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Business Administration, Lappeenranta
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Productizing the “Doing Business in Finland” seminar for Russian clients

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Abstract

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The status quo between Russia and western countries has been unstable since the crisis in Ukraine started in November 2013. Even in these unstable times it is important to maintain and develop business liaisons. Eventually, when the global environment gets better, emerging economies like Russia still offer vast markets for different kind of industries from machinery to consumer goods. The objective of this study was to find out what kind of help Russian companies need when they are heading towards EU markets and what would be the most profitable and efficient way for Savonlinna Business Services to deliver information and consultancy services for Russian clients.

The theory part of this study discusses theories of internationalization and productization. The information was collected from books, articles and Internet. In the empirical study qualitative approach was utilized and research was carried out by comparing literature findings to the interviews of business service experts and observations of daily work related to internationalization issues in Savonlinna Business Services.

As a result of this thesis it was found out that Russian customers need information on how to start a business in Finland/EU markets, assistance in finding business partners and investment opportunities in Finland, and preferably a Russian speaking business coach to lead the way on a foreign market. It was also found out that the most efficient way of reaching several Russian customers at once would be offering them an informational seminar in cooperation with Russian partner organizations. As a final result a standardized seminar package including different modules was productized for Russian cooperation partners and customers.

Keywords: business service, internationalization, productization, service product

Abbreviations

CCI	Chamber of commerce and industry
SBS	Savonlinna Business Services Ltd.
SCC	Savonlinna Chamber of Commerce
SPCCI	St. Petersburg Chamber of Commerce and Industry

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1 Introduction

European economy is recovering back to slow growth, but the Finnish economy drags behind the peers. By the forecast of the Ministry of Finance export volume in Finland is raising slowly, but the structural change, low-key national demand and structure of supply will cast a shadow over export for a long time ahead. In the next few years export growth will lag behind the world trade growth. On international level politicization of economic relations and economic nationalism will remain as remarkable risk factors and the meaning of political risk has arisen in the light of recent development. If the crisis in Ukraine continues, it can increase the economic and political uncertainty as well as increase the capital flow from Russia, reduce investments and possibly move Russia's economy to a longer-lasting recession. The change in the ambience may reflect on Finnish companies in different kinds of unpredictable trade barriers and problems. (Valtioneuvoston kanslia 2014, p. 10.)

Generally speaking social development policy reflects at least indirectly to the activities of a company. Public authorities' tax policy, regulations, and various kinds of support measures affect corporate profitability and can be very meaningful, for example, at different stages of the economic cycle. Changes in the legislative and political attitudes towards business and entrepreneurship are important factors when new companies are established. Similarly, labor market and social policy define a company's human and resource solutions. Urban planning, energy and environmental issues govern companies, and those have to be taken into account when making business decisions and planning marketing. (Bergström & Leppänen 2009, p.51.)

Even though the situation between Russia and western countries is unstable at the moment, emerging economies like Russia still offer vast markets for different kind of industries from machinery to consumer goods.

South Savo and South Karelia regional councils are lobbying for getting an international border cross to Parikkala (60 km from Savonlinna). That would

enhance business between Finland and Russia by cutting import/export transportation costs and by increasing tourism. In June 2015 the Finnish Ministry of the Interior has informed that Finland is not giving an international status for the Parikkala border crossing, because of the poor economic situation in Finland and declining passenger numbers from Russia. The Ministry's opinion is not final, it will be revised if the economic situation gets better and the number of passengers from Russia take turn for better (Schönberg 2015).

Savonlinna Business Services' (SBS) social responsibility is to promote the city and its companies' ability to operate in an international environment (in accordance with the city strategy) especially in the internationalization processes towards Russia as well as support the development of a multicultural society. The case company contributes by combining business life opportunities and the possibilities that education offers to the needs of business environments. Operations are based on promoting and developing the regional employment and business life.

Albeit growth potential still exists in Russia it still has disadvantages like ambivalent institutional environment and underdeveloped economy compared to Europe. Also the business culture still differs from the western culture and the language barrier is high, so companies need help, advising and contacts when starting business in Russia.

Production of advisory services is leaning strongly on the capable personnel and continuous increasing of knowledge. Trust and reputation have become very important factors in managing a consultancy company. They are dependable on the network of previous customers, other consultancy firms and former employees. Competitive advantage is gained via expertise, which is available when dealing with close networks. The meaning of cooperation networks is emphasized. (Laacks 2010, p. 38.) In Russian trade, building up cooperation networks is extremely relevant. Even in these unstable times it is important to maintain and develop liaisons. Eventually, when the global environment gets better, one must be prepared and ready to start immediate actions with already initiated partnerships.

In this study the services that Savonlinna Business Services offers to its Russian cooperation organizations and companies is explored and productized in order to strengthen SBS's ability to serve Russian customers as well as help local companies to start business cooperation with Russian partners.

Before this research, the term "Internationalization services" did not say much on the SBS's internet sites nor to the employees' either. It was hard to specify how the organization helps local or foreign companies in their internationalization processes. Of course the service existed as part of the business advisory processes, but knowledge was spread and individualized. Also the global situation in 2015 has made it hard to justify the strategic choice of directing operations towards Russia – the value of making preparations for future cooperation possibilities was not recognized. On the other hand, based on the customer feedback and customer flows it was clear that a need for Russian services existed.

By Tuominen, Järvi, Lehtonen, Valtanen, Martinsuo (2015, p. 8) a service competent for productizing has some attributes that can be recognized: there is a repeatable customer need for the service, it meets the company's strategy, it is economically profitable, knowledge for service production exists and repeatable parts can be found. All the previous conditions were met when starting the productizing process.

This research was done by qualitative interviews to the SBS's personnel and cooperation partners and by observing the real life meetings and discussions in SBS.

1.1 Objectives, research questions and delimitations

The aim of this study is to determine and productize SBS's services for Russian cooperation partners and companies and make a development plan for those in order to find reliable business partners for Finnish and Russian companies and to root cooperation networks into everyday working practices.

The aim is to find out what kind of information and help Russian companies need from SBS when they are planning internationalization towards West, to Finland and the EU area. The research helps SBS to plan and develop its actions on the basis of customer feedback. The research is targeted on the small and medium size businesses; because those need resource wise more help in their internationalization aspirations than big corporations.

The research questions were:

1. What kind of help and information do Russian companies need when they are heading towards EU markets?
2. How should the cooperation with Russian companies be build and what would be the most profitable and efficient way of delivering information for Russian companies?

The research is limited to the so called Russia Services of SBS and in particular to business actions between the Savonlinna region and St. Petersburg. Because of lack of Russian language skills interviews were limited to concern SBS's own personnel who have several years of experience of giving consultancy services in internationalization and to SBS's Russian cooperation partner (in St. Petersburg chamber of commerce and industry) who speaks English.

1.2 Research method and data collection

This research utilizes a qualitative research approach and it is done by three different methods: investigating literature about SME's internationalization processes and support needs in Finland and in Russia, interviewing relevant parties and by observing real working life situations concerning international business in Savonlinna Business Services.

The qualitative approach was chosen based on a literature review about research methods. It was found out that in qualitative studies research material can be collected in many different ways (observing, interviewing, scanning documents, by a questionnaire). The importance in qualitative research is put on interviewees'

selection criteria – informants must know the phenomenon and have experience on it. (Hirsjärvi, Remes, Sajavaara 2006, p. 126.) As Hakala (2009, p. 157) suggests, interviewees were chosen keeping in mind that every one of them supposedly brings new information on the researched subject. A relatively small sample, three interviewees, was accepted as sufficient, because it was supposed to reach the saturation point and hence the limited resources were sufficient for making this research. Also the knowledge gained from previous studies and working life observation situations added the reliability of the findings. As the productization of a seminar package for Russian customers progressed and the first service package was launched, customer feedback was gathered to develop the service further.

From different types of qualitative interviews a semi-structured interview was chosen and only outlines of issues were structured. By Eriksson & Kovalainen (2008, p. 82) this allows the variations in wording and sequence and makes the interview situation reasonably conversational and informal. From the researcher's point of view that was seen beneficial for getting deeper information on the subject matter.

After the interviews were done the answers were compared to each other and to the previous scientific literature in order to find similarities and possible differences.

Problematic for the research process was the fact that the researcher herself had no previous experience in productizing services nor were the Russian (or internationalization) services productized before in SBS. It was very time consuming to start from the scratch. Consequently support for productization was got from the SBS organization and many discussions gone through in order to clarify and meet the customers' needs.

1.3 Structure of the study

After the introduction chapter two main themes of literature review are opened. First the concept of international business is explained; including themes like why a

company wants to internationalize its operations and what is needed at the beginning of the process as well as what kind of challenges and risks a company can meet. Three internationalization theories (Uppsala model, network theory and born global internationalization) are introduced. Also operation modes for entering foreign markets and need of support are discussed. The final part of international business theme is the description of the local situation and trade with Russia which was studied in order to understand what was the status quo of the business environment in where the service productization process was aimed at.

The second concept of the literature review is the process of service productization. This chapter describes the characteristics of a consultancy service, needs for productizing services and ways to do it as well as different models for service productization process. The importance of maintaining the service quality after the productizing and implementation phase is emphasized in the last sub-chapter.

The literature review is followed by the empirical part of the study. This chapter tells how the research was carried out, what were the results of the interviews, how the seminar package was productized and after productization tested and developed further.

The final chapter summarizes the results of the study, benefits of productizing a seminar package for Russian cooperation partners and clients as well as discusses the weak points of the study and possible next development steps of the internationalization services Savonlinna Business Services offers.

2 International business/trade

International business and internationalization has been researched a lot within last decade and is still widely discussed in scientific literature in the 2010s. Internationalization research can be divided in many categories: international trade/business, foreign direct investment, and firm internationalization (Volchek 2013, p. 23).

Seno-Alday (2010, 20) has studied this research field and found out that the framework of international business studies from past 50 years consists of these themes/questions: 1) what is the unique nature of international business?, 2) how does business internationalize?, 3) what is the nature of the interplay among the diverse actors and players in international business, 4) what kind of impact has internationalization on business?

The theoretical framework of this master's thesis builds up on three of the above mentioned themes: determining international business and internationalization, explaining what is needed for internationalization and describing the meaning of cross-cultural cooperation when starting or practicing international business operations. Finally productizing a service product is researched in order to acquire to productize the so called "Russian Services" of Savonlinna Business Services Ltd. The impact of internationalization is discussed within all of these topics.

International business dates back for thousands of years until the ancient times of the Phoenicians, Mesopotamians and Greeks when they traded around the Mediterranean. Colonization increased the volume of commerce when the nautical nations got their hands to the new, latent markets and their rich resources of raw materials. By the 1880s the number of goods and services raised and trading got less restrained because of the technological developments of Industrial Revolution. Domestic demand was met with the help of the mass production and manufactures were forced to seek new, foreign markets for their products. (Ajami, Cool, Goddard, Khambata 2006, p. 4-6.)

International business means any business activity that crosses national borders and includes participants from more than one country. Parties of international business can be single enterprises, groups of companies, public sector organizations or a combination of all of these. International business can be divided in many categories: foreign trade, service trade, portfolio investments and foreign direct investments or in export, import and investments (e.g. foreign property/asset management or management of firms located abroad). Other forms

of international business are for example licensing, franchising and management agreements. (Ajami et al. 2006, p. 4; Griffin & Pustay 2010, p. 42.)

2.1 Reasons and benefits of internationalization

According to Tsukanova & Shirokova (2012, p. 2) the competition on home markets makes companies to improve the quality of their products and services in order to do well in competition. Products of better quality and competitiveness open up new possibilities abroad. Thus internationalization can be the answer to stimulating or restricting external or internal factors that raises the company's readiness to change its strategy from domestic to international.

