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STRATEGIC FACTORS IN REACHING SUCCESS FOR  
FOREIGNERS DOING BUSINESS IN FINLAND

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The purpose of this thesis was to study about entrepreneurship and starting a new business by foreigners in Finland and find out the strategic factors for reaching a success. Theoretical part of this thesis consists of theoretical information about defining the meaning of entrepreneurship, entrepreneur, and success. Also in the study there are cultural aspects in business environment are discussed, such as ethnic entrepreneurship. Practical part was focus on gathering and analyzing data collected by personal interviews and pre-sent questionnaires to find out the strategic factors in reaching a success for foreigners in Finland.

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# 1 INTRODUCTION

The aim of any business is a success. Doing business means to be ready to take risks and be well prepared for it.

In Finland, government provides a support to its residents as well as immigrants in establishing a business through The Ministry of Employment and the Economy (MEE). The MEE was established for providing an access to information, concerning starting business in Finland and funding, creating a productive environment for innovation and controlling business and entrepreneurship activities. Created in 2008 The Ministry of Employment and the Economy, as a part of government is responsible for the most growing sector - Entrepreneurship. Through last years, there are many people from other countries came to Finland and this fact changed Finnish business environment. Being a foreigner in Finland without knowledge of Finnish language looking for a job in kind of not-that-easy situation, so that many people find out alternative solution in making money - starting their own business, However, starting-up in Finland in fact is much more complicated that many people expect. The main subject of this study is to find out the factors that lead and entrepreneur to be successful as well and milestones that might harmfully affect business.

## 1.1 The purpose of the thesis

The main purpose of this research is to determine what the strategic factors are leading an entrepreneur to a success doing business in Finland. There are many factors such as knowledge and working experience, funding together with taxation, legislation and specifics of Finnish business culture going to be discussed in this study. This research will be useful for those, who is thinking to start up an enterprise

in Finland to get to know what challenges they might face. It will be useful for The Ministry of the Employment and the Economy to familiarize the results of research and studies concerning satisfaction with provided services to foreigners and suggested possible improvements.

## 1.2 Research problem

Foreign entrepreneurship became to be a big part of the market nowadays in Finland and it is developing and growing fast. If we go deep to that subject, we will find out cultural aspects that bring us to the ethnic entrepreneurship in Finland. Ethnic entrepreneurship as a term is a kit of connections and patterns in between people sharing same or common national background or migration experience. Anyhow establishing a business means taking risks, achieving profit and growth by revealing opportunities and arrangement of resources needed to succeed. There are some cultural milestones and problems foreigners have to face doing business in Finland. The research question is: **what are the strategic factors that affects foreign entrepreneurs' success in Finland?**

## 1.3 Research methods

For this study there will be desk and field research methods accumulated for collecting data. For collecting secondary data, the researcher uses previously done researches, books, articles, brochures and Internet, Desk research includes investigations in Finnish and English languages to accumulate enough theory and information for this thesis. During field research, data was collected by consultations with banks and public business support companies. The area of this study - Satakunta and specifically Pori region, restaurants and cafes established by foreigners were chosen as a market of the study to make the research details more concrete and not generalize them. In practical part there will be interviews and questionnaires used to gather information from respondents in the chosen sector.

#### 1.4 Objectives and structure of the thesis

There are many books and articles written about establishing a business in Finland such as “Establishing and doing business in Finland” and many others. Moreover, there are hundreds sources in Internet, web-sites, forums about this topic, like Enterprise Finland [www.yrityssuomi.fi](http://www.yrityssuomi.fi) web-page and Ministry of Finance [www.vm.fi](http://www.vm.fi) . Mostly, they provide very deep information about establishing a business in concrete aspects: taxation, legislation, registration. The main problem foreigners can face is a language barrier, because there is a huge part of information needed is available in Finnish language only. The study is focused on finding strategic factors of reaching a success for foreigners doing business in Finland together with what challenges they might face on their way.

Structure of the thesis:

- Introduction
- Theory
- Cultural aspects in being a foreign entrepreneur: ethnic entrepreneurship
- Research Methods
- Practical part
- Conclusion

## 2 THEORETICAL BACKGROUND

### 2.1 Definition of entrepreneurship

The best reason to start an organization is to make meaning – to create a product or service to make the world a better place.” Guy Kawasaki, Entrepreneur, Investor, Author.

Entrepreneurs are nowadays the ones who attract most attention in world economy.

