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Launching CaringTV onto the Japanese market: a cost approach in focus

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Launching CaringTV onto the Japanese market: a cost approach in
focus

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This thesis was conducted for Laurea University of Applied Sciences and the consortium members of the Active project. As a result of demographic changes due to the aging population and declining labor force, more cost-effective elderly care services will be needed in the future. CaringTV is a concept that offers various eServices to empower and support the independence of the elderly at their homes.

The main objective of this thesis is to find out how launching CaringTV onto the Japanese market will create cost advantages as part of an elderly care service portfolio. To gain a better understanding of the Japanese market the theoretical section of the thesis is divided into three parts, which examine the aspects of internationalization, cultural differences and demographical information concerning the two countries.

A quantitative research approach was used in the form of interviews and five focus group discussions in Sendai, Japan during the fall 2010. Also personal observations were used to strengthen the data. Data from these interviews was then analyzed to support the theoretical background and form the conclusions of this thesis.

The main result was that with modifications, CaringTV could be effectively used as a tool to strengthen the preventive care in Japan and to create cost savings along with added efficiency.

To be able to fully launch the concept onto the Japanese markets, long-term piloting and more accurate proof of cost savings and increased efficiency is needed. Research is still needed, which could be conducted together with Tohoku Fukushi University.

Key Words elderly care services, Japan, CaringTV, internationalization, culture

Koskinen Tuomas

CaringTV:n vienti Japanin markkinoille: fokuksena kulut

Vuosi 2011 Sivumäärä 92

Tämä opinnäytetyö on laadittu Laurea-ammattikorkeakoululle ja Active -projektin konsortiojäsenille. Ikääntyvä väestö sekä samanaikainen työvoiman väheneminen asettaa uusia haasteita hyvinvointialalle. Uusia innovatiivisia ja kustannustehokkaita vanhustenhoito palveluita tarvitaan tulevaisuudessa ja CaringTV on konsepti joka mahdollistaa vanhusten voimaantumista sekä tukee itsenäistä asumista innovatiivisten e-palveluiden avulla.

Opinnäytetyön päätavoite on saada selville, kuinka CaringTV:n vienti Japanin markkinoille loisi kustannustehokkuutta osana hoito portfolioa. Nämä löydökset voivat edesauttaa yhteystä oppimista Suomen ja Japanin välillä. Työ koostuu kolmesta teoreettista osuudesta, joiden avulla saadaan käsitys Japanin markkinoiden erilaisuudesta. Nämä osuudet ovat kansainvälistymismallit, kulttuuri ja maiden väliset erot yleisesti.

Tutkimus tehtiin kvalitatiivisia tutkimusmenetelmiä käyttäen. Tutkimus piti sisällään haastatteluita, havainnoiteja sekä viisi fokuksitua ryhmäkeskustelua Sendaissa, Japanissa syksyn 2010 aikana. Teoriaosuuden tietoa hyväksikäyttäen haastatteluiden data analysoitiin ja johtopäätökset vedettiin.

Opinnäytetyön tuloksena oli, että muutoksia tehden CaringTV voisi olla käytössä osana ennaltaehkäisevää hoito portfolioa, synnyttäen säästöjä sekä lisäten tehokkuutta.

CaringTV:n konkreettista kansainvälistämistä Japaniin ennen on kuitenkin vielä tehtävä lisätutkimusta, pitkäaikaista testausta sekä saatava tarkempaa dataa kustannustehokkuuteen liittyen. Tätä tutkimusta voitaisiin suorittaa Tohoku Fukushin yliopiston kanssa.

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1 Launching CaringTV onto the Japanese market: a cost approach in focus

The topic of this thesis is launching CaringTV onto the Japanese market: a cost approach in focus. Finland and Japan have collaborated for over a decade concerning elderly care services through the Active project. This project has now reached the stage where a service called CaringTV will be piloted in Japan.

1.1 Launching CaringTV onto the Japanese markets

With the aging population increasing, and simultaneously the labor force quickly declining, more effective, and especially cost effective, elderly care services are needed in the future. This phenomenon will be a worldwide problem in the future, but it is already affecting Finland and Japan very strongly. The next Asian countries likely to be affected by this demographic change are China and South Korea. Elderly care services are already well developed in Finland and Japan, and there are many similarities in the cultures of these two countries, so collaboration and cooperation with the Japanese is said to be natural even though it is a physically distant country. In order to innovate and create more efficient solutions for the future collaboration between these two countries is taking place.

The main objective of this thesis is to find out how launching CaringTV onto the Japanese market will create cost advantages as part of an elderly care service portfolio.

The secondary objectives are the following:

- What is said in the literature about service in the Japanese market?
- How can the service concept be supported to fit the Japanese market?
- What kind of recommendations can be made through these findings?

This thesis was conducted to answers to these questions. The findings might then be used to enhance the internationalization process of CaringTV and possibly create proof of cost efficiency.

1.2 Choice of the research context

After studying abroad in Japan during 2009, and seeing the situation from inside the culture, I became interested in this topic. After returning to Finland, an opportunity arose to complete an internship as an R&D assistant on the Safe Home-project, which is responsible for the research and development of CaringTV.

1.2.1 The elderly care industry

The future business opportunities and prospects involved in elderly care are massive and cannot be ignored. The welfare business is a booming industry in Japan and Finland and will continue to grow in importance, as long as the demographics of these countries continue in the same direction.

Year	2000	2005	2010
Total cost	32.3 billion dollars	42.1 billion dollars	52.8 billion dollars
Monthly premium	19 dollars	21 dollars	27 dollars

Table 1: The trend of total costs of long-term care insurance in Japan (Japan's Long-Term Care Insurance Programs)

The total costs of the Japanese Long-Term Care Insurance (Kaigo Hoken) have risen from 32.2 billion dollars in 2000 to 52.8 billion dollars in 2010. This is a great increase of approximately 64 percent in a decade. Not only is the population aging faster than before, the elderly of Japan are also beginning to accept the concept of Kaigo Hoken, first implemented in the April of 2000.

1.2.2 The elderly care industry in Finland

Financing of health care expenditure

Year	Public financing			Private financing		Total
	State	Local authorities	Social Insurance Institution	Households	Other	
%						
1995	26,5	33,1	12,5	21,8	6,1	100
1996	22,1	36,9	12,9	21,9	6,2	100
1997	18,3	40,6	13,3	21,6	6,2	100
1998	16,5	41,6	13,7	21,9	6,3	100
1999	15,9	41,5	14,0	22,2	6,4	100
2000	17,8	39,4	13,9	22,3	6,7	100
2001	17,7	40,1	14,1	21,6	6,5	100
2002	17,6	40,4	14,3	21,2	6,5	100
2003	18,8	39,2	14,6	20,9	6,6	100
2004	20,4	37,7	14,9	20,5	6,5	100
2005	21,5	37,4	14,6	20,1	6,4	100
2006	22,2	37,8	14,7	19,0	6,3	100
2007	22,4	37,7	14,5	18,9	6,5	100
2008*	24,2	35,0	15,0	19,4	6,4	100

Total health care expenditure amounted to €7 554 million in 1995, to €9 554 million in 2000 and to €15 453 million in 2008*.
* preliminary data

Source: National Institute for Health and Welfare (THL)

Table 2: The financing of health care expenditures. (Financing of health care expenditure 2007)

In Finland the total health care expenditure in 1995 was 7 554 million Euros and correspondingly 15 453 million Euros in 2008. In the case of Finland expenses have more than doubled in the course of 13 years (by approximately 105%)

The phenomenon of aging populations is one, which is occurring worldwide, but especially in Finland and Japan. It is essential for both Finland and Japan to come up with business opportunities in the welfare services sector in the near future. The age profile of Japan and Finland are similar, so both countries are facing the same challenges with an aging population and lack of resources. Furthermore the economic recession that began at the end of 2008 has worsened the situation. Recession alongside these demographical issues is a true challenge. Even though the cultures of Finland and Japan are very different, there are also many similarities in the way people behave and think. Because of these similarities, it is said in the literature that from the point of view of the Japanese, it is easier to cooperate with Finns than, for example, with Americans.

1.3 Limitations and restrictions on the study

The thesis will be conducted as a case study of CaringTV, a service concept that offers eServices and interactive programs to support customer welfare. The service concept's goal is to support independent living and coping at home. (CaringTV webpage) In the theoretical section, the subject is considered from the perspective of the cultural, internationalization and financial aspects. The research process also has three major stages. These stages consist of the background work and putting together the framework for the theory in Finland. The second stage was conducted in Sendai, Japan, through observations, interviews and focus group discussions in order to grasp what changes that are needed for CaringTV to effectively function in Japan. The third stage consists of analyzing the data acquired and eventually creating an understanding of how to possibly create synergy between Finland and Japan in the field of elderly care services through CaringTV.

1.4 Purpose and objective of the thesis

The purpose of this thesis is to find out how by launching CaringTV onto the Japanese market, the cost approach in focus could possibly bring benefits to the Finnish and Japanese elderly care industry. To achieve this, the author studied the field of elderly care eServices and tried to acquire a better understanding of the cultural differences between Finland and Japan in this context. For the Active project it is essential to get proof of the cost savings of the

service, as CaringTV is being promoted as a cost effective and humane way of improving elderly care services. The business cultural aspect will also be studied, since doing business abroad and particularly for western businesspeople in Japan, has its own set of rules of internationalization process, and how one must act and behave. Through study of various internationalization models a clearer picture of the challenges of launching a service in to a psychically distant market can be acquired.

From the cultural point of view, it is crucial to find out how CaringTV will be able to function effectively in the Japanese culture and markets. After understanding these issues, the services and working models can be modified accordingly. With these two steps it is then possible to create synergy by combining and modifying the models in both Finland and Japan. The main question from the cultural perspective relates to the changes needed in order to make CaringTV comfortable for Japanese users who have a different way of thinking and cultural background.

1.5 Structure of the study

The three stages of the thesis process will occur in chronological order. Firstly the concept of CaringTV will be studied as well as the background information and theoretical backgrounds. Then CaringTV will be taken to the Japanese market as a pilot a study made of the challenges and difficulties which arise in general and more importantly from the point of view of Japanese culture, way of thinking and business world.

The second stage will involve the research done in Japan by qualitative research methods to adapt CaringTV to Japanese society and culture. The main questions are the second stage concern the changes needed from the point of view of software, hardware and service models, always keeping in mind cultural differences.

The third stage is to further analyze the data to create synergy between Finland and Japan and improve the services CaringTV can offer. It is hoped that this will ultimately lead to cost-savings and improve the quality of life of the elderly.

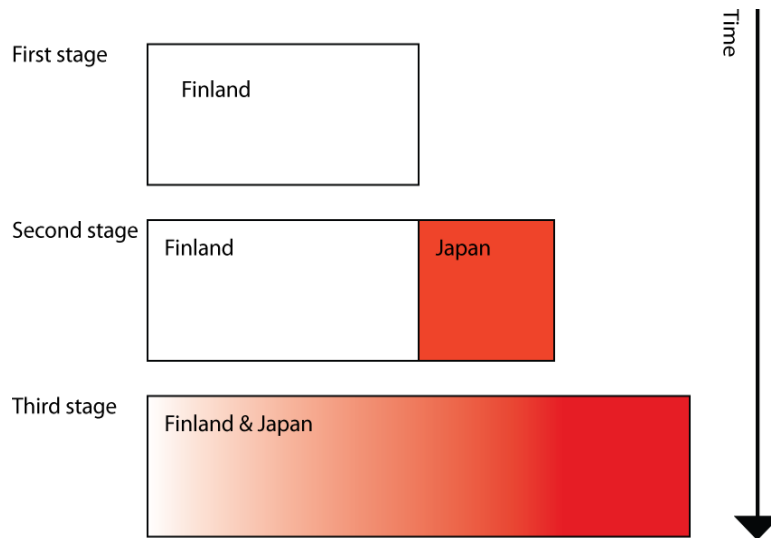


Figure 1: The three stages of the thesis process.

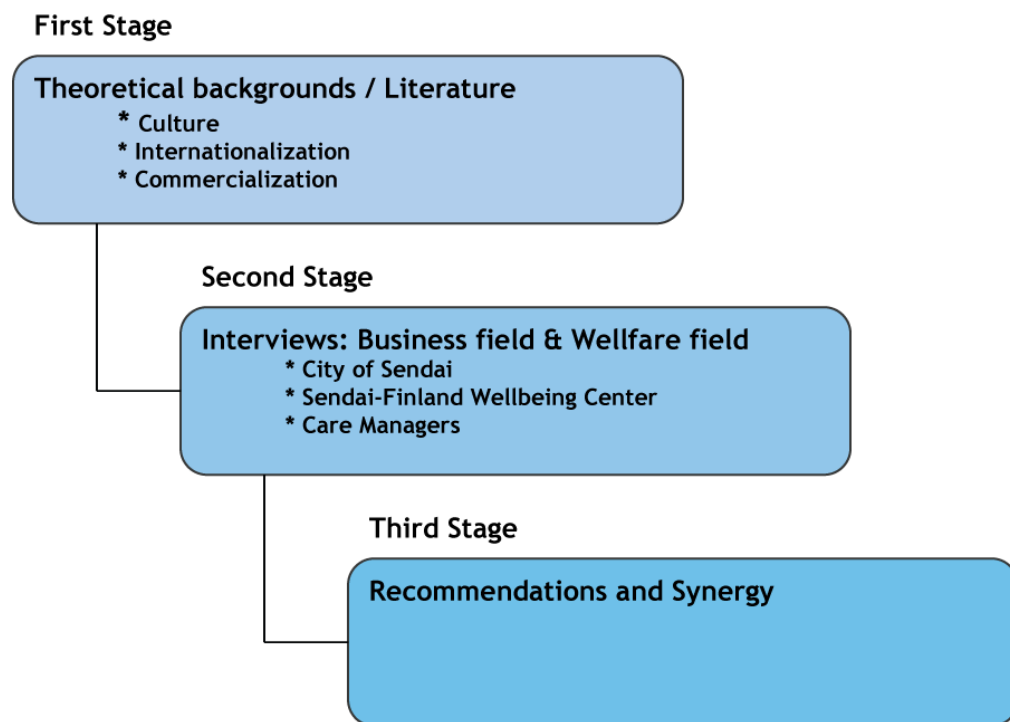


Figure 2: Stages of implementation

Figure 1 and 2 show the same thesis process from two different angles.

