

# Young starting entrepreneurs in the equine sector

Exploration to the possibilities for young starting entrepreneurs for sustainable equine enterprises in the Northeast of the Netherlands.

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Although the equine sector is an upcoming sector, it is not profitable and professionalization stays behind.

The Northeast of the Netherlands is an equine area. Relatively, it contains most equine sportsmen and many possibilities for equine enterprises to be successful. However, this seems not to be enough. Especially young starting entrepreneurs seem to have difficulties with starting an equine enterprise in the Northeast of the Netherlands. These challenges include large investments that are required and difficulties to get loans and the lack of knowledge and missing financial, economic data about the equine sector in the Northeast of the Netherlands.

Therefore, this research has been carried out. The objective of this research was to investigate the opportunities for sustainable enterprises in the equine sector for young starting entrepreneurs in the Northeast of the Netherlands. This research also includes the different aspects involved when starting an equine enterprise in this area in order to be and stay sustainable and successful.

The target group of this research was; 'young starting entrepreneurs who want to start or take over an equine enterprise in the Northeast of the Netherlands'.

In order to get good insights, come to a sound conclusion, discussion and recommendation, both desk and field research were done during the research period. Existing information as well as new information, collected by handing out questionnaires at livery yards and riding schools and interviewing owners of multiple equine enterprises, was examined. Research activities included visiting multiple equine enterprises, the Chamber of Commerce, banks and boards of municipalities. Based on the information retrieved from those institutions, the research came to a satisfying result. Nevertheless, persistence and persuasiveness were necessary to get appointments at and information from several formal and informal organizations in order to collect and process all data,.

This research was carried out for an advisor/accountant in the Northeast of the Netherlands who lacked knowledge about the equine sector in the Northeast of the Netherlands. He needed to get more insight in this particular industry in order to advice clients who were willing to start an equine enterprise in the Northeast of the Netherlands, but who were not sure if this financially could be a success. Therefore, this accountant searched for a knowledgeable advisor to investigate whether this young couple would make a good decision by investing in an equine enterprise in the Northeast of the Netherlands.

This research is carried out over a period of six months in total and a lot of effort is put into this research by making different analyses and researching the profitability of riding schools and livery yards. This was necessary in order to be able to present a clear picture of the industry in this area and give these young starting entrepreneurs in the equine sector in the Northeast of the Netherlands a sound advice.

During this research, it helped a lot getting feedback from the principal at different aspects of the research,. Also, the cooperation of different riding schools, livery yards, formal and informal organizations were of great value in order to collect sound data, gain new information and carry out this research on this high level.

In short, the conclusion of this research was that there are opportunities for young starting entrepreneurs in the equine sector to start or take over an equine enterprise which has potential for the future and can be sustainable when the entrepreneurs take different aspects into account. These aspects include:

- Due to large investments and (currently) in general low profitable equine enterprises, it is difficult getting equine enterprises financed with a loan provided by a formal organization. Only if it involves a company takeover where the results are good, or when a **sound and realistic business plan is handed over**, formal organizations might provide a loan.
- In order to be successful, entrepreneurs should mainly **distinguish** themselves by quality in offering livery with many facilities or small-scaled high-level riding lessons. Lower prices might seem attractive, but will cause lower profitability. Moreover, current equine enterprises are already not profitable.
- Further, entrepreneurs should possess the **characteristics of entrepreneurs** in general, in combination with an innate passion for horses and horse knowledge.
- The **location** need to be chosen carefully. Since 80% of the horse sportsmen are recreational riders and most of the time prefer to do this in nature, one should settle near tracks and forests. Moreover, horse sportsmen do not want to drive more than 15 kilometers to a riding school or livery yard, so this should also be taken into account. Another location might be cheaper, but will also be less profitable and therefore in the end more expensive.

Based on the information gained from this research, it would be recommendable for young starting entrepreneurs to find out if they are skilled for such a specific enterprise (do you possess characteristics of both an entrepreneur in general and a passion entrepreneur), to search for a good location near tracks and forests and nearby cities or in between villages, to distinguish the company from competitors (mainly by quality) and to write a sound, realistic business plan.

Although this research involves a specific area and a specific target group, all (young starting) entrepreneurs, national or international, can benefit from this research. It provides guidelines for anyone how to investigate if the market in a specific area will have enough potential for starting or taking over an (equine) enterprise. Moreover, it also provides a sound guideline for current equine enterprises to investigate how they should change in order to become or stay successful. When all equine enterprises and potential equine entrepreneurs will have a look at this research and apply it to their specific situation, the equine industry could become more professional and profitable.

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