms and their harvest opens the mind to order special products from farmers what actually has not been grown on the farm in that year. The farmer has to be mobile and open-minded to be able to switch for another type of ingredient’s production. As the chef states, regularly no problem has been caused of changes or special orders. Most of the delivered ingredients are cultivated organic way that makes meals unique in Restaurant Henriks.

Heikki has very deep values of local products and environmental thinking in business life. The chef placed environmental issues to focus during his work. He creates food mainly from local ingredients with respect to nature. Selective waste sorting has been applied to Restaurant Henriks as well as buying recycled products. Using energy saving products is important for the entrepreneur, recognizing that individual actions count to create a more sustainable
workplace. In catering, the right temperature of ingredients is as significant as in environmental thinking. The use of correct heat does not let temperature rise or fall avoiding unnecessary heating or cooling. Using alternative transportation for guests is not a problem due to the fact that the restaurant is in the city centre of Tampere. Cycling, walking or a bus ride are easily soluble. The restaurant benefits also from the location because of a central position in Tampere. The dining place is in the nearest street to the guest harbour of Tampere. Even all the guests can use public transportation or walk; car parking is just placed right in front of the restaurant and also in the harbour; mainly convenient guests use that. Saving water is not an effortless project while food preparation and cleaning consumes a considerable amount of water.

Ahopelto gives high value of local organic food. Believing in quality dining, using fresh organic ingredients during high season is essential. To get the best ingredients, the chef uses his network of local growers. Benefits can be seen from these connections, such as on-site delivery directly from farms to the restaurant, choosing possibility between different products, distribution of high quality safely produced food ingredients, providing marketing possibilities for the farms, reducing price of ingredients. The shortening of the supply chain in time and in members is a common phenomenon inside the network. The distribution of products has to lead through on a short supply chain ensuring fresh ingredients. Consequently the straight co-operation between the restaurant and farms is the shortest, no additional intermediary is needed. In many cases both the farmers and the restaurant benefits from a meeting. If the grower has some supplementary vegetables that were not ordered, the chef has the possibility to check the products during the meetings and choose some extra goods from the delivery. Additional shopping brings economical profits for farmers and convenient buying for the chef. One significant benefit comes from knowing the farmers and their farming processes personal to certify consuming safe products. Locals give correct price for their own ingredients when selling thus more economical purchasing can be carried out within the networks than in ordinary supermarkets. Ahopelto highlighted the most important ideas, as it is demonstrated in the paragraph below:

It is impossible to deliver everyday fresh, cheap, top quality ingredients. I have to give up sometimes something. But I never give up the idea that products have to be local and quality goods. It is also important that there
are only about four months of the year when we get local Finnish ingredients… Now there are choices to choose between producers. Connections have to be personal. I need maybe lavender. When I visit the farmer, I see a little empty pot on the field, so I ask him, could you plant some? And he is happy to do that. It is not only profit for farmers, also a good marketing channel and gets connections, too. (Ahopelto, 2008.)

The entrepreneur also believes that most of the restaurant’s guests give high value of local organic food, thus preparing menus means not to find obstacles for fine dining visitors. The menus have been chosen with great care and give a little indication of local and organic ingredients that have been used for cooking. Mentioning on the menu the names of the local farmers and villages is also familiar in Henriks’ practice, giving some marketing for the growers. Applying same technique like at Knuutila, the chef invites the best farmers for next season’s delivery. The business runs successful at the moment and the partnerships are satisfactory thus continuing the work with same practice is in future plans.

The chef of Henriks transfers the atmosphere of locals and organics to the menu too. Ahopelto creates menus with fine description of favourite ingredients, such as reindeer fillet and shank, baked pikeperch and organic lamb, corn-fed pork, horse fillet and fresh whitefish. Local specialities light up the dishes that are used as garnish, such as churned butter and other cheese products made of bio milk. The reader can find examples of menu from week 10 and 24 in Appendix 4. The webpage of Restaurant Henriks can be reached online also. Even though the wine list is missing but the menu for each week is refreshed regularly. Henriks’ wine list contains a vast variety of quality wines such as from the very valued wine house of New Zealand, Craggy Range, making single-vineyard wines where drinks give true expressions of the vineyard’s terroir, respecting land and embracing the science of viticulture and oenology (Craggy Range, 2008). Another producer is Prinz von Hessen, the quality wine producer estate from the Hessian House Foundation in Germany (Hessian House Foundation, 2008).

