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Resource management

- A multiple case study of resource management in Swedish equine boarding businesses

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Foreword

Rogers' (2010) *Diffusion of innovation* labels the first group to try something new “innovators”. The three authors of this thesis have bravely been “innovators”, working with the examiner and their supervisor to try a new form for their master’s degree project. In addition to the following collectively authored published thesis, each of the authors also submitted for examination an individually written a 11-15 page reflective summary of the project.

Without an established model to follow, the students have creatively managed their uncertainty to produce a collective output and individually-produced reflections to offer the benefits of group synergy in the research process without sacrificing grounds for individual examination. The examiner thanks the student for trying something new, and hopes that they will be followed by “early adopters” who will continue to develop a new form for our Department’s master’s theses.

Sincerely,
Richard Ferguson
Examiner for MSc-theses in Business Administration
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2018-07-02


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Abstract

The resource management in companies defines the competitive advantage and the profile of the products or services. With a better understanding of resource management, the companies may increase their success. A sector that is expanding is the equine sector in Sweden. The equine businesses have received increased attention both from the society and from researchers. However, literature regarding how these equine boarding businesses are managed is rare.

The aim of this study is to create a deeper understanding of how equine boarding businesses in the Swedish equine sector manage their resources. To fulfill the aim, questions concerning the key resources in the equine boarding businesses and what the main role of these resources are, are answered. The theoretical framework consists of Resource-based view and the Business platform by Klofsten. A qualitative multiple case study has been conducted through semi-structured interviews with eleven horse boarding business managers. The gathered data has been analyzed through the theoretical framework.

The results of this study indicate that there are several key resources in Swedish equine boarding businesses. Some of the key resources are motivation, education, and experience of the manager, his/her network, the location, the chosen price level, written agreements and leadership at the yard. The motivation, education and previous experience of the manager tend to affect the way the resource base of the business is composed. The motivation affects the orientation of the business which will determine how the resources are used. The conclusion is that companies in the equine boarding business, in similarity to companies in other sectors, manage their resources to achieve competitive advantage and success for their companies.

Sammanfattning

Genom sin resursbas kan företag skapa förutsättningar för att uppnå konkurrensfördelar och profilera de produkter och tjänster de tillhandahåller. De kan nå framgång genom en bättre förståelse för sin resurshantering. En växande sektor i Sverige är hästnäringen, vilken de senaste åren har uppmärksammats av både samhället och av forskare. Det är ett ännu relativt outforskat område hur företag som tillhandahåller inackordering för hästar är organiserade i en svensk kontext.

Syftet med denna studie är att skapa en djupare förståelse för hur företag, som tillhandahåller inackordering för hästar i Sverige, hanterar sin resursbas. För att uppfylla syftet med studien, besvaras frågor rörande företagens nyckelresurser och vad resursernas som är resursernas huvudroll. Forskningsfrågorna kommer analyseras och besvaras utifrån ett teoretiskt ramverk bestående av resursteori och Klofstens affärsplattform. En kvalitativ ansats har använts för att genomföra studien. Studiens utformning är en multipel fallstudie med elva respondenter. Empirisk data har samlats in genom semistrukturerade intervjuer med företagsledaren i den kontext där de är verksamma. Den empiriska datan har analyserats med hjälp av det teoretiska ramverket.

Resultaten från studien indikerar att det finns flera nyckelresurser i företag som tillhandahåller inackordering för hästar. Några av nyckelresurserna är motivation, företagsledarens utbildning och/eller erfarenhet, företagsledarens nätverk, företagets läge, den valda prisnivån, kontraktet och ledarskapet på gården. Företagsledarens motivation, utbildning och erfarenhet tenderar att påverka företagets resursbas. Motivationen påverkar inriktningen på företaget vilket påverkar hur resurserna används. Slutsatsen är att företag som tillhandahåller inackordering för hästar, i likhet med andra företag, använder sina resurser för att uppnå konkurrensfördelar vilket kan bidra till framgång för företaget.

Abbreviations/Explanations

Explanations of field specific terms

Equine boarding business - *A business that provides housing for horses.*

Yard - *A place that provides housing for horses.*

Exercise yard - *A small (often sand or gravel) yard where the horse is kept during the day.*

Pasture - *When the horse is on pasture it is out on grass land.*

Forage - *Preserved grass that the horse consumes.*

Hack - *Ride outside e.g. in the forest.*

Housing types

Box - *Traditional box stable. The horse is in the box during the night and outside in a field during the day.*

Loose housing - *The horse is in a field with a shed during the night and day. Not individual feeding or free access to forage. According to regulations concerning loose housing, you must also have some boxes so there is a possibility to put injured or sick horses at box. This category have boxes at the yard but no horses in them on daily basis.*

Active stable (A.S) - *Active stable is a sort of loose housing where the horses have individual rations of feed that they are feed through hay dispensers.*

Paddock paradise (P.P) - *This is another sort of loose housing where the purpose is to stimulate the horse to move around in a natural way by placing feed in different parts of the field.*

Service levels

Semi-service - *The customer can choose the level of service and different things may be included.*

Fixed level of service - *The level of service is decided beforehand and is not negotiable.*

Full-service - *All service concerning the horse basic day to day needs is included.*

Additional service - *Extra service in addition to service concerning the horse basic day to day needs, e.g. exercise of a horse.*

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1 Introduction

The horse has a long history as a domestic creature, and it has played a significant role in the society in the western world (Rossier, 1984). Historically, the horse was used in several sectors like agriculture, transportation, and industry. Since the beginning of the industrial age when machinery was mechanized and powered by petrochemical engines the horse as a power source became obsolete. In the 1980s there were approximately 70 000 horses in Sweden (Elgåker & Wilton, 2008). Since then the number has increased rapidly, and the same phenomena is detected in other European countries like France and Finland (Jez *et al.*, 2013). Kielén *et al.*, (2018) indicates in their latest report that the number of horses in Sweden is approximately 360 000 horses (Kielén *et al.*, 2018). The distribution of the number of horses across Sweden is displayed in figure 1.

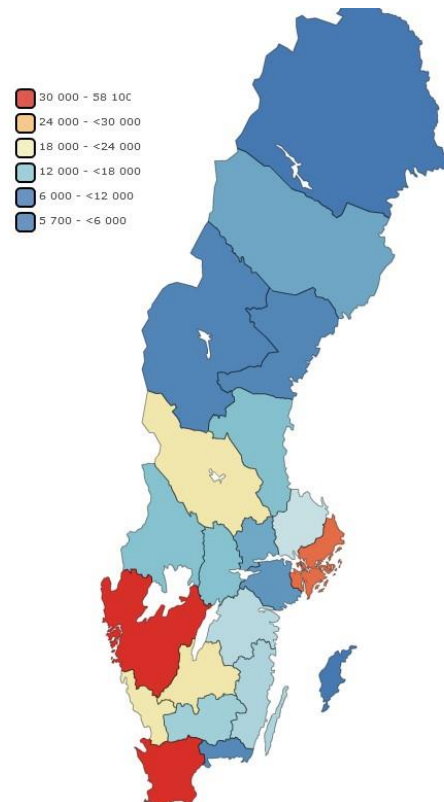


Figure 1. The number of horses in Sweden according to county (SCB, 2018; Kielén *et al.*, 2018) (Own processing)

According to Andersson and Johansson (2004), the extended economic contribution from the equine sector including the induced effects at the Swedish economy is estimated to 46 billion Swedish crowns (SEK). This estimation of the economic contribution is fifteen years old, since then the number of horses in the equine sector has increased with approximately 50 000 horses to 360 000 horses (Kielén *et al.*, 2018). The estimated turnover was supported by estimation by LRF konsult in 2009 (LRF-Konsult, 2009).

The demand for forage and hay to horses might be a contributing factor to other agricultural businesses. If farms extend their crop rotation to also include ley for forage production, it may increase the viability and sustainability at the farms (Fogelfors, 2015). According to statistics from the Swedish Board of Agriculture, the majority of the horse-keepers are between 41-65 years old, and two-thirds of the horse-keepers are females (Kielén *et al.*, 2018). How the horses are kept has changed slightly since 2010. The number of horses kept in a box stable has decreased, and the number of horses kept in a loose housing system has increased. The horse sector uses approximately 329 600 hectares of land for pasture for the horses and approximately 57 200 hectares as exercise yard.

Today, it is the former part-time companies that drive the development in the entire horse business sphere (Pussinen & Thuneberg, 2015). The sector is growing in general, and it has led to a new type of agricultural firms. In 2013 a survey was conducted among entrepreneurs in the equine sector in Finland. The conclusion was that both the demand for horse related services and the profitability from riding and boarding services is likely to increase during the next five years. Hess *et al.* (2014) found a positive influence between the average income in the nearest town and the price for riding lessons. Further, Lindberg *et al.* (2015) imply that price of boarding services increases in larger urban areas. Except for urbanization, they mention education and economic growth as two factors that drive economic growth within the equine boarding business.

The equine sector differs from other agricultural sectors. While output such as food commodities is perceived as a necessity, the services from horses are perceived as leisure and recreation. Andersson and Johansson (2004) claim that there is a strong correlation between per capita income and the number of horses within a country. Another report came to a similar conclusion, Liljenstolpe (2009) claims to have found a positive correlation between the number of horses per capita and the mean income in a country. According to the same report Sweden is on top of the list with the highest number of horses per capita in Europe, 30,9 horses per 1000 persons. Though keeping horses within cities is almost impossible due to urbanization, therefore they are kept in urban areas surrounding cities or in the remote rural areas.

According to Liljenstolpe (2009), the relatively high cost of stabling in Sweden might mitigate the expansion of the equine sector. Further, Blackwell *et al.* (2009) argue that the rural areas have competitive advantages due to riding trail characteristics. Andersson and Johansson's (2004) results implicate that there exists a potential to operate equine businesses in Sweden with a viable result if they are managed properly.

1.1 Problem background

According to the Swedish Agency for Economic and Regional Growth (2018), small businesses in Sweden are often operated by the owners. Magretta (2002) implies that a business model must contain two parts to make a company viable, positive numbers and credibility of their business. The equine sector is often perceived as a way of living and not as a profitable business opportunity (Pussinen & Thuneberg, 2015). The sector is in a transformation phase from hobby towards ventures. Parallels can be drawn to the change in the Swedish agricultural sector where the farm units are getting larger to achieve economies of scale (Johansson, 2014). Within the equine sector, there is an optimistic view, and the business owners are passionate about their business, but it is pinpointed that they continually need to adopt new ways of thinking in terms of business management (Lunner Kolstrup *et al.*, 2013). To do this, a clear business strategy is a suitable tool to assist a firm to reach long-term profitability (LRF-Konsult, 2009). In order to achieve an empirical understanding of the equine boarding business sector the authors used empirical data collected by Dalarna University, a summary of this material is presented in figure 3 in the result chapter.