One reason for internationalization can be the fact that the company's growth aspirations collapse to the small size of the home market (Eronen 2002, p. 81; Pirnes & Kukkola 2002, p. 92-94) and another is that the business risk can be decreased by dividing the actions on more than one market zone, which are possibly in a different stage of development or the exporting actions can start from a foreign impulse, when demand comes from abroad (Kananen 2010, p. 11-18). In the latter case, niche markets can be big enough for SME's profitable business (Kananen 2010, p. 11-18). Also lack of/or saving costs in raw materials and auxiliary commodities can lead a company to internationalization and building up a subcontractor network abroad (Eronen 2002, p. 81).

By Pangarkar (2007, p. 482) the benefits of SME's internationalization exceed the costs and higher level internationalization leads to better profit. Internationalization widens the entrepreneur's perception and brings along new ideas helping to forecast future and to identify in what direction the markets are developing (Kananen 2010, p. 11-18).

The company's way to internationalization can also happen by chance (Pirnes & Kukkola 2002, p. 92-94; Kananen 2010, p. 11-18). An occasional contact or a trade fare encounter can act as a coincidence. The company's homepages on the

internet offer a possibility for a random contact request. (Pirnes & Kukkola 2002, p. 92-94.)

2.2 What is needed from a company that wants to internationalize?

Jones & Casulli (2013) have stated that in the internationalization process of a small company the previous experience has been noted as a key factor that effects on the internationalization aspirations of the firm. Practical cultivation can come from previous direct involvement or via network partners. (In Child & Hsieh 2014, p. 10.)

The meaning of the previous international experience and the information gained from the business environment is highly appreciated through the literature and studies concerning internationalization of companies. (Pirnes & Kukkola 2002, p. 92-94; Seno-Alday 2010, p. 21; Työ- ja elinkeinoministeriö 2014; Volchek, Jantunen & Saarenketo 2013, p. 340; Child & Hsieh 2014, p. 10.)

The ability to harness assets, abilities and former experiences in utilizing the possibilities of border crossing trade differentiates the companies doing international business from the domestic ones. Advantages need to be exploited, opportunities recognized and hurdles assessed when creating an internationalization strategy. (Seno-Alday 2010, p. 21.)

Good and reliable relations between the exporter and importer enhance the international trade. The closer the relations are the stronger is the connection between the adaptation level and end result. Exporters' success does not depend only on their own attempts to adapt marketing programs to the needs of international markets, but also from importing buyers' adjustments in their working conditions. (Leonidou, Palihawadana, Chari & Leonidou 2011, p 537.)

Success in international business requires language skills and cross-cultural know how, recognition of foreign demand and client requirements as well as the ability to set prices of products or services competitively (Airola 2011, p. 26). Pricing

expertise asks for strong target market and price level knowledge (Larjovuori, Laiho & Talonen 2004 in Airola 2011, p. 27).

In order to make better profit via internationalization a company must improve its abilities in branding, marketing, technological development, financing and management. Usually internationalization cultivates the development of these facilities. This additional knowledge can lead in generating new products/services and technologies. Successful internationalization can upgrade the band in domestic markets also. (Pangarkar 2007, p. 483.)

Along with the previously mentioned requirements by the Finnish Ministry of Employment and the Economy internationalization demands long time economic investment – usually also external funding in addition to the private capital and finding right partners and networks on the target market. (Työ- ja elinkeinoministeriö 2014.)

Institutions, branch and the company's resources determine the probability of internationalization. In Russia, along with other emerging economies, one key factor is the resource availability that defines the company's aptitude towards internationalization. (Tsukanova & Shirokova 2012, p. 17.) In Russia competition is hard on industries where the threshold of entering the markets is low. A company must be able to specialize and develop its expertise and increase the conspicuousness of its products/services. Achieving prosperity requires comprehension and collective efforts from all the cooperation partners of international trade. (Martikainen 2007, p. 82.)

2.3 Challenges, barriers and risks

When a company starts to internationalize it can meet challenges in choosing the right cooperation partners, getting to know a new business environment and its laws and business practices, communicating with foreign language and getting to know target markets culture, habits, customs and buying behavior. (Kouru 2009; Kananen 2010; Airola 2011.)

The further the target market, the more differentiated the culture is (Kananen 2010, p. 22-23). Psychic distance between business partners can be controlled by constant development and determined management. Cultural distance has been seen as the most remarkable source of uncertainty caused by the environment. (Khojastehpour & Johns 2014, p. 247-248.)

Opposition caused by competition and resource availability positively affect SMEs' internationalization. Institutional hostility has negative effects on the likelihood of internationalization. (Tsukanova & Shirokova 2012, p. 1.) Artificial border barriers can hamper export or make it even impossible. State created obstacles that are aimed to hinder foreign import like customs duties, quotas, regulations, national standards and border formalities. By customs for example a country protects its own production from foreign import and causes extra costs for an importer and also in some cases cuts the cost benefits caused via mass production. National country and regional specific subventions also give an adverse cost benefit for domestic production. (Kananen 2010, p. 19-21.)

Companies operating in countries that are just moving towards market pulled society have great obstacles with internationalization, because of widely spread corruption and traditionally dysfunctional institutional matters. (Tovstiga et al., 2004 in Kiss, Danis & Cavusgil 2011, p. 271.)

In 2009 JärviKuona, Karhunen, Mochinkova and Handelberg have researched South-Savo's Russian trade. They state that previously problems related to Russian trade, e.g. bureaucracy, corruption, crime, unfair competition, customs and finding good cooperation partners are less significant than the economic instability of that time.

There are loads of studies of doing business in Russia giving foreign entrepreneurs, companies and investors advice on how to enter Russian market. In scientific literature less attention has been focused on SMEs internationalization in transition economies (Tsukanova & Shirokova 2012, p. 2). OECD (2009) has reported that obstacles for Russian companies' internationalization include

difficulties in finding buyers and getting funding and according to Lamprecht (2011) in figuring out legal issues such as licensing, permits, customs and trade regulations (Volchek 2013, p. 22).

As a conclusion – companies do need help for internationalization especially between different business cultures.

2.4 Internationalization theories

Internationalization theories are many. In this study the Uppsala model was selected for a closer look as it is frequently referred in internationalization literature. The network theory and born global internationalization were researched because both include strong elements of cooperation and networking which are crucial in doing business with Russians. Studying internationalization theories for productizing Doing business in Finland seminars might feel farfetched, but it in fact helped to better understand customer needs and reasons that influence on companies' internationalization process.

The Uppsala model was created in 1977 by Johanson and Vahlne and even though it has been criticized throughout the years it still has a big influence on internationalization discussion (Laacks 2010, p. 21).

By the Uppsala model, companies are lacking experience on international markets and they associate particular markets with uncertainty, which leads to the situation where companies start the expansion aspirations from psychically and geographically close markets that are equivalent with domestic markets. The Uppsala model presumes that internationalization process starts by the market knowledge, commonly as a separate foreign trade take-off and proceeding through the learning process towards deeper commitment. Those companies usually start internationalization with low risk market entry modes like exporting via agents. (Olejnik & Swoboda 2012, p. 469, Kalinic & Forza 2012, p. 695.)

Stradskov and Pedersen (2002, in Laacks 2010, p. 21) state that the Uppsala model explains market entry modes and internationalization by market knowledge

that companies possess. Internationalization is seen as a process including several risks and constant balancing between opportunities and threats. Internationalization is an outcome from the company's intentions to strengthen its position in a network in order to improve or secure oneself on the markets (Johanson & Vahlne, 2003 in Johanson & Vahlne, 2009, p. 1411).

Primarily the learning process follows the experience and leads the firm to commit deeper on the international markets (Hiltunen & Kuusisto 2010, p. 6). According to the Uppsala model involvement abroad grows together with rising knowledge (Laacks 2010, p. 21). A person who has gained experience abroad has better understanding towards foreign business culture and is more capable to deal with challenges that rise from that environment (Hakala 2012, p. 9).

Johanson and Vahlne have revised the Uppsala model in 2009 and by the revision the business environment is seen as a network of relationships rather than neoclassic market with many independent actors and clients. The meaning of building up trust and knowhow has been increased from the previous Uppsala model understanding. Knowledge builds-up via communication and networks. (Johanson & Vahlne 2009, p. 1423.)

When entering Russian markets the Uppsala mode is not very feasible for SMEs, especially because of the cultural and legislative aspects of the markets. Personal connections and relationships are much more important than in the western countries. Also the legislation is unrefined and nationally partial. Establishing a subsidiary with a local minority partner is a recommendable entry mode for SMEs in order for the Russian partner to take care of the local operations. (Vilppula 2009, p. 38.) On the other hand the revisited Uppsala model (mentioned above) has taken into consideration the importance of network ties and that way supports this entry mode also in Russian markets.

From Uppsala model we get to the **Network theory** which was presented in the 1980s when it became clear that most of the internationalizing companies used several networks in order to promote their internationalization intentions (Johanson

& Mattsson 1988 in Ojala 2009, p. 51). Ojala (2009) says that a discriminating element to phased model, like the Uppsala mode, is that in the network model internationalization does not progress step by step.

As a business strategy, networking refers to business relationship in which both parties gain synergetic advantages when cooperating. Networks consist of e.g. clients, subcontractors, other companies, competitors, research facilities, educational institutions and public organizations. (Airola 2011, p. 38.) When going to new foreign markets networking approaches can be divided in to active and passive ones. In an active approach the initiative is made by the seller. Reciprocally in passive networking the first move comes from outside of the company. (Ojala 2009, p. 52.)

Understanding of how to acquire, maintain, transform and communicate the knowledge of internationalization has been developing in the last decades. Simplicity and determinism have made room for comprehension of complexity, management's discretionary power and for the role of knowledge in the internationalization process. The network approach pays attention to long time business relationships and propounds that relationships and personal networks (born on the market in question) influence in to the development of a company's actions on foreign markets. (Petersen, Pedersen, Sharma 2001, p.2-7.)

In order to build up a strong, healthy and long term business relationship exporters have to create close liaisons with importers and vice versa. This can be accomplished by for example making regular visits to the partner company for familiarizing with the personnel and organization, by inviting partners to social events, by learning the language of the partner organization and taking part in intercultural coaching. (Leonidou et al. 2011, p 537.)

The meaning of social and organizational networks in facilitating entrepreneurship is important especially in evolving economies and network ties are mentioned more regularly associated with transition economies than in broader literature concerning international entrepreneurship (Kiss et al. 2011, p. 276). Shirokova and McDougall-

Covin (2012) have combined the institutional connection to the network theory of internationalization and emphasize that in the internationalization of Russian companies trust building and commitment to the relationships with international partners are the most important factor (Volchek, Henttonen, Edelman 2013, p. 3).

The next reviewed model of internationalization concerning SME's, is **born global internationalization**. Born global firms can be defined as ones that from the start are aiming at becoming global and globalize their business quickly without a long-range domestic or internationalization phase. (Gabrielsson 2005, p. 199.) In most cases born global firms are small businesses with limited resources and experience of international markets employing only the entrepreneur and few employees. Those companies often face the small size of the domestic market and in order to sustain growth target international markets with one or few either unique or highly specialized niche products. Usually at least half of the sales come from foreign trade. (Gabrielsson & Al-Obaidi 2004, Gabrielsson 2005, p. 2014.)

Born globals characteristically develop networks fast and extensively in order to empower takeover markets in several areas simultaneously. These companies are driven by the aggressive way of learning, which exploits taking chances, finding solutions as problems arise and enduring downfalls of early stage internationalization. Born global features are caused by the alterations in global economic mechanism and by the importance and imprint of this internationalization strategy in global competition. (Chetty & Campbell-Hunt 2004 in Jones, Coviello & Tang 2011, p. 639.)

Literature also recognizes the so called born-again global firms that have operated many years only on a national ground and, due to a crucial event, changed the strategy and internationalized rapidly (Kalinic & Forza 2012, p. 696).

According to Oviat & McDougall (1994, 1999) restrictions of SME's born global path (especially managerial resource based) could be eased by using networking between companies (Pangarkar 2007, p. 483).