We can see them as heroes, who took risk and win, or those, who never got scared in face of milestones on a way and reached a success, we can respect them and their talents or not, but the impact of entrepreneurs for world economy can not be ignored. ( Wickham, 2001).

Entrepreneurship is about risktaking, alacrity to develop, manage, explore with an eye to make profit, the best example of entrepreneurship is setting up new companies (Business dictionary).

The word “Entrepreneur” comes from France of seventeenth century which meant a person, who is initiative leader and an innovator (Deakins, 1996).

Through last couple years entrepreneurship becomes more popular between young people and more and more of them goes to universities to study business and economics to become an entrepreneurs in future. However, according to statistics there are 40 % of new companies get closed in first months of operating because of lack of experience or knowledge, but this does not make the interest in this field smaller.

### 2.2 An entrepreneur

Several Austrian economists did the important study of entrepreneurship during 20th century: Carl Menger and Joseph Schumpeter. According to Schumpeter entrepreneur is the one who take a new idea or invention and transforms it to a successful innovation.

One of the founders of Hustle Branding, a company that provides consulting services related to brand management and an author of a successful book “How to ruin a business without really trying” MJ Gottlieb says that only a unique person can become an entrepreneur and be successful. He says that entrepreneur is the one who can easily use any idea and has a range of skills and abilities to make this idea a real product or service whatever it takes and not only start to sell it, but make it an important thing that people need to make customers interested that they will be ready to pay for it. An entrepreneur is one who starts up a new business in a high-risk level and unpredictability. The aim is to reach profit and growth by foreseeing opportunities, accumulating and attracting resources needed to earn on them. Every day there is a plenty of people who have great business ideas that could bring big profit numbers but mostly people leave those ideas as never happening, at the same time entrepreneurs take an idea and act on it to reach profit and success (Zimmerer & Scourborough 2006, 4). According to Joseph Schumpeter an entrepreneur is not only about reaching profit, together with it comes reaching a success.

There are many books and articles written about what is an entrepreneurship and who the entrepreneur is, some authors say that one can become a successful entrepreneur only by learning and studying, others are talking about the fact that one has to be “born” as an entrepreneur to be successful. Altogether, it comes to defining entrepreneur as a talented person, who has good intuition and well educated. The main purpose of being an entrepreneur is to learn from different experiences. That means to foresee risks, be ready to take risks and learn from this experience.

### 2.3 Entrepreneurial success

Entrepreneurship is about reaching success. For an entrepreneur failure is only the way learn. Thomas Edison, an inventor and scientist said: “I have not failed. I just found 10000 ways it would not work”. For many successful entrepreneurs this is a way of life, they do not see only negative things in failure - they study why it failed, what were the reasons and how to avoid those in the future. All that makes them experienced and educated enough not to make same mistakes again. Many successful



entrepreneurs say that success is kind of a drug - you get addicted to the fact you win and you need more all the time and that becomes a big part of one's motivation. Personal success could be defined in three different aspects in entrepreneurship: social, economic and self-development. Social success is about making relationship with people : employees, partners, customers. Economic success leads us to the number on a bank account, well done work is paid according to success. Self-development success is about satisfaction with new knowledge, experience and learning-by doing. According to Whickham personal success can not be absolute, success is a fact that is recognized when outcomes and expectations are compared. The minimum point that can be defined as success is when outcomes are the same as expectations were and enterprise is absolutely successful when outcomes are in the end bigger than expectations were (Whickham 2001).

### 2.3.1 Measuring success and setting objectives

First, success is personal and entrepreneurship is a way to reach personal success as well as a success of created organisation. There could be different ways to set the objectives and create a strategy to reach a success. It might be for organisational purposes or both: the entrepreneur and a venture or it could be so that entrepreneurial goals comes first. Strategy of an organisation could be built on the market purposes or alternative ways of earning money together with main ones, the idea company works for. It is very important for an entrepreneur to set the goals, objectives and define those to motivate each person in organisation to reach those together. That is a part of leadership management and a way to reach personal success for an entrepreneur. Here we come to the fact that one of the main parts of strategy in reaching a success is communication. It is a very valuable thing how the entrepreneur communicates with everyone in business environment he created, because all those people have an impact on one's success. It is understandable that human resource management and motivation strategy should be well monitored and all the time stay up-to-date. At the same time, a big impact for entrepreneurial success comes from communication with suppliers, partners or investors. For an entrepreneur it is important to set objectives and own goals and then use the well-built communication

strategy to make all people in his organizational environment to follow those objectives to reach goals.