1.2 Problem

Management strategies are a well-explored field in the business management literature, and they can be expressed in different forms. The literature is sorted in many ways but can be arranged according to different business segments such as the IT sector, process industry and agriculture (Zaheer *et al.*, 2018; Hyder & Lussier, 2016; Mauri & Michaels, 1998; Kay *et al.*, 1994; Earl, 1989). The literature can also be categorized by the size of the firms (Lee & Sai On Ko, 2000; Cooper, 1981). The size of the firm and business segment can influence the managers choice of strategy.

During the last years, a new tendency in the equine sector has received increased attention. According to Pussinen and Thuneberg (2010), the trend is that the number of registered firms within the equine sector is increasing. Previous studies in the equine sector aim at other areas within the sector, such as how the horses economically contribute to the agricultural sector (Andersson & Johansson, 2004; Gordon, 2001). Other examined fields are the historical changes in horse keeping and the contribution of the equine sector to rural areas (Elgåker &

Wilton, 2008; Flygare & Isacson, 2003). Literature regarding how equine businesses are managed is rare but has been partly examined in Great Britain (Eastwood, 2006). How Swedish equine businesses are managed is a relatively unexplored field in the literature.

Unlike other countries equine sport in Sweden has been viewed as a social movement (Lunner Kolstrup *et al.*, 2013). Most of the people working in this sector do it with passion and enthusiasm for the sport as a spare time occupation. In recent years a tendency has been observed in Sweden which indicates an increasing rate of establishing horse related businesses. Lunner Kolstrup *et al.* (2013) also mention that one of the obstacles in the future is to streamline the business ideas, get closer to customers and adapt to their needs and demands. According to Eastwood (2006), most equine businesses have some contact with equine boarding stables or offer equine boarding themselves. To improve the competitiveness of the Swedish equine business, it is of interest to evaluate how the Swedish equine boarding firms are managed.

1.3 Aim and research questions

The aim of this study is to create a deeper understanding of how equine boarding businesses are managed in the Swedish equine sector. In order to fulfill this aim, the following questions will be answered.

- Which are the key resources in equine boarding businesses in Sweden?
- What are the main roles of these resources?

1.4 Delimitations

In this thesis, management of businesses in the equine sector is the focus. The chosen equine businesses supply stabling or yards for privately owned riding horses used for leisure, recreation, and riding competitions. The businesses are operated as sole proprietorship or corporations with a commercial purpose. Businesses in the harness racing and race-horse sectors will be excluded since they are commercialized at a higher level. In Sweden, modern harness racing is dependent on the inflow of external capital from gambling revenues (Greiff, 2008). According to the Swedish Board of Agriculture, approximately 5 % of the horse-keepers have horses for horse racing or harness racing, but approximately 85 % have horses for horse riding (Swedish Board of Agriculture, 2017). In order to achieve the aim and answer the research questions, the study is limited to two areas in Sweden. These areas are defined by Swedish Agency for Economic and Regional Growth (2018) as situated in regions with an expanding metropolitan environment and high economic activity. Lindberg *et al.* (2015) imply that urbanization, education and economic growth are drivers in the equine boarding business. However, these regions also house a large share of the total number of horses in Sweden which is presented in figure 1 in the introduction chapter. It is of interest to examine different companies in the same external environment. The selected regions are the Mälardalen and the western region of southern Sweden.

2 Conceptual framework/Theory

2.1 Resource based theory

The foundation of the resource-based theory was presented by Penrose (1959). How a resource is defined depends on the field examined. Within the field of business management, a resource is defined as a supply or source that can be transformed to produce a benefit (Wernerfelt, 1984). It is an asset necessary to start a process or to manufacture products. Examples of resources are material, labor, money, time, knowledge, and energy. Resources are combined in processes to satisfy the human needs and wants, increase their wealth and enhance their wellbeing.

2.1.1 Resource based view

The thought of examining a firm's resources as a unit of analysis was firstly presented by Penrose (1959), and then later given formal attention by Rubin (1973). At an early stage, the framework focused on external resources (Porter, 1980). It has gradually emerged to an internal view of an organization's resources. Several studies have provided insights into how the phenomena of resources contribute to an organization's success (Barney, 1996; Wernerfelt, 1984). In 1990 the Resource-based view (RBV) entered a new phase when it was applied in the context of strategic management (Amit & Schoemaker, 1993). Since then the implication of RBV has been applied into other fields of research such as entrepreneurship, human resource management, and strategic management (Alvarez & Busenitz, 2001; Wright *et al.*, 2001; Mahoney & Pandian, 1992).

During the 21st century, the resource-based view has been challenged. The focus tends to turn from strategic resources towards more ordinary resources that are easier to obtain (Conner & Prahalad, 2002). These resources are used by the larger mass of the earth population which have issues to gain access to capital and therefore have difficulties converting capital to rare resources. Hart and London (2005) argue that the ordinary and sometimes weak resources found in the local context are the most important for small companies. Kraaenbrink *et al.* (2010) argue that the RBV is too narrow in its conceptualization of RBVs two fundamental parts, resources and value, due to neoclassical economic rationality. These authors suggest that RBV has to adopt a more genuine and dynamic framework to capture the values within a firm better. Furthermore, Ausrød (2017) argues that RBV only applies to larger and already established firms.

2.1.2 Constructing a resource base

The research field of strategic management has emerged over time, but the fundamental question of how a firm can achieve and sustain competitive advantages in their field of business has prevailed (Rumelt *et al.*, 1994). Within the field of strategic management, the resources are key elements. Grant (1991) argues that strategy starts properly from an internal assessment of a firm's resources instead of an external assessment of the firm's environment. Furthermore, Grant suggests that within the resource term both physical resources, such as material, as well as social resources, such as capabilities and competencies among co-workers and colleagues, may be important for the firm.

Resources can be scaled from simple to complex. A simple resource is often quantifiable and tangible, such as financial resources (Brush *et al.*, 2001). The more complex resources are

intangible and often related to human skills and knowledge. It is harder to identify and measure complex resources than simple resources. A complex resource has the potential to be combined with simple resources and create a combination which leads to unique advantages compared to combinations of less complex resources.

Brush *et al.* (2001) suggest another way of dividing different sorts of resources, utilitarian and instrumental. Utilitarian resources can be used as direct inputs in production processes or can be combined to create new resources. Instrumental resources are main resources that can aid the company to get access to new resources, e.g., capital can easily be transformed into labor and machinery.

Understanding the uniqueness of the firm's resource bundle combined with the human skill of timing, lead to the creation of competitive advantages (Brush *et al.*, 2001). Human resources such as management skills are a key competence which represents a unique advantage for the organization and a strategic asset that allows the firm to outperform its competitors. Brush *et al.* (2001) induce that social resources are favorable, though it can be used to obtain other tangible resources.

Resources that have an inadequate relation to the firm's core business are less likely to contribute to the competitive advantage because the resources are not related to the firm's business strategy, for example, original painting in the firm's lobby (Mosakowski, 1993). To achieve competitive advantage towards other companies in the same sector, it is necessary for firms to gather resources and combine them into unique sets (Brush *et al.*, 2001). A solid resource base is a starting point, but when it is combined with proper management a satisfying level of competitive advantages and increased wealth may occur. How long a competitive advantage is sustained depends on three criteria's (Teece *et al.*, 1997). Stability of market demand, if there are any available ways substitutes and how fast competitors succeed in replication or imitation of the resource bundle.

Firms that can be pointed out as winners in the marketplace are characterized by a management crew with the capability to re-deploy internal and external competences combined with a quick responsiveness to changes in the surrounding environment (Teece & Pisano, 1994). It has also been noted that companies may possess a broad set of valuable technological assets, but a lack of capabilities to deploy them, which leads to a loss of advantages compared to competitors. Therefore, Teece *et al.* (1994) suggest that knowledge of a manager's dynamic capabilities to act is necessary, to understand the resource portfolios contribution to a firm's sustained competitive advantages.

2.1.3 Dynamic capabilities

Research indicates that effective structure of the resource portfolio contributes to a higher performance of firms (Sirmon & Hitt, 2003). The manager can strategically organize and structure the resource portfolio and its composition to further increase their competitiveness within the market of their business segment (Ireland *et al.*, 2003). Dynamic capabilities can be exemplified in different ways. It may involve the manager directly or can be a standardized way of production, such as Toyota's product development skills in the automotive sector. When it involves the manager, it is at a strategic level where the manager's business and functional skills shape the firm's decisions (Eisenhardt & Martin, 2000).

The manager's ability to collect and utilize resources is essential for developing a firm's dynamic capabilities (Harreld *et al.*, 2007). These dynamic capabilities consist of two managerial skills. First, the manager must sense potential changes in the competitive environment, such as shifts in technology or regulations. Secondly, managerial skill is the manager's decisiveness to act on threats or opportunities in terms of reconstructing the resource portfolio to the new challenges. The capability to act depends on the manager's internal resources such as skills, experience, and motivation (Zahra *et al.*, 2006).

2.1.4 Resource classification

Greene *et al.* (1997) studied small firms and found that there are five different types of resource categories that can be applied to them. The resource categories are human-, social-, physical-, organizational- and financial. It seems to be human and social resources that are the most important though they affect the possibility to gain access to resources from the other categories (Greene *et al.*, 1997). However, human resources tend to be valued lower than physical and social resources by the founder of the company. It is problematic if the owner of the firm does not realize the value of the human resources since it is important for the company's success. Wright (2001), with the support of Wright *et al.* (1993), implies that skilled employees with right competence may be hard for competitors to imitate. However, Jassim and Jaber (1998) argue that the human resource such as employees may lead to sustained competitive advantages if managed properly by the manager.

Greene *et al.* (1997) chose to include more of the different resources compared to previous research. In the human resources category, they include achieved attributes, education and experience and reputation. In social capital, they include relationships and networks, family, race and ethnicity and political connections. In a study made by Baron *et al.* (2003), it is indicated that the behavior of the entrepreneur can be of importance for the success of the business. Especially the entrepreneur's skills in face to face interaction is mentioned. Physical assets include tangible assets necessary for business operations such as facilities, equipment, and technology (Greene *et al.*, 1997). In organizational assets; relationships, structures, routines, culture, and knowledge are included. In financial resources, funds that are used to start and grow the business are included.

In a study by Brush *et al.* (2001) they argue for an expansion of the model by Greene *et al.* (1997) with a sixth resource category. In this revised model the technology resource category has been derived from the physical resources category. The main reason for the development of the model was to make it more suitable to explain resource strategies within tech-companies. Though, Hofer and Schendel (1978) argued in 1978 that a resource category such as technology is otiose when the units of analysis are small firms, due to their size. Furthermore, Hofer and Schendel (1978) imply that the technology category has raised more questions than it has answered in the field of resource theory.

2.2 Business platform by Klofsten

Firms in a market economy act in a changing and emerging environment, new firms enter markets and older shut down due to competition. A firm is in its most vulnerable phase during the start-up period. It is common that firms shut down after a while or remains small during the business entire lifecycle (Klofsten, 1998). The business platform was developed by Klofsten (1998) to facilitate the assessment of newly started tech-businesses. The business platform is a state that the younger business reaches when they are less vulnerable, and they have a higher

potential to grow and survive. To reach the state of growth, Klofsten argues that the firm must have developed a business platform in place within three to five years after the start of the firm.