2.5 How to enter foreign markets – operation modes

When a company is choosing the country where it is going to start new foreign trade operations it should consider three important elements: market potential, country risks (foreign exchange market, internal disorder in the country, political risk, corruption) and distance. Distance can be measured in several factors, by physical distance like transportation costs and delivery times, by economic distance, i.e. customs duties and establishing costs, and by cultural distance like language, religion and similar environment. Economic distance can be decreased by locating operations to the target market and cultural distance is possible to reduce by studying foreign culture or by employing personnel from the target market. Today the company's choice of the country is in most cases determined by market potential and country risks. The importance of distance is diminishing and companies can skip the neighboring markets and move straight on the markets where the purchasing power is high. (Eronen 2002, p. 82-96.)

After choosing which markets to enter, the company has to decide on which mode of entry it should use. Importing, exporting, licensing, franchising and contract manufacturing do not require substantial direct investments on the target market. Host country production in firm-owned factories (foreign direct investments and joint ventures) instead demand significant investments and thus alternative locations and their potential and risks need to be evaluated closely. (Gabrielsson & Luostarinen 2002, p. 97, Eronen 2002, p. 82-96, Griffin & Pustay 2010, p. 361.)

Volchek (2013, p. 32) has divided the company's involvement in international operations in to two: outward and inward. The whole domain of equity-based (FDI), non-equity-based (export, licensing, franchising, etc.), and shared equity-based (equity alliances, joint ventures, and consortiums) foreign entry modes are considered as outward internationalization and inward internationalization includes skills, and technologies acquisition, foreign resource and incoming foreign investments.

In many cases internationalization is geographically and operatively phased; moving from physically close markets to distant ones and from culturally easily understandable to harder ones and possibly from simple operation modes to own manufacturing units (Pirnes & Kukkola 2002, p. 92-94). Evers and O’Gorman (2011) suggest that SMEs’ internationalization decisions tend to be based on a personal hunch and be a response to unplanned developments and thereby to some extent reflect resource availability rather than a well-advised profit seeking, because the information and other resources are scarce (Child & Hsieh 2014, p. 598). When the company gains experience on the foreign market, the operation mode may change. With adequate experience and knowledge it is possible gradually to move towards higher commitment modes. (Picot-Coupey, Burt, Cliquet 2014, p. 977.)

2.6 Need for support in the internationalization process

Companies’ need of support in the internationalization process towards Russia has been studied a lot in Finland. Vilppula (2009, p. 33-34) has found out that help is usually needed in business negotiations, in translations, legislative and customs related matters, in explaining business traditions and in finding market information. He also states that the private sector consultants are highly devoted as well as have best market knowledge, but on the other hand considered rather expensive and thus profit decreasing. Finpro and other government owned companies are seen to be offering good-quality services at an affordable rate. On the other hand SMEs can be helped better by the regional business services organizations, because of smaller customer base and better focus on certain industries.

South Savo Centre for Economic Development, Transport and the Environment has done research of the internationalization state of the South Savo region in 2012. Companies were asked what kind of help they would need considering exporting or internationalization. The biggest need (with over half of the respondents) was for financial services, market research and finding contacts. One-fourth of the interviewees wanted counselling in internationalization issues,

17% aspired exporting pools and 10% long-term internationalization coaching. (Lahtinen 2013.)

The Ministry for Foreign Affairs of Finland has also done a survey of the barriers of internationalization and trade in 2013. Results are parallel with Vilppula's research in 2009. Companies emphasized the significance of publicly offered internationalization services and found the received service generally competent. Also several development propositions were given. The bottom line was that the services would be provided from one place. Most important services were networking services, business environment follow ups and organizing promotion events. Trade barriers were hoped to be removed especially on demanding markets. (Nieminen, Siikaluoma, Koskela, Vilhunen 2013, p. 5.)

The importance of supporting services arises in unfamiliar surroundings. Public business service organizations offer wide range of services for companies starting on foreign markets. The range differs according to the resources of business services agencies and industry and trade strategies of the region in question. Internationalization services can include for example business plan consulting, market and competitor analysis, cooperation partner searching, marketing events, testing and recruiting local staff, sorting out legal issues, juridical services, applying for registrations and licenses, interpretation services, organizing meetings and dealing with regulatory issues.

Savonlinna City's economic strategy includes the region's internationalization actions towards Russia. Savonlinna Business Services Ltd. has scarce human and financial resources, thus cooperation with other organizations serving businesses is vital in order to fulfil the objects of the strategy.

2.7 Local situation – trade with Russia

As mentioned before in this study, from the western point of view, Russia is behind Europe in what comes to the regulatory environment for business on the ease of

doing business (starting a business, getting credit, registering property, finding reliable business partners, dealing with construction permits, getting electricity etc.).

The World Bank has done “Doing Business” surveys since 2004 and measured the regulations that enhance business activity and those that constrain it. In Table 1 below can be seen the recent reforms that Russia has made to improve the business environment.

DB year	Reform
DB2014	Russia made trading across borders easier by implementing an electronic system for submitting export and import documents and by reducing the number of physical inspections.
DB2012	Russia made trading across borders easier by reducing the number of documents needed for each export or import transaction and lowering the associated cost.
DB2012	Russia made filing a commercial case easier by introducing an electronic case filing system.
DB2011	Russia introduced a series of legislative measures in 2009 to improve creditor rights and the insolvency system.
DB2010	Russia enhanced its insolvency process by introducing several changes to its insolvency law to speed up the liquidation procedure and strengthen the legal status of secured creditors.

Table 1. How has Russian Federation made trading easier—or not? By Doing Business report year from DB2010 to DB2015. (The World Bank 2014).

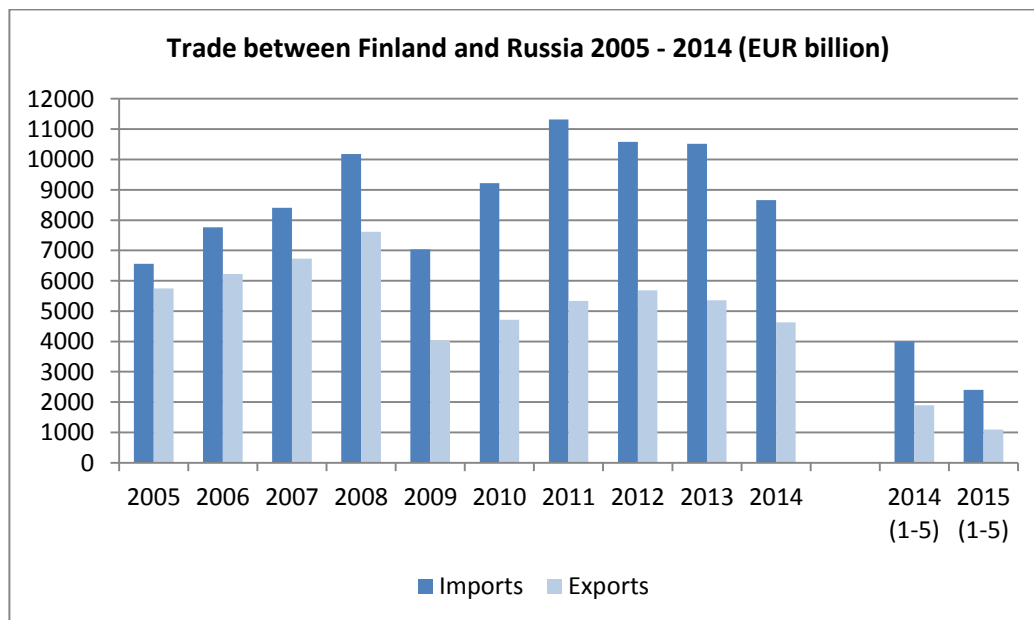
These actions, in addition to the recent WTO accession, are expected to create substantial incentives for the development of international entrepreneurship, improve the investment atmosphere, and increase the foreign-investment inflow in the country. (The World Bank 2014.)

Finnish export to Russia has decreased 35 percent in January-May 2015 compared to the same period last year. Export value was slightly over EUR 1.2 billion. Imports fell in the beginning of the year for 37 percent and valued EUR 2.5 billion. In terms of the entire trade turnover, Russia has been the largest trading partner for Finland since 2007. In 2014 Germany bypassed Russia and is Finland’s

biggest trading partner and export destination country. Russia stands fifth after Germany, Sweden, United States and the Netherlands in 2014. Finnish export to Russia consists of different kinds of manufacturing industry products from foodstuff to production commodities. Those make about 10 percent of the total exports in 2013. In the service business Finland gets majority of the revenue from tourism. (Euroopan komissio 2015, p. 28; Tulli 2015a.)

Russia has traditionally been Finland's largest import country; the share of imports was 18 per cent in 2013. In 2014, this share shrank to 15 per cent. In January-May 2015 imports share fell to 11.3 per cent. Also in imports Russia has dropped behind Germany (15 per cent of imports) and Sweden (11.7 per cent of imports) in early 2015. From Russia, Finland imports mainly raw materials, especially petroleum and natural gas. In 2013 those combined together approximately 70 percent from total imports from Russia. (Euroopan komissio 2015, p. 28; Tulli 2015a.)

Development of trade between Finland and Russia can be seen in Graph 1 below.



Graph 1. Trade between Finland and Russia 2005 – 2015 (1-5). (Tulli 2015b).

Finland is very responsive to unsymmetrical external faults, because the export structure is reasonably specified. The fall of Russian economy can in the short run negatively affect Finnish export, because as said above Russia is one of the biggest exporting countries for Finland. Respectively improvement in Russian economy would benefit Finland in the long-run. (Euroopan komissio 2015.)

If the attempts to resolve the crisis in Ukraine would fail, it would add uncertainty and possibly increase the outflow of capital from Russia, reduce investment rates and drive the Russian economy deeper into recession. All this will inevitably spill over to affect the Finnish economy. (Valtiovarainministeriö 2015.)

Closeness of the growing Russian market is a competitive advantage to Finland. However this advantage is not self-evident, but requires goal-directed work. The market is very different in comparison with the EU market and in order to succeed one needs Russian expertise. Language problems come up often, also Russian legislation is seen to be challenging. (Airola 2014, p. 53.)

Savonlinna Business Services' strategic choice of maintaining the developing actions with the North-West Russian partner organizations is every now and then criticized in media. Russian business culture is built on strong relationship ties and also in turbulent times those alliances must be nurtured. The existing cooperation connections have to be taken care of and new ones built, even though the political and economic situation is unstable, in order to be able to continue with more straightforward development actions when the business environment levels off.

In the scale of the South Savo region every fifth of the SMEs have export activities or other business outside Finland. Two out of three companies practice direct export trade (Suomen Yrittäjät 2015, p. 3).

Because the economic structure of South Savo is dominated by small enterprises it has been spared from major structural changes and large-scale redundancies has not been done in 2014. The number of unemployed is, however, increased in the area by more than ten per cent during 2014. In relation it has risen most in the age group under 25. (Nieminen, 2015, p. 126.)

During the latter part of the year 2014, the economic situation has deteriorated - uncertainty continues and distinct turnaround is not in sight. Russia's weak economic situation and the weakening of the ruble increase uncertainty and undermine the situation. In the cyclical inquiry of the Confederation of Finnish Industries (EK), the trend in spring 2015 is still low-key and comparative figures in the manufacturing and construction industry as well as in services in Eastern Finland remain lower than the national average. The results of the SME barometer in South Savo indicate the same - the economic outlook has deteriorated since autumn 2014 and so is the number of staff. (Nieminen, 2015, p. 126-127.)

The Savonlinna region is facing many challenges – the aging of the population, net emigration and high unemployment rate. Especially alarming is the migration of young people. The city's poor economic situation does not help in transferring migration to a positive path. Tourism is one of the key industries, but the employing effect is mainly seasonal. Companies in the tourism branch have in recent years invested in Russians' winter travelling and it has started to yield. Savonlinna has also strong machinery and technology industries and also the forest industry is a remarkable employer. The region's strength is the availability of skilled labor. (Nieminen 2014, p. 124.)