1.6 The framework of the thesis

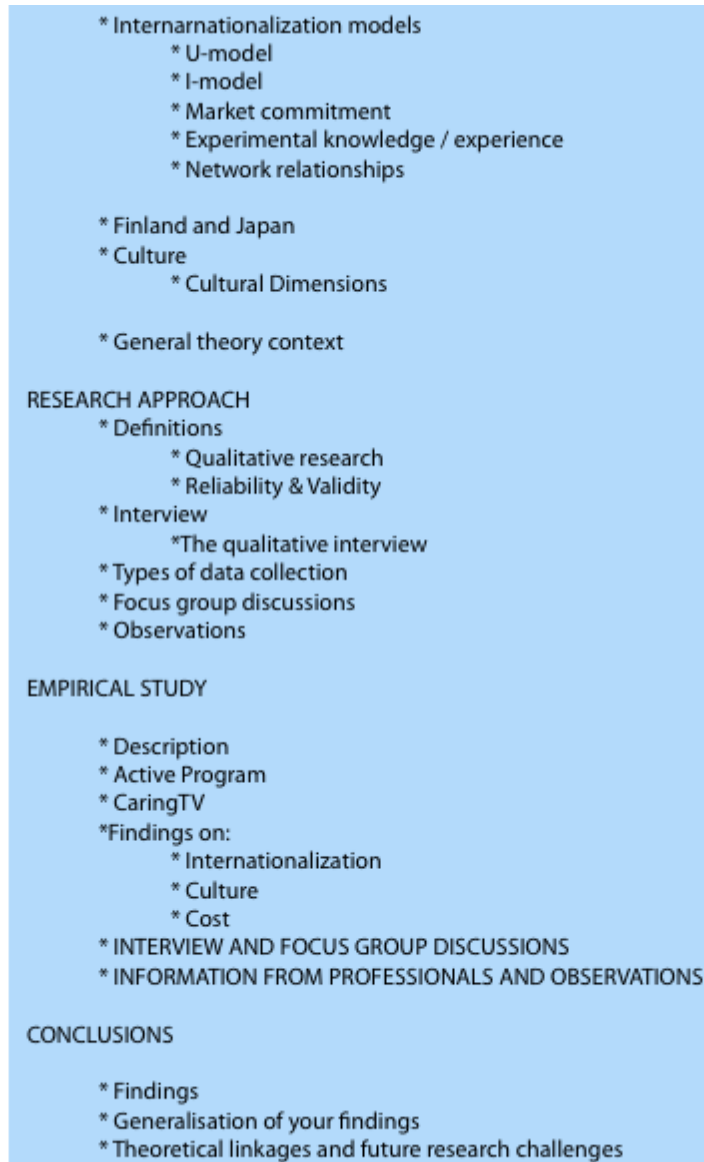


Figure 3: The framework of this thesis

Figure 3 shows the framework of the thesis in one look. The thesis is constructed by the Laurea University of Applied Science's standard.

2 Theoretical background

The theoretical background will cover three major aspects in order to create a logical and comprehensive understanding of the important matters that need to be considered, and the matters that might create challenges within the internationalization process of CaringTV. The aspects concern cultural matters, internationalization and cost advantage through performance measurement tools, which will be explained in more detail.

Also Finland and Japan's demographical characteristics will be explained briefly to create understanding regarding the need for these innovative services.

2.1 Internationalization of organizations

By researching the models of internationalization the thesis will explain the different stages of internationalization and the reasons behind the steps. The steps of internationalization imply for the different means, in which organizations advance in their internationalization process. Internationalization will be studied through the empirical research done by several authors, for example the Uppsala model (U-model), which was originally invented by Johanson and Vahlne (1977) and the Innovation Model (I-model), created by Cavusgil (1980)

2.2 Internationalization models

And internationalization model is a model built by an author to simplify the means of internationalization of an organization. There is proof that the many internationalization models and reality differ. For example, decisions are made on impulse instead of acting according to various models. According to these models extensive background information of the target-market is required before the internationalization process can begin. There is also the dimension of experiential learning and avoiding uncertainty. (Blomsterno, A. and Sharma, D.D; 2003, p.4)

2.2.1 Internationalization models and real business life

In reality, however, when managers of companies were interviewed, it became clear that decisions were made quite hastily and that there were almost always special circumstances involved. In many cases it was the current network of relationships that sped up and made the company act according to the various internationalization models. There are also situations where a company can either internationalize into a certain market, or let the company's rival do it. In these cases the decision is clear, even though the company did not have any intention of expanding to that market. (Blomsterno, A. and Sharma, D.D; 2003, p.4-5)

In literature there is a term called the psychic distance of the market. This term indicates how and what factors interfere with information flow between different countries. These factors include for example everyday language, business language, business law and level of education. Because of psychic distance companies have a tendency to enter markets with low psychic distance first. A Swedish company might then for example internationalize to Norway because the psychic distance is considerably low. After this the company might enter other

close markets in the Nordic countries of for example Germany or the United Kingdom because of their cultural similarities. The conclusion is that in the beginning foundations are made in psychically close markets and afterwards further away. (Hörnell et al 1973, p. 218)
(Blomsterno, A. and Sharma, D.D; 2003, p.5)

Sune Carlson is one of the main researchers responsible for shaping our understanding of the internationalization process, as we know it today. He started with the fact that lack of knowledge and business knowhow in foreign markets are the main obstacles to internationalization. The research question at the time was how firms handle the uncertainty issues by shaping their investment behavior in a specific-way. The focus was on the foreign decision-making process and Carlson formulated a hypothesis in which companies handle decisions involving risk by trial and error and by gradual information retrieval of the foreign market. (Forsgren, M, 258, 2001)

According to Carlson, once a company has overcome the cultural barriers and has had its first experiences of foreign operations, it learns something new in the process and it becomes easier to broaden operations in other countries also. (Blomsterno, A. and Sharma, D.D; 2003, p.6) Foreign risk is involved in this model and hypothetically the company wishes to keep control of its operations. The way to handle this risk is through a gradual decision-making process. The company acquires information from the foreign collaboration company and uses the information accordingly thorough the subsequent steps of the internationalization process. This way the company gradually requires information and knowledge about the foreign business culture and markets. This theoretical background became the foundation of the Uppsala Internationalization Process Model. (Forsgren, M, 258, 2001)

2.2.2 Differences of the internationalization models

The internationalization process of a small and medium enterprises (SMEs) differ from large corporations, mainly because of the lack of resources. The first stage includes a focus on the domestic markets; the second is the pre-export stage when one of the companies judge their opportunities for starting export activities. The third stage is one of experimental participation with marginal activity. The fourth stage is active involvement, where an appropriate organization structure is needed, and the final fifth stage is committed involvement in exporting. (Jansson, H., Sandberg, S, p.68)) In this aspect, the internationalization of CaringTV could be considered from the point of view of a service oriented SME.

2.2.3 Product cycle theory

In 1966 an author called Vernon, R, developed a product cycle theory. The idea of the theory was that developing new processes and products demands comprehensive two-way communication between producer and user. The model is based on production industries, so in the model they are required to be located close to each other. (Blomsterno, A. and Sharma, D.D;2003, p.7)

Theoretically, after the domestic market reaches saturation it then becomes possible to commence exportation competitively to less developed countries where the average salary is lower. As demand grows it becomes beneficial to start production in that market and direct investments are made. When the markets have grown extensively, it is possible to start large-scale production in the target market and it becomes profitable to move all production to the target country and export to the original market. (Blomsterno, A. and Sharma, D.D;2003, p.7)

“Current activities” is a characteristic attribute to an internationalization process model. By interacting with other actors in the market, the company gains experiential knowledge and the effect of commitment. By acting in the market trust is created and valuable market knowledge is built. Blomsterno, A. and Sharma, D.D; 2003, p.11)

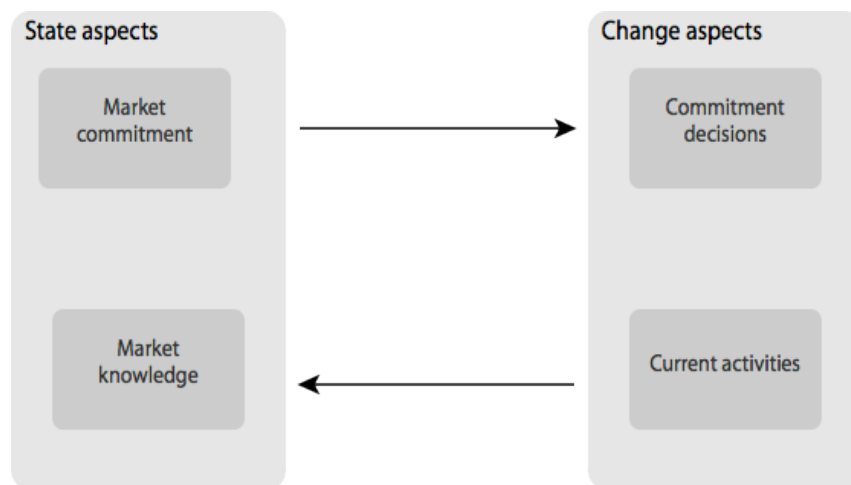


Figure 4: Basic Mechanism of Internationalization. (Blomsterno, A. and Sharma, D.D; 2003, p.22)

2.2.4 The Uppsala model

The Uppsala model of internationalization was created by Johanson & Vahlne in 1977 and it takes a process view of internationalization and emphasizes how learning and knowledge affect the investment behavior of a company. (Forsgren, M, 258)

The U-model assumes a lack of information about the foreign market that must be acquired, but due to the implicit nature of the information, this is best acquired by the company's own operations by being active in the foreign market, not only on a theoretical level. This way the company does not only obtain important market information but also becomes more closely connected to the market so it becomes more difficult to spend its resources on other things. (Johanson & Vahlne, 1977, p.23) This type of phenomenon has also been called for example, "intangible commitments" by Hadjikhani (Hadjikhani, 1997).

The second assumption is that implementations concerning investment in the foreign market and decision-making are made gradually because of market uncertainty. It can be seen as "trial and error" or "learning by doing" and as a result, the more information the company has concerning the foreign market, the lower the market risk is and the more the company will invest in that market. Each step is postponed until the company's recognized risks associated with the investments are lower than the maximal acceptable market risk. (Johanson & Vahlne, 1977, p.34) (Forsgren, M, 259)

The third assumption is that knowledge and knowhow are extremely dependent on individuals and as a result hard to pass on to others persons or contexts. This is based on Penrose's idea that experience itself is not transmittable, as it changes and the small and subtle changes cannot be separated from them. (Penrose 1958) (Johanson & Vahlne 1977, p. 34) As a result the problems and opportunities, fundamental to the market will be located primarily by those working in the target market. For those people, the adaption and broadening of the current business operation are a natural solution to a problem or an opportunity. Ultimately this experience creates business opportunities and is the driving force in the internationalization process. (Johanson & Vahlne, 1990, p.11) (Forsgren, M, 259)

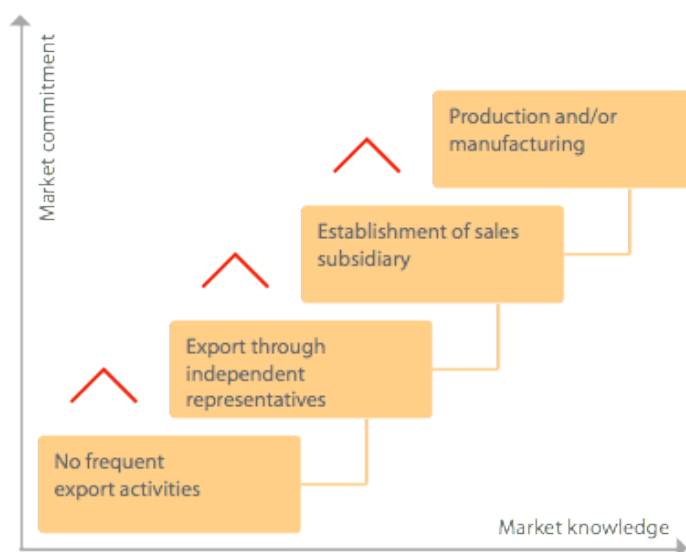


Figure 5: The Uppsala Internationalization Process Model (internationalization process)

As seen in figure 5 Uppsala model the internationalization of a company is done in steps instead of gradually.

Because the original Uppsala model of internationalization was developed over three decades ago, many scholars have improved and developed the two core ideas of market commitment and market knowledge. (Pauwels, P et al.)

2.2.5 Market commitment

The original Uppsala model of internationalization sees market commitment as composed of two factors: the amount of commitment, which refers to the economic resources allocated to the target market, and the degree of commitment, which describes the difficulty of finding different uses of the resources allocated. (Johanson and Vahlne 1990) For example Hadjikhani (1997) expands the concept by pointing out that the amount of resources committed indicates the short-term tangible type of commitment whereas degree of commitment expresses intangible long-term elements of commitment. This type of thinking does not prove wrong the original Uppsala model but offers a more dynamic perspective. With this it is for example possible to explain market withdrawal, as opposed to the progression market commitment explained in the original Uppsala model. (Pauwels, P et al, p.5)

Market commitment also applies to the emotional attachment to the target market. Sometime a company can continue the internationalization process just because they want to be in the market and because of the costs of leaving the market would be too high. Pauwels, P et al, p.5)

2.2.6 Experiential knowledge

Experiential knowledge of the target-market is important for two reasons. First without knowledge the company cannot begin the process of internationalization and second with this knowledge the company can gauge different opportunities and respond to them accordingly. Typically the experiential knowledge is based on learned personal experience of the target market. (Johanson and Vahlne 1977; 1990) (Pauwels, P et al, p.7)

According to later studies, however, the experiential knowledge presented in the original Uppsala model is seen as too limited and restricted and so this term has been broadened to incorporate two perspectives, the foreign business knowledge and foreign institutional knowledge. The former refers to the knowledge of client, the target market and competitors

and the latter the knowledge of the government, institutional framework and the norms, rules and values of the market. (Pauwels, P et al, p.8)

With the explanatory power of the two types of knowledge it can be then claimed that experiential market knowledge accumulates through the activities in the target market, whereas the internationalization knowledge develops discontinuously.