The business platform has been proven to be applicable to other business segments and not only to tech-based companies (Davidsson & Klofsten, 2003). The business platform is also applicable when there are unforeseen drastic changes in the environment of the business that the business cannot prevent. The drastic change can be the loss of an important person for the business or a big change in market potential.

Since 1998, Klofstens model has been cited in several studies. Among them a study that explores the success of digital startups (Zaheer *et al.*, 2018) and further studies on why small business succeed or fail (Hyder & Lussier, 2016). It has also been shown by Yencken and Murray Gillin Am (2006) that the business platform can be applied to other companies that were shown in the study by Davidsson and Klofsten (2003). Dalborg *et al.* (2012) used the business platform together with Maslow's hierarchy of needs (1943) and developed a model for growth. They used this to study qualitative growth in women's businesses. Dalborg (2015) have conducted further research on women entrepreneurship where the business platform has been a part of the theoretical framework.

2.2.1 The cornerstones in the business platform

According to Klofsten (1998) a business platform contains two major parts, first how the firm intends to acquire resources and the second how they manage to handle the acquired resources. Klofsten suggests that the business platform consists of eight cornerstones; idea, product, market, organization, competence, passion, customer relations and other relations. Further, Klofsten argues, with support by Davidsson and Klofsten (2003), that all firms have these cornerstones but that they vary in size. All of them are necessary for a firm's long-term viability. To organize and analyze the level of each cornerstone they are divided into three levels; low, mid and high. To create a functioning platform, it is not necessary to move all eight blocks to the highest level, but at least some must be at a high level and the others at mid-level. The cornerstones in the model are not compensatory, which means that one strong cornerstone cannot compensate for another low-level block.

How well the companies have defined the cornerstone "*idea*" may vary widely (Klofsten, 1998). Sometimes there are several ideas about what the company should do and then it is essential to prioritize the different ideas (Klofsten, 1998). An idea is identified as a perceived market opportunity, an unexplored way to solve a social problem or a renewed way of solving an issue (Brush *et al.*, 2001). Davidson and Klofsten (2003) have used previous research to define the cornerstone idea. Among the research, an article by Cooper *et al.* (1995) is found. Cooper *et al.* (1995) studied information search among entrepreneurs. According to their study entrepreneurs with no previous experience searched for more information than those with experience. Their study also showed that those who entered with a high level of confidence also searched less for information (Cooper *et al.*, 1995).

Product as a cornerstone is often easy to work with, and it can fast reach high levels. Without the product, the company does not sell anything, and therefore it is often prioritized. The market is the third cornerstone, and it is sometimes hard to define, just like the idea. Companies often find it easy to define their first customer segment, but it can be hard to take it to the next level and find the next customers (Klofsten, 1998). The market needs to have the potential to be profitable enough and big enough to ensure the survival of the firm (Davidsson & Klofsten,

2003). Two main factors when farmers decide to invest in equine boarding businesses is a passion for horses and a market and competition opportunity (Cederqvist & Wijkander, 2004). The next cornerstone is organization. In small and young enterprises, the structure is usually simple, informal and flexible. Some functions like business administration and marketing develop over time. Sometimes the informal structures within the company prevent further development of the organization.

Competence is another cornerstone and is something that often exists within the company because usually, the founders of the company have the competence required. If not, it is often possible to form relations with other actors to achieve the competence that is needed. According to a study regarding adoption to minimum tillage, one of the main factors for the adoption is experience from other sectors (Widebäck, 1995). Especially the experience from positions with a high degree of decision making is advantageous. Robinson and Sexton (1994) examine the correlation between level of education and success of the self-employed, they stress that the correlation is significant. They also stated that the relations between earlier business experience and the success of the self-employed are significant, but not as significant as the correlation to level of education. However, Robinson and Sexton found that self-employed individuals had two years more education compared to the employed counterparts.

Motivation is the next cornerstone. Davidsson & Klofsten (2003) describes that a basic requirement for the company is that at least one person is highly motivated to the business idea. In an article by Barba-Sánchez & Atienza-Sahuquillo (2012) they examine and rank 23 motivational factors that they present as the main motivations for entrepreneurs to start their businesses. The factors are provided by the company founders in the study. The business owners get to rank this motivational factor on a Likert scale from 1-5. The motivations are, i.e., *"to create my own job"* which is ranked as 4, very important and *"To earn a lot of money"* which is ranked as 2,75 mildly important. There are also motivational factors such as *"to exploit a business opportunity"*, *"to cover my personal needs"*, *"to have an interesting job"* and *"to fulfill a dream"*.

The cornerstone customer relations need to be good enough for the company to make a profit. There need to be a sufficient number of good customers (Davidsson & Klofsten, 2003). The quality of customer relationship has three dimensions, the quality of the product or service as it is perceived by the customer, trust and loyalty to the firm (Hennig-Thurau & Klee, 1997). The cornerstone other relations contain other relations apart from customer relations that are vital for the business (Davidsson & Klofsten, 2003). Advisory organizations are an essential relation for the Swedish agricultural businesses (Yngwe, 2014). There is a shortage of the advisory organizations concerning management and leadership. The advisory organizations also need to support the companies to improve innovations in the agricultural sector because the sector has in general been slow on innovation.

2.3 Theoretical synthesis

The resources are the foundation of the business (Penrose, 1959). The resources will determine the business possibilities to succeed in a competitive market (Brush *et al.*, 2001; Klofsten, 1998; Barney, 1996). Therefore, the authors have chosen to examine the equine businesses resource base from the perspective of the resource-based theory. The authors find the resource classification categories presented by Greene (1997) most suitable for this study when it is combined with the eight cornerstones presented in the business platform by Klofsten (1998).

2.3.1 Resource based theory

The parts of resource base theory used in this study are the division of resources in small businesses made by Greene *et al.* (1997). The five resources types that they distinguish are human, social, physical, organizational and financial. The authors find Greene *et al.* (1997) categorization more suitable for this study compared to the extended model presented by Brush *et al.* (2001), though our cases cannot be defined as either technology firms or large firms. The resource-based theory explains the importance of a unique resource base to develop viable companies and competitive advantages compared to other companies in the same sector (Barney, 1991). It also includes the importance of the manager's dynamic skills to utilize different resources in a changing business environment (Harreld *et al.*, 2007). Though the resource-based theory cannot fully catch and explain what motivates the owner/manager of a small firm to operate their business (Ausrød, 2017; Kraaijenbrink *et al.*, 2010).

2.3.2 The business platform

The business platform consists of eight cornerstones (Klofsten, 1998). The cornerstones are idea, product, market, organization, competence, passion/motivation, customer relations and other relations. The business platform aims to determine the business chance to survive over time. The business platform has a strong focus on the manager's role in the business operation process. However, this model cannot fully explain how a specific company obtains competitive advantages compared to other companies in the sector.

2.3.3 Explanation of the model

According to Swedish Agency for Economic and Regional Growth (2018), the managers of small businesses in Sweden are often the owners. Therefore, in this model, the authors assume that the manager in control of the business also is the owner. It is essential to focus on the management of the resources and at the manager's motivation to operate the business to obtain a better understanding of the organization of equine businesses and the rationale behind the organization. To achieve a deeper understanding of how equine businesses organize themselves and what the manager's role is, a combination of these two theories are necessary.

This combination of the theories allows attributes connected to the manager's motivation, experience, and knowledge to be revealed as well as attributes concerning the company's geographical location. The combination of resource-based theory and the business platform is presented in figure 2. It is also illustrated how the manager's dynamic capabilities are necessary to assist the manager to navigate in a changing business environment.

The chosen theories are suitable for this study since both theories aim to explain how a company can reach a state of long-term survival, but from different perspectives. The theories complement each other though the resource-based theory aims to explain how a resource bundle with different resources can be used to obtain and sustain competitive advantages in relation to competitors (Brush *et al.*, 2001). However, it does not explain what motivational factors and values that motivate the manager to operate their business. Klofsten's business platform aims to explain what parts of the business that drives the manager, but it does not explain how the manager can reach a competitive state for the company. The RBV and the business platform connect and create the conceptual framework that presents the necessary resources and captures the values that motivate the manager.

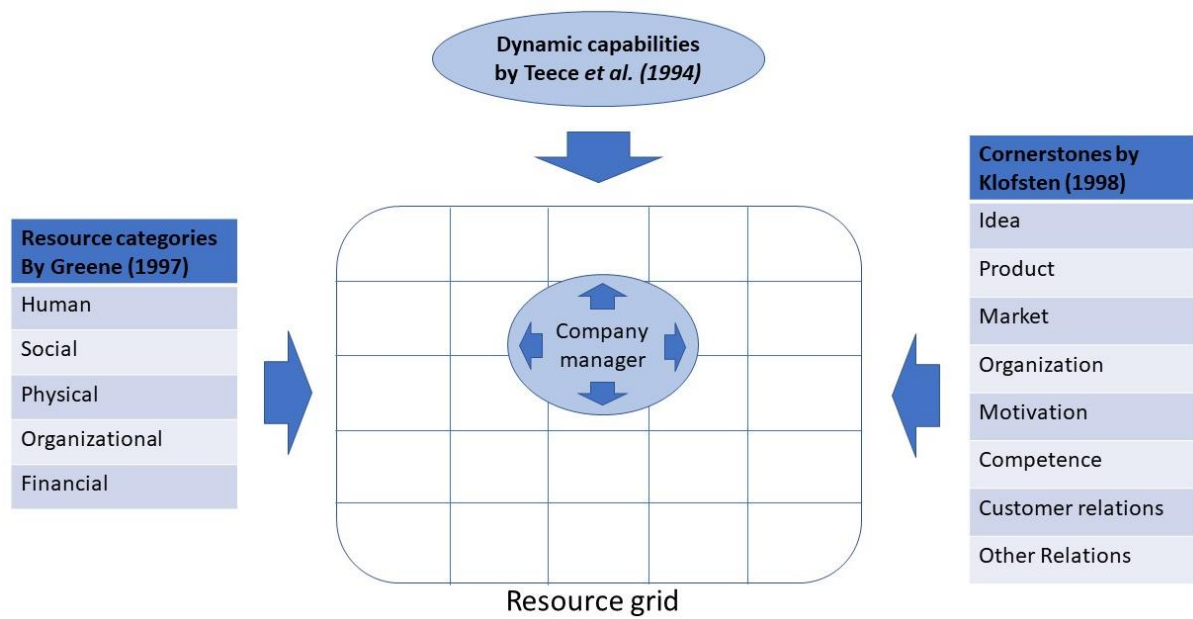


Figure 2. How the manager's role, influenced by the dynamic capabilities presented by Teece et al. (1994) connects to resource theory by Greene et al. (1997) and the business platform by Klofsten (1998)

3 Method

3.1 Research approach

Based on the aim of this study, a qualitative method is chosen. A qualitative method provides a possibility to acquire a deeper understanding of the respondents' situation (Bryman & Bell, 2015; Eisenhardt, 1989). A qualitative approach aims to create an understanding of a specific phenomenon, or a set of objects in a specific context (Robson, 2011). One or a few cases are suitable for this type of study. Therefore, a qualitative method is suitable for studying the individual equine business managers and their firms in their unique business context.