By the end of the year 2015 industry and business life is estimated to remain stable or slightly improving, but the situation is anticipated to get better by the end of year 2016. The region's metal industry is reasonably stable, e.g. Andritz Ltd/Savonlinna Works has recruited several professionals due to enhanced volume of orders. The

trading sector is slightly fading, one reason being the situation in Russia. (Nieminen 2015, p. 135.)

129 new enterprises were established in Savonlinna in 2014, 80 of those via Savonlinna Business Services' processes. Start-up grants were paid for 48 new companies (compared to over 70 in 2013). The main reason for the decline in start-up grants is prolonged recession that has in all spheres of business reduced conditions for profitable business. (Nieminen 2015, p. 135.)

3 Productizing consultancy services

3.1 Characteristics of services

Services can be looked at from the producer's or consumer's point of view. For a producer a service is a sum of processes and it can include some concrete physical output, but it is mainly intangible series of actions, generating profit to the client. To some extent services are produced, delivered and consumed at the same time and the customer takes part in production sometimes more, sometimes less, bringing an uncontrollable element into the process. It is very important that the interaction with the client comes along according to the customer expectations. (Grönroos 2000, p. 47; Kinnunen 2003, p. 7; Bergström & Leppänen 2009, p. 198; Griffin & Pustay 2010, p. 525.)

Services are also perishable, so they cannot be stored and also heterogenic, i.e. they cannot be standardized as much as industrially manufactured products (Brax 2007, p. 9).

The hardship in outlining services describes the complexity of the matter. Four points come up of service definitions:

- Service solves client's problem
- Service is a process
- We experience the service, but we do not own it

- Interaction between people is a significant. (Tuulaniemi 2011, p. 59.)

Services are often produced in complex service ecosystems which are formed from physical and virtual surroundings, systems and interaction between people. Service production is affected essentially by clients, customer servants, and different kind of related objects and environments that can be physical or virtual as well as functionality of the used technology. Service consumers assess and value the process by its usability, speed, flexibility, cost efficiency, expertise and friendliness. (Kinnunen 2003, p. 7; Pekkarinen & Ulkuniemi 2008, p. 86; Bergström & Leppänen 2009, p. 188; Tuulaniemi 2011, p. 66.)

Virtanen (2013, p. 22) has questioned some common characteristics joined with services. For example, if services were totally immaterial they would never exist in physical form (e.g. brochures). Or if the services would be totally nonpermanent and individual one could never standardize the processes used or prepare the used service materials beforehand.

3.2 Characteristics of consultant services

Savonlinna Business Services advises companies wanting to establish, develop or internationalize their business so the company has a consultative and cooperative role in relation to its clientele.

The customer using consultant services is interested in utilizing special expertise of the consult in difficult cases where expert knowledge is needed. Above all, this kind of services concern complex decision making and process management and the whole phenomenon is unique for the client and an answer to his individual needs. (Kinnunen 2003, p. 8.)

It is often said that in services and especially in consultant services, no tangible product is made. This does not exactly hold. Often the service that is being applied is predominantly generated as an outcome of the specialist's brainwork, a

cultivated business case which has to be elaborated in a physical form for delivery (e.g. consultant's market survey report). (Pesonen 2007, p. 25.)

Productizing of services has born from the need to be able to stand out from the competitors, to make decision making easier for the client and to group scattered services from different places to one carefully thought combination. All these actions create an atmosphere of reliability, because a productized service seems more trustworthy than unproductized. For the client it is easier to choose from a properly outlined range than from "everything is possible" type of offering. (Parantainen 2011, p. 38-49.)

Characteristics of consultant services often create challenges for productizing. Consulting is a very individual and anthropocentric process whereas productizing is based on standardizing the offering, delivery process and managing the physical parts of the service. (Virtanen 2013, p. 2.) Productizing usually includes standardizing to a certain degree and treating customers according to standards includes an assumption of the resemblance of different clients' needs. If a business consultant advices customers with unchangeable methods, the obtained gain might be insignificant. (Kinnunen 2003, p. 8.)

Productizing consultant services means in practice that the expertise is transferable from one professional to another without a need to educate every new consultant personally. There are some methods to multiply knowhow. For example handbooks, working instructions, checklists, forms and document templates can be made. In addition, frames for process descriptions and coaching courses can be created and course materials and websites produced. (Parantainen 2011, p. 16-17.)

When the information needed is productized it has to be kept up to date and delivered within the organization. Exploitative expansion of science and technology lead to a difficult contradiction. At the same time when the life line of knowledge

gets shorter the growing complexity of information demands greater specialization and cooperation. Communities concentrated on the critical information benefit from cooperation and sharing the knowledge in order to keep up with the rapidly changing business environment. (Wenger, McDermott, Snyder 2002, p. 6.)

3.3 Productizing services – What and why?

For productizing services one needs theoretical background and Finnish scholars are the forerunners in service research. The usage of research knowledge is in many cases fairly light; development is done mainly by relying on the producer's own experience. Development of services is possible only when the logic and the processes behind the services are known. Theory understanding is needed in order not to change services randomly when those are actually wanted to be developed. Theory is needed at least from three directions: theory of services, theory of customer knowledge and theory that supports the development of service processes. (Mertanen 2012, p. 60.)

In this research all these three parts of theory are covered to get the backup knowledge for productizing service packages for Russian clients.

By productizing services a company wants to create growth and profitable business out of expertise. Productizing can be used in developing new service ideas into repeatable service concept or for intensifying and making the existing services with better quality. The aim is to improve competitiveness by defining, standardizing, systemizing and concretizing services. Systemizing actions makes selling and marketing easier and reduces the uncertainty attached to developing and producing services. Collective understanding within the company also eases and unifies communicating the service offers to customers. The quality of the service is not so conditioned to the person delivering the service. Common language and understanding, originating from productizing, guarantee smoother way for the next development steps of the productized service. From the customer's point of view productizing concretes the service and the offered value

as well as makes it easier to compare and buy services. (Lehtinen & Niinimäki 2005, p. 34; Jaakkola, Orava, Varjonen, 2009, pp. 3-5; Tuominen et al. 2015, p. 7.)

In addition to the hard values of productization, e.g. efficiency and increase in sales volumes, the biggest advantages are formation of common knowledge and better sharing of doctrine and skills. Especially by productizing and standardizing complex and implied knowledge based consultant services a company is striving for homogenous and repeatable services. (Tuominen et al. 2015, p. 6.)

When a company knows how to define at what kind of service it is aiming and how the service transaction actually happens it is easier to measure results, develop the service and assure the quality produced. Though too tight service harmonization can be harmful; customers want to be treated as individuals. A good service cannot be offered straight from the production line. (Bergström & Leppänen 2009, p. 191.)

Bergström & Leppänen state (2009, p. 221) that the service productizing can be seen from many different angles. It can mean standardizing services as products e.g. stock merchandise and the related productizing activities can be named as conceptualization or systemizing. Productization can also mean defining or systemizing new or existing services, or at least partial equalizing that can be targeted at the company's internal processes or the ones that are visible for the customer.

Tuominen et al. (2015, p. 5) have differentiated external and internal service productization from each other. External productization means defining the elements of the service and creating a common view of service elements that are important to the customer. These are then crystallized in a form of service descriptions and sales materials. Internal productizing refers to unifying and describing of the service functions. The basic tasks of internal productizing are outlining and specifying the service process, working methods and responsibilities. The customer aspect cannot be forgotten in internal productizing either. It is

essential to think how the service process appears to the client and, what are the processes the client needs to go through in order to receive the service. Tuominen et al. (2015, pp. 5-6) further state that productizing is not the same thing as standardizing – a certain state of tailoring is an essential part of the basic nature of services, the aim is to find balance between standardizing and customization. Without productization a consultant service is unique and the service needs to be build up from the very beginning to every client and that leads to inefficiency. If the productizing has been taken too far, the service can be too simplified and not answering to the client's changing needs.

3.4 How to design new services?

The service productization process should always start from the client's needs. First it must be clear who the client is and then what he wants. Services should also be developed together with the client, especially then when several producers are delivering the service in cooperation. The service process itself should be assessed from the customer's point of view. It might be very different from the company's own service production process. The final review is part of the service process – has the service been produced efficiently and has the customer got what he was expecting to receive? (Pesonen 2007, p. 129-130; Mertanen 2012, pp. 64-65.)

Characteristic for a consulting firm is that it has not got any operation mode for internal product development. Service products have been arisen from working with customers and good practices have been offered further to other clients. Nevertheless an organization needs to have a clear perception of what kind of products are wanted and needed to be produced. Defining customers' needs and expectations in an early stage helps to ensure that the new service is developed in order to answer to customer needs. A logical sorting of the service assembly clarifies the offering for the customer and for the service provider. (Lehtinen & Niinimäki 2005, p. 32.)

Jaakkola et al. (2009, pp. 3-5) say that services can be productized in three different ways:

- By developing the existing service according to the customer feedback on side with the normal work,
- Via service innovation where a totally new service, that is repeatable for several clients, is developed,
- As a separate venture that is resourced properly (working time and other resources) and targeting at a noteworthy change.

Bergström & Leppänen (2009, p. 221) have referred service development to the development of a physical product and recognized three similarities. Development can target to improvement of existing services, widening of existing service offers or development of totally new services.

Lehtinen and Niinimäki (2005, pp. 32) have found four modes for creating product ideas.

- They can be based on the comprehension of an existing market need and possibilities, or
- By systematically researching markets, or
- Finding a service need via technological research, or
- By improving and developing an existing service in order to make it more practical, faster, easier to use or economical.

In practice, services are usually planned by making changes in existing services. The work should be started by assessing current services and figuring out if they meet customer expectations, checking that the service process in line with those expectations and the service has reached the desirable level of quality. The most important factor is to find out whether the service creates value to the customer. Generated value can be measured by combining the client's financial and functional sacrifices to the benefits that the service returns. This kind of point of view does not exclude the fact that new successful services are born also e.g. via

perceptions, by copying competitors or by bringing good practices from abroad to home. Though the principle of service creation via analytical thinking is to construct successful, high quality and necessary services. (Kinnunen 2003, p. 52.)

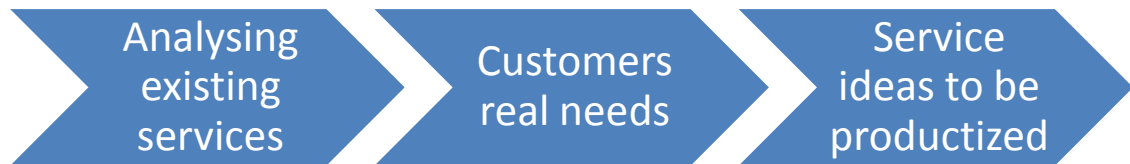


Figure 1. Composing service ideas by analyzing existing services (Kinnunen 2003, p.52.)

When specifying services the central features are determined i.e. the contents of the service and service process (chain of events) are described. Core service, extra (vital for the use of core service) and support services (make the use of service more pleasant) are defined and those compose the service package. From the service process internal processes, i.e. back office processes, are described as well as the front office processes where the customer is involved in interaction. By describing the process accurately the service process becomes visible and one knows who are participating and in which state of the process, and that way planning schedules and resources becomes easier. (Kinnunen 2003, p. 10-11; Bergstöm & Leppänen 2009, p. 222.) Miettinen and Koivisto (2009, pp. 15-24 in Pyykkönen 2012, p. 81.) suggest that a service designer should visualize the usage of service on a timeline as a service path that a customer experiences. The service path consists of service moments and contact points and by designing services customer experiences are wanted to be lead in a smooth and at the same time efficient way.