Water consumption is relatively high at Restaurant Henriks that needs attention from all employees. Therefore members of staff got instructions from the leader how to use water more efficient. Although written guidelines are useful, advices were given only oral by the
entrepreneur without consulting any professionals. Henriks has difficulties also with products’ quantity and quality. In most cases the chef would like to get bigger amount of fresh ingredients but farmers cannot deliver as large amounts of vegetables as conventional shops. The solution usually is that entrepreneurs contact each other to find the necessary quantity of products. In addition, quality problems occur with distributed products occasionally. When the same farmer delivers poor quality ingredients repeatedly, Ahopelto decides to open new connections and look for novel co-operation possibilities. At last, offering top quality wines for guests from famous wine cellars around the world does not fit into the environmental thinking and image of the restaurant. However, Ahopelto believes that quality food demands the best wines giving special twist between local ingredients and globally well-known drinks.

The author has collected the research findings in three figures (FIGURE 13, 14, 15). Based on the results, the network of the chosen entrepreneurs can be illustrated, showing all the relevant network actors. Local and global networks are separated from each other. Red connection lines show formal link among the entrepreneurs and guests or other local authorities or chains. Black lines demonstrate the informal relationships between actors. Flow of products, services, money, marketing, logistics, selling and buying are shown in the figures. Two significant findings can be highlighted directly. First, the straight connection between Knuutila Manor House and Teisko’s Wine Lodge, as Knuutila is buying berry wines from Teisko. Second, the different relationship types among actors, such as formal and informal co-operations. While the connections of Knuutila and Teisko are mainly informal, on the other hand, most of the relations at Restaurant Henriks are formal with partners, associations and guests.

Teisko’s Wine Lodge is a family business thus informal connections are vital in networking. Family members have informal relationships with other helping farmers and also the flow of products, services, economical and logistics are marked, as well as the same co-operations between farmers and the firm. Among farmers, the importance of information and marketing flow is obvious, such as products, services, money or even logistics stream. The entrepreneur and the family keep friendly informal connection with visitors. Teisko’s strong relationship with Knuutila is based on an informal friendship between the entrepreneurs.

At Knuutila Manor House, the group of entrepreneurs keeps friendly connection with other entrepreneurs, farmers, guests and family members. Informal relations are with the
representatives of the town Nokia and with Siuro-Seura society, as well as with the KokousNet and Pirot paranee networks. Information and marketing flows easily in the network. Since many of the entrepreneurs are friends, helping each other is essential, thus the stream of logistics, money, products and services are present in almost all the connections with the exception to the Nokia town and the Siuro-Seura society.

Restaurant Henriks does not have co-operation with Knuutila Manor House or Teisko´s Wine Lodge, it has formed own local network with farmers, based on informal connections, trust and quality. Information spreads well within the network according to the needed ingredients for the restaurant. As Restaurant Henriks is part of Chain des Rotisseurs, it has developed formal connections with other members of the chain. The restaurant is also member of the national chain Restaurants Aleksi, where members have formal connection, changing information, using common marketing and logistic channels. Wines are bought from famous producers abroad, which opens to global co-operations in the business. Naturally, the restaurant keeps formal relationship with guests; products, services, money, marketing and information flow between them. If the owner is present in the restaurant, only a formal connection can be realized with visitors, which is a formal relationship.
FIGURE 13. The network of Teisko’s Wine Lodge (Own findings, 2008)

- Actors in local network
  - Pirot parane rural development programme
  - KokousNet / MeetingNet
  - Teisko’s Wine Lodge (Activities: berry cultivation, berry wine production, promotion, selling, wine tasting, wine etiquette teaching)
  - Farmer 1
  - Farmer 2
  - Guests
  - Family members

- Relationships:
  - Information, membership
  - Information, help
  - Selling, information
  - Information, help, friendship
FIGURE 14. The networks of Knuutila Manor House (Own findings, 2008)

Activities: lodging, catering, programme organizing, herb cultivation, homemade cocktails, tea brewing

Knuutila Manor House

Family members

Farmer 1

Farmer 2

Guests

Nokia town

Siuro-Seura Society

KokousNet / MeetingNet

Pirot parannu rural development programme

information, membership

catering, service

selling

cultivation

selling

Actors of local network

Actor of global network
FIGURE 15. The networks of Restaurant Henriks (Own findings, 2008)