The research questions were constructed based on gap spotting. Gap spotting is one of the most common ways to formulate research questions from existing literature (Sandberg & Alvesson, 2011). Gap spotting is used when a gap is found in the literature or when the results from the existing literature are not conclusive.

To answer our research questions, an abductive approach was chosen, since it is suitable for answering both which- and why- questions (Kvale & Brinkmann, 2014; Blaikie, 2009). In abductive reasoning, they argue that the researcher by comparing an empirical case with theory can find plausible answers to a problem (Shank, 2008).

3.1.1 Case study design

This study is designed as a case study with eleven objects, which provides a possibility to compare the cases. The comparative case study design enables making contrasts and comparisons which help bring out salient points of a conceptual framework (Mylan, 2015; Yin, 2004). The comparative design allows theoretical reflections about the result, and it is suitable when the researcher aims to develop a deeper understanding of to what extent the findings are supported by the theory (Bryman & Bell, 2015).

The primary purpose of this study is to create a deeper understanding of the studied phenomena. A sufficient number of selected objects may depend on the phenomena to be studied, since the aim is to generate a nuanced empirical result of this observed phenomena (Trost, 1997). When choosing a sufficient number of objects sample size may not be too small to make it difficult to reach data saturation, but the sample should neither be so large that it is difficult to undertake a deep analysis (Bryman & Bell, 2015). Therefore, including additional objects would not further increase the understanding neither lead to generalizable findings. Zaltman (1997) stated that "*at most, data from four or five participants ... are generally required to generate all of the constructs on the consensus map*" (Zaltman, 1997, p. 432). In a study by Christensen and Olson (2002), they concluded that with fifteen interview objects they managed to reach and overcome "*the heuristic threshold required to assure saturation in the study*" (Christensen & Olson, 2002, p. 483). Therefore, the selected number of eleven objects are found sufficient to achieve saturation of empirical data in this study.

The sampling technique used in this study is purposive sampling. It may be a useful and suitable technique to use in a comparative case study (Robson & McCartan, 2016; Bryman & Bell, 2015). The purposive sampling is limited to equine businesses that supply boarding services to owners of horses. The studied companies operate in regions within an expanding metropolitan

environment with high economic activity, Mälardalen and the western region of southern Sweden (Swedish Agency for Economic and Regional Growth, 2018).

3.2 Empirical data

3.2.1 Choice of respondents

According to the abductive strategy presented by Ong (2012), the authors should strive to have a recurrent dialogue with the respondents simultaneously with the literature review, while the problem of the study is narrowed down. The background data obtained from Dalarna University provided the authors with an insight of what resources that seem to be necessary when operating equine boarding. These insights assisted the authors to narrow down the problem of the study during the development of the theoretical framework. The background data was an alternative to the recurrent dialogue with the respondents as suggested by Ong (2012). This data set was collected by a second part for other purposes which defines it as secondary data (Bryman & Bell, 2015). The advantage of secondary data is that the authors do not need to spend time on collecting data. Though, this leads to that the authors must process and get to know the data before analyzing it.

The criteria's used by the authors in the search process for respondents are in line with the aim, to create a deeper understanding of these company's resources. Therefore the respondents were selected from two regions with similar conditions. Another criteria was that the respondents must be registered companies, either sole proprietorship or limited company. From the background data, the authors could observe indications that different housing systems may demand a different set of resources. In the choice of respondents, the authors used the criteria of different housing system in order to achieve a nuanced picture and establish fuller constructs at the consensus map of equine boarding businesses in Sweden. The author's intentions were to have equally distributed number of respondents between the regions and a similar differentiation regarding housing system.

3.2.2 Data collection

Semi-structured interviews in the studied objects environment may provide a deeper contextual understanding (Bryman & Bell, 2015). The data in this study was collected through semi-structured interviews with the respondent at the site of their firm to achieve a deeper contextual understanding. The interviews were recorded to assist in the analysis of the gathered material. The startup questions are derived from the theoretical framework themes of Davidsson and Klofsten (2003) business platform. The author's intention with formulating the interview strategy based upon the business platform is that the cornerstones are simpler for the respondents to reflect upon freely. The intention was to get the respondents to mention the company's different resources with less guidance from the authors. If the authors had chosen to formulate questions regarding specific resources they might have been forced to explain what we meant or how we define the "*resource*", which had affected the respondent's answers at a higher grade and the validity of the empiric material.

The startup questions are broader which provide the authors with the possibility to ask follow up questions. The startup questions allow the conversation to evolve and become flexible and it also gives the respondent a chance to develop their reasoning (Robson, 2011). Semi-structured interviews with open and broad questions may misguide the authors and degrade the

results if questions are asked, and answers are misinterpreted. However, it can create a deeper understanding of the subject and reveal hidden aspects (Bryman & Bell, 2015).

The interviews were recorded and transcribed in order to grasp the respondents meaning (Bryman & Bell, 2015). In the transcriptions, only the information that was relevant for this study was included. This was a way to make the data pertinent and facilitate for the respondents to perform the respondent validation. A respondent validation was accomplished, where the recorded interviews were summarized and sent back to each of the respondents to give them the possibility to validate their answers. Respondent validation is a way to increase credibility and confirmability, which are criteria's in the concept of trustworthiness in qualitative research (Bryman & Bell, 2015).

Trustworthiness consists of four criteria's that are used for assessing the quality of qualitative research. The four criteria are transferability, dependability, credibility, and confirmability (Bryman & Bell, 2015). Transferability is how well the results of the study can be transferred to another context, e.g., time or place. Dependability is linked to reliability. Dependability concerns whether the gathered empirics is the information that the author's intended to gather. Credibility is whether the researchers understand the effects and causes of the social world and can determine the acceptability of the study. It can be increased by submitting the research findings to the respondents that were studied so that they can confirm if the researcher has understood their view of the social world. Confirmability is concerned about finding evidence that the researcher's interpretation of participants' constructions and conclusions can be verified as reflective of and rooted in the participants own constructions and perceptions (Given, 2008).

3.2.3 Data analysis

The amount of data in a qualitative study is often large (Bryman & Bell, 2015). Hence, it is essential to conduct a thorough analysis of which it is possible to interpret guidelines. The purpose of the analysis is to connect the theoretical models with the empirical findings. The analysis is structured according to the theoretical framework of this study to facilitate this interpretation. With this model of analysis, the authors intend to clarify the linkage between the theoretical framework and the empirical findings. This also includes identifying similarities and differences in the firm's resource portfolio and how each firm's manager manages their resources.

The units of analysis in this study are firms in the equine boarding business sector. These businesses are classified as small businesses by the Swedish board of growth. Businesses are confined as small if they have less than ten employees (Swedish Agency for Economic and Regional Growth, 2018). In the small business segment, in 97 % of the cases, the manager is also the owner. Therefore, to achieve a deeper understanding of the firm's resource management, the firms will be evaluated from the manager's perspective.

A qualitative approach, with non-randomly chosen and relatively small sample of cases that do not generate a statistical statement, does not function as generalizable (Bryman & Bell, 2015). If the study is conducted as a multiple case study some theoretical or analytical generalization may be stated (Robson, 2011).

3.3 Ethical considerations

According to Bryman and Bell (2015), there are ethical aspects that are important to take into consideration during the entire research process. The applied aspects imply that the respondents are informed at an early stage about the aim of the study. A consistent communication throughout the study is necessary to avoid misunderstandings between the authors and the respondents. The respondents were informed that participation in the study was voluntary and that all the collected material is handled confidentially and only used in this study. Furthermore, the respondents were given the opportunity to refuse the recording of the interviews. To further support communication the respondents were given the opportunity to add, remove or clarify their reasoning's through a respondent validation before any material was published. All respondents are presented in the study with an alphabetic code to increase the degree of anonymity. To further prevent the firms from being revealed they are not described in detail. However, the anonymity and lack of context is a trade-off for the study, though the firm's context often is of importance for a qualitative study (Robson, 2011).

4 Empirical data

4.1 Background data

At an early stage of the study, the authors were given data that had been gathered by Dalarna University (Pers. Comm., Heldt, 2018). The data consists of 168 advertisements from a website called HästNet, where it is possible to advertise different horse services such as equine boarding services. These 168 observations are advertisements for equine boarding services in the region of Mälardalen and the western region of southern Sweden. The observations consist of advertisements both from equine boarding businesses and from individuals with extra space on their private yards. In the observations. The most commonly mentioned resources are the physical assets and the services that are provided in the yard. Some of these physical assets that are mentioned are the housing system, availability of pasture, riding tracks, exercise yard, indoor arena and level of service. A summary of the result of this material is presented in figure 3.

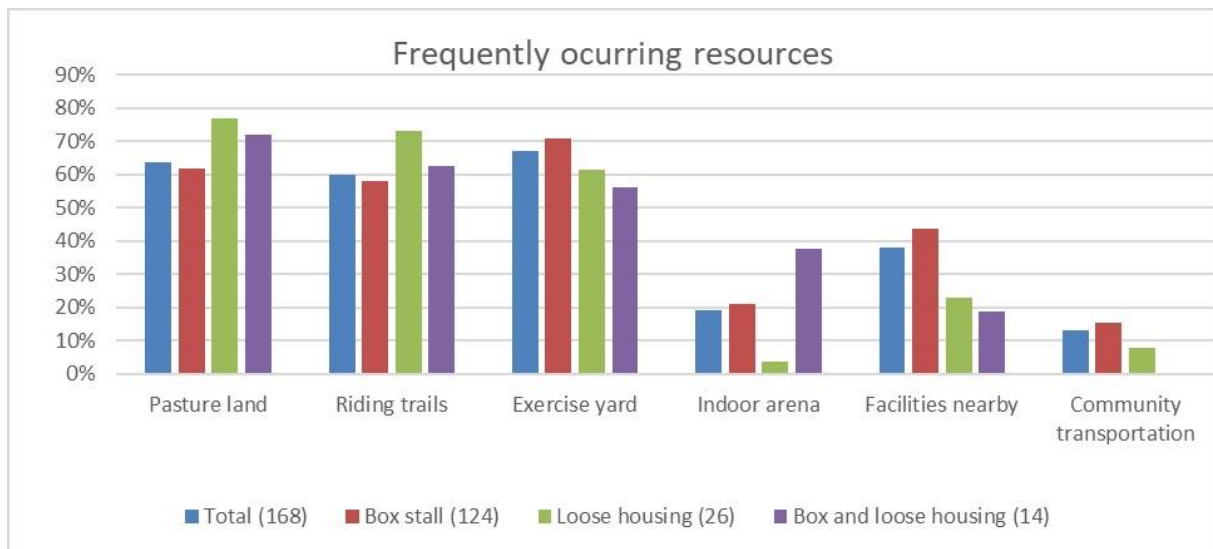


Figure 3. The frequency of the most mentioned resources based on the housing system. In four of the total observations they have not mentioned what housing type is offered (Pers. Comm., Heldt, 2018) (Own processing).