### 2.3.2 Factors hindering reaching a success.

More than 50% of new companies fail in first couple of years of operating. Moreover, some companies fail during the first year after they were established. There are many reasons for that failure to happen. It could be the limitation of resources and financing, mistakes in management and lack of experience. First, small companies are getting closed because of lack of experience of the owner; it usually happens that an entrepreneur just easily does not have enough knowledge about leadership and how to make employees to follow one. The experience working in the same market before starting own company is also important, the one who starts up a new company have to know the market well and also have to have at least some experience for better understanding and an ability to make objective decisions. The next comes the strategic management, mostly those entrepreneurs who just started their business think that strategic planning and strategic management are needed only for a very huge companies, but in the end they fail mainly because they did not have any strategy. There is a need to study the market and company's customers, their habits, needs and a way of life to build up a good strategy. It is important to answer such questions like "Who are our customers? How are we going to attract and treat customers? How we can make our company better than our competitors are to attract more clients?" Wrong location is also one of the reasons a business can fail, some entrepreneurs say that first one have to find a place his business is suitable for and then only start to look for an vacant object or office there, not otherwise. Sometimes it could even matter in what side of a building the company is placed, so first good analyses should take place and only then, the location should be chosen to make sure it is the best one.

## 2.4 What is culture?

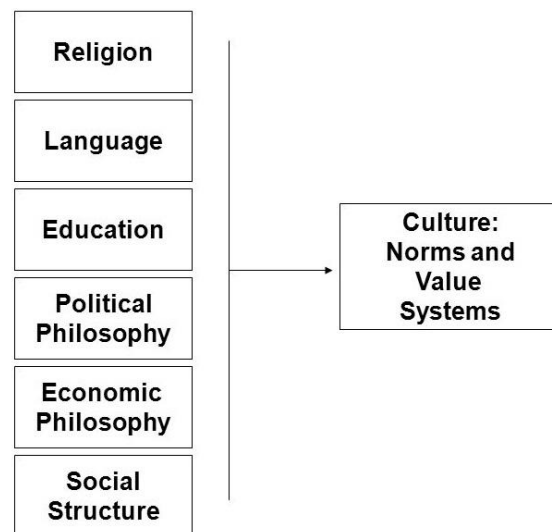


Figure 2.1 Concept of culture.

Everywhere when people who were born or grew up in different cultures meet and communicate, cultural norms, habits, way of life and those things people got used to participate and lead the communication different way. That is the reason it is important to analyze the concept and meaning of culture when talking about communication between people from different cultures. Itself, concept of culture is a set of beliefs, practices and values that makes each culture to solve same problems in their own way.

There are two levels in culture differences: surface- and deep-level. Surface-level differences are visible and obvious, those that come from values, norms and practices. Deep-level differences are those that are not immediately visible and relate to cultures prevailing values like how tolerant and intolerant the culture is and open it is for any changes.

### 2.4.1 Hofstede's model of 5 dimensions

When talking about culture and cultural differences it is important to mention the Hofstede's model of 5 cultural dimensions.

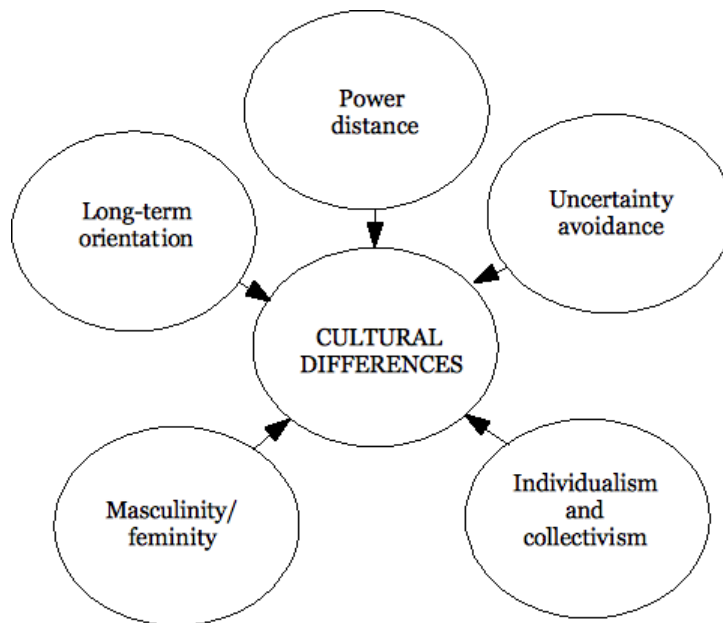


Figure 2.2 Hofstede's model of five cultural dimensions

Hofstede's landmark survey was first done for IBM employees for measuring their values in more than 40 countries. First the model conducted only four dimensions that national cultures differ: power-distance, uncertainty-avoidance, masculinity-femininity and individualism-collectivism. After survey was done in China there was one more dimension added: long-term orientation.