2.2.7 Innovation model of internationalization

The innovation model of internationalization (I-model) is also based on a process way of thinking and claims that experiential learning is the key aspect of internationalization. The experience is gained through actual operations in the target market and gradually increases over time. There are however differences between the two models. For example the I-model views the process of internationalization as stepwise development, and the U-model more as a linear learning by experience and declining uncertainty factor. Also the U-model is seen as more general and further developed than the I-model. The I-model is therefore more suited to SMEs whereas the use of the U-model is not limited by the company size. (Blomsterno, A. and Sharma, D.D. (eds.) (2003)

There are five or six identified stages in the I-model of internationalization. The stages define the state of involvement in a step perspective. The stages are pre-involvement, reactive/opportunistic, experimental, active- and committed involvement. There are also two identified motivates to export, proactive and reactive motives. The proactive motives are related with internal motivation, which emerge from business policy, for example utilization of a marketing or technological advantage. Reactive motives explain reasons coming from the external environment, for example a slump in the domestic market or competitive pressure. (Blomsterno, A. and Sharma, D.D. (eds.), 2003, p. 2021)

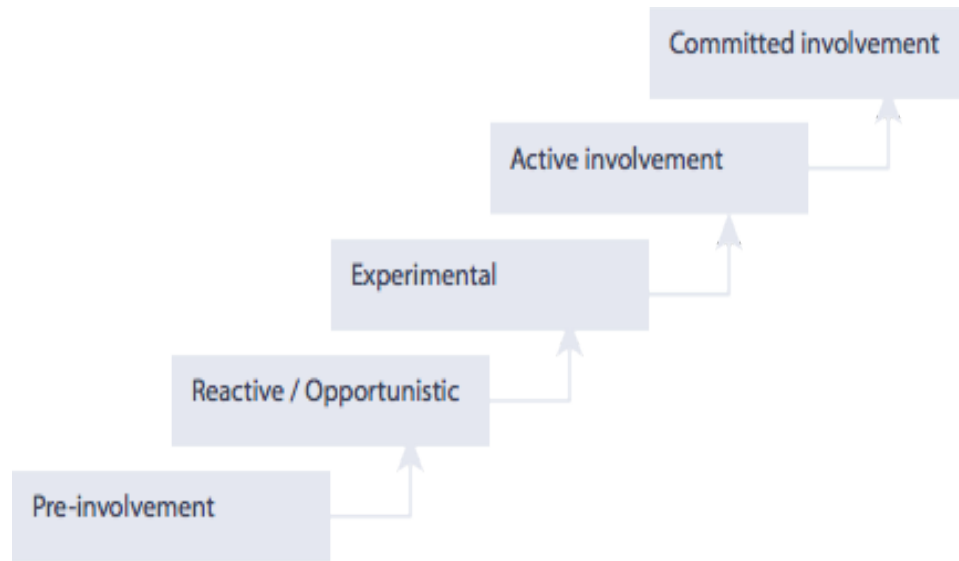


Figure 6: Identified stages of internationalization in the I-model.

2.2.8 Experiential learning and progressive behaviour

The Uppsala model identifies incremental behaviour with experiential learning, but the relation of these two concepts is unclear. These concepts are however different as incremental behaviour reveals the companies perceived uncertainty. Because of this, the higher the risk, the smaller each step the company makes will be. Experiential learning however indicates the need for tacit market knowledge, because it is difficult to acquire by other ways of learning. Through learning and tacit market knowledge the perceived uncertainty drops, and the need for incremental behaviour is increased. This process also explains that a company's pace of investments abroad will increase and that the carefulness will weaken as time passes. (Forsgren, M, 262)

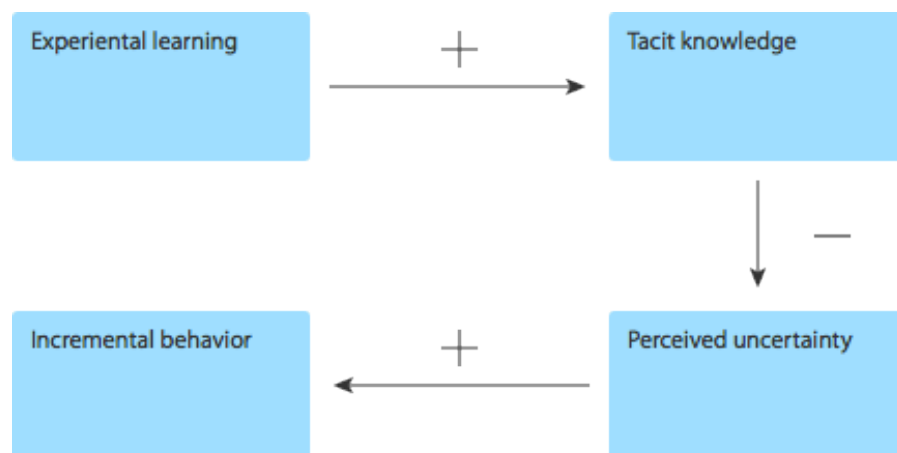


Figure 7: Relationships of experiential learning and progressive behaviour. (Forsgren, M, 262)

Figure 7 summarizes the process of incremental behaviour. Through experiential learning, by carrying out own activities in a particular market a company will increase its tacit knowledge of the market, which reduces perceived uncertainty. This ultimately reduces the need for incremental behavior.

2.2.9 Experimental learning versus the Uppsala model

The Uppsala model points out that market knowledge is mainly acquired through experience from a company's own actions, but can be bought outside to some degree. Because of this, internationalization is seen as a slow process. (Johanson & Vahlne 1977, p. 32) There are however different ways to acquire information which will speed the process. For example a company can acquire a local unit, which already possesses the necessary market information. In fact, one reason a company might try to acquire other companies is often motivated by the need for the market knowledge, network relationships and customers database of the company acquired. There is a tendency for companies that internationalize through acquisitions to take a learning perspective. (Barkema & Vermeulen, 1998)

The internationalization process then is seen to be as characterized by a mixture of experiential learning and learning through the units acquired from the target-market. The learning process from the acquired unit is not so straightforward, as foreign acquired company's organization culture and way of conducting business might greatly differ, but it can speed up the internationalization process of a company. (Forsgren, M, 263, 2001)

Another assumption made by the Uppsala model is that market knowledge is acquired and held by individuals or a group working in the target market only. Taking into account the hierarchy of larger corporations and for example the turnover of personnel over time, it is argued that this kind of assumption is valid. The internationalization process can then be seen to have multiple pathways because of possible different views and changing power structure. (Forsgren, M, 272-273, 2001)

2.2.10 Imitation as a part of the internationalization process

To many companies, choosing an imitating role is a way to reduce the uncertainty factor of internationalization. This is especially the case among competing companies. (Di Maggio & Powell 1983). Companies have a tendency to imitate actions and processes used by large international companies, since these kind of actions are valid or their success taken for granted. (Fligstein, 1985; Haunschild & Miner 1997; Havman, 1993; Kraatz, 1998; Lewitt & March, 1988). Because of imitation, a company is not only able to reduce the perceived

uncertainty, but also speed up the internationalization process by investing in the markets before having its own experience. (Forsgren, M, 264, 2001)

Apart from imitation, a company can also learn through its existing business relationships. A network of business relationships can create an opportunity to learn and acquire tacit market information from other organizations, which is again not the company's own experience of the target market. (Forsgren, M, 264, 2001) The network relationships will be explained in more depth later in the thesis.

2.2.11 Investing in a foreign market: low experiential experience

According to the Uppsala model of Internationalization, investments abroad are not made if the risk perceived is higher than the tolerable market risk. However, sometimes a company can also feel that there is a risk in not investing in the target market. This kind of internationalization behavior is common if a company strives to gain the advantages and large sales of being the first one in the target market or puts emphasis on short-term growth. (Forsgren, M, 271-272, 2001)



Figure 8: Perceived risk in investing abroad

As illustrated in Figure 8, sometimes the risk of not investing abroad is seen as bigger than the risk of investing abroad. The benefits of being the first or one of the first actors in the target market are seen so important that the company feels like it has to act before acquiring its own market knowledge through experience. (Forsgren, M, 272, 2001)

2.2.12 Network relationships in the internationalization process

There have been many studies that focus on the importance of network relationships on a company's internationalization behavior. The relationships between companies or individuals

have been noticed to give the resolution of internationalization, market and entry mode choice. This type of internationalization behavior is especially true with knowledge-intensive SME's. The networks and relationships work as a bridge to the foreign market, as the company follows them into the foreign markets. (Coviello, 2006, Coviello & Martin, 1999; Coviello & Munro, 1995, 1997; Moen, Gavlen & Endrsen, 2004; Sharma & Blomstermo, 2003; Zain & Ng, 2006) (Ojala, A p. 50, 2009)

Commonly companies follow their networks to physically close markets, but with knowledge-intensive SME's there are many cases where the physically distant market is entered for strategic reasons and opportunities for their product. Consequently there is a trade off between the opportunities and the long distance of the target market. (Ojala, A p. 50, 2009)

2.2.13 Network approach to entering foreign markets

The network model of internationalization was first presented by Johanson and Mattson in 1988. The difference between internationalization model and for example the Uppsala model of internationalization is that it does not gradually progress in nature. There is also no mention about the psychic distance of the target market. The model explains that internationalization takes place when a company develops relationship with another company or an individual in another country's market. These relationships can be either passive or active. Active networking means that the seller for example does not have the sufficient networks and takes the initiative to build them by contacting companies in other markets, and conversely in passive networking the contact comes from the buyer's side from, for example a customer or an importer. (Ojala, A p. 51, 2009)

There is also a concept of formal and informal relationships in the network internationalization model. The literature is contradictory, but there is an agreement that formal relationships are the ones related to business activities between actors in the network, whereas informal relationships are personal relationships with for example family or friends. (Ojala, A p. 52) According to many writes (e.g. Ellis & pecotich, 2001; Havila et al., 2004; Oviatt & cDougall, 2005) there is a third, intermediary relationships which means that there is no direct communication between the companies, but a middle man, an agent that can establish this network relationship between the buyer and seller. (Ojala, A p. 52)

According to this network model of internationalization, it has been pointed out that these networks have a strong influence on market entry and that the companies have a tendency to enter geographically and physically close markets, but in time, as these relationships develop the possibility of entering a physically distant market also increases. The entry mode is built on the requirements of the market and/or the client at issue. Sometimes these requests and

networks relationships may even override the company's strategy. (Sharma and Blomstermo 2003)(Ojala, A p. 52-53, 2009)

2.3 Internationalization process of a service company

Existing studies of the internationalization of service firms can be divided into two groups. The first group argues that there are differences between the internationalization of goods and services. (Carman and Langeard 1980; Root 1987; Bradley 1991) These arguments are based on five service characteristics, which are intangibility, inseparability, perishability, variability and ownership. (Blomstermo, A. and Sharma, D.D. (eds.), 2003, p.26)

Intangibly	Inseparability	Perishability	Variability	Ownership
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Table 3: The five characteristics of internationalization in this model

Intangibility means there is no physical object or product, which affects the perception of service quality and keeps business partners together and so creates a larger need for internal marketing and secure partnership relationships. Inseparability means that a service is both produced and consumed at the same time, which makes it difficult to carry out quality control. The customers are many times CO producers of the service, which of course influences the outcome and satisfaction of the service. There might also be demands and adoptions that need to be made. (Edvardsson 1988; Halinen 1994)

This is why according to Grönroos (2000) services need integrated quality control and marketing and they need to be more integrated between the buyer and seller. Perishability then refers to the fact that services cannot be stores in warehouses. When for example demand is greater than capacity, the company cannot sell the service as many services are delivered in real time. Also, customers need to be present in order to receive the service. Variability is understood to mean that because human beings produce the service, it is unique and can never be exactly the same. They are often experience based on and also depend on client. (Blomstermo, A. and Sharma, D.D. (eds.), 2003, p.26)

2.4 Market entry strategies

There are many different strategies for entering a foreign market. The methods are divided into four different mechanisms, which are direct exporting through distributors, agents, direct marketing franchising or management contacts. Indirect exporting through piggybacking, trading companies, export management companies, domestic purchasing. Cooperation strategies, for example joint ventures or strategic alliances or direct investment by owning a subsidiary, by acquisition or assembly. (Jansson 2007)(Market Entry Strategies)

Generally companies start with markets that are psychically close and gradually increase market commitment through agents and passing through sales companies to manufacturing companies (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, 1975) (Jansson, H., Sandberg, S)

Direct exporting	Indirect exporting	Cooperation strategies	Direct investment
<ul style="list-style-type: none"> • distributors • agents • direct marketing • franchising • management contracts 	<ul style="list-style-type: none"> * piggybacking * trading companies * export management companies * domestic purchasing 	<ul style="list-style-type: none"> • joint venture • strategic alliance 	<ul style="list-style-type: none"> • own subsidiary • acquisition • assembly

Table 4: Market entry strategies compiled

2.5 Finland and Japan

To understand the need for more cost effective care services, it is fundamental to explain the situation these two countries are in. The population of Finland in 2009 was approximately 5.25 million whereas Japan's was 127 million. Because the geographical areas of both countries are approximately the same and most of Japan is inhabitable, the population density is very high compared to Finland. (Country comparison tool)

2.5.1 Important geographical factors

Factors that will have a considerable impact in the future on elderly care services are, for example, life expectancy, age structure, birth rate and death rate. The population growth rate of Finland is 0.098% and Japan's is 0.191%. Comparing these figures to the world's average of 1.167% one can observe the situation the countries are in. Also the life expectancy of both populations is high compared to the world average (66.57), Finland being 78.97 and Japan 82.12 years. The birth rate in both nations is lower than the world average of 19.95 births per 1000 population. In Finland it is 10.38 and in Japan 7.64. The same trend does not however carry to the death rate where the world average is 8.2 deaths per 1000 population, in Finland the corresponding number is 10.07 and in Japan 9.54 (country comparison tool)

2.5.2 The age structure

The age structure of these countries is of crucial concern to the subject of this thesis. The 0-14 age group represents 16.4% of the population in Finland and 13.5% in Japan, whereas the world average is 27.2%. The portion of 15-64 year olds is 66.8% Finland, 64.3% Japan and world average is 65.2%. Finally the over 65 year-olds and over in Finland comprise 16.8% of the population, 22.2% in Japan and 7.6% worldwide. (country comparison tool)

Finland	Japan	World average	Age group
16.4	13.5	27.2	0-14
66.8	64.3	65.2	15-64
16.8	22.2	7.6	65+

Table 5: Age structures of Finland, Japan and world average

The statistics show that there is an urgent need for these new services. It is apparent that the portion of young people is declining and simultaneously the portion of elderly is increasing in Finland and Japan. The birth rate in Japan is already negative and also very low in Finland. At the same time life expectancy is rising and is already much higher than the world average. If one considers these population concerns in the current economic situation, the need for reform is clear. In the near future the portion of elderly will greatly increase (Finland-Japan population) while the labour force will decrease along with the nations budget. (Country comparison tool)

2.5.3 The proportion of elderly and its trend

Population by age 1900 - 2060 (years 2010 to 2060: projection)

Year	Age group						
	Age groups total	0 - 14	15 - 64	65 -	0 - 14 %	15 - 64 %	65 - %
1900	2,655,900	930,900	1,583,300	141,700	35.1	59.6	5.3
1910	2,943,400	1,049,400	1,724,500	169,500	35.7	58.6	5.8
1920	3,147,600	1,051,000	1,908,300	188,300	33.4	60.6	6.0
1930	3,462,700	1,018,300	2,227,200	217,200	29.4	64.3	6.3
1940	3,695,617	995,599	2,464,107	235,911	26.9	66.7	6.4
1950	4,029,803	1,208,799	2,554,354	266,650	30.0	63.4	6.6
1960	4,446,222	1,340,187	2,778,234	327,801	30.1	62.5	7.4
1970	4,598,336	1,118,550	3,052,298	427,488	24.3	66.4	9.3
1980	4,787,778	965,209	3,245,187	577,382	20.2	67.8	12.1
1990	4,998,478	964,203	3,361,310	672,965	19.3	67.2	13.5
2000	5,181,115	936,333	3,467,584	777,198	18.1	66.9	15.0
2010	5,378,165	886,705	3,547,475	943,985	16.5	66.0	17.6
2020	5,635,938	937,331	3,408,464	1,290,143	16.6	60.5	22.9
2030	5,850,097	942,715	3,382,227	1,525,155	16.1	57.8	26.1
2040	5,985,356	926,800	3,450,788	1,607,768	15.5	57.7	26.9
2050	6,090,038	948,367	3,461,034	1,680,637	15.6	56.8	27.6
2060	6,213,048	957,068	3,469,063	1,786,917	15.4	55.8	28.8