In figure 3 it is shown that approximately 60 % of the total population mentions riding trails in their advertisement. The number is slightly lower when observing only the yards with a box stable and when observing only yards with loose housing, above 70 % mentions the riding trails in their advertisements. The number that mentions indoor arena in their yard is just below 20 % when observing the total population. When observing only the yards with box stable this number that mentions indoor arena is approximately 20 %, the number for the yards of loose housing is just below 5 %. For the yards offering both box stable and loose housing, almost 40 % has an indoor arena at the yard.

4.2 Operational model

In table 1 the authors present how they have connected the two theories to each other. The connections are described in table 1, and they are based on literature and the empirics from this study. In the model, it is presented that some of the cornerstones from the business platform (Klofsten, 1998) connect to several of the resource categories that have been found by Greene

et al. (1997). The interview guide is based on the cornerstones by Klofsten (1998), see appendix 1.

Table 1. Description of operational model.

Category by Greene	Cornerstones by Klofsten	Connections found in the literature
Human resources	Competence	The product is important so that the company have something to sell (Klofsten, 1998). In this study the human resources seems to be of importance for the product since the human resources determine the possibility for service. Greene <i>et al.</i> (1997) include education and experience in human capital. This relates to Klofstens competence (1998). The organization is connected to the human resources since the availability of human resources such as staff and competence determine how the company is organized.
	Organization	
	Product	
Social resources	Motivation	In social resources Greene <i>et al.</i> (1997) include relationships and networks which connects to Klofstens customer relations and other relations. In this study some of the respondents claims that their passion/motivation is based upon their passion for horses and/or their interest for their customers. The motivation of the entrepreneur can be of different social aspects (Brush <i>et al.</i> , 2001; Barba-Sánchez & Atienza-Sahuquillo, 2012). In this study we have found that the motivation can be to have social interactions in the stable or to manage the family farm.
	Customer relations	
	Other relation	
Physical resources	Product	Idea is perceived as a potential market opportunity or a renewed way of solving an issue (Brush <i>et al.</i> , 2001). According to the empirics in this study, the product and the idea is closely connected to the physical resources. The physical resources such as location determines the possibilities of the business. The location also determines the available physical market according to our study. Other relations such as neighbours is often important in these businesses and they are related to the location of the business.
	Idea	
	Market	
	Other relations	
Organizational resources	Organization	Greene <i>et al.</i> (1997) include relationships, structure and culture in organizational assets. This connects with Klofstens organization, customer relations and other relations.
	Customer relations	
	Other relations	
Financial resources	Market	In this study it seems as the market is important for the financial resources. The market determines what price the customers will be willing to pay. This is also related to the organization of the business.
	Organization	

4.3 Description of the respondents

The companies that have been interviewed in this study are located in two different regions of Sweden, the western region of southern Sweden and Mälardalen. In order to achieve a better understanding regarding the companies within this study, a description of the eleven companies is presented in table 2. The respondents were chosen from the two regions. These regions are defined as regions within an expanding metropolitan environment and high economic activity (Swedish Agency for Economic and Regional Growth, 2018). To ensure the anonymity of the respondents, they are given a letter instead of name. Furthermore, the respondents in the list are presented in random order. The chosen parameters consist of start year, the original purpose of the buildings, type of housing, number of housed horses, main occupation, amount of labor hours, amount of external workforce, pricing per month, indoor arena, land used for pasture and if the forage is produced at the company's land.

Table 2. Summary of the responding companies.

Company	Start year	Buildings for housing	Type of housing	Number of horses	Main occupation	Time	External workforce	Rent (K SEK/month)			Indoor arena	Acreage (pasture)	Forage production
								<3	>3 - 5,5	>5,5			
A	1996	Original	Box	16	Yes	100%			X		Yes	15	Yes
B	2010	Redesigned	Box	14		20%	1/2		X			18	
C	2015	New	Box	20	Yes	100%	1			X	Yes	20	
D	2000	Redesigned	Box/Loose housing	50+10		25%	1		X	X	Yes	>50	Yes
E	2013	New	Loose housing A. S.	12	Yes	75%			X			15	
F	1989	New/Redesigned	Box/Loose housing A. S.	11+7	Yes	100%			X		Yes	8	Yes
G	2009	Redesigned	Box/Loose housing P.P	8+21	Yes	100%	3	X	X		Yes	11	
H	2011	Redesigned	Box/Loose housing	10		25%		X				6	
I	2015	Original	Box/Loose housing	15	Yes	100%	1	X	X		Yes	12	
J	1995	Original	Box	16	Yes	100%	1	X			Yes	3	
K	2003	Redesigned	Box	17	Yes	20%		X				4	Yes

The number of active years for the responding companies differ, but a majority of them are younger than ten years. The managers of these companies had a different philosophy regarding how horses should be housed, and some companies used remodeled agricultural barns as stables, while other had built new housing. The size of the companies stretches from part time to full time working owner with a supplement of one to three employed workers. The age of the managers in this study ranges from the age of thirty to sixty-five years and are both men and women. The respondents have various backgrounds and level of education within different fields. Some of them have kept horses in their entire grown-up life and have a strong passion for the equine sector. However, some have less passion for the horses and a stronger business-related approach to their company.

4.3.1 Human resources

When questions were asked related to the cornerstones product, competence, and organization, the majority of the respondents stated that their human resource in terms of experience from their earlier professional careers were of high value for their present equine business. There are some similarities and some differences detected in their answers which are presented in table 3 and explained in detail in the following paragraphs.

Table 3. Respondent's answers regarding the cornerstones competence, organization and product related to human resources.

Company	Human resources - Connects to cornerstones: Competence, Organization, Product						
	Academic education	Horse related education	Other business experience	Employees	Semi service	Full service	Other human resources
A		yes			yes		Higher education regarding horses
B	yes	yes	yes	yes	yes		
C	yes	yes	yes	yes		yes	Additional service available
D	yes	yes		yes	yes		Different service level
E		yes				yes	Family with business background, Trainer
F	yes				yes		Family with higher relevant education
G	yes	yes	yes	yes	yes	yes	Flexible level of service
H	yes				yes		
I			yes	yes	yes	yes	
J	Yes		yes	yes	yes		Flexible level of service
K			yes		yes		Agricultural sector, Fixed service level

When questioned if and what education the respondents has, a majority of the respondents answered they had an academic education, and approximately the same number of respondents had a horse related education, although, there were not the same respondents. Four of the respondents had both an academic education and a horse-related education, and two of them

had experience from other business sectors. All of the respondents had either an academic education, a horse-related education or experience from other businesses.

A few of the responding managers had licenses regarding different areas within the equine business, such as instructor, trainer or masseur. These licenses must be updated on a regular basis if they want to keep them. In six of the cases, the managers answered that the company had one or more employees. One manager with hired staff mentioned that they discussed how the development of the staff's competence could be managed in order to be developed at both a personal and professional level.

Nine of the respondents offered semi-service for the horses. The implication of semi-service is the customer's possibility to choose the level of service depending on their own needs. Four of the responding managers offered full service. The implication of full service is when all service concerning the horse day to day needs is included. In three of these companies, the customer could add services from the basic offer up to a full-service level. Only one of the respondents offered a fixed level of service where the offer included full service at the start and only the additional services such as training, warm up or saddling of the horse was optional.

In table 3 and column other human resources, the level of service is mentioned in different ways by a few respondents. A common denominator is a different or flexible level of service. In some cases, it is possible to keep the cost down by doing some of the stable chores by yourself, and sometimes you can pay extra for additional service, e.g. if you need someone to help you bring in the horse from the exercise yard because the farrier is coming. The family is also commonly mentioned as an essential resource. In one case, experience from agriculture is mentioned as an important human resource, and one of the managers mentioned that collaboration with a trainer is essential.

At some companies, the security aspects of both humans and horses are mentioned. One manager pointed out that planning the pasture sections was vital to minimize the walking distance for the person that handle the horses because it is an element of risk in the business. Several managers got questions from customers regarding letting horses be loose when handled between stable and pasture land to save time, but all managers had prohibited this because of the risk exposure to both other humans and the horses. One manager had organized the yard in a way that the horse and people part of the company was located at one part of the farm, while the farm machinery was handled in another section, with the goal to minimize potential accidents. Another manager mentioned a rule that prohibits customers under a certain age to handle horses without the presence of a grownup person. This manager also mentioned that security issues arise regarding the handling of horses if the horses are kept in larger groups in the pasture land.

4.3.2 Social resources

When questions were asked related to the cornerstones passion, customer relation and other relation, a majority of the respondents stated that their social resources in terms of passion for horses and social networks were of high value for their present equine business. There are some similarities and some differences detected in their answers which are presented in table 4 and explained in detail in the following paragraphs.

Table 4. Respondent's answers regarding the cornerstones motivation, customer relations and other relations related to social resources.

Company	Social resources - Connects to cornerstones: Motivation, Customer relations, Other relations						
	Social activities	Passion for horses	Passion for humans	Communication channels	Forage supplier	Other landowners	Other social resources
A	yes	yes		In person		yes	Neighbor collaboration
B	yes	yes		Social media	yes	yes	
C				In person	yes		Business oriented, owning the facilities
D				E-mail			Authorities, Family farm
E	Yes	yes	yes	Social media	yes	yes	Other businesses, external advisors
F	Yes	yes	yes	Social media		yes	Collaboration with tenant, Indoor arena
G		yes		Social media		yes	External instructors, new view of horse keeping
H	yes	yes		In person		yes	Living the dream, Helpful neighbours
I	yes	yes		Social media			Family, Problem solver
J		yes		Social media	yes		Neighborhood acceptance, Business development
K	Yes		Yes	In person		yes	Neighbor collaboration, people at the farm

When questioned upon the interaction between manager and customers seven of the responding yard managers mentioned that they together with their customers participated in social activities connected to the horses. These activities ranged from riding together to having a recurrent Christmas event or barbeque evenings. In eight cases the main reason the owner is operating an equine boarding business is a passion for horses. Three of the respondents mentioned a passion for humans when asked why they operate a boarding business and one respondent pointed out that it made the farm center livelier. Two of the respondents answered both passion for horses and humans. One of the respondents motivated having a boarding business by *"The passion for horses is the main motivation, but I also really appreciate my customers. I think it is a key factor"*. Several of the respondents also replied that they had chosen the price level for the boarding business depending on which customer segment they wanted to attract.

Furthermore, there are differences in how the managers chose to communicate with their customers. Social media is the most frequently used communication channel in the stable. Mainly for asking if someone wants to join on a hack but also to communicate more important information regarding major changes in the organization of the equine boarding business. Four of the respondent pointed that in-person information sessions were preferable. Thereby problems or changes would be discussed with all or just the persons involved, without increasing the risk for customers to start nagging or correct each other in a social media group.