**Individualism/Collectivism:** For an example the individualist countries are North America, Europe and Australia, people there are more focused on individual achievements. Individuals see themselves as independent and autonomous, they do not need many people to support an idea to follow their own way. At the same time, Asian countries are good example of collectivism. Those cultures are characterized with very tough social networks and family ties are very strong, for example when whole family votes for the same political party.

**Power-distance:** Cultures with high power-distance characterized by very strict hierarchy, when managers are not easily communicating with employees and through years, there is actually no answer for question "why?" - People just got used to live like this. Small power-distance countries are more focused on informality and managers and employees are easily communicating.

**Uncertainty-avoidance:** Cultures with high uncertainty-avoidance are about rules and formality, so that people at work fear failure and need a detailed codex of rules and formal guidance for their work. Those countries with low uncertainty-avoidance

level tend to be more successful because they are much fearless, so there are many innovations coming all the time.

Masculinity-femininity: Many countries are totally masculine. Men there is the only who can make decisions and rule the world and woman have to care about home and children. On another end there are, for example, Scandinavian countries, where woman has all the same rights as men.

Dynamism: This dimension is about harmony and strong order in relationships.

Cultures have a great value on organization structure and the way they operate, that is the reason it is important to study cultures before one is starting a business there. It is important to understand what values and habits people from other cultures have and what they expect at working place, how they communicate and all those norms they got used to.

#### 2.4.2 Ethnic entrepreneurship

In this study, the focus inside the culture aspect is on ethnic entrepreneurship. First of all the meaning itself is important to be analysed. Ethnic entrepreneurship is a complex of connections and “templates” in living and operating business between people who share same culture background and cultural values or have common migration experience. Ethnic entrepreneurship is not only about those immigrants who actually immigrated several years ago, but also about those groups that immigrated centuries ago, like Afro-Americans in the USA or Jews in Europe or aborigines in common. Ethnic entrepreneurship is a very large definition that is more about the set of “rules” and the way of life and doing business of the group of people that share some common values or experience. For example in Finland ethnic entrepreneurship could be easily seen if we look on “pizza and kebab” owners, for many people who are coming to Finland it is strange fact that the owners of this places are mostly from Turkey. During many last years this fact became to be a normal part of life in Finland and nobody really cares anymore that originally Italian food is made by Turkish people. It is impossible now to find out who was the first one to start this business, but nowadays that is a way many people from Turkey are

coming to Finland and also open the “kebab place”. The reason for doing this is a “template” that is already made and there are hundreds of people who already done that. For many foreigners starting a new business in Finland it is easier to go with a “safe” way, because mostly that is the only way they could make Finland their own home and bring their families here. Moreover, when one leaves its own country and moves to another there many economic factors that make life of immigrants much harder than native people, the language barrier and tough competition when looking for a job, those reasons are the main for those immigrants who is starting their own businesses. It is a good way for them to climb up to the top and reach a success in a foreign country. Many foreigners who moved to Finland said that when they were looking for a job since early start there were almost no other options than a cleaning job to do and it did not matter what educational background they had even to get those job it was hard and many people were unemployed in several months.

Through the years, ethnic entrepreneurship became to be an important part for Finnish economy. When foreigner comes to country and becomes self-employed, creates a new company he creates a working place and own job, that means he does not need any working place that could be taken by a native Finn. Moreover if an entrepreneur becomes successful he starts hiring more people and creates other working places, mostly this is a benefit for members of entrepreneurs ethnic group, it could be someone from his family or just a person from the same country. That is a good thing for the economy because creating new workplaces especially for foreigners reduces the number of unemployed foreigners that live for government money. Ethnic entrepreneurship is an important thing also in building relationships with other countries by businesses that ethnic entrepreneurs have. Mostly, ethnic entrepreneurs provide unique products or services and have a lot of specific knowledge about those that could be used for country’s economy.