Bergström & Leppänen (2009, p. 187) have guided to plan and determine the service process by answering to the following questions:

- From what kind of stages do the service consists of and in which order are those stages are put into practice?
- Where is the service produced and are there any alternatives for the place (in the company's premises, on the phone, on the internet, etc.)?
- Who are participating in the production process (customer servants, support personnel)?
- What kind of resources are needed (personnel, technology, documents, etc.)?
- How does the customer participate in the service production?
- What are the critical points from the customer point of view or from the company's point of view?
- What in the service process brings extra value (e.g. speed, easiness, flexibility) to the customer?

Tuulaniemi (2009, p. 95-99) has written a book about service design and outlined the concept of service design as modelling and visualizing the whole service ecosystem, i.e. all the actors, organizations, environments and contact points that are linked to the service. By modelling a company can discover services that do not add value to the customer and elements that are lacking from the service. Service design links business actions and the company's strategy to the customer's point of view and raises hard and soft values equal. Commercial benefits are related to the organization's strategic alignment, focusing business activities to be customer oriented, developing internal processes, deepening the customer relationship and developing new and existing services.

3.5 Different modes of productizing services

The wider literature concerning service productization is fairly new, and different, clear theories of the modes of productizing services were not very easy to find. All in all, all the references point out one main item – the productization process starts

from the client and ends with the client. The service designers have to be able to put themselves into the client's shoes as users of the service. Pesonen (2007, p. 132) has pointed out that one good mind-set for productizing services is the PDCA model, i.e. Plan, Do, Check and Act. Plan the service, carry it out, follow it up and act and react if there are any changes needed to be done.

3.5.1 Theoretic model, based on analytic ideation of services

Kinnunen (2003, p. 43, 59-60) presents that service productization should start by interviewing customers in order to find out what kind of problems they meet and what needs they have. This should be prepared by analyzing previous research and by combining those with the customer needs to find out the real needs and new service ideas. At this stage it is advisable to keep in mind that the company providing the service has possible limitations concerning for example the personnel's skills, the company's finances, suitable premises, service production methods or communications equipment. A company can produce only services that its resources are suitable for. A service company's business idea, strategy and vision are also good guidelines for planning service productization.

Service ideas are further modulated to service packages (including the previously in Chapter 3.4 mentioned core service, extra and support services) that are based on customer needs. Service packages are offered in the form of legally binding service proposals that work as a base of business negotiations. The joined understanding of the contents of the service proposal is central, because in the service business the object of purchase is an abstract promise of some process and actions, possibly including some physical products. Essential for this model is that the customer is expected to form an opinion of the service quality by combining expected value and gained experience. (ibid.) Customer's apprehension of the gained profit is formed via technical, economic and functional quality. See the Figure 2 underneath.

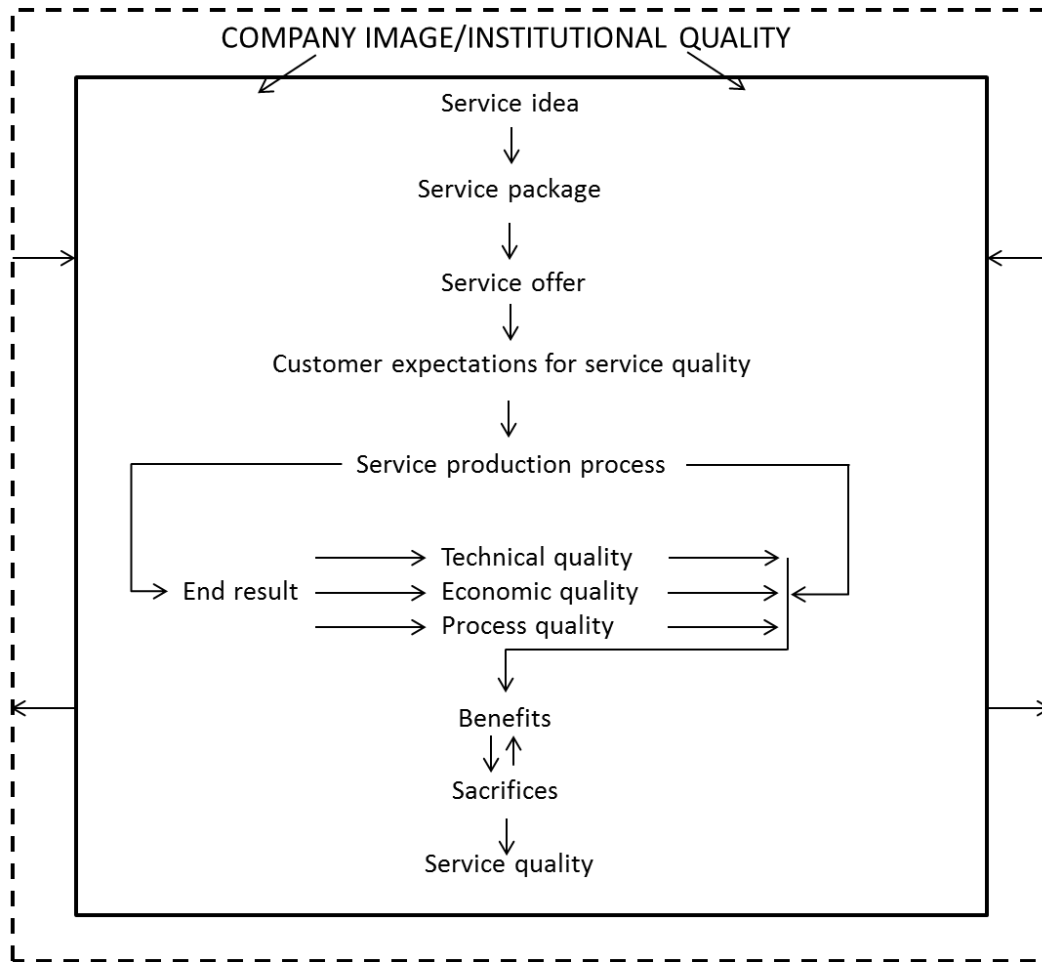


Figure 2. The theoretical model of building the service process (Kinnunen 2003, p. 23)

The more the customer is expected to adjust his or her own actions the less he or she probably values the gain achieved from the service. When compiling a service production process, not only the service company's own actions need to be described carefully, but also actions expected from the client. (Kinnunen 2003, p. 68.) The service production process includes also mutual coordination of actions between different parties. And if needed, actions need to be adjusted in order to mold the customer's and producer's processes to match each other and that way yield benefit to the customer. Many services are produced in networks, where one company is the primary producer and coordinator. In these kinds of cases

coordination and modifying actions reach each participant's internal processes. (Kinnunen 2003, p. 13.)

3.5.2 Model of standardization and modulation

Service productization has two extremities: the completely productized service that is produced always in the same way and the totally unique service that is entirely unstandardized. Usually service productization happens in between these two extremes. Modularizing and combining service elements usually means service elements that are easily connectable and can be mixed with each other as needed, creating new variations of the service according to customer needs. It is important to define basic components that the service can be built on in order to prevent the situation where service planning has to be started from the very beginning with every client and some parts of the service can be produced homogenously from one client to another. The service designer has to also remember to leave some slack in the service in a way that it supports the value experienced by the client and takes into account the individual needs of each customer. By standardizing, service production is not so dependent on one expert's know-how. Instead, the information needed is more easily shared within the service company. Often the nature of the consultant service is rather heterogenic, which makes the customization of the service important. All in all, mass production of services is very rare (in comparison with manufacturing context, where mass customization is used). (Jaakkola et al. 2009, p. 19; Bask, Lipponen, Rajahonka, Tinnilä 2011, p. 307.)

If the customer needs are almost the same, and they value speed and efficiency, the stage of standardizing is worth of increasing. If the needs are different and customizing is a way of distinguishing one service provider from another the stage of standardizing should be kept low. (Bergström & Leppänen 2009, p. 222.)

There are several stages in a standardized service. It can be divided in several modules from which the customer can collect a service package he needs or the service can be offered with some additional services that complete the whole.

Service modules can also be gathered as one package from where the customer can reduce unnecessary parts. The service can also be a combination of standardized autonomous parts, modules and customized parts leading to a unique solution offered. Adjustability, speed, cost efficiency and decreasing quality variation have been seen as the benefits of modularity. Regularized terms and working methods are also important for building a concerted service brand. (Jaakkola et al. 2009, p. 20, 22.)

Standardizing is done by some systematic method based on e.g. operational instructions or patterns, information processing, databases and information systems, the use of ICT or standardized tools. (Jaakkola et al. 2009, p. 21). Or they can be based on planning and evaluation methods or easily accessible standardized materials. Standardization can be related to processing or availability of information or to the form or content of the data.

Bask et al. (2011, p. 311) have noticed that the themes related to service modularity are among other elements combining actions, standardizing user interfaces and reusability and replaceability of modules.

According to Jaakkola et al. (2009, p. 22) for example the following questions can be used when planning a standardized and modularized service:

- Can service be divided in duplicable modules?
- Has the service common parts with other services provided?
- In what similar process can the service delivery be divided?
- In what ways could different phases be enhanced and bettered?
- What kind of knowledge is needed in order to create modularity?
- Is it worth increasing expert knowledge within the company or should it be bought from outside of the service organization?

Pekkarinen and Ulkuniemi (2008, p. 97) have researched standardizing and modularization of logistics services and common characteristics of productization by standardization and modularization can be found from their findings.

Researchers for example argue that standardizing services and processes adds efficiency and in this context it is rather important to segment service supply and markets in order to succeed in increasing the perceived customer value. They continue that by innovative IT solutions modular services can be structured effectively available to the client. As a conclusion they state that standardized and customized services can be offered simultaneously for different segments without compromising flexible alteration possibilities and cost efficiency caused by standardizing.

3.5.3 Service design model by Tuulaniemi

Tuulaniemi (2011, pp. 127-128) has presented his own idea of the service design process as follows.

The process starts with defining what the problem needed to be solved is, and what the objectives of the planning process from the subscriber's point of view are. The aim is to create an understanding of the organization producing the service and its objectives. The next stage is research. A common understanding of development target, business environment, resources and user needs is built up by interviews, discussions and customer surveys and the strategic objectives of the service provider are specified. After the service design challenge has been determined, alternative solutions are invented and conceptualized and tested with clients. Also indicators for measuring the quality of the service process are designated. The next stage is the actual service production. The production process is designed and after the service is put on the markets the customers test and develop it further. The whole development process needs to be evaluated and the implementation of the service in the market is measured and fine-tuned according to gained experience. (Tuulaniemi 2011, pp. 127-128.) Tuulaniemi's service design process is described in the Figure 3.

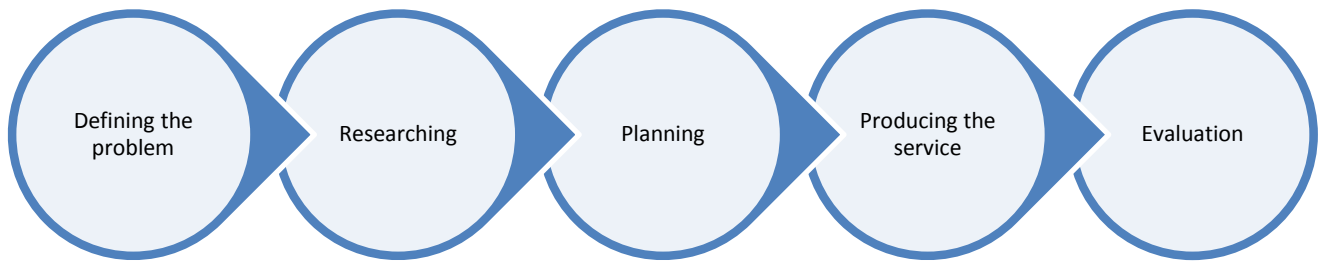


Figure 3. Service Design Process (Tuulaniemi 2011, p. 127)

In Tuulaniemi's (2011, p. 81-82) service design model service personnel's roles and operation methods are also defined in order to anticipate and guide customer's actions by designing the service path and the contact points in advance. The service is delivered in different kinds of physical or virtual environments that have a great impact on the success of the service and they need also to be planned before the service is launched on the markets. For example internet sites can be an essential part of consuming the service. Usually services include also some kind of physical articles, such as tickets, electronic keys, debit cards etc. that must be created to complete the service package.