Three of the respondents had a social relationship and collaboration with a forage supplier and mentioned it as an important resource for their business. Six of the respondents stated that nearby landowners are important because the location and specificity/character of their land is suitable for hacking. A quote from one of the respondents: *"It is important that the landowners are happy. That is why they get a lot of chocolate and cheese every year"*. Other social resources that have an impact on the business is neighbors, family, external advisors, external instructors and collaboration with tenants. The family is often important and help out with different tasks in the business and provide backup when necessary.

4.3.3 Physical resources

When questions were asked related to the cornerstones product, idea, market, and other relations, a majority of the respondents stated that their physical resources in terms facilities in some ways were of high value for their present equine business. There are some similarities and some differences detected in their answers which are presented in table 5 and explained in detail in the following paragraphs.

Table 5. Respondent's answers regarding the cornerstones idea, product, market and other relation related to physical resources.

Company	Physical resources - Connects to cornerstones: Idea, Product, Market, Other relations					
	Natural riding trails	Stable type	Indoor arena	Pasture land	Forage production	Other physical resources
A	Other landowner	Box	yes	Yes	yes	Tillable land, Chose their location
B	Other landowner	Box	nearby	Yes		Housed in reshaped buildings
C	Owned land	Box	yes	Yes		Mechanised stable, Chose their location
D	Owned land	Both	yes	Yes	yes	Reused resources
E	Owned and others	Loose		Yes		Outdoor arena, Lunch room, Suitable location
F	Owned and others	Both	yes	Yes	yes	Electric wheelbarrow, Suitable location
G		Both	yes			Close to highway, Chose their location
H	Other landowner	Both	nearby	yes		Suitable location, Chose their location
I	Other landowner	Both	yes	yes		Integrated facilities, Chose their location
J	Other landowner	Box	yes			Integrated facilities, community transport, close to city
K	Other landowner	Box	nearby	yes	yes	Tillable land, community transportation, Reused resources

The company's specific location was mentioned by all respondents as an important resource. Five of the respondents answered that they had actively chosen their location with some physical parameters in mind before they purchased the property. Those parameters were forest- and beach areas, good infrastructure, and useful facilities nearby. Some argued that the closeness to a highway allows remote access by visitors to their facilities and therefore the highway is an important resource. Four managers mentioned that the company was located at a farm that been in the family for generations. The managers for company C and F stated that the mechanized solutions in the stable such as automatic feeding systems and electric wheelbarrows freed time and made them more efficient.

According to the respondents, natural riding trails are an important resource. Almost all the respondents had trails on their own land or at a neighbor's land, or both. Some of the respondents offered prepared trails with better durability than natural trails. At some of the yards, they used roads or tracks made by landlords for other purposes as riding trails.

Another common physical resource that seven respondents had was an indoor arena. The respondents that did not have their own indoor arena had at least one within riding distance to their farm. One respondent had no nearby arena. This respondent announced that it was one of the future developments for the company to invest in an indoor arena.

Nine of the respondents had a sufficient acreage at the farm to hold the horses on pasture land during the summer months. However, only four had sufficient acreage to harvest their own forage for the winter months. The respondents that supply forage for the horses at their own farm stress that it is a good way to increase the profitability of the equine boarding business. One respondent mentioned that some of the years forage are harvested at the summer pasture sections before the horses are given passage to the pasture land.

4.3.4 Organizational resources

When questions were asked related to the cornerstones organization and customer relations, a majority of the respondents stated that their organizational resources in terms written agreement and leadership experience were of high value for their present equine business. There are some similarities and some differences detected in their answers which are presented in table 6 and explained in detail in the following paragraphs.

Table 6. Respondent's answers regarding the cornerstones organization, customer relations and other relations related to organizational resources

Company	Organizational resources - Connects to cornerstones: Organization, Customer relations, Other relations					
	Leadership	Customer relations	Staff	Written agreement	Stable meetings	Other organizational resources
A	Clear and consistent			yes		Everybody is equal, Time is important
B	Earlier experience valued high	Social	yes	yes	Used to	Converted to social media
C	Management approach	Professional	yes	yes		Working conditions, Time is valuable
D	Education in stable management	Professional	yes	yes	yes	
E	Comes with experience	Professional		yes		Lunch room as meeting point
F	Clear and consistent	Business		yes		
G	Clear and solid	Professional	yes	yes	Used to	Converted to social media
H	Cannot satisfy everyone	View of horses		yes		
I	Earlier experience as project leader		yes	yes	yes	
J	Reasonable and fair	Professional	yes	yes	yes	Earlier experience as manager
K	Aims at a broad consensus	Social		yes	yes	

All of the respondents had a clear plan of how they aimed to manage the company. The leadership was a natural part of all the companies. The respondents emphasized the leadership as a resource of importance for the business. All of the respondents had a written agreement with their customers. All respondents found this to be an important part of the customer relations. One of the respondents put it as *"You probably should have one"*. The written agreement had in all cases some sort of *"how we do it at this yard"*-rules. The respondents also mentioned that they meet and discuss with the customers before signing the written agreement and that the written agreement was often connected to a specific horse.

According to the respondents, seven of them have some business experience from either private or public sector. Previous experiences have influenced, and they mentioned that this gave them a professional view of how to operate their own business. This professional way of operating their business also influences how they interact with their customers. A few of the respondents had a strictly professional view and only interacted with the customers in relation to the business. Some other respondents stated that it was nice to interact and have activities together with the customers and their horses. Two respondents stress that time is a valuable resource and that they actively evaluate their processes to become more efficient regarding time management. One example of that is to shape the pasture section like triangles, with the gates to the pastureland gathered at the pointy ends as close as possible to the yard, to minimize walking distance and also time spent walking. During the winter season, the shorter distance of walkways minimized time spent at deicing, which also leads to improved working conditions with less risk for injuries.

Approximately half of the respondents mentioned that there is employed staff working at the company. In some cases, the owner had employed workforce because they had another job at the side and the boarding business only as a side income. Those without staff operated diversified companies, some combined with other agricultural enterprises or horse related services, which altogether sum up to a full-time job. Several respondents mentioned that they had difficulties finding the right staff to the yard and in one case it even had affected the direction of the business.

Four of the respondents have recurrent stable meetings with the customers where issues are discussed and solved. Two of the respondents mentioned that they used to have recurrent stable meetings but has changed to social media to be more flexible, and problems could be solved when they appeared, instead of being a source of bad mood and conflicts among the customers.

Several of the respondents used economic advisors as a support in their business. None of the respondents used consultancy as support for management or leadership in the company.

4.3.5 Financial resources

When questions were asked related to the cornerstones market and organization, a majority of the respondents stated that their financial resources in terms of written agreements with both customers and suppliers were of high value for their equine business. There are some similarities and some differences detected in their answers which are presented in table 7 and explained in detail in the following paragraphs.

Table 7. Respondent's answers regarding the cornerstones market and organization related to financial resources.

Company	Financial resources - Connects to building blocks: Market, Organization					
	Customer segment	Rent (T SEK/month)			Written agreements	Waiting list
		<3	>3 - 5,5<	>5,5		
A	Diversified		X		yes	yes
B	Diversified		X		yes	yes
C	Specific			X	yes	yes
D	Diversified		X	X	yes	
E	Specific		X		yes	yes
F	Diversified		X		yes	yes
G	Diversified	X	X		yes	
H	Specific	X			yes	
I	Diversified	X	X		yes	yes
J	No preferences	X			yes	yes
K	No preferences	X			yes	
						No vacancies, Low customer rotation

The customer segment is sorted in diversified, specific and no preferences. Diversified is when they have actively chosen to board all sorts of horses for riding with both professional and leisure riders in various ages. Specific is the case when they have decided to target a specific customer segment, e.g. a specific breed of horses or a specific group of horse owners. For example, one respondent answered that *"My customers have a good economy, put great effort into their horse and need much service"*. No preferences were when there was no actively selected customer segment, which implies that all breeds and competition segment are desirable. One manager points out that a yard organized in an effective way may be a way to minimize costs. An example of this was the unique design of their pasture sections is intended to minimize establishing and maintenance costs for necessary infrastructure like walking paths, water pipes, and electricity for outdoor lighting at pasture gates.

In general, the respondents had overall full stables and the number of customers they preferred. Seven respondents also had a waiting list. The waiting list consists of customers who wanted to have their horse at the respondent's yard. The selection of customers was in all cases done with precaution. One respondent examined creditworthiness before accepting new customers.

Concerning the pricing of boxes, one of the respondents answered, *"Ah well it is a difficult part"* and this answer is similar to some of the answers from the other respondents. Overall most respondents answered that the price was too low and that they would benefit from an increase. Four respondents answered that they did not increase the price since they, in that case, would get customers with too high demands, a customer group they did not want to attract. In the stables with loose housing, out of five respondents, only one respondent was concerned with the price level. The other four were satisfied with the price in the loose housing. Two respondents expressed that they had calculated the costs for the housing and based the price on

this calculation. Two respondents had a planned yearly rise of the price regulated in the agreement with the customer. The respondents with additional optional services offered fixed prices for each service. This gave the managers flexibility to meet customers with high preferences, but it was also clear that they had to pay for the additional services.

Two of the respondents started with the horse boarding business as a complement to their already existing farm business. Both of them did this at a point when they terminated their livestock production because it was not financially justified. This meant that they had empty buildings at their farms that could be used for other business activities and both of them perceived future market opportunities for horse boarding. Several of the respondents mentioned that they started the business because they have a passion for horses and because they saw a market opportunity.

5 Analysis and discussion

5.1 Human resources

5.1.1 Competence

According to Greene *et al.* (1997), the age of the company correlates with the company's expertise. From our empirical findings the authors both agree, and disagree, due to that the expertise depends on earlier experiences from other business segment and educations. Though some respondents argue that you grow into the role of manager. This implies that the competence for the specific business segment grows with the number of active years.

Klofsten (1998) argues that it is vital for a firm to have access to competence when solving problems. Concerning education or earlier experience, six of the respondents had some horse-related education/experience, and even business owners who had university education/highly educated in other fields had combined this with more horse-related education. They expressed that this was of necessity both for the firm and a way to get legitimacy in the connection to their customers. According to Widebäck (1995) experiences from positions in other sectors, with a high degree of decision making, can be advantageous. This is in line with the results of this study since several of the respondents mentioned experiences from high positions in other sectors as an advantage for their business.

5.1.2 Organization

According to Greene *et al.* (1997), the managers often tend to value human resources lower than social and physical resources. Greene *et al.* (1997) argue that it can be problematic if the manager does not realize the value of the human resources. One manager stated that they had a fixed service level included in the rent and written in the agreement. Otherwise, they would never be able to get a day off if it was not regulated what the customers part of the agreement implicates. Further, the manager argues that those customers that are helpful can expect to get some additional help in return. A few managers mentioned rules regarding how the horses should be handled concerning the safety. For example, only one horse at the time and the person's minimum age when taking them in or out to the pasture land or minimizing the daily walking distance to avoid the people or personnel to be worn-out.