Activities: producing and serving food, serving wine

- Owner
  - Pakot paranee rural development programme
  - Chain Restaurants Aleksi member 1
    - Chain Restaurants Aleksi member 2
      - Guests
      - Farmer 1
        - Farmer 2
      - KokousNet / MeetingNet
      - Restaurant Henriks
        - Wine producer 1
          - Wine producer 2
            - Chain des Rotisseurs member 1
              - Chain des Rotisseurs member 2

- Chain des Rotisseurs member 1
  - Chain des Rotisseurs member 2
    - Pirot paranee rural development programme
      - cultivation, buying, information
      - ownership, information
      - selling
      - membership, information
      - buying, information
      - membership, information
      - selling
      - membership, information

Actors in local network
Actors in global network
5. CONCLUSIONS

The studied enterprises cannot be generalized; all the three entrepreneurs are unique and have special characteristics within their own local networks. Each entrepreneur built up successful business and reached an outstanding career. Three small businesses have been chosen for the study in Pirkanmaa region. After a critical overlook of different businesses, the following firms have been selected. First, the berry wine producer Teisko’s Wine Lodge that is located in Teisko, north from Tampere. Second, the programme and accommodation provider Knuutila Manor House which is situated in the village of Siuro, close to the town Nokia. Finally, in the heart of Tampere can be found the small size Restaurant Henriks that brings organic dishes to the table. The research focused on entrepreneur’s local networks and their connection to alternative agri-food production. No specific details are given about the entrepreneur’s family life or behaviour. Personal interviews were conducted with entrepreneurs, based on five semi-structured themes with structured interview questions. Throughout the focus interviews, participants were helpful and open for the research.

During the study the following research question was in focus: How do entrepreneurs perceive benefits and barriers from joining local alternative agri-food networks? The main research problem has been supported by four sub-questions: (1) What is the role of organic food in the networks? (2) What are the significant aspects of local food in alternative networks? (3) How do farmers think about environmental issues in networks? (4) What are the important aspects of multifunctionality and direct selling within the networks? Results show that entrepreneurs benefit from joining local alternative agri-food networks. Different types of advantages can be shown from these co-operations, such as helping each other, economical benefits, keeping a good marketing channel, building trust, being eco-efficient and sustainable, reducing food-miles. Relationship forms vary, such as formal, informal, financial, the flow of information, marketing, logistics, products and services. Environmental thinking is present in businesses, but more investigation is needed in this field. Entrepreneurs represent multifunctionality and directly sell products on-site. Even though the firms have some common profits, unique benefits have to be highlighted.

At Teisko’s Wine Lodge, significant is to keep good connection with local farmers, to give and get help when needed. Especially in case of neighbours, visiting and helping other
farmers are part of everyday life. Finding new marketing channels through neighbour entrepreneurs are common also. Friends and neighbours created own personal networks that spreads and grows continuously. Negative issues can be collected under the topic transportation. Since the berry farm is far on the countryside, no public transportation can be used for travelling. Thus only by own car or bus can be used to reach the wine kiosk, causing extra food-miles. Organic farming was not necessary the main principle of the business when started, but raising and harvesting own berries for the wine production was essential. Later on, the entrepreneur recognised the importance of organic ingredients and began to grow organic berries for the wines. Local networks are vital for Teisko’s owner. Having benefiting relationships assist the business. Local farmers help each other when needed, especially neighbours. As the entrepreneur Titta Auer stated, only own workforce can be used when farmers work in alternative agri-farming. Environmental issues were not in focus in the beginning of the business. Presently, sustainability and environmental thinking is part of their business, even though no special actions have been made on the farm. Since organic cultivation is sustainable, the farm has connection with environmental themes but the entrepreneur does not consider them as significant aspects in business.

