

## **COLD OPPORTUNITY: THE NILS BERGQVIST STORY (A)**

Nils Bergqvist was born in the middle part of Sweden. His father was Norwegian from a family of sea-faring folks working in the Norwegian Sea. His oldest cousin was captain of a big boat. Nils' first dream was to be a captain:

*When I was just five or six years, he was standing there with his big white hat and I said, "I shall also be a captain." I became a captain, but actually I have not been working at it. As I was growing up, I decided to see the world, so I went on one of those boats around Sweden several times and to many parts of the world. As I was doing that, I was also skiing and all the time when I was out on those boats, I missed the skiing. So when I came home, and the snow was gone in other places, I went up to Jukkasjarvi in the north and I was skiing about three or four weeks until the last snow was gone and then I was standing there and was thinking about being a sailor or starting with something here.*

While growing up and getting an education, Nils also read a lot about the environment, and ended up becoming an environmental engineer. As he was finishing school, he went to a big mining company that had interests in Kiruna (in northern Sweden) and asked if they needed an environmental engineer. They did. So Nils went to work for them. He described his stint there:

*The most boring part of working in a mine company was that you have a number. My number, what do you call it, an employee number, I had 3717 or something. That was before your name. So they were calling me 3717, not my name. I couldn't stand that. I was thinking of it often, and then when you are in such a big company, you are also seeing things -- like those guys there, they are mostly looking forward to Fridays. They are not really working. During that time, I think if you asked all the people in the mine company who was actually working there, I think maybe half of them would have put up their hands. The others, they were there, but that is all. Anyway, I felt that this is not my place.*

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This case was prepared by Saras Sarasvathy, Associate Professor of Business Administration, and Elliott Weiss, Isadore Horween Research Professor of Business Administration, with assistance from M. Aronsson and taped interviews with Nils Bergqvist. It was written as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation. Copyright © 2006 by the University of Virginia Darden School Foundation, Charlottesville, VA. All rights reserved. To order copies, send an e-mail to [sales@dardenpublishing.com](mailto:sales@dardenpublishing.com). No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the Darden School Foundation.

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During the eight years Nils was working for the mining company, he did quite a bit of canoeing and river rafting. Soon he began taking tourists with him. He would wake up very early in the morning and go down to the tourist bureau to see if there was someone who wanted to go down the river. Almost every day there were people interested and so he began taking them with him on the river. What started out as a casual hobby began turning into a business of sorts:

*I had one client who paid me and then there was someone who wanted to pay me to come pick him up. It was not exactly a business, but it was fun. The tourist bureau sold the ticket, but I was an independent tour guide for my own project. I took just one client in my kayak and went down all the rapids – 40 Kms every day, big rapids. That was fun and they were wet. It was not very economical. I was getting paid from my day job at the mine company, I did this for fun. But what I earned was coffee money. I was strong. For me it was training paddling. In my mind, I was strong, I was with a guest and it was fun, I showed him my river and I was training, training four or five hours hard down the river. So that was fun.*

*Then I saw the next thing, that this is fun. People enjoy it. Then I was thinking about bigger boats, maybe we could do something. Then I heard about rafting in the Ganges or something in Nepal. Then I was asking a Swedish journalist who had been there about his experience, if he did the tours and so on. He said he was not doing that, because it was raining all the time, but he sent me brochures about it. Then I just bought a boat and started to go with tourists. Then I saw that I needed more boats and some day I had more than 30 boats on the river.*

Nils resigned from the mining company when he purchased his first boat. He had no earnings after the tourist season was over, but he was single and confident he could find something else. He did find other things to do around small towns in the area. In any case, he had so many guests through his tourist business that he was surviving. He grew the business to about 40 employees in the summer time. And even though competition began to increase with 30 to 40 companies in the region, Nils's business was doing well, at least partly because it was the first one there. As part of growing the tourist business, he also entered the restaurant business with full time employees. However, the seasonality of the whole thing continued to nag at him:

*We tried to find out something even for winter. But when I asked here locally what to do, they said that this was not an idea, because it is too cold and too dark and no reasonable person would go there, they said. For me it was something else, because I like snow, I like skiing, I like cold, cold climates is fresh for me. I like light, we have so beautiful light, so fantastic light, and even the northern lights. Now we are going to have the full moon and I love that. I love skiing when it is full moon, it is fantastic. You can see your own shadow and it is night. It is fantastic. All the time I see that. So locally, I didn't get any help for finding tourists during the winter, because the tourist office was closed during the winter and they didn't believe in it. So I tried to find guests from other countries.*

## **Nils meets Sakata**

In his quest for finding something to do during the winter, Nils traveled to other winter destinations such as Anchorage in Alaska to find out what was going on there in winter. He heard in Alaska that many Japanese came to see the Northern lights. So he asked the Swedish Tourist Office, which was spread all over the world, if they had any representatives in Japan. That led him to the Scandinavian Tourist Board in Tokyo. When Nils asked them if they knew any travel agents in Japan who were interested in Scandinavia, they gave him the name of Sakata.

Sakata was a businessman. His family had a small factory in Japan that made beautiful gift boxes. The family also owned a small bar. Sakata's father had been working for the Japanese Consulate in Finland for a while. The family named the bar, Bar Finland. Sakata was interested in going from Japan to Scandinavia. When Nils phoned him, he came to Jukkasjarvi. Nils describes the meeting:

*I told him that I would like to learn from him what we could do or what he believed we could do together. I had just ideas about doing something with snow and winter, I was focused on that, to find out something. But I didn't know what.*

One result of the meeting, however, was that suddenly many Japanese tourists began traveling to Swedish Lapland. And Nils began visiting Japan.

## **The Trip to Japan**

On one of his visits to Japan, Nils went to Hokkaido, where they have the big snow festivals. He stayed at the Sapporo Prince hotel in Ishikari. There was a lot of ice art outside. Nils asked if anyone staying at his hotel was an artist. After having a beer together, Nils invited the artist Aoki to come to Jukkasjarvi. Aoki and other invited artists came and created a small workshop where they could show how they were working with ice.

The workshop received a lot of press. About 14 artists including locals came to Jukkasjarvi on a Friday at the end of November and began working through the weekend getting ready for the seminar scheduled for Monday. Local people also came by and began taking photographs as the artists sculpted eagles and reindeer out of the ice Nils and his people cut out of the frozen river Torne nearby. There was growing excitement at the beauty of the art, the skills of the sculptors and the interest of all who stopped by. Nils describes that Sunday evening and what followed:

*The evening was cold and clear and I was working here. I had a family during that time. So we were watching it and they were so impressed, so happy, it was so beautiful. People were photographing it all the time, local people here in the village. The next morning when I wake up at 6:00, I heard something strange. I couldn't believe it, but it was raining. It was raining and it was plus seven degrees. It is true. I was making coffee and I felt what would happen with that ice and our tours start at 11:00. So when I came down here, two of my people who were working here, they were standing with the sheets over the ice art, it shouldn't rain on it. They asked me, "What should we do? It is terrible wet*

*already. This is going to be destroyed.” I told them that that is something we can’t do anything about, so let it rain. I remember also when the artists came here at 11:00, then the ice art reindeer lay down --, it was destroyed. I was thinking, “What are we doing? We tried to preserve something that belonged to nature. Let it be destroyed and make something new when it is destroyed.” So we invented that feeling that day.*

The rained-out ice art exposition behind him, his resources exhausted, Nils sat down to think about what to do next.