#### 2.4.3 Culture values in business.

If a business does not adapt to the changes that happens to the culture it will fail. It is important for a company to stay up-to-date and be ready to adopt for culture change. However, sometimes it might happen that those changes are so big that some

businesses cannot survive, for example when in the beginning of 20<sup>th</sup> century in United States of America government made a law that said no one can sell alcohol and many companies were closed because of that. Mostly culture changes are not so huge and it is possible to adopt to them. Before starting up a company entrepreneur should understand that, there is a risk that culture might change and be ready for it; moreover, there are not only bad things but also many opportunities one could find in that. It is also important to mention that businesses are bringing some culture differences also by creating new trend for example. Many companies use cultural values in their marketing campaigns and attracting customers. Cultural aspects are very important for marketing and advertising and it is important to analyse them right. Couple years ago Coca-Cola was advertising their product in one of African Muslim countries. They analysed the market and found out that there are many people who cannot read letters, but they can “read” pictures. So they made their advertisement on banners on the streets and it consisted of three pictures from left to right: a boy was first tired, sweaty and was falling on the ground because he was thirsty in the desert, on the second picture he drinks Cola and on the third he is full of energy running fast. Looks good, but the marketing managers did not take into account the fact that native people in this country read from right to left. Of course, this advertising campaign failed.

### 3 DATA COLLECTION

#### 3.1 Research method

For this thesis, there were multiplied methods of data collecting used. For this study, there were two forms of collecting primary data used: survey and experimental data.

Questionnaire is a list of carefully prepared and structured questions with several variants of responses. Interviews are methods of collecting data by asking questions mainly answering “why?” questions to understand why people are doing something and what are their motivations and feelings. For both ways of collecting primary for this study, there is a need in that every respondent understands right and in the same way all questions as other respondents. That is the reason that all questions during interview have to be asked in the same words and structure (Collis & Hussey 2003). Secondary data is the one that is already collected by the authors and researchers and is already available in such sources like books written by professionals and academics, journals, newspapers, archives, articles, past researches and online sources.

## 3.2 Foreign entrepreneurs in Finland

### 3.2.1 Respondents information

The research for this study was done mainly for gaining objectives so there were 4 respondents two of each gender participating in this study. For reasons of privacy preservation personal information of the respondents such as their names, country of origin and names of their businesses are not included to the study. Since there are two people of each gender involved to the study the respondents in this research are listed as M1 and M2 for male respondents and F1 and F2 for female respondents. The age of respondent varies from 35 to 43 years. All of the respondents are married and only F2 is married to non-Finnish person, while spouses of other respondents are originally Finnish, all that is a relevant part of the respondent's background information needed for the study.



### 3.2.2 Education

All respondents in this research have graduate qualifications. Information of educational background is done mainly for understanding how big is the importance of education in being an entrepreneur and managing your own business.

### 3.2.3 Qualifications concerning business field

All respondents in this study are successfully operating their businesses for three years and more. As it was mentioned previously study is focused on restaurant and cafe business market. All respondents had different skills before they started on the market. Only F2 has an experience and education being a chief, at the same time other respondents have an experience in business, management and accounting and their education is in this field. However, M1 had an experience of being a restaurant manager before moving to Finland and starting up his own business.

### 3.2.4 Reasons and motivations for becoming an entrepreneur

When respondents were asked about their reasons of starting their business, all of them answered that they always wanted to be “self-employed”; all of them at the same time had other careers in other business fields before starting their own. M2 and F2 did not have any experience in restaurant and cafe business before, but both said that when they were thinking about becoming an entrepreneur that was the field that seems to be the most interesting to operate in. At the same time F2 and M1 already worked in restaurant business and they both knew how it works from “inside”. All respondents focused answering on the question about motivation on the fact of working on yourself and not having a boss, making own decisions and being responsible for them. M1 and M2 also mentioned that it was a way to provide financial stability for their families and that was the main reason for establishing their own companies.

### 3.2.5 Location and services

Location of all interviewed businesses is in Pori area. This choice of location for this study was done for gaining objective knowledge based on exact area not to make them too general. Nowadays Pori is a developing area, through last couple of years, it is easily visible that business culture improved a lot and many new companies, businesses and enterprises came up and are operating and developing well - all that makes Pori region a good area for new companies to start and grow.