A group of entrepreneurs are running the business of Knuutila Manor House that gives perfect example of networking. The leader entrepreneur is Merja Tuominen who invites local entrepreneurs to work in the manor. Local enterprises economically benefit well when working for Knuutila, since the business runs profitably from three years. The main idea of the business is that entrepreneurs work together to run the manor house, to entertain guests, to organize wedding parties and other meetings. Cleaning, catering and serving visitors are important part of the work; entrepreneurs build trust towards customers during their stay at the farm. Growing organic ingredients and producing own honey are also part of the natural thinking of the leader. Serving safe and tasty food is based on eco-efficient and sustainable work-life. Through the presentations of the meals, guests can learn about local alternative food production and generate trust also. The manor cannot grow and keep all the food ingredients and animals that are needed for catering. Based on good co-operations, local farmers provide the missing goods. However, Knuutila faces many difficulties, such as the missing selective rubbish collection and the ownership question of the farm. Challenges are in the field of catering and unnecessary food-miles too; the manor is only 8 km from Nokia but no public transportation is provided to reach the farm. Teisko’s Wine Lodge and Knuutila
Manor House have co-operation also; Knuutila buys Teisko’s berry wines to serve them on special occasions, such as the famous Middle age or Greek evenings. Due to the previous years what the leader entrepreneur spent in Greece, Knuutila’s catering is famous about serving Greek food that generates connection between global and local ingredients.

The third entrepreneur is chef Heikki Ahopelto, who runs the successful Restaurant Henriks in Tampere, serving safe and tasty food, based on local organic ingredients. The entrepreneur created own network of local farmers in Pirkanmaa region. Farmers grow organic ingredients and deliver for the restaurant. Environmental thinking is significant in the restaurant. The entrepreneur’s main principle is to include as much fresh organic food to dishes as it is possible. The restaurant’s menu tells for customers, which dishes are made of organics and shows also the local farms where ingredients are from. This way Ahopelto gives possibility for guests to learn more about local organic food and form trust towards alternative food production. The entrepreneur believes that consumers give high value of local production. However, negative issues come up in the business too. Quality and quantity problems do occur sometimes. Ahopelto is very proud of the top quality ingredients, which are delivered to the restaurant, thus the entrepreneur does not accept any bad quality goods. The question of quantity is usually difficult in alternative production methods. Ordinary producers might provide big amount of ingredients easily, but local farmers can bring only small quantity of foods. Therefore small entrepreneurs created local network to co-operate and deliver for the restaurant. A unique feature for the restaurant is that Ahopelto connected local ingredients with globally known famous wines; that are an example of the combination of global and local. Focus might be on both, global and local can exist together at the same time in the same business, not excluding one the other.

Multifunctionality and direct selling are significant parts of the companies. All the enterprises welcome visitors that make unique character in case of farms. Generally, guests do not stay on rural farms, but tourism makes it possible to greet and entertain individuals and groups, too. As Higgins et al. (2007) highlighted, the new rural development processes enable to see an alternative food production for visitors with high food quality and sustainable farming routines that can lead to sustainable consumption. It means that visiting farms and be part of the working methods are natural today, and understood as a way of learning for guests that leads to sustainable use.
5.1. Evaluation of the research

Agricultural associations aimed reports in similar topic about organic production or local networks in the last few years. Moreover, the Ministry of Agriculture and Forestry has several studies about local entrepreneurs and farms in the country. However, present research tries to give a proper explanation of the businesses and their works on-site. The author to let the focus be on local agri-food networks through three example entrepreneurs drew limitations. Five main principles were set as limitations. First, the enterprise has to deal with networking and have co-operations with other firms. Second, only alternative agri-food networks are accepted for the study. Third, the adaptation of sustainability and environmental issues are significant for the businesses. Fourth, quality production is important feature for companies. Finally, all the entrepreneurs have to speak in English, reducing language barriers for the author.

Although local farms are the place to live for the families also, entrepreneurs’ family lives are not examined during the study. Moreover, entrepreneurs’ or consumers’ behaviours are not in focus either. As it is stated earlier, local connections are significant part of the research. Notwithstanding Restaurant Henriks operates in Tampere but have connections with locals in Pirkanmaa region. The sizes and main occupations of the firms vary that is why no generalization can be made for the research. All the enterprises are unique but one common feature is to have an important characteristic for each that helped to provide a successful and complete selection process in the beginning. Teisko’s Wine Lodge was the first berry wine producer in Finland who opened a wine kiosk and started to sell and introduce products to customers. Knuutila Manor House has been a very famous and successful business that gives good model of networking for the study. Restaurant Henriks is member of the French Chain des Rotisseurs gastronomic society, who are proud of high quality naturally produced food and drinks.