The general development of competencies within these companies concerned visiting business days related to the equine sector. Competencies are developed over time and unique competence can be hard to replicate by competitors and may contribute to competitive advantages (Wright *et al.*, 2001; Wright *et al.*, 1993). A few of the responding managers were certified in specific fields regarding the equine sector. To keep these licenses and sustain the advantages there are regular educations and tests. These unique competencies can be interpreted as a way of achieving competitive advantages. Wright *et al.* (2001) findings are supported by Jassim and Jaber (1998) who argue that employees with right competence might lead to competitive advantages. Six of the respondents mentioned they had employed staff and a few of these managers had discussed possible competence development with their employees.

5.1.3 Product

The manager's ability to utilize resources is essential to achieve dynamic capabilities within the company. Harreld *et al.* (2007) argue that a manager must be able to sense changes in the competitive environment and adapt to the new environment in order to sustain a competitive state at the market. The respondents that have been operating the equine boarding business for more than ten years mentioned a tendency that customers demand for service has increased over time. Though, the responding managers have adapted to these higher demands and offer their customers flexible levels of service. On the other hand, a few of the respondents offer a fixed level of service to only attract a specific customer segment. Greene *et al.* (2001) include reputation as a criterion in human resources. A few of the responding managers mentioned a way to increase their reputation and product competitiveness at the market by connecting trainers and instructors to the company. However, on the other hand, an external part can decrease the reputation if that person is exposed to bad attention.

5.2 Social resources

5.2.1 Motivation

Klofsten (1998) argues that the basic requirement for development is that at least one person is highly motivated and that the other key actors are committed to the business idea. Klofsten (1998) achieve support from Barba-Sánchez and Atienza-Sahuquillo (2012) in the statement that motivation is superior to profit and being your own boss. Nine of the respondents answer provided this with some different ways of expressing it. The main reason (or in some case the trigger point) for operating the business was their passion for horses. One of the respondents mentioned the fact of having other people around as a primary reason, passion for humans. Our respondent's main motivation for having their business may be interpreted as their passion for horses and passion for humans. This may indicate that our results are in line with Klofstens cornerstone of Motivation that an essential requirement for the development is that one person is motivated by the business idea.

5.2.2 Customer relations

According to Hennig-Thurau and Klee (1997), there are three dimensions of the quality of the customer relationship. These are the quality of the product or service as it is perceived by the customer, trust and the customer's commitment to the relationship. It could be argued here that the high maintenance customer value the quality of the product or service more than the customers that who have to do more themselves. Though in the stables where the customer has to work more they could be perceived as more committed to the relationship with the firm. Davidsson and Klofsten (2003) define the customer relations as that the customer group must be sufficiently big to be profitable and since almost all the yards were full at the time of the interviews this implies that the yards have detected a customer segment suitable for their business.

5.2.3 Other relations

In social resources, Green *et al.* (1997) include networks, relationships, and family among others. According to the respondents in this study, other relations are important for the businesses in one way or another. Several of the respondents mentioned family as important for the business because they contribute with knowledge and provide help when needed. In some of the cases, the companies are family businesses. Except for family many of the respondents also mentioned collaborations with neighbors and farmers. Hart and London (2005) argue that

an ordinary resource in a local context are the most important for small companies. The respondents pinpointed that a good relationship with their forage supplier was seen as important since it is a major part of the operational expense. Several of the respondents claimed that the forage supplier is essential since the customers demand a forage with high hygienic quality. This may imply that in line with Hart and London (2005) the ordinary resource of forage supplier found in the local context plays an important role for the companies in this study.

5.3 Physical resources

5.3.1 Idea

Klofsten (1998) mentions that the idea must be clarified so that the special know-how that makes up the commercial springboard is understandable and can be communicated internally and externally. The empirics in this thesis show that it may increase the possibility to succeed with the horse boarding business if the manager has established a clear idea of their product and service level. Several respondents had clear ideas concerning the resources that were necessary to search for in the surrounding environment when they had decided to establish their business. The location is also an inimitable resource in terms of which customer category you want to attract. This may imply that the specific location is of great importance for the success of their business. The necessary resources depend upon what kind of breed the manager aims at and also what type of customers the manager intends to attract. Examples of resources the respondents searched for are forest land, highway, and suitable facilities nearby. The empirical results reveal that the manager in many cases needs to have a good connection to the surrounding neighbors for collaboration and exchange of resources.

5.3.2 Product

Over time the development of resource theory has preserved the fundamental detail of combining different resources to create specific bundles that manage to give the resource holder competitive advantages compared to their competitors (Kraaijenbrink *et al.*, 2010; Brush *et al.*, 2001; Amit & Schoemaker, 1993; Penrose, 1959). The fact given by the empirics in this study illustrates that four of the respondents harvest their forage at their farmland. They stress that it is a valuable resource for the company and then they are not directly exposed to the price variation of forage in the open market. Another contribution from owned land is also that a circulation on nutrients is enabled at the farm. This implies shorter transports which minimize time spent at transports and the use of fossil fuels, which leads to lower costs and higher profit.

5.3.3 Market

The ability to achieve and sustain competitive advantage depends on three criteria's, the stability of market demand, substitutes at the market and how fast competitors replicate the unique resources (Teece *et al.*, 1997). One manager focused on the customer segment with a disposable income above average. This is a customer group with high expectations and demands upon the facility and the supported service level. Therefore, this manager offered a unique product with a suitable location to satisfy the customer demands and a well-developed full-service facility. The uniqueness of their location combined with the service level made them unique in their area of operation with low risk of being imitated, due to the high cost of the facilities. This

implies that they fulfill all three criteria's listed by Teece *et al.* (1997) and thereby obtain competitive advantages.

Blackwell *et al.* (2009) argue that natural riding trails could lead to competitive advantage for the companies in rural areas, though it is a resource fixed to the location. The results of this study reveal tendencies that physical resources such as indoor arena can give companies in urban areas competitive advantages as well. Two of the respondents who have built indoor arenas expressed that this had profiled them within the possible customer group. One of them expressed that having/building an indoor arena was a necessity for their equine boarding business. One respondent who had decided not to build an indoor arena motivated this with that they then would have to increase the rent to a level that would change their customer segment, which was not preferable.

5.3.4 Other relations

Physical, tangible assets necessary for business operations are important to include (Greene *et al.*, 1997). In the business platform the cornerstone, other relations, contain relations that are vital for the business (Davidsson & Klofsten, 2003). According to our respondents, they often face that they need other relations to obtain access to physical resources. This mainly concerns the availability of land with riding trails. In order for the respondents to have access to land for their customers to ride on, they need good relations with the landowners nearby. A major share of the respondents mentions good riding trails as an essential physical resource for their business.

5.4 Organizational resources

5.4.1 Organization

Green *et al.* (1997) include structures, routines, and knowledge in organizational assets. All of the respondents stated that they have a business structure where they sign a written agreement with the customers where they in detail describe what is included and which horse it concerns. Most of them also have the routine to meet and talk to potential customers before signing the written agreement. A majority of the respondents mentions knowledge from previous experiences as important for their capability to operate the business. Especially social skills are viewed as important since there are a lot of people to deal with when you operate a boarding business. Klofsten (1998) argues that small and young firms often have a flexible, informal and simple organizational structure. The respondents are involved in and handle all parts of their businesses and have a maximum of three employees.

5.4.2 Customer relations

Green *et al.* (1997) also include relationships and culture in organizational assets. The culture of the yards was a bit different. At some of the yards they had recurring meetings, and at some of the yards, they used social media to communicate. The culture differed in the way of the yard owner went hacking with the customers or kept a strictly professional relationship towards the customers.

5.4.3 Other relations

According to Yngwe (2014), there is a need for more advisory services concerning leadership and management in the agricultural businesses. According to the respondents in this study, none of them used advisory services on other subjects than the business administration. The horse sector is a part of the agricultural sector that has been in a transformation phase from hobby towards ventures (Pussinen & Thuneberg, 2015). This could be a reason for why none of the respondents have used external advisory services. There is a shortage of advisory services in the agricultural sector in general concerning leadership and management.

5.5 Financial resources

5.5.1 Market

When defining the market Davidsson & Klofsten (2003) mention that it needs to be large enough and profitable enough for the firm to reach viability. Zahra *et al.* (2006) implicate that a manager's internal resources like motivation and experience are useful capabilities in a changing environment. Furthermore, Harreld *et al.* (2007) argue that a manager must sense potential changes in the competitive market and be decisive to reconstruct the company's resource portfolio if necessary. Two of the respondents changed the direction of their farm business after ending traditional livestock production. Due to the changes in these two companies resource portfolios where the housing resource became expendable with future maintenance costs left. The managers sensed a potential use of their resource bundle and a business opportunity in the horse boarding sector with a potential of improved profit.

Hess *et al.* (2014) stated that the pricing of equine business services, e.g., riding lessons, display a positive correlation with the average income in nearby cities. Furthermore, Hess *et al.* (2014) find that indoor arena is one of the most important physical price determinants in riding school businesses. The results of this study show tendency that other factors also may influence the pricing for equine boarding business. Two of the respondents claimed that a change in price was easier for the customers to accept if an improvement of the facilities was made at the same time. However, several of the respondent's state that adjusting the price up a bit might be accepted by the customer. Furthermore, they argue that a rise in the price would attract an undesirable customer segment with higher demands than they are able to supply. This may implicate that managers of equine boarding businesses have the capabilities to adjust to the surrounding environment and sense changes in the market. However, only two respondents mentioned that they determine the price based on economic calculations. The most common way that the respondents to find a suitable pricing level is to compare with advertising prices. However, the drawback with this reasoning is that you obtain prices from equine boarding that are operated on a private basis only to support privately owned horses. Two respondents had in the written agreement a clause that the monthly rent would rise with a fixed percent each year.

One of the respondents had created a competitive advantage through the use of own financial resources to create a business that was right in time, concerning what the customers in the area demanded. Some of the other respondents had also noticed the "*trend*" that some customers have a higher demand, but have chosen not to adapt to this trend. This may lead to a creation of competitive advantages when the uniqueness in the, in this case, created or transformed, resources are combined with the human skill of timing which is in line with Brush *et al.* (2001) result.

5.5.2 Organization

In organizational assets relationships, structures, routines, culture, and knowledge are included (Greene *et al.*, 1997). The structures and routines found in the respondent's businesses concerning the organizational part of the financial resources are a written agreement and the routines for selecting new customers. The empirical data show that seven of the respondents answered regarding the number of occupied horse places that it was full and that they had customers on a waiting list. Remarkable to note is that many of the respondents selected new customers with precaution, but when it comes to evaluating their economic status, only one of the respondents used services like credit reports systematically. The most common way to evaluate them was by verbally ask other in the stable what they knew about the person and horse. In several cases, it was often the existing customers who recommended new customers to apply for a "spot" at the yard. In that way, the manager hopefully knew that the new customer would get along with the rest of the customers.