Source: *Population Statistics 2009. Statistics Finland*

Inquiries: Markus Rapo (09) 1734 3238, vaesto.tilasto@stat.fi

Table 6: Population by age in the years 1900-2060. (Statistics Finland)

According to these demographic trends, the proportion of the elderly will greatly increase in the next few decades. The number of pensioners in Finland will almost double from the current 905 000 to 1,79 million by the year 2060 and in the same period of time the number of people over 80 years-old will grow from two to seven percent. (Population)

Demographic dependency ratio 1865–2060

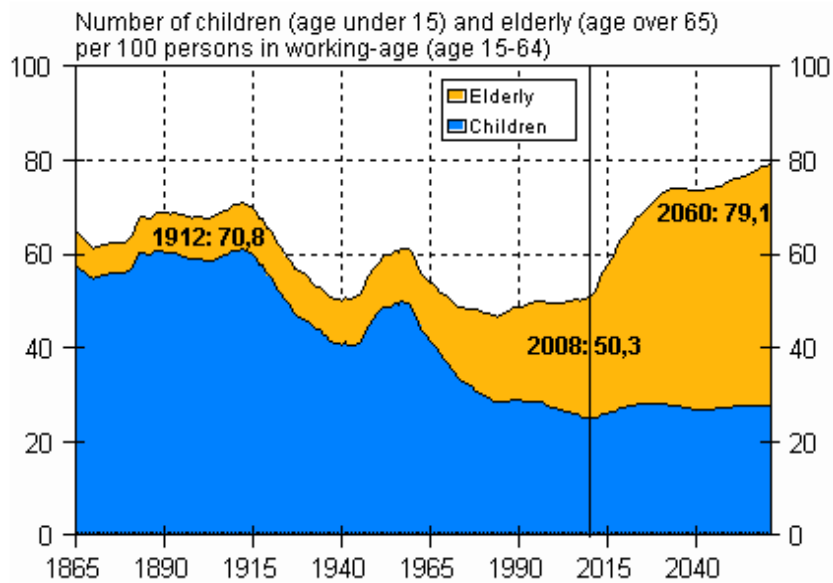


Figure 9: Finland's demographic dependency ratio 1865-2060

The dependency ratio is a number that displays the number of children (0-14) and pensioners (65+) per one hundred persons of working age (15-64). At the end of 2008 this number was 50.3% and if this trend continues, the number will be 79.1% in the year 2060. This means that with the declining labour force, there is an increasing need for tax funds to support the elderly. Without reform then this situation will become unmanageable.

Figure 4 Trends in the percentage of the major age composition of the total population, 1950-2050: Medium variant

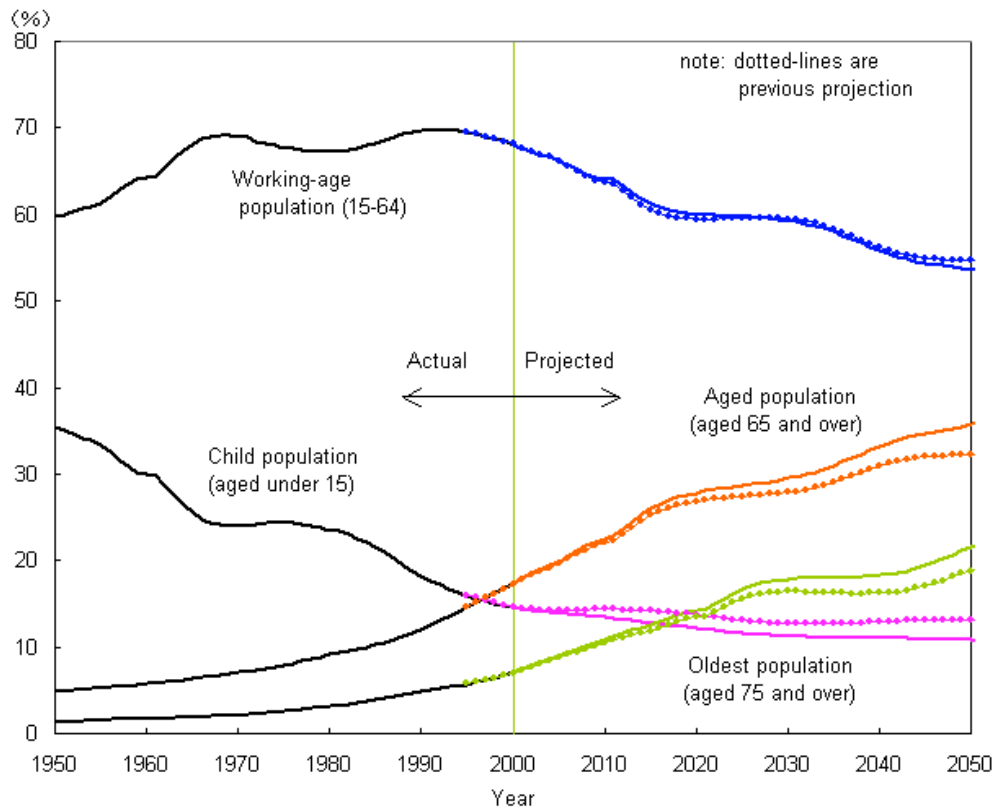


Figure 10: Trends in population during the years 1950-2050 in Japan.

In Japan the situation is even more serious than in Finland. Not only is the proportion of the elderly rapidly growing, the birth rate is also negative which makes the future even more challenging. (National Institute of Population and Social Security Research)

Projected future population and proportion by age group, 2000-2050: Medium variant						
Year	Population (thousand)			Proportion (%)		
	0-14	15-64	65+	0-14	15-64	65+
Total						
2000	126 926	18 505	86 380	22 041	14,6	68,1
2050	100 593	10 842	53 889	35 863	10,8	53,6

Table 7: Projected future population and proportion by age group 2000-2050 in Japan. (National Institute of Population and Social Security Research)

According to the projected figures seen in table 7, the population of Japan will greatly decline by the year 2050 and conversely in Finland the population will continue to grow. In

2000, the portion of 65+ year-old citizens in Finland was 15% and in Japan 17.4%. These figures are quite similar, but in the year 2050 the projected figures are 27.6% and 35.7%. Also the portion of 0-14 year-olds is declining in both countries, but in Japan the decline is sharper. From this trend we can see that the population of Japan is aging faster and the proportion of young people is declining. Ultimately these circumstances will lead to a situation that needs to be solved. A phenomenon like this then cannot be solved overnight. Looking at the Japanese culture today the birth-rate is probably not going to suddenly rise.

2.6 Cultural aspect

The cultural questions will reveal and discuss the cultural differences between Finland and Japan that might bring challenges in collaboration of companies from these two countries. Cultural differences and questions will be studied through the models created by Geert Hofstede and various other authors in order to realize the kinds of changes there are needed to adapt CaringTV to the circumstances of Japanese culture and patterns of thinking.

The word culture has many different meanings and definitions. Olie has distinguished over 150 definitions of the word. (Olie 1995, 128). In Hofstede's literature definitions are "A collective programming of the mind which distinguishes one group from another" (Hofstede 1980, 25). Or "Mental programming ... patterns of thinking and feeling and potential acting" (Hofstede 1991a, 4). The key term in these explanations is the word "programming", as culture can be thought of as a slow process of growing in to a society. Things learned include values, which cover dominant attitudes and beliefs, partaking of rituals, which are collective activities. This also includes modeling against heroes, role models and understanding various symbols including myths, legends, dress, jargon and lingo. All these cultural components are slowly acquired starting from the birth. They are influenced by school life, workplace, religion, different mass media, family and many other sources. (Jones, M, Hofstede, 2007)

2.7 Cultural dimensions

In the 1980s Hofstede, a Dutch management researcher, published the result of his study of more than 100 000 employees of IBM in 40 countries. (Hofstede, 1980, 1983, 1984, 1991, 1997, 2001). The researchers goal was to locate value dimensions across which cultures differ. These dimensions have been regularly used to characterize cultures ever since. (Jandt, Fred E, 184, 2003)

Hofstede distinguished four different dimensions that he names individualism, masculinity, power distance and uncertainty avoidance. Later, Hofstede and Bond (1984) identified a fifth

dimension called Confucian dynamism, also named long-term orientation versus short-term orientation to life. (Jandt, Fred E, 184, 2003)

To realize in what way the cultures of Finland and Japan differ, they will next be examined through the five cultural dimensions. After the examination the possible challenges and weaknesses of the study will be discussed. Finally the writers own observations will be added to the topic to provide an alternating perspective.

2.7.1 Individualism versus collectivism

Individualism versus Collectivism

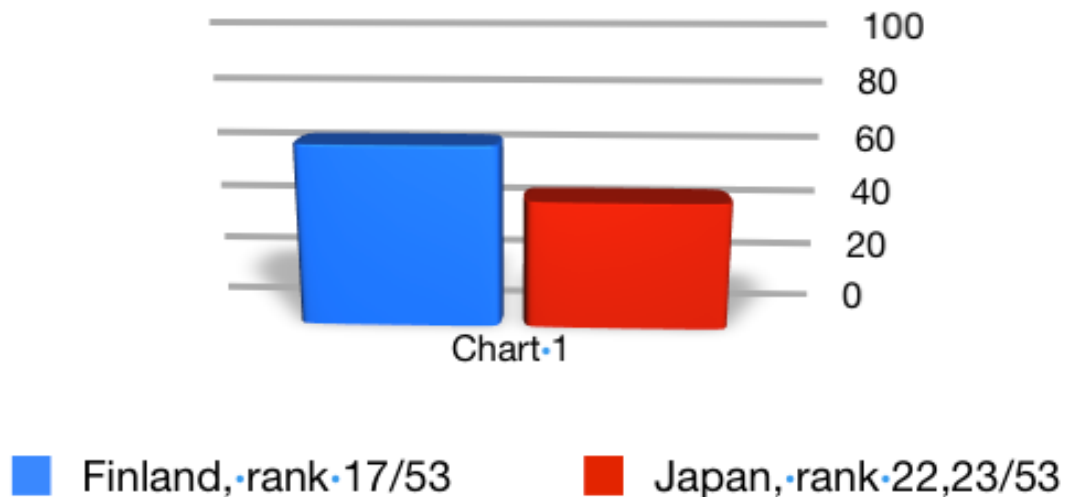


Figure 11: Individualism versus collectivism

The cultural dimension of individualism versus collectivism explains how people identify themselves and their relationship with other people. An individualist culture stresses the interest of an individual over a group. The ties between other individuals are loose and people look after themselves and their immediate family. Alternatively, in a collective culture the meaning of a group is more important and its interest prevails over those of the individual. People in collective cultures feel a need to belong to a group and feel afraid of being excluded from one. In short, an individualist culture's human relations are loose and lightly integrated whereas collective cultures are tightly integrated, and the group comes before the individual. (Jandt, Fred E, 184, 2003)

When making decisions concerning future plans there are differences in terms of who is taken into consideration. In an individualist culture minimal consideration is given to other groups, outside the immediate family. In collective cultures, however other groups are given major part when deciding ones future plans. (Jandt, Fred E, 184, 2003)

In the working environment the same rules apply. In individualistic cultures a working persons employer-employee relationship is usually based on contracts and hiring decisions made according to personal skills and rules. In collective cultures the relationship is seen more in moral terms, as in a family link, and hiring decisions take into consideration the employee's in-group. (Jandt, Fred E, 184, 2003)

According to Hofstede, there were many relations between this dimension and other matters. For example, there is a strong relationship between a nation's individualism and its wealth. Also geography has an effect, as countries with cold or moderately cold climate are more individualistic and a nation with a high birth rate tends to be more collectivist. (Jandt, Fred E, 186, 2003)

Knighton (1999) adds that also the way one communicates can be associated with this dimension. In individualistic nations the speaker clearly reveals ones intentions through explicit spoken communication whereas in collective cultures the speakers needs, wants and goals are not obvious to the listener. (Jandt, Fred E, 186, 2003)

2.7.2 Masculinity versus femininity

In his study in 1980, Hofstede found that there was less variation in women's social role than men's in different cultures. Hofstede names cultures that strive for maximum difference between the sexes expected behavior as masculine. Highly masculine cultures put emphasis on materialism, competition and confidence. Feminine cultures value the quality of life allow more overlapping in social roles of sexes and stress the quality of life, concern for the weak and stress interpersonal relationships. The study affects and applies to both sexes, meaning that in a masculine culture both the men and the women strive for monetary success, are ambitious and competitive and for example in feminine cultures both sexes learn to be modest. (Jandt, Fred E, 195, 2003)

Masculinity versus Femininity

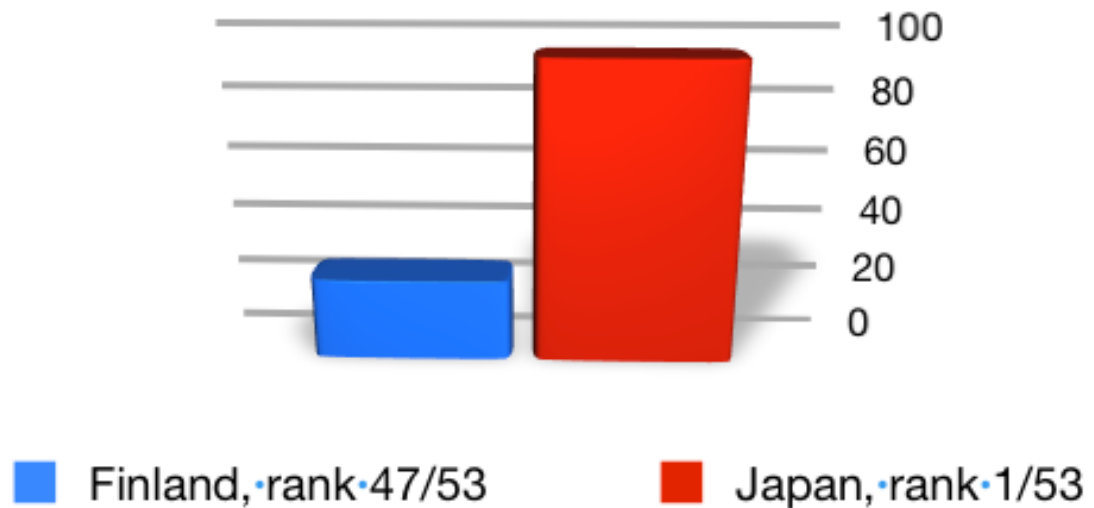


Figure 12: Masculinity versus femininity

2.7.3 Power distance

The cultural dimension called power distance reveals how different cultures act and deal with inequality. According to Hofstede this dimension relates to the acceptance and anticipation of unequally distributed power in organizations and institutions from the point of view of the less powerful members. Power distance is a value learned early in one's life. In a culture that is classified high in power distance the children and people are expected to be obedient towards parents and higher ups in the society, compared to low power distance nations where being treated equals is the norm. (Jandt, Fred E, 195, 196, 2003)