During the interviews, the author had to face difficulties in some questions. Certain details of the businesses or ideas were not given by the entrepreneurs that made collecting results more complicated. At Teisko, the entrepreneur explained that their business does not face any problems; they have only challenges. This way of interpretation means a positive thinking in business life, trying to think positive to improve the company and get more success. On the other hand, the study might get a false result because real problems stay hidden.
As mentioned in theory part, distinguishing rural entrepreneurs from ecopreneurs, sustainable or environmental entrepreneurs are difficult because definitions partly cover each other. As Schaltegger (2002) positioned, entrepreneurs considered being alternative actors, bioneers or ecopreneurs if their environmental performance goals are core to the business. Although the studied entrepreneurs do not think about them as activists of sustainable life, they all act and work as environmental entrepreneurs.

5.2. Ideas for further research

The author has chosen three enterprises that relate to organic food networks. Based on previously used literature, 399 organic farms were registered in Finland last year. Although present study answers important questions, other issues might remain unanswered. Thus the author’s suggestion for future research is a wider study among organic farms and their connections in networks. Trust and commitment has not been discovered completely in the study; this topic is also open for detailed examination. The problem of transportation has been mentioned before in case of farms. One significant influence on nature is transportation; this should be considered in future. No details have been given about entrepreneurs’ motivations, behaviour or family life. However, the mentioned features are part of their businesses, therefore additional reports should cover these issues, as well.

During the research one interesting idea was to divide the firms according to their business profile, but strong separation among these three enterprises cannot be made. The three phases of the businesses, production, processing and consumption, are deeply present and overlap in the firms. A possible research could discover each phases with finding example firms. Rural development is close to the research topic therefore analyses of rural development projects should be considered.
REFERENCES


KokousNet, programme and data bank of entrepreneurs, offering products and services in Pirkanmaa region <www.kokousnet.fi/> 27. 11. 2007.


MeetingNet, programme and data bank of entrepreneurs, offering products and services in Pirkanmaa region in English <http://www.meetingnet.fi/> 27. 11. 2007.


Ministry of Agriculture and Forestry, 2006. Farming and Food in Finland, MMM, Helsinki, pp. 3-5.


Appendix 1: Interview themes and questions

Theme 1: General questions about the firm
1. How did you start to run your business? What was the main idea?
2. What is the main profile of your business today?
3. Did you enlarge your firm? Or planning to do that?
4. Is it a family business? Who is working in the business from your family?
5. Would you like that the next generation would continue your work?
6. Do you think you are active in business at the moment? Compared to few years ago?
7. How do you see your future business? Still active or dealing with problems?
8. How many income sources do you have? Do you have secondary occupation or paid work outside the farm?
9. What are the risks in your business?

Theme 2: Networking and co-operations of the company
10. What type of other businesses do you have connection in business life? Which is that firm?
11. What is the main connection / co-operation point between your firm and the other one?
12. How often do you work together with that other firm annually?
13. Would you like to work with other firms in future?
14. Do you know if you have a competitor in business life?

Theme 3: Environmental thinking of the firm
15. When starting your business, did you think about sustainability, saving energy, using fewer products, and being more greenish?
16. Do you think about it now (climate change, environmental risks)?
17. Do you think that you save energy during your work / or release less pollution / or create less environmental risks?
18. Do you think you are an ecopreneur / or that you run a more green business than others?

Theme 4: Benefits of networking
19. Why do you join the network? Why do you think it is useful?
20. What is important for you in your business?
21. What is important for you in joining the network?

Theme 5: Negative issues
22. Do you have conflict with another firm?
23. Did you have any difficulties when working in the network?
24. Did you have any difficulties when joining the network?
25. Did / do you have any pressure (market competition, rules, regulations) or difficulties in your business?
Appendix 2: Berry wines of Teisko’s Wine Lodge

Sparkling wine

*Lively (Eloisa)* is the joy and good spirit with its shining gold colour; made of Arctic bramble. The alcohol amount is 11.5% and 37 grams sugar has been added per liter.