Despite the fact that all interviewed businesses are operating at the same market and are located in the same area they have differences in a way they are operated and products they sell. Thus, M1 and F2 are focused on serving their service to their customers only on the territory of their restaurants, while M2 and F1 produce products delivery also.

All respondents mentioned that knowing of culture and habits of the region they decided to start up was one of the foundational ones. As it was mentioned earlier, all respondents lived for one year or more in Finland before they established their own businesses. At the same time M1, F1 and F2 mentioned they still sometimes find something new about Finnish culture and people even after all those years they lived here, M2 says that he already knows as much as he needs for operating his business successfully. It is important to mention that M2 lives in Finland more than all others - 10 years and his business is now 5 years old. M1 moved to Finland 7 years ago and started up after 4 years, F1 lives in Finland last 6 years and started her business earlier than others only after 1 year after moving, F2 is in the country for 5 years, and her business is 3 years old for now.

### 3.2.6 Skills needed for becoming an entrepreneur

There are several points that all respondents commonly defined as important in becoming an entrepreneur: background knowledge about the area someone wants to start business, personal interest, also one has to be well educated and motivated.

Specially F2 was saying that motivation is the point where it all starts and it is the main psychological factor - if one is motivated enough than there is nothing impossible and mentioned very valuable phrase “ motivated person will find a way, while others find an excuse”. At the same time, all respondents are commonly marking good managerial skills and knowledge in human resource management as factors that matter the success of an enterprise. M2 and F2 chose time-management as a needed skill on planning stage in starting up. Common answers was also information as one of the main resources of starting, saying that a lack of information can be a milestone on a way to success. M1 and F1 ticked “business experience” as skill needed and said that their experience in working in this field was very helpful when they started on their own, although none of respondents owned businesses before.

As well, all respondents said they wish they had more skills and knowledge when they just started especially in finance and legislation, technical skills, licensing and marketing.

### 3.2.7 Financing

During the research, it was a lot of information studied about ways of financing start-ups. The respondents in this research had different ways of financing their businesses. M1 used his own savings and start up grants, M2 had only his own savings and some money provided by his family he was operating with, F2 financed her business with bank loan and start up grant and F1 found an investor who became a silent partner in her business, but it is important to say that it was one of her family members. It is important to mention the cultural aspect: those respondents who was using grants and bank loans said that the fact that they are from different country was not a milestone and they had all the same abilities and opportunities as native Finnish citizens.

### 3.2.8 Expectations and reality

Respondents were asked a question how much they are satisfied with their enterprises and M1, M2 and F2 answered that it all goes pretty much as they planned and for now they reached all goal they planned to reach since early start, while F1 said that there were some goals she did not reach yet because she was not skilled enough, but in all businesses there is a way for improvement.

### 3.2.9 Growth

All respondents commonly are interested in growing and M1 especially says that if one wants to have a success than have to be interested in growing. F2 mentioned that when she was writing her business plan for applying the bank loan there was question regarding growth like “how do you see your company after couple years?” and that made her think, so she written down main goals and now, when her restaurant is operating for couple years she can surely say that she is doing good job and at some points she reached more than she expected. Many people say that the biggest problem in growing is financing, but M1, M2 and F2 disagreed with that saying that financing part is a bit scary in the beginning, but when you are already operating the business there are many ways more to bring financing and grow further.

### 3.2.10 Resources

This part of interview was focused on government role in starting up and as it was mentioned, earlier those respondents who was using governmental resources for financing their businesses say that there were no bias they thought to face as a foreigners. Finnish government provide all needed information for those who want to start up their own business with no matter is it a foreigner or Finnish citizen, all informational sources are translated to English language and are very useful. M1 and F2 are saying that they did not used any programmes provided by Finnish

government, but they are looking forward to use those for growth as a part of financing.

All respondent agreed that there is no lack of resources and information for entrepreneurs in Finland and it makes business life easier when one can easily get help. All their experiences makes sure that all programmes and sources Finnish government provides are very helpful and shows how much Finland is interested in new enterprises to be started.