3.5.4 Participatory productizing

As a result of a three year LEAPS (Leadership in the Productisation of Services) research project the researches of Aalto University have publicized five main stages as part of the cycle of participatory productizing and working.

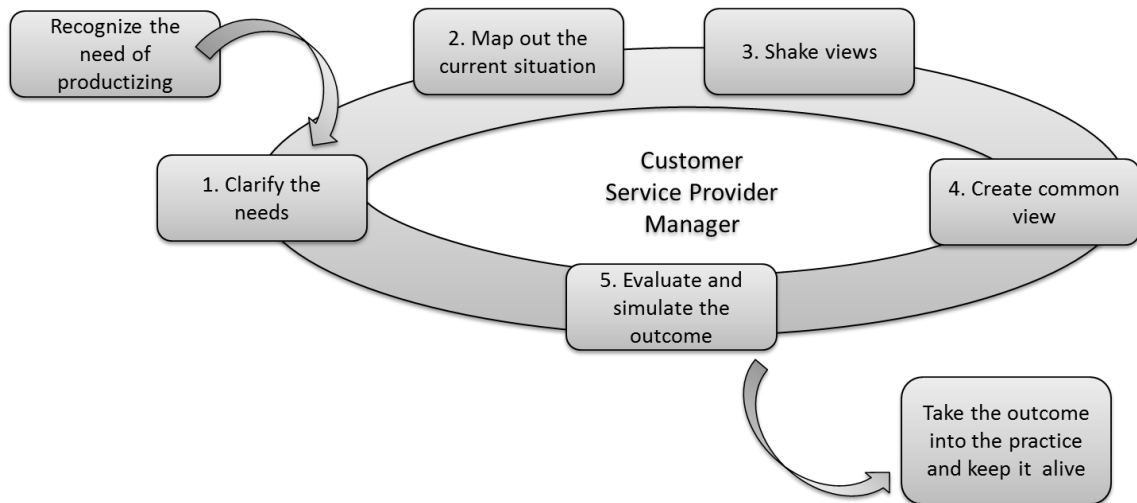


Figure 4. LEAPS project - Cycle of Participatory Productizing and Working (Tuominen et al. 2015, p. 12).

In the first stage the aim of productization has to be clarified in cooperation with different parties. The next phase; mapping out the current situation, is very important in productizing new or existing services. Clients, employees and other interest groups should be involved in the mapping process in order to gather all the relevant information, knowledge and understanding. In the shaking views stage it is time to look at the service from different angles. That can help in recognizing the critical elements and new effective ways of action when producing the service. In the fourth step the common view with all the participants is crystallized and the final approval from the managers got. At last the outcome is simulated and evaluated in order to recognize further development needs and to assess the final result. In the evaluation phase persons whose work productizing affects are in the key position. Cooperation in assessing, trying and simulation gives perspective to colleagues' work and adds understanding of one's own role in the service process as well as appreciation of other people's work and know how. Since customer needs and competition changes fast the productized service must be measured and developed all the time. (Tuominen et al. 2015, p. 12-13.)

3.5.5 Service blueprinting

Bitner et. al (2008) state that service blueprinting was originally used as a technique for process controlling, because it allowed more depth than verbal definitions and enabled preventive problem solving as well as recognized imperfect parts of the service (Virtanen 2013, p. 49).

As Shostack (1984, p. 134) is points out, managers have usually planned work flow, controlled actions and managed time-and-motion by using such methods as GANTT charting. These kind of working methods have given a possibility to define and visualize processes, but are quite mechanical and lacking the customer's point of view and also interaction between service providers and clients.

Blueprinting means a picture or a flow chart made of the service production process. It helps to identify and describe the essential and critical stages of a service, to specify the working order between actors and activities, to demonstrate the flow of information and duration of operations. A blueprint chart embodies the service and makes it easier for the participants of the service process to identify the meaning of one's own actions in the whole. (Tonder 2013, p. 98)

Shostack (1984, p. 134-135) has named four stages in service blueprinting. First, one needs to identify the service process. More complicated services require a lot of reflection and observation for mapping out the decision points and optional working methods. Also the nonvisible back office processes are worth of looking into, because they affect the service the customer receives and are part of gained value. After the process is constructed it is time to identify possible breakdown points of the service. Designer and manager cooperation in planning a fail-safe process pays off later on when the quality of the service delivery is without exception higher and measures for possible mistakes have been thought in beforehand. When the service process and vulnerability points have been identified a standard time frame for execution should be established and profitability analyzed so that performance can be measured and quality controlled.

In addition to Shostack's four blueprinting stages Tonder (2013, p. 99) has brought up some important remarks on the subject. The blueprinting process should proceed logically from the customer's first contact until the last after-sales contact. Also the changes in the service environment and the interfaces between different service environments must be examined critically, especially from the logistic and communication point of view.

The blueprint model needs to be tested in the real service environment and attention should be paid especially to required resources and the realism of the planned timetable in different service situations and circumstances.

When an entire service is drawn into a blueprint model it should be made sure that all the stakeholders understand the modelling in the same way and it has the management's endorsement behind it (Virtanen 2013, p. 50).

In Figure 5 on the next page a simplified model of a fictional consultancy service process blueprint is drawn based on the models of Tonder (2013, p. 100-101) and Spraragen & Hickey (2011, p. 114). At each stage of service contact the customer's needs and expectations must be kept in mind and cooperation between different service parts providers planned with precision.

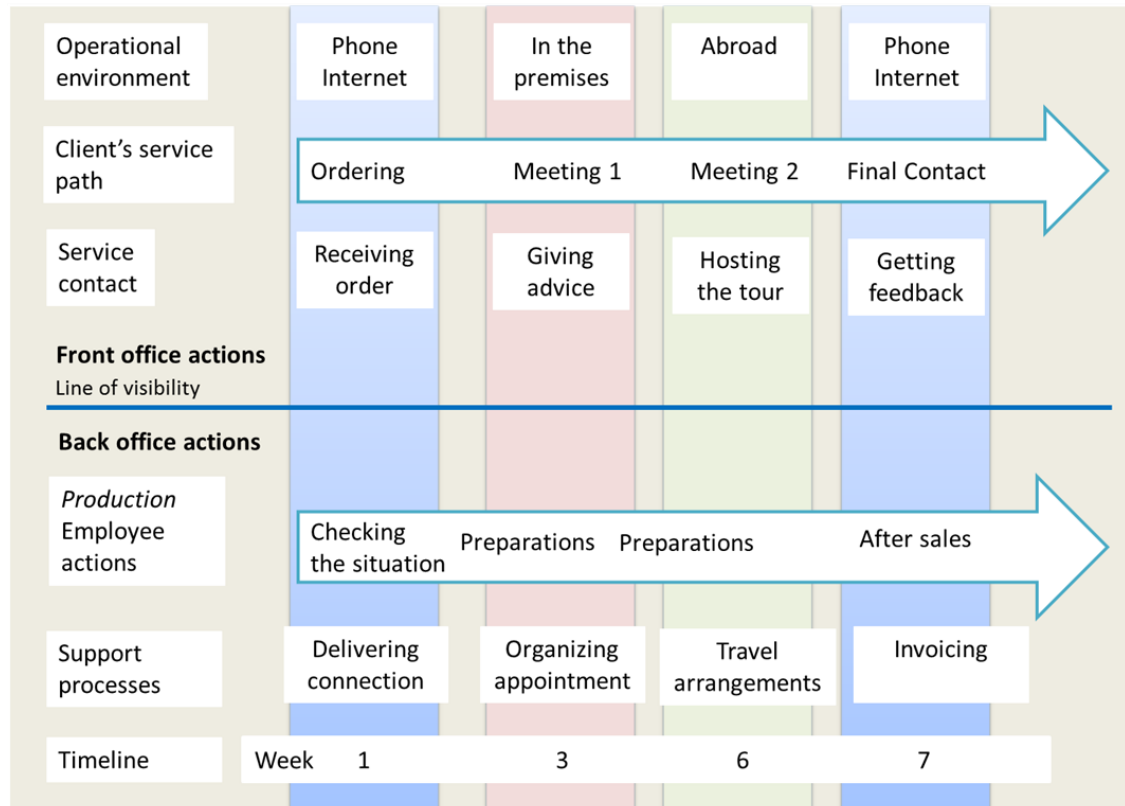


Figure 5. Consultancy service process blueprint.

3.6 Maintaining service quality

A new service process should be monitored regularly and made sure that the practices are up to date, otherwise there is a possibility that practice and theory separate from each other (Ruuska 2012, p. 239). The starting point is the customer's best, meaning that customer information should be gathered, maintained and anticipated in order to be able to develop customer oriented services and related tangible products further (Mertanen 2012, p. 71).

According to Pesonen (2007, p. 36-37) quality means all the features that the service has and by which it can meet customer expectations – either hidden or expressed. Simplified quality can be defined as follows:

- The service provider carries out what has been agreed with the customer,
- Work is done by acting as is agreed inside the organization (i.e. by the boundary conditions of the productized service).

Customer management has nowadays been seen as the main priority in providing services. After that special attention should be paid to internal knowledge management, developing and maintaining motivation and controlling and mastering IT equipment. (Pesonen 2007, pp. 66-67.)

Kinnunen (2003, p. 125) has raised up a few points that affect service quality. Perceived service process quality is affected by customer servants, customers themselves, service environment and other clients. Technical quality is formed by how the different parts of the service are realized. Both customer and service providers are interested in the economic quality, i.e. profitability of the service. Also the impression of the service promise got e.g. via earlier experiences, advertising or other people, affects the service expectations and that is why a service provider should never make unrealistic promises of the service quantity or quality (Bergström & Leppänen 2009, p. 190).

Service quality can be measured in many ways and also clients should be aware of the possibilities how to give feedback. Common metrics mentioned in the literature (Pesonen 2007, p. 185-187; Bergström & Leppänen 2009, p. 484) are:

- Gathering customer feedback by a customer satisfactory survey
- Gathering spontaneous feedback systematically
- Measuring the costs and profitability of individual service processes
- Investigating the number of recommendations from one customer to another
- Making personnel satisfactory surveys
- Counting customer losses

- Measuring the time spent on the service process.

In general, the meaning of measuring customer satisfaction in a consultant services offering company is emphasized, because many services are a bundle of several cooperation partners' input and that way exposed of submitting mixed quality.

4 Productizing the Doing Business in Finland seminar

Savonlinna Business Services helps local and foreign entrepreneurs in their internationalization aspirations. The work is done as part of business advisors' daily tasks, but further productizing has not been done. Every case is handled individually and cooperation is done with other organizations (Savonlinna City, financiers, other business development companies, chambers of commerce, etc.) when needed. That works fine with single clients. All in all, information and help for companies wanting to internationalize exists, i.e. the service exists, but information is scattered and a lot is on responsibility of an individual employee.

Closer collaboration with St. Petersburg Chamber of Commerce and Industry (SPCCI) started in spring 2014. On that stage it became topical to figure out how SBS could efficiently (taking into account human and financial resources) serve larger number of Russian companies interested in Finnish/EU-markets. In the beginning SBS had only consultation services to offer, but not any concrete service offering, unite way of describing services or best practices for implementing business cooperation processes were planned. In cooperation negotiations with SPCCI the idea of "Doing business in Finland" seminars was born. That kicked off the productization process, which is described in detail in the next chapters.

The whole productizing process followed mainly the theoretic model that Kinnunen (2003) had presented. Also the other theories (presented in Chapter 3.5) were used by applicable parts as it is described later on.