Power distance is also used to show wealth, prestige and power are spread within a culture. A nation with a high power distance ranking will have its power and influence spread to only a few and they tend to be more authoritarian. In the working environment, superiors and subordinates are unequal, power is centralized and there is a large income gap between the top and the bottom. Comparatively in low power distance cultures subordinates expect to be consulted and superiors are democratic and they are more physically involved and accessible. (Jandt, Fred E, 197, 2003)

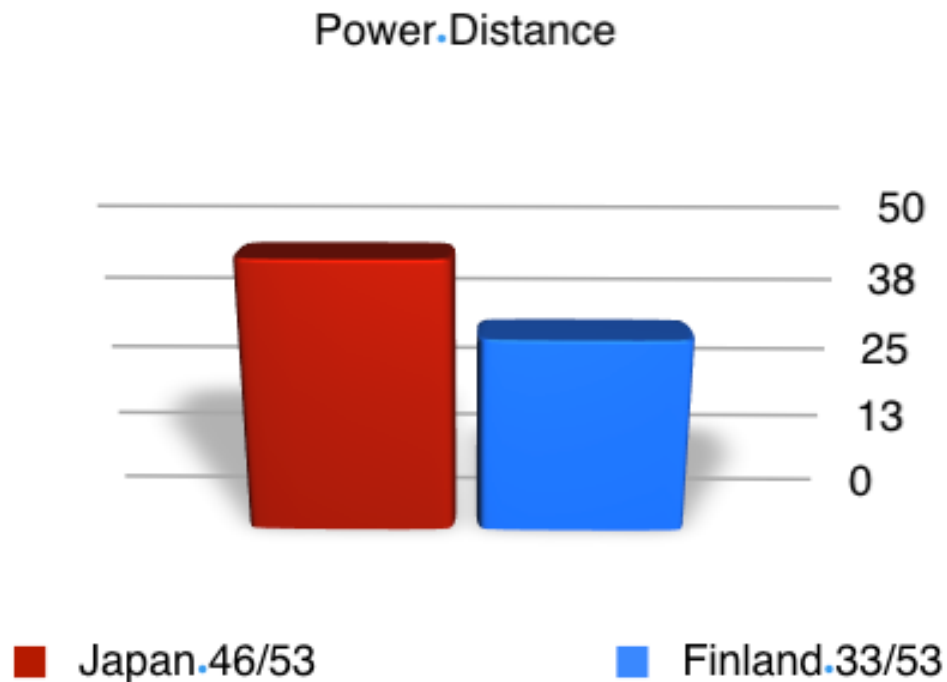


Figure 13: Power distance

Hofstede in his study found several relations with power distance and other matters. For example high geographical latitude is associated with lower power distance and vice versa, high population is linked with high power distance and national wealth is also associated with lower power distance. (Jandt, Fred E, 197, 2003)

2.7.4 Uncertainty avoidance

This cultural dimension demonstrates how and to what extent people in a culture feel threatened by uncertainty and unknown situations. According to Hofstede these feelings are expressed through anxious stress and the need for predictability and written and unwritten rules. (Hofstede 1997) In cultures with a high uncertainty avoidance rating, situations with uncertainty and unpredictability are avoided by having strict behavioral codes and norms. In the school environment teachers and instructors are expected to be experts and have all the answers and in the working environment there is an inner need to work hard. (Jandt, Fred E, 199, 2003)

Also punctuality, precision and a set of rules are anticipated. These cultures are aggressive, emotional, compulsive, active and intolerant, whereas cultures weak in uncertainty avoidance are contemplative, unemotional, less aggressive, relaxed, accepting personal risks and relatively tolerant. Moreover, in low uncertainty avoidance cultures teachers are

permitted not to not know all the answers and in the working environment one works hard only when needed. Only the most necessary rules are required, and accuracy and punctuality have to be learned. (Jandt, Fred E, 199, 2003)

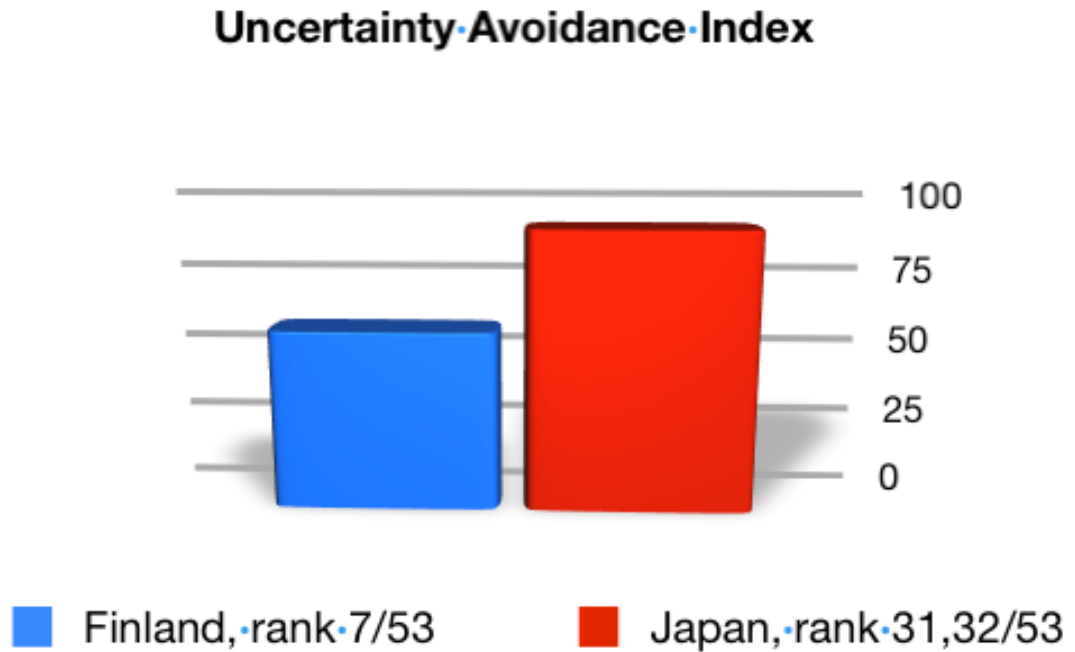


Figure 14: Uncertainty avoidance index

2.7.5 Long-term versus short-term orientation

In 1987 a fifth cultural dimension was created to support Hofstede's cultural dimensions. This fifth dimension was called Confucian work dynamism, now often called long-term orientation versus short-term orientation. This dimension covers values such as good management, persistence, sense of shame and ordering relationships. Values in a culture that relate to long-term orientation are thrift, economizing, perseverance towards results and willingness to subordinate oneself for a purpose. On the contrary, short-term orientation cultures have values such as spending to satisfy social pressure, lesser savings, striving for quick results and saving one's "face". (Jandt, Fred E, 200, 2003)

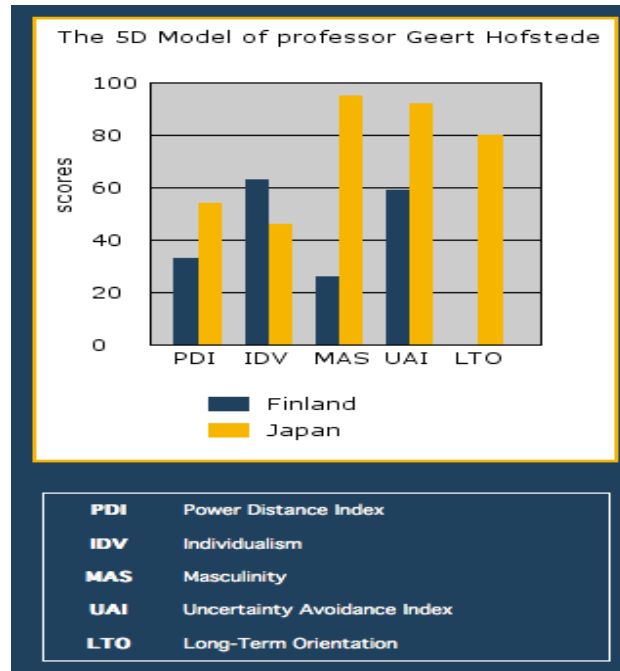


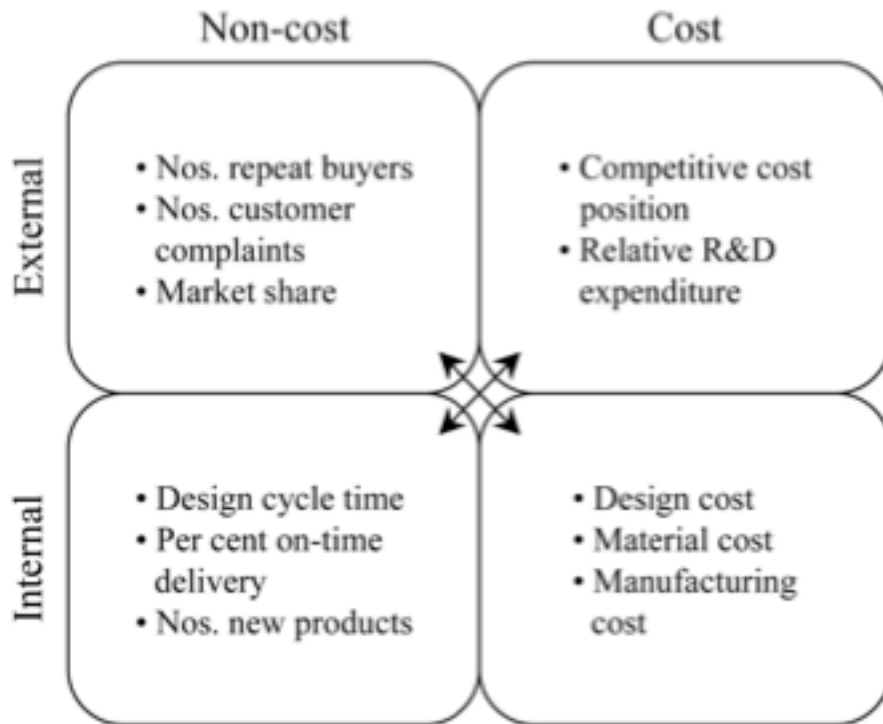
Figure 15: A summary of Hofstede's cultural dimensions: Finland-Japan comparison.

2.8 Performance measurement: qualitative measures

Neely et al. (1995) define performance measure as “the process of quantifying the efficiency and effectiveness of action”. Other performance measurement definition is, for example “the comparison of results against expectations with the implied objective of learning to do better”(Rouse and Putterill, 2003). Companies have used frameworks for years and organizations to describe measures that should be used to assess performance. According to research the companies and organizations that use balanced performance measurement systems perform better than the ones that do not. By using these measures the quantify effectiveness or efficiency of an action can be quantified or the company's performance as a whole assessed. (Neely, A et al, p. 145)

2.8.1 Performance measurement matrix

In 1989 Keegan, Eiler and Jones introduced a performance measurement matrix, which was a more balanced way of measurement. The performance measurement matrix is a simple framework, but it allows a company to see where more focus is needed. The matrix works in a way that it seeks to combine different types of business performance, for example financial and non-financial aspects. It is argued however that is it not as well constructed as the balanced scorecard and has other lacking parts. (Neely, A et al, p. 147)



Source: Keegan *et al.*, 1989

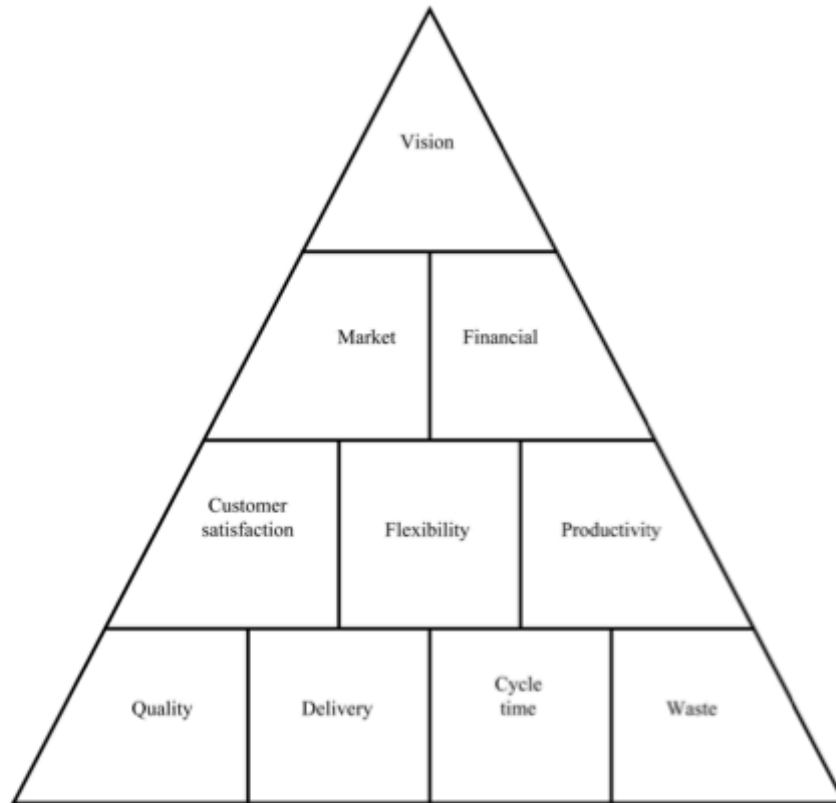
Figure 16: Performance measurement matrix. (E. J.H Lardenoije *et al.*, p. 1122)

A framework to measure the performance in the service sector, called the “Result and determinants framework” was constructed in 1991. The framework measures any organizations performance by results, which indicate competitiveness and financial performance and the determinants of the results, which are quality, flexibility, employment of recourses and innovation. From these models there are other, even more prescriptive frameworks, but they are not suitable measurement tools in this thesis. (Neely, A *et al.*, p. 1123)

The measurement tools described above have been mostly hierarchical, but there are also various frameworks, which pay attention to business processes. One of the most noted frameworks is Lynch & Cross’s (1991) Performance Pyramid. The performance pyramid combines the hierarchal view of business measurement but also adds the business process view to it. The model also makes clear the difference between measures that interest the external parties, such as customer satisfaction, quality and delivery, and the measures that are interest of the internal parties, such as productivity and cycle times. (Neely, A *et al.*, p. 1125)

2.8.2 Business Excellence Model

Another popular measurement tool is the European Foundation for Quality Management's Business Excellence Model, which is widely used, but disregarded in this thesis because of its difficulty. (Neely, A et al, p. 1125)



Source: Lynch and Cross, 1991

Figure 17: European Foundation for Quality Management's Business Excellence Model. (Neely, A. 2000: Performance Pyramid by Lynch & Cross 1991.)