### 3.2.11 Competition

As it was mentioned, earlier Pori is developing a lot and nowadays competition on the market is tough, so it is important to stay all the time up-to-date to be competitive enough. All respondents agreed that being a foreign entrepreneur one has to have a good understanding in business ethics and business culture in Finland. In addition, it is important on the stage of planning to understand it right what is your target group to make your business competitive. F2 said that it is very important at early beginning to find some point why your business is better than any else and why you would become successful: "If you want to eat a Thai soup for dinner do not go to Italian restaurant, chose an Asian one and then it is better if a chief is from Thailand - than you can be sure you will eat right Thai soup" - that was her key to attracting customers. M1 and M2 said that to be competitive entrepreneur one has to set up factors he or she is good at and build business upon them to make sure it is going to be a successful one.

All respondents mentioned that Finnish enterprises has an advantage in competition from side that they know Finnish market better, but it is just a question of study, there is just a need to explore and study to become competitive in this with native Finnish entrepreneurs.

### 3.2.12 Taxation and human resources

Most respondents said that taxation was the point they were looking for a help with because it is a complicated subject, also it was said that taxes in Finland are very

high and that was a reason why profit they get is smaller than they expected when planned business. Human resources is also a problematic factor that needs to be controlled well. It is hard to find suitable people and usually it takes many months to find one and then keep this person. There are many examples when some workers are leaving their jobs after training and that harmfully affects business environment of company.

### 3.2.13 Success factors

Respondents were asked what factors they think and found by their experience leads business to success. It was mentioned earlier that one should not be focused on expanding and growth while business just started, it is much more important to make business stable first and only then it is reasonable to think about expanding. Human resource management is an important factor in reaching success - it is a hard job to find right people for your business, but it is worth it. The next point is customer needs, you have to know your target group well to understand what would be sold well, what your customers need and are ready to pay for. Management is a big part of becoming a successful entrepreneur - one has to manage time and goals that it is well balanced and there should be no hurry in time management, it is important to have some fund of time if some emergency happens. Information - it is important to be up-to-date, monitor the market business is operating at all the time to find out what risks are there, and what problems might appear. It is important to say there are now all the time different types of seminars and courses are provided to business people about different topics and Finland became an international country, so there is a possibility to find those in English language also. Rules and regulations, business politics - all this should be structured well to make company successful, because it is impossible to serve a good service without having strong regulations inside the company.

### 3.2.14 Summary of the analyses

During this research was founded that the educational background has a big impact on business survival of companies. All of respondents have high educational diplomas related to business and economics and all of respondents said that their education played an important role in establishing and operating their business.

At the same time age and gender did not had almost any impact on respondent's business life. All business owner participated in this research mentioned that it is good to have a partner who would help going through aspects considering Finnish language for better understanding of a certain point.

Respondents were common to say that time they spend in the country was important for their business success. The reason is that it takes time for a foreigner to get used to another culture and understand it; mostly it is important to know the potential customers one is selling a product or service to.

From the analyses, the most important success factors were found as management skills and knowledge of the market, language and access to capital.

It was founded also that all needed information for starting up and running business is well produced by Finnish government in both Finnish and English languages, so that was not a problem to any of the respondents.

The main question about how is it to be a foreign entrepreneur showed that there is no difference is the one originally Finnish or came from elsewhere there are the same rules/restrictions and opportunities in Finnish business life.

It was also mentioned that it is more coming from prejudices that it is a hard thing for foreigners to establish business in Finland - those respondents, who used bank loans and government grants said that there was no any special rules they have to follow to receive those finances.

Good business management is noted as being key to the start-up and continuity of any business enterprise. This involves having taking to account principles of experience and relevance. In the study, it was identified that inherent experience may

not necessarily be a perceived requirement for retrospective business start-up. Nevertheless, a good educational background or relevant business cognition may suffice. In retrospect, entrepreneurial success is based on utilizing relevant knowledge and insightful management techniques to ensure the growth of the business.

Talking about ethnic entrepreneurship the research showed the fact that mostly there are many family members involved to respondents businesses. All respondents mentioned that this certain business market was interested for them mainly because it is a way they can live in Finland at the same time operating their business in their own cultural traditions. In addition, some of respondents honestly said that it was “easiest” way to establish their own business, having their cultural background knowledge and just applying it to Finnish market.

## 4 CONCLUSION

The main aim of this study project was to find out the success factors for businesses owned by foreigners in Finland. The study also aims to find out what impact cultural aspects have on business, find out what is ethnic entrepreneurship, and how it could be seen in practice.