4.1 Implementing the research

The productization process started by getting familiar with the subject areas of internationalization and productization. Several studies concerning companies operating in international business between Finland and Russia were analyzed. Even though the aim was to productize a seminar package for Russian clients it was clear both nations' entrepreneurs' experienced challenges needed to be understood in order to help them build business activities and cooperation between each other. Theoretical findings of challenges, barriers and risks a company encounters when internationalizing are presented in more detail in Chapter 2.3.

SPCCI's comprehension that Russian companies wanting to internationalize feel uncertainty because of different business culture, unawareness of possible risks and mixed information about what is needed when starting business abroad is supported by the findings of Volchek et. al (2013, p. 340). SPCCI's personnel stated in the very beginning that loads of information are available concerning doing business in Finland, but they are often incompatible and outdated. It was seen that cooperation between business development organizations would lead to sharing up to date information and better customer service.

After familiarizing with the theory it was decided that the empirical research would be done by interviewing relevant business services practitioners and by observing day to day work concerning international issues in SBS in order to find out what the customer needs of companies that are planning first steps of internationalization between Finland and Russia are.

The interviews were carried out in autumn 2014. CEO and Business Development Manager were the two interviewed persons from SBS's own organization. Both of them have several years of experience in international business counselling. The third interviewed person was Vice President and Head of International Trade and Development Department of SPCCI. As stated before, a semi-structured interview was chosen to maintain the conversational and at the same time in-depth atmosphere during the interviews. The structure of the interview was different for

SBS and SPCCI interviewees, because the angle was different – Finnish one and Russian one. In SBS's interviews the aim was to find out what was the service level in turn of the year 2014-2015 and in SPCCI's interview to find out what kind of need they see their member companies have for a Finnish business development company. Framing of the questions aimed at finding services that already are an answer to the Russian's service needs and on the other hand services that Russian clients expect from SBS, but does not yet exist in SBS's service selection.

SBS's interviews were structured as follows:

1. At what does SBS aim by offering internationalization services for local/Russian customers and is there a service need?
2. What are the services offered by SBS to local and Russian customers and how are they resourced?
3. How should the internationalization services for local/Russian customers be developed?
4. Positive developments in business actions with Russia?
5. Negative developments in business actions with Russia?

The SPCCI's interview was structured as follows:

1. What kind of member companies do you have and are they interested in internationalization in Finland/EU?
2. What kind of challenges have your member companies encountered in their internationalization aspirations?
3. What kind of help would they need from SBS?
4. What would be the most suitable ways of cooperation in helping companies towards internationalization between Finland and Russia?

4.2 Results of the interviews

Interview results pointed out that aims of offering internationalization services for local and Russian customers met the needs of SPCCI's member companies. Basically SBS's service offering is based on Savonlinna City's budget's aim of the

business environment that promotes vitality and in specific utilization of Russian markets (Savonlinnan kaupunki 2014, p. 86). By offering internationalization services SBS targets to foster in creation of new enterprises, jobs and businesses in the Savonlinna region. In that sense the mental atmosphere of the region is ready to welcome Russian entrepreneurs, companies and investors that SPCCI represents. Even though the global situation was seen very challenging at the time of the interviews and observation process (autumn 2014- spring 2015) the attitude is still positive and the Russian market is seen as an opportunity in the future. SBS's personnel stated that in hard times it is time to keep up the existing cooperation networks and build up new ones for the future. The crisis in Russia was also mentioned as a possible benefit for Finland, because the Russians see the Finnish business environment as a safe place to operate. On the other hand, possibilities for new openings in export from Finland to Russia were not seen to be very promising. All-around instability, exchange rate of the ruble and the crisis in Ukraine were pointed out as business preventive factors.

By SPCCI the interest in Finnish markets was explained to arise from geographical closeness, presumably safe business and living environment and the funding opportunities that the EU offers.

Even though there are no earlier service descriptions about SBS's internationalization services (or services especially to Russian customers) they do exist. By the year 2014 internationalization services have meant guiding new foreign entrepreneurs in establishing businesses in Savonlinna, organizing a few trade fare tours abroad for local companies and in small extent consulting foreign companies in finding business partners from local firms. Some of the internationalization work has been done by funding and participating in marketing projects targeted on foreign markets e.g. in tourism and technology branches. Also a few separate marketing efforts have been done by participating in investment and innovation events for example in London and in Moscow. At the time the interviews were conducted, three business advisors were working in straight contact with the companies considering or implementing internationalization

actions. Resources of other business service organizations (e.g. Chamber of commerce, Finpro, Centre for Economic Development, Transport and the Environment, Team Finland, other regional development companies) were used when needed.

Experience has shown that working methods and used materials need streamlining and in general, work related to internationalization in SBS needs more resources, internal coordination and cooperation with other relevant partners in order to give companies a comprehensive service. In the Russian context also the language skills are essential, because not many Russians actually speak fluent business English, so in the interviews recruiting a person who speaks fluent Russian rose up. Because of the lack of resources also the so called after sales operations and customer aftercare were felt deficient and more coordination in that sense was asked for.

The SPCCI representative told that in their members there are several SMEs that are interested in internationalization towards Finland and EU-markets and for Russian clients it is very hard to find relevant information of how to start business in Finnish or EU-markets. SPCCI members' usual questions are: from where to start, whom to contact first, how to find suitable and reliable business partners, where the markets are, how to apply for financing and sort out legal papers and certificates that are needed? It was also mentioned that SPCCI cooperates with several Finnish areas and Savonlinna is seen as new opportunity for starting collaboration. Information about business and investment opportunities in Savonlinna was asked for as well as the previously mentioned advice of how to start doing business in Finland, where to find partners, etc.

Previous research literature findings and interview answers were paralleled to the discussions with local and Russian entrepreneurs, Savonlinna Chamber of Commerce and SBS colleagues during autumn 2014 – spring 2015. The observations supported earlier findings and three perceptions of Russian customer's needs and challenges rose above others – need for a reliable business

coach, need for help in finding partners, and lack of language skills, which also creates uncertainty and that way in some cases prevents companies to seek growth from foreign markets.

4.3 Productizing the seminar package

When the interviews and observations were done and main results gathered as stated above, the next step was to crystallize the customer need and see if there were any services that already met the demand. Table 2 below shows a comparison of the needs and available services at the beginning of the productization process.

Customer needs	Available services
Need for relevant information of how to start business in Finnish or EU-markets	Service available for single customers, relevant information exists, but is not gathered in a comprehensive format for several customers
Need for assistance in finding cooperation/business partners	Service exists, but is not marketed for Russian customers
Need for information about business and investment opportunities in Savonlinna area	Information exists, but it is scattered and not gathered in a comprehensive format for Russian customers
Need for a native (or otherwise skilled) Russian speaking person as a business coach and mediator	Several years of experience in guiding companies in their internationalization processes, but none of the SBS's personnel speaks Russian

Table 2. Customer needs vs. available services

Since SPCCI informed that many of their member companies are interested in internationalizing towards West, it was figured out that the best way to offer information and a possibility to build straight forward cooperation would be organizing informational seminars in St. Petersburg for interested companies. Delivering information in the form of seminars would give SBS an opportunity to save time and resources when several companies could be met at once.

No.	Theme	Resources and other remarks
1.	Registration and coffee (30 min.)	SPCCI - Russian speaking person needed - Organizing and funding for coffee service needed
2.	Introducing the cooperative role of SPCCI (10 minutes) and SBS (5 min.)	Free speech of SPCCI and SBS
3.	Business environment in Finland - effective business cooperation networks - potential companies for cooperation (10 min.)	Savonlinna Chamber of Commerce (SCC) - Power point presentation in Russian needed - Coordination of the presentation contents needed (in relation to theme no. 2)
4.	Establishing Business in Finland (licenses, funding, insuring, bureaucracy) and the role of the development company in this process (20 min.)	SBS - Knowhow existing in SBS → information gathering needed - Power point presentation in Russian needed → translation FIN-RUS
5.	Establishing business in Finland, an existing business case (20 min.)	Case company - Case company provides power point presentation (if needed) - Relationships to local Russian origin companies needed
6.	Buy your own business in Finland (20 min.)	SBS - Knowhow existing in SBS → information gathering needed - Power point presentation in Russian needed → translation FIN-RUS
7.	Possibilities for Russian exporters in Finland, in the EU – how to start exporting, marketing (20 min.)	Case company - Case company provides power point presentation if needed - Relationships to local export companies needed
8.	Coffee break (20 min.)	Extra service - Organizing and funding needed
9.	Invest in Savonlinna (15 min.)	SBS - Knowhow in SBS and in Savonlinna City → information gathering and coordination needed - Power point presentation in Russian needed → translation FIN-RUS
10.	Possibility for business counselling (30 min.)	SBS, SPCCI, SCC - Knowhow in organizations exists → further assistance of other business service organizations used if needed afterwards

Table 3. Themes of a half day seminar vs. resources

The first version of the contents of the seminar was done in close cooperation with SPCCI and build up keeping in mind the interview answers. The aim was to get in direct discussion with the potential companies and answering to their needs without high-level official speeches. At this stage the themes of a half day seminar were outlined and resources for producing the themes planned as described in the Table 3 on the previous page.

Standardizing the seminar package and compiling it from different modules aimed at a service offering from where the customer, in this case chamber of commerce and industry, could choose useful parts for their clients. The different modules that were chosen to be standardized and presented by Power Point were:

- Business environment in Finland,
- Establishing a Business in Finland,
- Buy your own business in Finland,
- Invest in Savonlinna and
- Saimaa Start Up.

The set of presentation materials is distributed in the seminars to the participants. Another handout is the Doing Business in Savonlinna brochure and the contact information flyer in the brochure. Case company presentations were produced in cooperation with local (Savonlinna) companies and planned to be used occasionally on the request of chamber of commerce and industry.

The standardization process also illustrated the need of resources (cooperation, personnel, technical, material and subcontracting). Standardizing the contents of the different modules targeted to help SBS to reduce possible quality variations in the service production process. In addition, work efficiency was improved, because time is saved by using once carefully planned modules in many occasions rather than starting the planning process from the very beginning in every customer case separately.

For visualizing tasks and responsibilities, in order to plan resources and schedule work related to organizing a seminar for the Russian customers in St. Petersburg, the following table was composed.

Stage	Action	Tasks	Responsibility
1.	Setting up the date of the seminar	- Inviting the Russian companies - Organizing premises and coffee breaks	SPCCI
		- Committing speakers - Organizing interpretation (simultaneous or consecutive - subcontracting)	SBS (internationalization coordinator), SCC
2.	Arranging materials	- Composing materials by the customer need in Finnish - Refining materials (subcontracting: advertising agency) - Translating materials in Russian (subcontracting: translation office)	SBS (internationalization team + coordinator)
3.	Organizing seminar excursion	- Organizing schedules - Reserving train/plain tickets - Reserving accommodation - Reserving transportation in St. Petersburg (if needed)	SBS (internationalization coordinator)
4.	Seminar day	- Setting up the premises and coffee buffet - Registration procedures	SPCCI
		- Participating in the seminar	SPCCI member companies
		- Delivering the presentations	SBS (internationalization coordinator)

(Table 4 continues on the next page)

5.	Aftercare	- Delivering materials to participants - Gathering customer feedback	SPCCI
		- Sum up meeting + organizing next steps with the interested companies	SBS (internationalization team + coordinator)
		- Registering customers to customer relationship management (CRM) system	SBS (internationalization coordinator)
		- Financial administration/controlling the costs	SBS (internationalization coordinator)
		- Customer follow up/single cases	SBS (internationalization coordinator) + Customers
		- Sending additional information (invitations to next seminars or events, information of new investment opportunities, etc.) to participated companies	SBS (internationalization coordinator)

Table 4. Tasks and responsibilities of organizing a seminar service

After the core service, i.e. the seminar package, was planned the extra and support services (explained by Kinnunen 2003, p.10-11 and Bergström & Leppänen 2009, p. 222) were designed based on the customer needs and previously gained experience on what kind of services were lacking.