Laitinen (2002) has stated that the purpose of the performance pyramid is to link the organization's strategy to its operations by converting objectives from the top to bottom and the measures from bottom up. This model starts by defining the organization's vision, which is then translated to the second level of business units of "Market" and "Financial". The key measurements in the third level (Customer satisfaction, Flexibility, Productivity) are extracted from the second level. The process goes on by further converting the measures from the third level to more specific operational measures, namely quality, delivery, cycle time and waste. (E. J.H. Lardenoije et al. p.10-11)

2.9 Quantitive measures: cost effectiveness

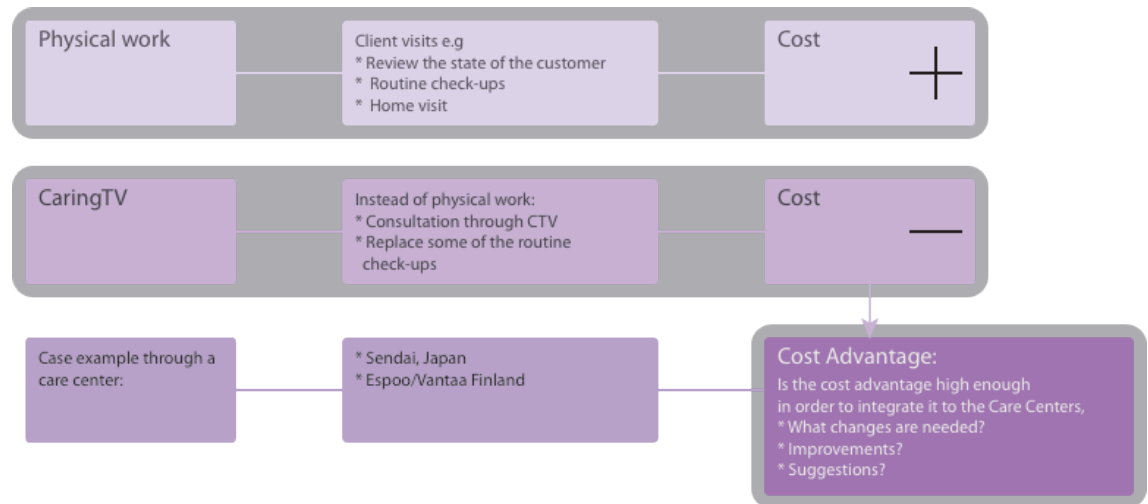


Figure 18: A possible way to prove cost efficiency in the case of CaringTV

This figure was built based on a discussion with Hannu Pirnes. The discussion included various simple methods of proving cost efficiency and cost savings within the resources of this thesis. (Pirnes, discussions March 2010)

2.10 General theoretical context

Theories from various sources are used. The internationalization process theories are mainly from books and electronic articles.

Theories concerning the cultural questions are based on Hofstede's cultural dimensions and then expanded by opinions and additions by various other authors.

Data concerning Japan and Finland and the demographic data concerning them is mostly taken from the Internet. CIE Fact Book, Statistics Finland and various other web pages that offer statistical information were used.

2.11 Earlier studies, different sources of data

There are several bachelor level theses from students graduated from Laurea University of Applied Sciences that include CaringTV in various ways. These theses are:

“CO-OPERATION AND NETWORKING IN WELL LIFE CENTER (WLC) - BENEFITS TO THE PARTICIPATING ORGANIZATIONS” created by Henriikka Kahanpää,

“How to improve the operations of domestic service companies through business networking” by Ville Kario,

“ANALYZING ELDER CARE SERVICE PROVIDERS’ PROCESSES AND COST MANAGEMENT PRACTICES THROUGH CASE STUDY” by Ainokaisa Kuisma,

“KNOWLEDGE CREATION IN ELDERLY CARE. CASE: THE MUNICIPAL ELDERLY CARE OF ESPOO.”
by Tommi Valkama,

“ANALYZING ELDERLY-CARE SERVICE PROVIDERS’ BUSINESS, CASE: SENDAN-NO-OKA, JAPAN AND HOPEAKUU, FINLAND” by Tiina Vilppo

Cultural Differences between Finnish and Japanese Cultures - Enhancing Active-Project's Design Management. Miia Veltheim

and “Toimintolaskenta ja työajankäytön seuranta kotihoidossa Case Vantaan kaupunki” by Laura Aittola.

Carmen Stahl is now writing a Masters level thesis, with the title of “CaringTV Value Opportunities for Elderly People in Japan”

Publications of Laurea University of Applied sciences:

Pirnes, Ogasawara

REFURBISHING ELDERLY CARE The New Streams and Organizational Transformation in Finland and Japan

3 Research methodology

This thesis was conducted using mainly qualitative research methods to reach a deeper understanding of research questions. Only the question concerning cost-efficiency and cost-savings required quantitative research methods. The methodology of qualitative research and the reasons why it was chosen over quantitative research is explained below.

3.1 Definitions of the terms used in this chapter

Methodology is a system or a set of methods and rules used by a discipline, and methods are a set of procedures and techniques for gathering and analyzing the data. Coding means the process of analytically turning the data to form theory. (Anselm L. Strauss, Juliet M. Corbin, 3)

3.2 Reliability and validity

The terms reliability and validity describe how trustworthy and consistent the data is, for example if the same test is done again in similar conditions, the result should be similar. The terms also reveal if the research is actually being focused right.

3.2.1 Reliability

Reliability is a term, which is relates to the question of whether the study results are repeatable. Three factors are important when considering whether a measure is reliable. First is constancy, which means whether a measure is stable. Even if the research were made again after time has passed, there would be little fluctuations in the result achieved. Second is internal reliability, which explains whether the result or score on any measurement is related to their results or scores on the other measurements. The third important factor is inter-observer consistency, which indicates the risk of lack of steadiness. For example in translations of data, or the inconsistency if there is more than one observer making notes. (Bryman, Alan, 31,149,150)

3.2.2 Validity

Validity is seen as the most important criterion of research. The term is related to the trustworthiness of the conclusions of the research. In other words if the measures or indicators of a concept truly measures that concept. Mason (1996,24) for example states that validity refers to whether the researcher is actually identifying, observing or measuring what he or she believes to be measuring.

The term validity includes many aspects and they differ whether one is talking about quantitative or qualitative research. According to LeCompte and Goetz (1982) and Kirk and Miller (1986) validity in qualitative research consists of external and internal validity. Internal validity refers to cases when there are more than one observer and the researchers agree about the findings. Internal validity is thus similar to the concept of inter-observer consistency as explained above. External validity refers to the extent to which discoveries can be generalized throughout social settings. According to the authors this is a problem to qualitative researchers as case studies and small samples are used. (Bryman, Alan, 2008)

3.2.3 Qualitative research

Qualitative research as a term refers to research that creates findings not by any statistical or quantitative method. Qualitative research can mean research of a person's history or life

story including emotions and feelings as well as cultural phenomena. The data of such research can consist of, for example, interviews and observations, but also other documents as diaries, advertisement's, audio or video tapes, films and so on. (Anselm L. Strauss, Juliet M. Corbin, 11) In other words qualitative research emphasizes words before quantitative data collection and analysis of data, which are most often numbers. (Bryman, Alan, 2008)

3.2.3.1 Use of qualitative research

Qualitative research can be used to do research on an unfamiliar area and to obtain very finely detailed information of, for example, feelings, which it is impossible to do with quantitative and conventional research methods. (Anselm L. Strauss, Juliet M. Corbin, 1998)

3.2.3.2 Components of qualitative research

Generally, qualitative research can be split into three components. First is the data, which is gathered from example interviews and other methods mentioned above. Secondly, components are the procedures that the researcher uses to organize and interpret the data. This part can involve activities such as reducing data, conceptualizing, elaborating and relating through a series of statements. This part is often called coding. The third part includes verbal and written reports. (Anselm L. Strauss, Juliet M. Corbin, 1998)

3.2.3.3 Qualitative research in this thesis

Because of the nature of this thesis, it is more natural to use qualitative research methods to truly understand what kind of opinions the Japanese have concerning CaringTV as a concept on a deeper level than could be possible through quantitative research methods. Also because of the network relationships of Laurea University of Applied Sciences, Tohoku Fukushi University and Sendai-Finland Wellbeing Center it was quite easy to arrange interviews and focus group discussions with the elderly, people involved in the welfare industry including Japanese care-managers and staff of the care-centers, and policy makers of different social rank.

3.2.4 Interview

There are many types of interviews used in social life. In this thesis the so called qualitative interview was chosen as a simple and effective way to gain a deeper understanding of the research questions. An interview is in all likelihood the most used method in qualitative research. A feature of all kinds of interviews is for the interviewer to extract information

from the interviewee and the rules concerning the direction of the interview. (Bryman, Alan, 2008)

3.2.4.1 The qualitative interview

In qualitative interviewing, the structure, timetable and the structure of the questions are more flexible and vague than in quantitative interviewing. Also straying from the question and incoherent speech is often encouraged. This is because in qualitative interviewing the focus is on the interviewees' point of view. The goal is to obtain as rich and detailed answers as possible. Also in qualitative research the interview can happen on several occasions. (Bryman, Alan, 2008)

3.2.4.2 The semi-structured interview

More precisely the interview chosen is a semi-structured interview. In a qualitative interview an unstructured interview is also possible, but in this case a structured set of questions while allowing the topic to move freely is a more effective way to gain the information needed. Differences between this and a structured interview used in quantitative research is that the timeline and questions may not be as outlined and new questions might arise as the interview continues. All in all, the rules concerning how to conduct qualitative research are freer than in quantitative research. (Bryman, Alan, 2008)

3.3 Types of data collection

Many types of data collection were used in this thesis. The most important sources of information concerning the internationalization process and cost efficiency came from Hiroo Hagino and Kenichi Kudo. This information was received on many occasions. There were many times during the six month stay in Japan when perceived information was just an observation of a very informal situation, and conversely the information received from the interviews were more formal. Conversations regarding cost efficiency were also conducted in the focus group discussions. The groups, which consisted of professionals from the welfare sector and the decision makers of the sector, also discussed the possible use of CaringTV and what kind of benefits it could bring financially. (Hagino and Kudo, Interview, 12.11.2010)

3.4 Focus group discussion

The focus group method is an interview method where a number of participants discuss a particular topic. This method is used with people who already have information concerning the topic, thus a unstructured discussion is possible. The person running the group discussion

is often called the moderator or a facilitator. The moderators' duty is to lead and guide the discussion but not to be too intrusive. (Bryman, Alan, 2008)

3.4.1 A typical setting for the focus group discussion

Usually this method involves at least four interviewees and is practically a group interview. However the matters that distinguish focus group and group interviews are for example the fact that the focus group puts more emphasis on a particular topic and investigates it more deeply than is typically done in a group interview. Also the researcher is always interested in how individuals discuss and debate the issues as members of the group, instead of an individual. Meaning how the interviewees respond to other opinions and construct their own views of the matter. Furthermore, with the focus group method the interviewees often challenge each other's opinions and argue. Arguing often indicates that the group is talking about their true feelings. (Bryman, Alan, 2008)

Using this method the researcher intends to provide a moderately unorganized setting in order to efficiently draw out the views, opinions and perspectives of the interviewees. The focus group method therefore is a mixture of the group interview and focused interview method. (Bryman, Alan, 474)

3.4.2 Interviews and focus group discussions

Cultural matters were also discussed with Hiroo Hagino and his research team on many occasions. Moreover the focus group discussions conducted by Master's student Carmen Stahl were the source of a large amount of information. This information received straight from the elderly during the discussions is especially crucial for the research. The data acquired clearly reveals for example what kind of services the elderly would prefer and what kind of difficulties might arise.

The focus group discussions and interviews mentioned above were conducted using qualitative research methods, but also quantitative methods were used. The data requiring quantitative research methods are the financial information concerning nurses, care managers and home helpers in Sendai, Japan and also the same information from the city of Espoo, Finland. These figures were then compared to bring out proof of cost efficiency and savings through the possible implementation of CaringTV.

3.4.2.1 Interview layout

The interview was conducted in two parts because of timetable issues. The first session was held on 12.11.2010 and the second on 03.12.2010 at Tohoku Fukushi University and the participants were the interviewer, Hiroo Hagino and Kenichi Kudo, a part of the research team run by Hiroo Hagino. The interview was structured so that first the interviewees were asked to give background and profile information about themselves and the organizations involved. The next topic involved questions concerning the client structure of the care units; to understand what kind of uses for CaringTV could possibly be implemented. The third set of questions concerned the cost efficiency, income sources and budgeting. These topics were again crucial basic information to understand the current financial matter and to provide a basis for the following discussion of how to possibly gain cost efficiency through CaringTV. Also questions concerning the Kaigo Hoken were placed with this group of questions, as it is the biggest and most important source of income.

3.4.2.2 Cultural matters

Questions concerning cultural matters consisted of trying to find out how CaringTV would better fit the Japanese market; For example how it should be promoted to appear more appealing to the users, what kind of services would be needed in contrast to the Finnish services and most importantly what changes are needed to make the implementation successful? The cultural questions were not so structured in order to give leeway to discussion, opinions and to bring out new questions.

3.4.2.3 Internationalization

The last topic of the interview concerned the internationalization process of CaringTV and internationalization itself. Questions concerned the process up to this moment and how it could be enhanced in the future, the kind of changes there would be appreciated and what has been positive. This is linked to the cultural questions to further understand the matters that might hinder the cooperation of two physically distant countries and cultures.

4 Empirical study

This part of the thesis will discuss the empirical study, with its descriptions and analysis.