Almost all of the respondents talked about how they organize the yard to make it easier and less time consuming to do the everyday work. One of the respondents had taken this further by designing paddocks in another formation, leading to shorter walking paths, lower maintenance costs, and lower building and winter costs.

5.6 Discussion

The business platform was developed as a tool to facilitate the assessment of newly started technology and knowledge-based firms (Davidsson & Klofsten, 2003). However, it has also been proven to be suitable for another type of companies (Zaheer *et al.*, 2018; Hyder & Lussier, 2016; Dalborg, 2015; Yencken & Murray Gillin Am, 2006). Given by the empirics and the analysis in this thesis all eleven equine businesses in this study seem to have Klofstens eight cornerstones from the business platform in place. However, this may indicate that the companies chosen are viable. It seems possible that older companies would not have survived for so long if they did not have all the eight cornerstones in place at an early stage. During the interviews, there has been a tendency that the older companies have cornerstones that are firmer, while the younger companies are more adaptable and try to find their way to achieve competitive advantages.

5.6.1 Human resources

The level of experience affects the entrepreneur's information seeking (Cooper *et al.*, 1995). In this study, we could see indications that entrepreneurs with a lot of previous experiences in the field of equine businesses had already from the start of the business a clear idea that they followed. Meanwhile, the authors could observe that entrepreneurs with less previous experience were more adaptable to their surroundings because their idea was not fully developed. The business manager's education and previous experience seem to be an important resource in the business. The respondents have mentioned their experiences in dealing with different kind of people as an important knowledge from the education and or previous experiences.

According to Greene *et al.* (1997), physical and social resources tend to be valued higher than human resources by the founder of the company. The results of this study indicate that the social resources may be valued higher than human resources since the managers mention that it is crucial to keep the customers satisfied. To succeed in satisfying the customers the perception

by the authors is that the management skills of the respondents may be the decisive factor. Not all of our respondents that operated an equine boarding business had an equine-related education, but they instead pointed out earlier experience or education in the overall management as one of the most important skills for their current horse boarding business. This might indicate that in line with Brush *et al.* (2001) the managerial skills are a key competence that may provide unique advantages.

5.6.2 Social resources

It seems as if social resources are important for all of the respondents. The social network that surrounds the companies seems to have a vital part in the success of the company. The network often includes key people such as landowners, farmers and forage producers but also family. These key people can help provide the business with important resources. This is in line with previous research that has shown that social resources are important for businesses since social resources can help gain access to other types of resources (Brush *et al.*, 2001; Greene *et al.*, 1997). The extent of the social relationship to the customer depends on whether the respondent works full time or part time with the business. If the respondent has another job besides the horse boarding business, the social relationship to the customer seems to be valued higher. If the respondent works full time with the horse boarding business, the relationship to the customers seems to be at a more professional level.

5.6.3 Physical resources

Greene *et al.* (1997) and Barney (1996), argue that it is through unique and inimitable resources a company can achieve and sustain competitive advantages. As the empirics and the analysis in this thesis show there are several ways to combine and utilize the company's resources to differ from the competitors. The riding trails may be a necessity to attract customers, though, ten of the respondents have access to riding trails, which indicate that it may not be a competitive advantage that Blackwell *et al.* (2009) argued. According to Lunner Kolstrup *et al.* (2013), one of the main problems for equine businesses is to streamline their business ideas and to adapt to the customer's needs. Our results indicate a difference since several of our respondents have managed to do, and they offer flexible or additional service and an environment that suits the chosen customer group. This flexibility is in line with Ireland *et al.* (2003) findings concerning manager's ability to utilize resources. The location is of importance to differ from the competitors in this type of businesses, and the location might be crucial for which customer segment the manager intends to attract.

Further, it seems as on farm forage production is a suitable way to improve the profitability of the equine boarding business. Though, it depends on if there are enough tillable land to the estate. On the other hand, buying forage from a supplier might be more suitable, given that the manager can buy forage with the right compilation of nutrients. This might be desirable by some customer segments, and the needed amount can be contracted in advance. A perception by the authors is that the social network close to the business is crucial to becoming successful in this type of business segment.

In the empirical data, the authors connect physical resources to the cornerstone idea. This connection was found due to that the business idea is strongly depending on the physical resources available since you cannot have a horse boarding business without having some building or site to keep them. A way that our respondents had used to create an edge or competitive advantage concerning physical resources was to build an indoor arena. However,

some of the respondents stated that it was an extensive investment, with no or small possibilities for payback if the main source of income from the new building was to increase the rent. This may imply that an indoor arena is a form of competitive advantage since all competitors are unable to replicate it, because it is a financial threshold.

5.6.4 Organizational resources

Green *et al.* (1997) include structure, routines, culture and knowledge into the resources of the organization. All of the respondents had a written agreement with their customers, and the perception by the authors is that these were very voluminous. The respondents said this was of necessity because of different reasons such as it clarifies the rules at the yard, and in this way, reduces the extent of arguments with the customers. This may indicate that this is a formal part of the organizational culture and that the boarding businesses in their organization need those agreements with their customers in order to facilitate management and leadership in the business. In small firms, the organizational structure is often simple (Klofsten, 1998). The simple structure seems to be the case even in the respondent's companies since they are from one to four persons working in the businesses.

5.6.5 Financial resources

Most respondents expressed that an increase in rent would be preferable. Nevertheless, they did not raise the rent due to reasons such as the potential for losing customers, attracting other customer groups or as it was perceived to be challenging to raise the rent without improving something at the yard. The perception by the authors is that the respondents had a difficult time to increase the rent if they did not have a valid reason to present to the customers. Two of the respondents changed from traditional livestock production to horse boarding due to a shift in technology and viability in the market. This may imply that they had the required decisiveness to act on the opportunity to change their resource portfolio to the new challenges as Zahra *et al.* (2006) argues. A competitive advantage is obtained when the manager has gathered resources and combined them in a unique set (Brush *et al.*, 2001). This is what all of the respondents seem to have succeeded with. Therefore, our results differ from earlier research by Pussinen and Thuneberg (2015), who state that to be a more successful entrepreneur in the horse sector you need to have well defined economic goals and be more competitive. One can maybe always do "more", but the authors find that our respondents already are aware of this and that they are constantly working on improving their competitiveness in suitable ways for their companies.

The results reveal, in line with Andersson & Johansson (2004), that there is a potential to operate horse boarding business with a viable result if it is managed properly. This conclusion is based on that several of the farms in the study had been operated in the boarding business as their main occupation, and some of them have been in business for several years. The results of this study are also in line with Cederqvist and Wijkander (2004) that states that there are two main reasons for farmers to invest in horse boarding. These are their passion for horses and the market and competition situation in the area. This is in line with what several of our respondents have mentioned as their reason for starting their business.

6 Conclusions

The aim of this study is to create a deeper understanding of how equine boarding businesses are managed in the Swedish equine sector. In order to fulfill this aim, the following questions are answered.

- Which are the key resources in equine boarding businesses in Sweden?
- What are the main roles of these resources?

The results of this study indicate that there are several key resources in Swedish equine boarding businesses. The key resources within the human resources are motivation, education and experience of the manager. The motivation of the business owner seems to be vital for the orientation of the horse boarding business. The motivation, education and previous experience of the manager tend to affect the way the resource base of the business is composed. The motivation affects the orientation of the business which determines how the resources are used. Therefore, the thesis reveals that for the majority of the respondents, an interest of horses is the main motivation to have the equine boarding business.

The manager's network is the key social resource, and it is often a vital resource for the business. The network determines what resources the business has access to. The location is the key physical resource. The location determines the market that the business has access to and it is relevant for other physical resources, such as facilities that are located nearby. The results of this study indicate that an indoor arena at the yard or nearby the yard may create a competitive advantage at the market. The results also indicate that the key organizational resources are those that help govern the customers, such as written agreements and the leadership at the yard. The results of this study reveal that the key financial resource is the chosen price level. The chosen price level reflects what customer segment the manager aims to attract to the yard. This often correlates with the motivation of the manager.

6.1 Further studies

Future research topics within equine boarding businesses could be to investigate the leadership's influence on the business since several of the respondents in this study mentioned the leadership as an important aspect. Other interesting topics could be to examine the pricing of the services of the businesses, to study equine boarding business in areas with a lower level of economic growth or to study the customer's perspective of the equine boarding businesses.

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Personal message

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Appendix 1 – Interview guide

Interview Questions

The guide for the interviews starts with basic background information. This is to encourage the respondents to describe the environment and the social context that they work in.

Background information

Initial question: Can you tell us a bit about the business?

Checklist background information

The manager's age, sex, and educational level/ work experience

Is the business your main occupation?

To what extent do you work outside the business?

To what extent do you work within the business? Full time/ part time

The number of employees:

The ownership structure of the company/yard:

The number of hectares:

Number of boxes

Number of customers

The total number of horses in the yard:

Shelter:

Loose housing:

Access to pasture:

When was the business started?

Facilities on the yard

Indoor arena

Outdoor arena

Walker

Lunging ring

Roads for hacking

Cross-country course

The facilities not available in the yard, are they possible to access in some other way?

Overall themes

Idea

What is the idea of the business?

Product

What do you offer your customer?

Market

What does the market look like?

Organization

How is the business organized?

Passion/Motivation

What is your motivation for running the company?

Competence

Which competencies are accessible in the business?

Customer relations

What does your customer relations look like?

Other relations

Which other relations are important for the business?

Potential follow-up questions

Idea

Which type of customers do you intend to attract?

Do you have customers/ customer groups that you do not wish to have?

Have you replaced customers in the stable?

Are there clear guidelines for the customers?

Product

What is included in the yard for your customers?

What is the cost for a box and potential extra services at your yard? How did you come up with this price? How do you perceive the pricing?

Market

What is your perception of the competition on both local and regional level?

Where do you find new customers?

Does the physical location of the business affect the market possibilities?

Organization

How is the business organized?

The structure of the yard (Who does what? / Collective/ Semi service / full service)

Are there employees in the business?

Are there interns in the business?

Who does what in the business? Administration, stable duties and so on.

How is the planning and monitoring of the business conducted?

Do you have other production branches in the business?

Passion / Motivation

What is your passion/motivation to run this business?

What do you believe to be the most important part to become successful in this kind of business? (What is your definition of successful?)

Competence

What education does the management of the business have?

What education do the employees have?

Are there other competencies within the business?

Do you work with development of competencies within the business?

Customer relations

Who are your customers?

Do you have a specific customer segment? (Dressage horses/ showjumping horses / Icelandic horses)

What kind of relationship do you have with your customers?

Other relations

Which other relationships are important for the business to function? (Neighbors, landowners and so on)

Are there other people that are vital for the business? (Family, friends and so on)

How do you interpret your relationships to external counselors? (EU-counselors, business administration and so on)

The future

What does the future look like for the business?

Have you considered developing some part of the business?

Have you invested in the business the last five years?

What is the investment requirements in the facilities the coming five years?

Do you have a long-term goal with the business? What do you think of your business competitiveness in the future?

How do you perceive that the equine business, in general, has developed the last few years?

How do you perceive the future of equine boarding businesses?