Power point presentations used in the seminars were seen as an extra service that is vital for the use of core service. Presentation materials prepared in advance and delivered in the Russian language enhance the reliability of the service and helps the customer in forming a clearer picture of the subject matter. From SBS's point of view contemplating information in a few modules (Business environment in Finland, Establishing business in Finland, Invest in Savonlinna, etc.) helped also the SBS personnel to identify the services offered and share the information within the company.

As a side product of the presentation materials a Doing business in Savonlinna brochure was carried out in cooperation with the Savonlinna Chamber of Commerce. Contents of the brochure work also as an English language presentation of SBS's internationalization services on SBS's websites.

Offering a possibility for business counselling after the seminar was seen as an extra service attached closely to the seminar participation. It was assumed that not all the participants want to use the counselling possibility, but some of them might want to make use of the opportunity to move forward with their internationalization aspirations without delay.

From the seminar participant's point of view interpretation services (simultaneous or consecutive) can be seen as a support service that makes use of the service (in this case, attending a seminar) more pleasant for the customer. Also offering coffee break in the seminar was seen as a way of invigorating and relaxing the atmosphere of the seminar.

In the case of organizing seminars not only the seminar participants, but also the St. Petersburg Chamber of Commerce, can be seen as a client. From SPCCI's point of view the cooperation in business counselling can be seen as a core service and producing the adjustable seminar package for their member companies as an extra service that is vital in order to deliver the service efficiently to their customers. And for example delivering additional information in between the seminars from possible joint projects and new investment opportunities is regarded as a support service that keeps the cooperation and interest active and alive.

4.4 Implementing, testing and updating the seminar package

The seminar package service was tested first time in March 2015 in the “Business in Finland” seminar where 27 companies or organizations from St. Petersburg were present. By the customer feedback gathered by SPCCI the participants were very pleased with the achieved of the day. Especially the “Establishing business in Finland” part and experiences of entrepreneurs who do international business in Savonlinna were thanked for. Also materials in Russian language and interpretation were welcomed. Somewhat negative feedback was got about the length of the seminar. Even though the seminar was simultaneously interpreted it took much longer than the expected 2 hours and 40 minutes together with the registration and coffee break of 30 minutes.

The received customer feedback was taken into account when offering the next seminar package to another Russian chamber of commerce. The structure of the seminar was altered a little bit in order to summarize the content in more logically combined parts. See Table 5 below.

No.	Themes in 1 seminar	Seminar themes after revision
1.	Registration and coffee (30 min.)	Introducing the cooperative role of SPCCI and SBS (25 min.)
2.	Introducing the cooperative role of SPCCI (10 minutes) and SBS (5 min.)	Business environment in Finland - effective business cooperation networks (45 min.)
3.	Business environment in Finland - effective business cooperation networks - potential companies for cooperation (10 min.)	Establishing Business in Finland (licenses, funding, insuring, bureaucracy) and the role of the development company in this process (60 min.)
4.	Establishing Business in Finland (licenses, funding, insuring, bureaucracy) and the role of the development company in this process (20 min.)	Coffee break (15 min.)
5.	Establishing business in Finland,	Doing Business in Savonlinna

	an existing business case (20 min.)	(15 min.)
6.	Buy your own business in Finland (20 min.)	Buy your own business in Finland (20 min.)
7.	Possibilities for Russian exporters in Finland, in EU – how to start exporting, marketing (20 min.)	Discussion and possibility for short business counselling (30 min.)
8.	Coffee break (20 min.)	
9.	Invest in Savonlinna (15 min.)	
10.	Discussion and possibility for short business counselling (30 min.)	
Total	200 minutes	210 minutes

Table 5. Changes made to the structure of the seminar

So in fact the seminar became longer, but as the contents were better structured the participants' intense attendance did not suffer in the next provided seminar. New scheduling also allowed possible questions to be asked during the seminar, not only at the end of the seminar. Case company presentations were reduced to one module: Doing Business in Savonlinna presented by a local Russian person who lives and does business permanently in Savonlinna.

In Kinnunen's (2003, p. 23) theoretical model of building the service process also the technical, economic and process quality are assessed in order to measure the benefits gained and quality experienced by the customer. As stated before, the technical quality of the seminar was valued high because of Russian materials and interpretation. Also the economic quality was high, the seminar was offered free of charge and as the contents were highly appreciated according to the customer feedback it can be expected that the entrepreneurs rated the time spent in the seminar worth the working time that was lost.

Participation in the seminar is seen as the starting point of the customer service process, so the whole process's quality cannot be measured before it is over, i.e. the possible internationalization process of a single company gone through.

From SBS's point of view it was noticed that any changes in producing the seminar package requires actions also from the network participants (SBS personnel, SPCCI, Savonlinna Chamber of Commerce, subcontractors) who bring in parts of the service. Every party must be informed and time reserved for discussing and making the changes.

After the first seminar was held the service need was again assessed against the newly productized and launched service as is presented in Table 6 below.

Customer needs	Available services after productization
Need for relevant information of how to start business in Finnish or EU-markets	Service available and relevant information gathered in a comprehensive format to be used with a single customer or groups of customers
Need for assistance in finding cooperation/business partners	Service exists and is marketed to Russian customers via cooperation partners, i.e. Russian chambers of commerce
Need for information about business and investment opportunities in Savonlinna area	Information is gathered in a comprehensive format for Russian customers and is checked and updated before next use if needed
Need for a native (or otherwise skilled) Russian speaking person as a business coach and mediator	Native Russian speaking employee (with relevant business advisor skills) is recruited

Table 6. Customer needs vs. productized seminar package service

From the above it can be stated that productization of the seminar package answered to the customer need. Different expertise and information have been combined as a functional entity. As Ruuska (2012, p. 239) states, new practices must be evaluated yearly in order to keep them up-to-date and suitable to the purpose. In the case of the presented seminar package, updates are done according to the customer feedback got after every seminar from the Russian

cooperation partners. Presentation materials are also checked before use for correcting possible changes in the contents, e.g. new rules and regulations concerning establishing businesses, new investment opportunities, new funding possibilities. To be able to accomplish these kinds of updating processes these tasks are (after the productizing process finished) assigned in SBS to an employee responsible for network community coordination of internationalization issues.

Also the follow up of customer processes, started from the Doing Business in Finland seminars, is the responsibility of the internationalization community coordinator who works in close cooperation with the Russian speaking business advisor. The aim is to assure that knowledge and information is spread within the company and is not dependent on one man.

5 Summary and discussion

This research was done to find out what kind of help Savonlinna Business Services' Russian clients need when they are interested in starting business operations in Finland or in EU markets, how the cooperation with Russian companies should be built and what would be the best way to deliver information to those clients.

Interview findings concerning the customer needs were supported by the literature review introduced in Chapters 2.3. and 2.6. The biggest challenges are met in finding markets, cooperation partners and sales channels. A different business culture and a lack of common language can also form a barrier that prohibits Russian companies from taking the steps towards internationalization. Thus Russian customers need help in market research and in finding partners and sales channels as well as preferably a Russian speaking business coach to lead the way to a foreign market.

Cooperation with North-West Russian chambers of commerce opened the way to potential Russian clients and this collaboration set up the base for building company connections with Russians. During the research process it was found out

that productizing standardized modules for the Doing Business in Finland seminar would be the most efficient way to start cooperation with Russian partners and companies. In seminars many clients can be met at once and costs caused for SBS versus the number of clients reached are minimal, containing travel costs and salary costs from the time spent in Russia.

By productizing the seminar package for Russian CCI's customers the existing but scattered information was compiled in a comprehensive unity that can be used also in several other occasions such as trade fairs, seminars and single customer meetings. The productization process also revealed the missing parts of the service offering as well as made existing and newly developed service modules visible for SBS's personnel, cooperation partners and clients. In future cooperation negotiations with partners or clients will be easier to start when the base of the service offering is to certain extent in a physical, visual form.

During the productization process the resource need was considerable and required cooperation between SBS, chambers of commerce (Savonlinna/local and Russian) and subcontractors in planning and compiling the service modules. In future the resource pressure, concerning personnel, lies in controlling the service quality and developing it further as well as in coordinating the so called internationalization cooperation community that has been formed around the issue. Illustrating the resource need is one of the benefits of the whole productizing process. As is the developed practice of after seminar follow-up meetings that are used for evaluating the whole process and sharing the customer contacts to business advisors.

The network nature of productizing and producing of internationalization service tightened the cooperation with chambers of commerce (Savonlinna/local and Russian) on concrete level and that way advance the future cooperation. Especially in the Russian business culture one needs close relationships with cooperation partners. It can be said that the so called community of practice (Wenger, McDermott, Snyder 2002, p. 4-5, 20-21.) has been born. Knowledge and expertise are deepened and shared on an ongoing basis, problems solved together

and personal relationships developed across organizational and geographic borders. Out of collaboration an operation model where all parties have common goals to help the customers has been formed and common knowledge capital will increase from case to case.

By Airola (2009, p. 33) cultural knowledge can limitedly be developed with educational coaching. Experience has shown that a person's own experiences and cooperation with Russians have been the best teacher culture-wise. In SBS recruiting a person who has background and contacts in Russia has deepened cultural understanding and helped decisively in building up networks with Russian partners. Refined and deepened network-based cooperation promotes also serving Finnish companies at the beginning of their business path towards Russia. After these successful experiences, same kind of good practice is used in SBS in relation to building up cooperation networks to China (education exchange and business networks) and to the Netherlands (tourism marketing) via personal contacts of native Chinese and Dutch persons who live in the Savonlinna area.

Even though the productization process was aimed at SPCCI's member companies it ended up benefitting all foreign customers. The Doing Business in Savonlinna seminar's contents were modified and are partially used also in English on SBS's webpages containing information on whom to contact when a company is interested in building up business networks, what kind of top branches and companies Savonlinna has to offer, what kind of city Savonlinna is from the educational point of view, presentation of investment opportunities etc. Webpage information is publicized also in a brochure format. As another side product of productizing the seminar package, cooperation contractual terms for working with Russian development companies have been concluded.

Some criticism can be laid down on the number of the interviews. Three interviews is a small quantity. However, answers were mirrored on each other, on previous research literature and on observations of work life and strong correlation was found. Also the choice of interviewees (consultants with several years' experience) underpins the understanding that the research was done with good quality. It can

be concluded that the findings are reliable. Reliability is supported also by the customer feedback got from the seminars held – clients were satisfied with the contents of the seminars and SPCCI has also given positive reviews on the service process as a whole.

Also conducting SPCCI representative's interview in English might have been a somewhat restrictive factor, because both the interviewer and the interviewee are not native English speakers. Though along the productization process it was possible to revise and verify facts for ensuring that the understanding was on the same level on both sides.

In order to understand the needs of Russian customers better, it would have been important to study Russian research literature on the subject, but that was not possible, because of lack of the researcher's Russian language skills.

Differences in business cultures, environments and habits between Finland and Russia are supposed to remain in future. Demand for the Doing Business in Finland type of seminar package is assumed to continue and that way research results are affecting company practices and their development in the future.

When thinking about dealing with Russian customers in future, more emphasis must be put on how to deal with possible investors. Setting up an investor register and adding advertising to them has been discussed, but not yet realized.

During the productization process an internationalization team around Russian customers has been born naturally. The next step for enhancing the service quality SBS can offer in the foreign context could be the development of the same kind of cooperation methods and team formation related to e.g. on trade fare tours or invest-in events abroad.

In summary it can be said that standardizing a seminar product for Russian customers has been successful. The carefully planned service package saves working time and is an efficient way of giving the service from the customer's point of view. The continuous dialogue with the customers and cooperation partners will be continued in future for developing the services further in a customer oriented way.

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