4.1 Findings on the internationalization models

In the Japanese markets, it has been common that very little reasoning is done before making decisions. This way of thinking and acting is caused by the overall market share thinking, as

the big companies feel the urge to mimic and follow each other to maintain a balance of market power. (Nishiyama, K, 2000)

In the case of CaringTV, knowledge intensive SMEs and many service companies, these market entry strategies are claimed to be invalid. (Knight and Cavusgil, 1996). In this thesis the market entry strategy will be explained through business networks and relationships, as it is regarded more appropriate (Andersson and Wiktor, 2003; Bell, 1995; Coviello and McAuley, 1999; Madsen and Servais, 1997). In this thesis it is the network relationships making the internationalization process possible, as the networks amount to a connection to the Japanese market. (Meyer and Gelbuda, 2006; Meyer and Skak, 2002)(Jansson, H., Sandberg, S)

CaringTV, with the umbrella project Active has many network relationships, dating back almost 10 years. It is because of these individual and company network relationships that CaringTV can start its pilot in Japan and that has been welcomed so openly. The project has acquired substantial market information but no first hand experience yet. (Pirnes, discussion, March 2010)

4.2 Active program

Due to the rapidly aging population, the need and costs of health care services are rising fast. With a declining proportion of tax payers and employees and the growing need for these health care services the Active program was initiated. Active program aims to develop more cost effective elderly care services that promote a high quality of life through Finnish Japanese research and development collaboration. The main partners in the project are Laurea University of Applied Sciences, Aalto University, Tohoku Fukushi University, City of Espoo, City of Vantaa and Tohoku Fukushi Corporation. (Active www-pages)

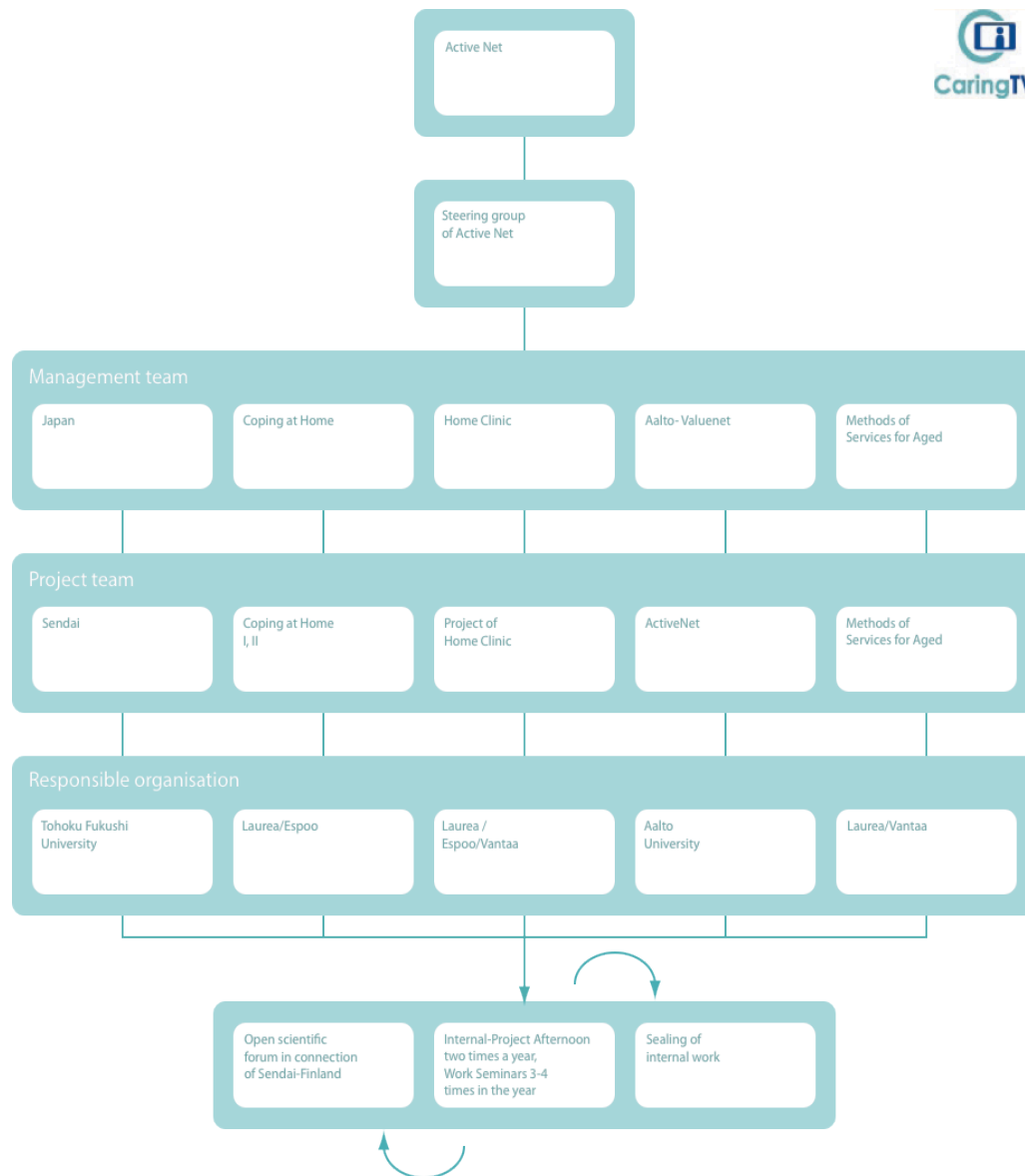


Figure 19: Active project's organization and responsibilities

The Active program strongly makes use of student centric and learning integrated research and development work in several sub-projects under the Active umbrella. This, at its best, meets the demands of successful utilization of Learning by Developing (LbD) model and has led to excellent learning results and new fresh ideas for the development of elderly care services. (Pirnes, discussion, March 2010)

Finnish-Japanese research collaboration results indicate that high quality and cost-effective elderly care services can be developed through thorough and trust-based collaboration of different actors from different societies. This enables facilitates innovative thinking, opinions and to create synergy. In the Active program students and researchers alongside with outside

partners, companies or organizations co-operate to achieve a innovative, balanced atmosphere for value creation. (Pirnes, discussion, March 2010)

Elderly care no longer refers purely to the support of daily activities, but implies a method of how to realize the well being of an individual elderly person. An elderly person is not classified merely as not-ill or not-sick, but she/he can be physically strong, well-educated, socially active, and mentally and spiritually secure. Adopting a service-marketing approach within the field of elderly care means that customers are not perceived as buying service functions but benefits. Elderly persons are now interested in the comprehensive well-being which can be achieved through versatile care services. A care service itself is no longer an aim but a result of an innovative understanding of well-being. Multi-party collaboration and networked co-creation of new care services may be a new innovative approach to the improvement of the elderly care. (Pirnes, discussion, March 2010)

4.3 CaringTV

CaringTV is a sub-project of the Active program. It is a service-oriented concept, which is based upon customer friendly and interactive programs and eServices. These programs support customer welfare through the aid of an interactive video connection. In addition, CaringTV offers the possibility of expert, family and peer support. The aim is to support independent coping and living at home. (CaringTV www)

CaringTV net: TFU-Laurea-Aalto highlight in Sendai

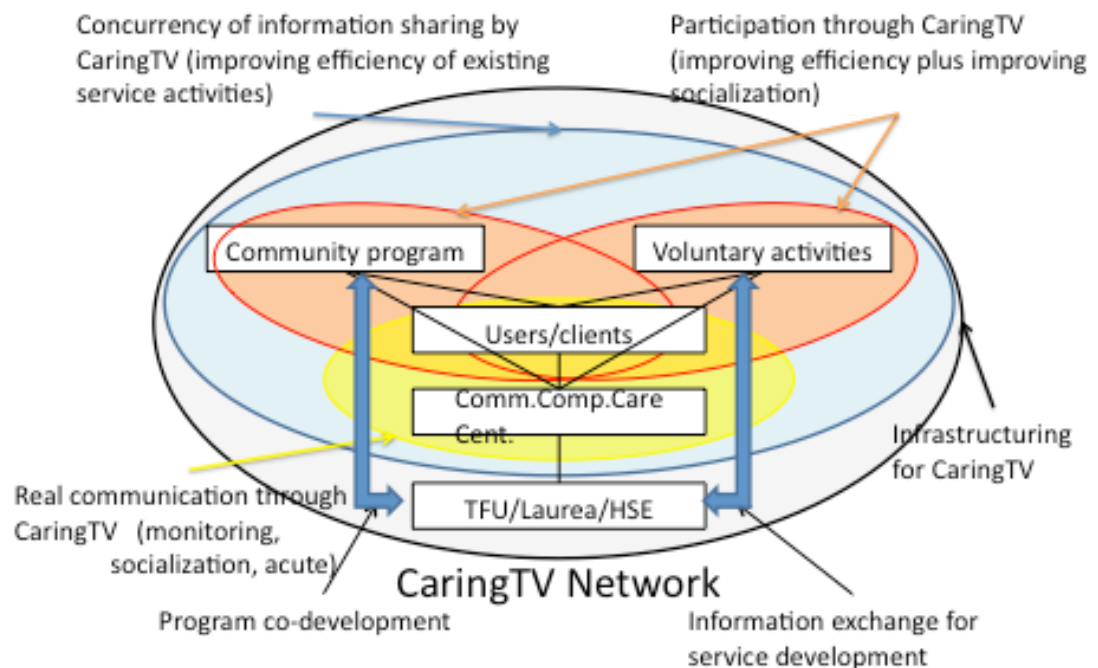


Figure 19: The possible networks of CaringTV in Sendai. (Ogasawara 2010)

In figure 19, Professor Ogasawara from Tohoku Fukushi University has described the possible network relationships of CaringTV in Sendai, Japan. As in Finland, program contents would be based on voluntary activities, for example in the form of a student club. (Ogasawara 2010)

4.3.1.1 International collaboration of CaringTV

CaringTV is the joint result of collaborative research and development work between Laurea University of Applied Sciences, the city of Espoo and Videra Oy. CaringTV is an innovation, which furthers the health and well being of its customers and their families. The eServices and programs, provided through an interactive connection, are cost efficient. As a service-oriented and customer friendly concept, CaringTV promotes a well-rounded and active lifestyle among all of its users. (CaringTV www)

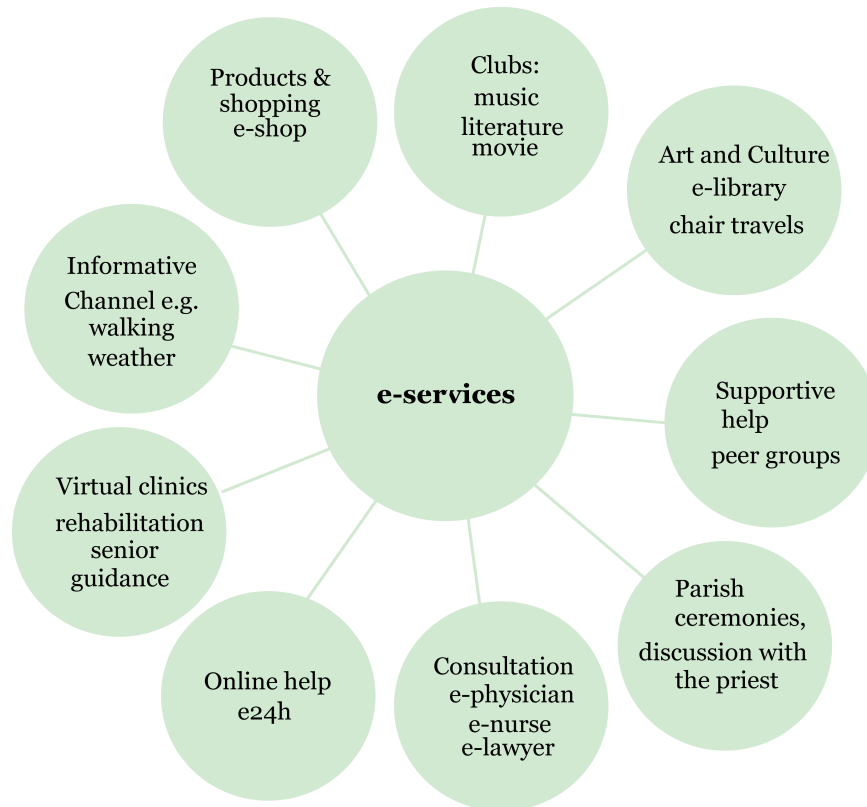


Figure 20: Possible eServices provided through CaringTV

4.3.1.2 eServices provided by CaringTV

CaringTV can provide the user with various eServices. The eServices cover a range of different services, for example, services to support the wellbeing and empowerment of the user via various health services and mental activity through supportive peer groups and cultural leisure services.

The eServices that promote the health and wellbeing of the user can include for example consultation with a physician or a nurse. With these services the user could even omit some routine check-ups and they could be executed through via the CaringTV, which will in turn produce cost advantage and savings. Another example of an eService of this kind is gymnastics or physical exercise performed on a chair.

The eServices that produce the mental wellbeing and empowerment of the client include, for example, supportive peer groups, discussions among the users and arts and culture clubs. There are for example shows produced by employees of art museums, religious events and relaxing coffee breaks among the users to discuss daily matters. In this way, even if users are unable to leave their home, they can still enjoy the social aspect of life, reminisce about the past and learn new things.

4.3.2 Cultural dimensions and culture in real life

After studying the theories of the cultural dimensions, the concept is then broadened by criticism and support by other authors.

4.3.2.1 Criticism of the study

Having identified the five cultural dimensions by Geert Hofstede, their application to a real-life context will be discussed. First of all, the study's sample can be said to be sufficient in terms of the number of participants. However, one criticism is that the study was conducted from the employees of one single company and it can be argued that this approach cannot provide sufficient information concerning the cultural system of a nation. A large IT company like IBM has to have a corporate image of its own, which might have affected the results. (Graves 1986, 14-15; Olie 1995, 135; Søndergaard 1994, 449). (Jones, M, 2007)

Cultural homogeneity is highly criticized in Hofstedes study. The study assumes that a domestic population is a homogenous whole. This is hardly the case as a nation consists of different ethnic groups. (Nasif et al. 1991, 82; Redpath 1997, 336) Thus the character of individuals limits the scope of the analysis, and additionally, the study can be criticized for ignoring the significance of community and its influence. (Dorfman and Howell 1988, 129; Lindell and Arvonen 1996; Smith 1998, 62). (Jones, M, 2007)

4.3.2.2 Possibly outdated data today

Through own observations, the survey might also be outdated. The original survey was conducted in the 1980s and even though culture does not rapidly change but instead slowly and gradually, the results can be considered quite old, there is however a gap of almost two generations and in the case of Finland and Japan, the change is quite substantial. If compared to the working person (kaishain, salaryman) of the 1980s and the young today, the mindset is quite different and the young of today are more tolerable and free minded. (Jones, M, 2007)

There are many other criticism of this research, but there are also various authors and arguments that support Hofstede's research. It is one of the most used pieces of research and has been found to have many attractive attributes and applications. (Furrer 2000, 358; Ross 1999, 14; Søndergaard 1994) (Jones, M, 2007)

4.3.2.3 Japan as a business environment

An organization has to be in Japan to operate efficiently on the market. This fact connects the culture, internationalization and performance measurement aspects of this thesis and CaringTV. The Japanese customer is very concerned with quality, design, detail and packaging, and especially quality and trust are seen as important qualities. Also, Japanese and Finnish in general are very interested in nature and wellbeing. Striving for a better future is common goal for both nations. (Lehtonen, M., Kaislaniemi, I. 2010)

To begin collaboration with Japan, a person is usually needed who is capable of effectively communicating in Japanese and in Finnish. This helps with the language and cultural problems and may open new doors for the organization. Push marketing does not work in Japan. Finnish companies going to the Japanese market need to have a humble attitude and they need to show that through this collaboration, the company desires to serve the Japanese society and not only strive for short-term financial earnings. (Lehtonen, M., Kaislaniemi, I. 2010)

4.3.2.4 Different ways of marketing

According to various perceptions, it seems that the marketing of the CaringTV in Japan should be strongly based on collectivity and soft values. The decision makers considering adopting the service also need to see the cost-advantage, but the end-users and their network groups need to see the service as a more soft-value based service, instead of a technological solution. There is more resistance to change from the point of view of technology than might be expected. Japan is known as a country with highly advanced technology, but the elderly people still do not feel at ease with computers and various technological solutions. (Hagino and Kudo, 2010)

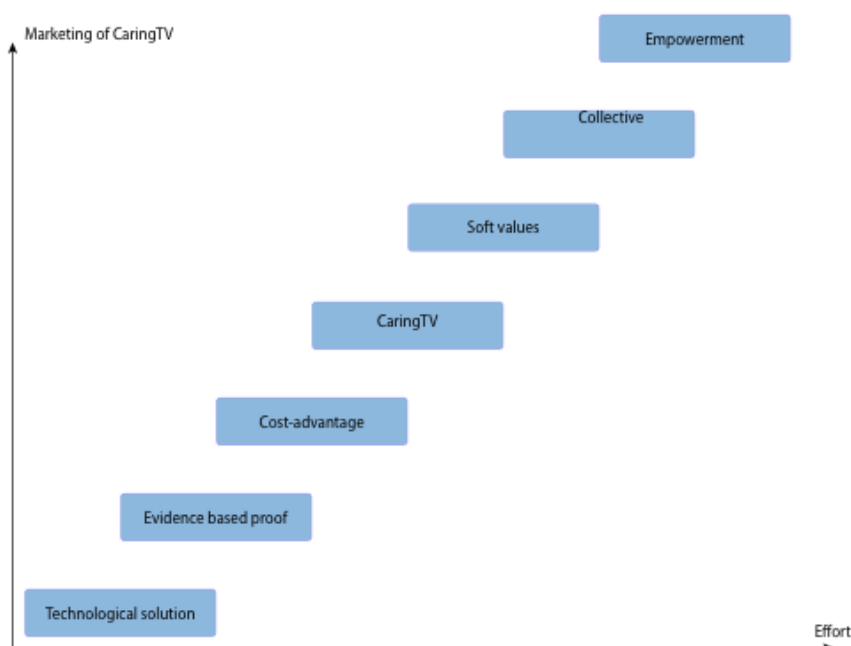


Figure 21: the emphasis of marketing of CaringTV in the Japanese markets from the point of view of Tohoku Fukushi University research team.