Red wines

*Bilberry (Mustikka)* gives sweet taste of blueberries with bluish colour. Perfect for an aperitif and with desserts. It contains 11% of alcohol and 43 grams sugar per liter.
*King of the Forest (Metsän Kuningas)* combines blueberries with raspberry. Its pleasant dark colour hides the strong taste. In season, this semi-dry wine gives company for venison. 12% of alcohol has been added with 39 grams of sugar per liter.
*Pheasant (Fasaani)* has a rose colour, suitable for light coloured meat such as chicken, turkey or pheasant. Made of redcurrant, blueberry-aromas and strawberries. The alcohol amount is 12% and has 47 grams sugar per liter.
*Forest Goblin (Menninkäinen)* is made of strawberries and blueberries. The wine has an old taste of blueberry and dark red colour. 13% of alcohol has been added with 34 grams of sugar per liter.

White wines

*Sunshine (Päivänsäde)* can freshen the mouth. Honey makes the wine sweet and white berries give piquant sharp flavour, its colour is light yellowish brown. The alcohol amount is 10.5% and the sugar level is 24 grams per liter.
*Flower (Kukkanen)* is very good food wine. Made of gooseberry and honey that carries interesting tastes for the wine. Its light pink colour is shining. 12% of alcohol and 5 grams sugar has been added per liter.
*Tomato (Tomaatti)* is a perfect match with delicious Mediterranean food and pasta. Made of red tomatoes, has a dry flavour and light greenish colour. 10% of alcohol has been added and 4 grams of sugar per liter. (Teisko’s Wine Lodge, 2008.)
Appendix 3: Programme possibilities and entrepreneurs at Knuutila Manor House

List of programme providers, services and entrepreneurs working at Knuutila during the season 2008, offering unique experience for all the guests.

*Manson Misses (Kartanon Fröökynät)*
Catering and program services, Marketta Kalmanlehto, Merja Tuominen-Gialitaki, from the town of Nokia

*Wilderness Fox Guide (Eräkettu)*
Canoe renting and hiking, Timo Lehtonen, from the village of Siuro

*Mona Comedy (Monakomedia)*
Comic performances, Mona Ratalahti, from the village of Siuro

*Creeten Kitchen (Kreetan keittiö ABC)*
Catering and programme services, Merja Tuominen-Gialitaki, from the town of Nokia

*m/s Purimo*
Lake cruises from Siuro to Hämeenkyrö with motor ship Purimo, Seppo Savolainen, from the village of Siuro

*Häijä Quality Meat (Häijään Laatuliha)*
Locally produced fresh meat, shopkeeper Rape Lahtinen, from the village of Häijä

*Mouhijärvi Delicate Cheese Dairy (Mouhijärven Herkkujuustola)*
Locally produced cheese, Peter Dörig, from the village of Mouhijärvi

*Other catering services*
Wedding and other decorations, Hilkka Laakkonen, from the village of Siuro. (Knuutila Manor House, 2008.)
Appendix 4: Menu on week 10 and 24 in Restaurant Henriks

Fresh and organic vegetables, organic meat and organic fish are used from the villages of Murole and Ahola during these weeks.

Lunch menu (7 March 2008)

Light Lunch of the Day:
   Beetroot soup with roasted mushrooms

Lunch Menu of the Day:
   Spawn cheese from Murole with fresh salad or Seasoned smoked salmon and river crab tales
   Fried whitefish and dark applesauce or corn-fed organic pork filee and smooth flank with red wine sauce
   Dessert coffee or tea and chocolate cake with cherries

Organic Vegetarian Menu
   Earth planted artichoke soup
   Spinach ravioli with warm vegetable salad and tomatoes
   Chocolate and white chocolate cake with raspberry sorbet

Pre-theater Menu
   During weekdays before the theater, the dinner takes about 1.5 hours. The menu changes daily according to the fresh raw materials.

Lunch menu (10 June 2008)

Henriks Menu
   Murole spawn cheese
   Ox Wallenberg style with paprika vinegar
   Vanilla spiced parsnip with pear puree
   Fried pikeperch with dark dill sauce
   Parsley leaves puree
   Chocolate cake with vanilla ice cream and black currant cream

Finland Menu
   Light soup from fresh vegetables
   Celery stalk with apples
   Whitefish tartar with brioche muffin and whitefish roe
   Fried reindeer fawn rib in lingonberry sauce
   Cheese plate with honey from Ahola
   Organic colostrum milk crème brulé in strawberry sorbet

Organic Vegetarian menu
   Celery stalk and apple soup
   Asparagus and goat cheese ravioli with beetroot puree
   Rhubarb pie with cinnamon mousse and yoghurt sorbet. (Restaurant Henriks, 2008.)