The research finds out the skills and knowledge that is needed for becoming an entrepreneur and managing business. The research was done by interviews and questionnaires to collect the data and then examine and analyse it. Research showed that business start up in Finland is relatively simple. Government of Finland supports those ones who wants to start up and gives all chances for them no matter are those people originally from Finland or any other country. There are many companies in every region that helps start-ups like PrizzTech and Finnvera in Pori region. Banking services are very liberal and tolerant for everyone and there is no matter if the person is not a native Finn.

However, foreigners themselves are very sceptical about receiving grants and funding from elsewhere then their own savings. That leads us to ethnic



entrepreneurship - this shows that people are not only establishing their businesses on the same markets but also use the same way of establishing their companies. That explains where these stereotypes may come from.

Competition seem to exist within all sectors of the business environment and affects both local and foreign business owners. Competition is however seen to favour natives as opposed to foreigners. This may be because the natives have a better understanding of the business climate in Finland. In addition, the natives are noted to have access to more resources. Most foreign entrepreneurs perceive this bias as a risk. In general, findings shows that foreigners found the business environment in Finland productive, full of opportunities and options to foreign entrepreneurship.

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Questionnaire:

1. Gender

- a) Male
- b) Female

2. Marital Status

- a) Single
- b) Married
- c) Divorced
- d) In a relationship

If you are married or in a relationship, your spouse is:

- a) Finnish
- b) Foreign

3. How long do you live in Finland?

- a) Less than a year
- b) 2-5 years
- c) 5-10 years
- d) More than 10 years

4. What education level did you have when established your business?

- a) No education
- b) Junior high school
- c) High school
- d) University
- e) Other

5. Where your company is located?

- a) Satakunta
- b) Other parts of Finland

6. How long did you live in Finland before establishing your business?

- a) Less than a year
  - b) 2-5 years
  - c) 5-10 years
  - d) More than 10 years
7. How long you are operating in business field?
- a) 1 year
  - b) 2-5 years
  - c) 5-10 years
  - d) Other
8. Why did you decided to become an entrepreneur?
- a) Always thought to become an entrepreneur
  - b) Because had an invention
  - c) Wanted to make an idea real
  - d) Is was a way to apply an education on practice
  - e) Because there was a lack of well-paid jobs on the market
9. Before establishing your business what job, have you been doing?
- a) Did not work before
  - b) Business
  - c) Office job
  - d) Worked in sales
  - e) Engineering
  - f) Other
10. What factors from the following you think were important when you were starting up your company? Tick all that apply:
- a) Education
  - b) Management skills
  - c) Training
  - d) Previous management experience

- e) Marketing knowledge
- f) Business experience
- g) Organizational skills
- h) Supervising skills
- i) Time management knowledge
- j) Communication skills

11. Did you felt a lack of knowledge in some spheres when you were starting up?  
What were those aspects?

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12. Where did you found finances for starting up?

- a) Saving
- b) Banks
- c) Family
- d) Grants
- e) Investors
- f) Other

13. Who are the customers of your company?

- a) Foreigners
- b) Finns
- c) Both

14. Who are the competitors of your company?

- a) Foreign
- b) Finnish
- c) Both

With a scale from 1 (lowest) to 5(highest) choose:

15. How tough is the competition on the market?

1 2 3 4 5

16. Do you think that your ethnicity had any impact on the success of your business?

1 2 3 4 5

17. When starting you have you used sources provided by government of Finland?

a)No

b)Yes

- What were those?

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18. How do you rate the loyalty of those companies?

1 2 3 4 5

19. Does the Finnish government contributes the growth of your business?

1 2 3 4 5

Personal interview questions:

1. Name: .....
2. Age: .....
3. Country of origin: .....
4. Company name: .....
5. Year of establishing: .....
6. Where are you from?  
.....  
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7. How long do you live in Finland?  
.....  
.....
8. Why did you chose to start up your own business?  
.....  
.....
9. Why did you started up in Pori?  
.....  
.....
10. What kind of education did you have when you established your company?  
.....  
.....
11. Where did you find an information about establishing a business?  
.....  
.....
12. Did you used governmental sources when started up?  
.....  
.....



13. Have you had any problems when you were establishing your business because you are a foreigner?

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14. Where did you get the financing for your start up?

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15. What milestones did you have when you were starting your business?

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16. What do you think are the factors one needs to establish a business?

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17. Do you think that you had a lack of knowledge or experience when you were starting?

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18. How do you feel about competition on your market?

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19. What were the most important success factors you think in entrepreneurship?

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20. From your experience, what could you share with future entrepreneurs?

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