4.4 Things to consider when entering the Japanese market

To be able to do business efficiently in Japan, one has to physically be in Japan. It is however important for an organization to gather as much possible market information about the Japanese market, culture and possible networks before starting the internationalization process. When entering the Japanese markets, it is very important to prepare for a longer process than imagined, for example because of the more collectivist values, a mutual understanding has to be reached before decisions are made. Patience, flexibility and sufficient resources are all important factors.

The Japanese need to see and feel that the organization entering the market is trying to network seriously and is willing to put long-term effort in to the business relationship. An organization has to be willing to spend resources in Japan in order to gain trust. No matter what the product or service, when entering the Japanese market, the organization needs to be humble, receptive and know ones place in the business chain. Push marketing even for a star product is not an option, and introducing a product this way is usually doomed to fail. (Lehtonen, M., Kaislaniemi, I. 2010)

4.4.1.1 Product and service testing

The level of testing products is completely different in Japan and in Finland. The product or service being introduced has to be safe and tested under the Japanese terms, before it can be test-used with clients and end users. It is not usually possible to enter the Japanese market to test something, because this will not be accepted. Furthermore, the organization has to have endurance, focus and willpower not to abandon operation when problems arise. This again relates us to the trust and long-term orientation factors which are highly valued by the Japanese. (Lehtonen, M., Kaislaniemi, I. 2010)

4.4.1.2 Cultural knowledge

Knowledge of the culture is crucial and there should preferably be some knowledge of the Japanese language within the organization entering the Japanese market. Emphasizing politeness all interactions with the Japanese business partners is advised. Trust within business relationships is critical and without it the organization trying to enter the Japanese market will remain an outsider. Personal chemistry is important when trying to establish

relationships with the Japanese counterparts and one can even emphasize the personal chemistry over business opportunities when choosing a business partner. (Lehtonen, M., Kaislaniemi, I. 2010)

4.5 Interview results and findings

The interviewed persons included Hiroo Hagino, who is an associate professor and a vice director of the career center within Tohoku Fukushi University, and Kenichi Kudo, who is a part of the research team lead by Hiroo Hagino. Hiroo Hagino is a member of the Active project and an expert in the needs of the elderly in Japan.

4.5.1 Tohoku Fukushi University background information

Tohoku Fukushi University is a part of The Soto school of Buddhism, the biggest school of its kind in Japan. Tohoku Fukushi University runs five care units and which were originally established to create synergy through the collaboration of students and. In Japan it is currently very difficult to find a practical placement, so the ultimate goals of the units are to create practical training places for the students of Tohoku Fukushi University, conduct research and development as an university and put the research results in use in the care units. This kind of innovative operation is creating a deficit in some care units, but Tohoku Fukushi Corporation sees the merits of innovative conduct of business and profile building as more important than the financial loss. (Hagino and Kudo, 2010)

Due to this unusual way of conducting business, there are no similar institutions in the Sendai area, and only a few university-attached nursing homes are found nationwide. This means there are no competitors from the perspective of the care units or the parts of them, which offer intensive care. There is, however, competition in the third sector by companies and organizations that offer similar care within the Sendai region. These care services include, for example, home help and services that do not require high qualifications. (Hagino and Kudo, 2010)

4.5.2 Main activities of the care units

The main activities organized in the care units are meal support, excretions, bathing and empowerment of the customer. The care units offer these activities through a broad range of services, but the main operations provided are long-term care; short-term care (short-stay accommodations for the elder so the family can travel, a service offered within the long-term care insurance); day care (includes also rehabilitation) and day service. In addition to these services the care units also provide other services such as home help including a visiting nurse

and other health care services. Other than elderly people, a day service for disabled persons and children is available. There is also support and aid to juveniles who cannot receive proper nutrition at home because of abuse or delinquency (including orphans). Additionally, rental of equipment for various customer-groups for example wheel chairs is possible. (Hagino and Kudo, 2010)

Because of the nature of the long term care insurance; many clients wish to purchase more services/products to compensate the monetary burden. (Hagino and Kudo, 2010)

4.5.3 Demographics of the staff and clients

Personnel of the care units consist of members various professions as a result of the wide range of services. Some of the qualifications that the personnel have include registered nurses, certified care-workers, social workers, home-helpers, dieticians and doctors of many fields. (Hagino and Kudo, 2010)

Proportional to the many professionals employed and services provided, so the range of clients also wide. In the case of elderly people the ages usually vary between 65 and to 100 year-olds. Also people with certain diseases specified by the Japanese government are able to start receiving care from the age of 40. Almost 80% of the customers are female and social backgrounds vary. The utilization rate within the long time care is 100% with more than 200 people in the waiting list. (Hagino and Kudo, 2010)

When considering the demographics and profiling of the care units, it is also important to understand their earning policy. Around 90% of the income of the care units comes from the Japanese social insurance system. The remaining 10% comes from individuals who wish to purchase services and/or products by themselves. For example a family taking care of an elderly person at home must buy short-term care to be able to go on vacation (The service is called short-stay and social insurance is available for it) and rehabilitation services and/or products. (Hagino and Kudo, 2010)

4.5.4 The income circumstances of the care-centers

As the institutional care is running on full capacity, the income of it is stable at the moment, but the income of day and short-term care is unstable. This is because competitors can also provide these services and the need of care is usually not so urgent. This too is not as straightforward as the need of other than institutional care differs depending on area. There are also areas with a waiting list for short stay services. (Hagino and Kudo, 2010)

The same 90% and 10% split in income is also the case for production of services as The Tohoku Fukushi group generates about nine tenth of the care units worth its own production. The last 10% is outsourced to other organisations as there are regulations to encourage the use of other third sector organisations and penalties have to be paid if the ratio of self produced services is more than 90%. (Hagino and Kudo, 2010)

4.5.5 Decisions making and monetary issues

Following the recession, effectiveness and cutting expenses is a part of everyday life in most organizations. This is also the case in the care units run by Tohoku Fukushi University. There are for example ways to cut the costs of the municipality level. The ideal way to cut costs however is by investing in preventive programs. This approach will generate costs in the beginning but will gradually provide savings. (Hagino and Kudo, 2010)

Even though the innovativeness and showroom-type business conduct in some of the care units, the economic issues do still strongly influence the decision-making. It depends very much on the facility, but it greatly influences decision-making. The medical corporations, for example Sendan no Oka, need to keep their attention focused on financial matters very closely. They try to develop a wage system that will support the employees by adjusting wages according to the experience accumulated, and the age of the employee. A system normally widely used in Japan and in Finland, but not yet common in the welfare sector, as wages are truly low. On the other hand, many of the employees of Sendan no Mori's are part time workers, which cut the costs remarkably compared to full-time employees. With the ageing society and recession, it is a trend to try to cut costs on all possible levels. (Hagino and Kudo, 2010)

4.5.6 Ways to cope with the financial challenges

Even with these efforts, if there is failure in budgeting and it is not possible to avoid losses the care units will try to compensate and increase effectiveness in services if it is possible. It is not customary in Japan to lay people off, which would invoke great savings, but try resolving the matter with other actions. Also there are services that have to be provided, which are decided by the Long-Time Insurance system, of which the care units cannot obtain great savings, but from other aspects costs can be saved. An example of this is a way to order and use diapers effectively, or for example free overwork, also very common in Japanese society. As mentioned, people do not get laid off, but when an employee quits, other employees can be transferred and tasks circulated instead of hiring new personnel. (Hagino and Kudo, 2010)

Also it is worth mentioning, even though these kinds of innovative care units are new in Japan, the budgeting has been accurate excluding the start of operations. The deficit from certain care units is a known fact and is being balanced within the care units. (Hagino and Kudo, 2010)

With this background information and profiling concerning the care units run by Tohoku Fukushi University it is then easier to grasp the possible future use of CaringTV in this context. Basically, according to Hiroo Hagino and Kenichi Kudo the implementation and use of CaringTV is highly possible. Having said that, the “need” has to be created before the introduction of the concept can work. (Hagino and Kudo, 2010)

4.5.7 Students as a force for content creation

As in Finland, it has been thought that students would be the main power to create the contents of the shows provided. At this point, however the activity would happen in the form of a volunteer club activity. In this way the students could be used to create contents, but from the point of view of education and schooling, it is difficult to include it in the curriculum that leads to national qualification. Because of this it might be more difficult to effectively and continuously use the students to create the contents. It became clear during the interview that concerning these education questions Tohoku Fukushi University would appreciate deeper collaboration with Laurea, mainly, in terms of how to include activities such as these to the curriculum. (Hagino and Kudo, 2010)

Other than students the system could operate quite similarly to the situation in Finland. Teachers, professors and staff of different fields along with professionals would also create the contents of the programs. The content makers would then not differ so much to Finland. This would also be the case in the types of programs and services provided. (Hagino and Kudo, 2010)

4.5.8 New ideas emerged from the interview

Still, there were a few ideas that came up during the interview. Watching television drama is very popular in Japan, so some kind of contents concerning these various dramas would be welcomed. Also traditionally the Japanese play a lot of board games, so for example multiplayer Mah-jong and Go could be popular. These kinds of services are widely available on various internet sites, but chat type communication is not suited for the elderly. In contrast with CaringTV this could be accomplished with a touch screen and voice chat. (Hagino and Kudo, 2010)

4.5.9 The challenging insurance system

The biggest obstacle to actually implementing the concept in Japan is the insurance system. CaringTV will not be included in the coverage of the insurance system without concrete proof and show of the cost-savings and long-term piloting. However there is a system called regional support, which means therefore a three-month free period a certain service can be made available (the municipality undertakes the burden of the costs). If successful, it could afterwards be used as a paid service with a monthly fee. This does nevertheless require innovative leaders in the municipalities (such as the mayor), which is culturally very difficult. In the end this kind of activity could lead to a sustainable service, which is important for preventive care. Also in this case the party which covers the fees would also be the beneficiary. (Hagino and Kudo, 2010)

4.6 Effectiveness and cost-savings perspective

Regarding the client structure of the care units, the implementation of CaringTV over a long time, or so called institutional care could not increase the effectiveness. This is because the care units are at full capacity, and each patient requires a large amount of care. Nonetheless, delivery care as in home help and preventive care could be increased and processes enhanced with the concept. (Hagino and Kudo, 2010)

During the interview some practical and concrete ways to cut costs and simultaneously increase effectiveness were the matters concerning the staff and transportation. Through CaringTV transportation costs could be cut down in the form of gasoline fees, vehicle insurance, maintenance and so on. Reducing the use of cars also has other positive effects. Since the reduction of traveling time would mean the personnel would have more time for other tasks and thus often improve overall effectiveness and productivity also. (Hagino and Kudo, 2010)

4.6.1 Effectiveness of employees

Concerning the effectiveness of care managers, there are rules and regulations concerning how they can perform their duties. For example previously there was a limit of 35 patients per care manager and at least one direct visit per month. Later this number increased which linearly increases the workload of the care manager. However the use of CaringTV in this concept would mean the care manager is able to cope with the increasing workload and stress. Not only would the care manager be able to cope, but also increase the number of contacts so the level of care would increase. At the same time the client could also contact a

nurse and other professionals so the quality of service will be increased further. These changes would, however, need a legal reform. (Hagino and Kudo, 2010)

4.7 Cultural matters perspective

Still related to the cost effectiveness, but examined from a cultural point of view, at the moment the employment of CaringTV could be only possible in small municipalities, because of the current insurance system. It would be possible as a service where the end user wouldn't have to buy hardware, but use as a "paid service" with for example a monthly fee. It would not, however be problem free, as the Japanese also have prejudice against technology similar to the Finnish elderly and many elderly do not have computer or an internet connection. (Hagino and Kudo, 2010)

What does differ from Finnish culture is the fact that elderly Japanese are less likely to wish to pay for the service. The people value physical objects that can be used and felt, but the concept of paying for something intangible is unwanted. (Hagino and Kudo, 2010)

4.7.1 Emphasis on community, collectiveness and gender

What is seen as possible, however, is that CaringTV could be used as a more provider oriented service in the Japanese culture. From the elderly people's point of view, the concept is not as appealing as it is in Finland. On the other hand it could be seen as a practical aid to communication because of the physical distance of the community members. For elderly men, instead of the local community, The bond with old school friends and former fellow company employees is very strong. This creates a physical distance quite similar to the distances in Finland. Women however have traditionally taken care of the household and children, and thus have strong community relationships within their neighborhoods. (Hagino and Kudo, 2010)

On the other side of the strong community there is also the feeling that one has to always participate in order to stay within the community and group. The social pressure in Japanese culture is stronger than in Finland. This creates a feeling of lack of privacy and in this way the use of CaringTV could help, as an individual who doesn't want to participate simply does not need to turn on the machine. Also to help reduce government costs, the use of these strong communities could play a role in the future. (Hagino and Kudo, 2010)

4.7.2 Modern and past way of thinking

However, as stated before in the theoretical section, traditionally it is the family that takes care of the elderly. The trend is however moving towards a more Western type of thinking and according to the interview the current situation of whether it is culturally acceptable to use these care units depends greatly on the municipality and on personal culture. It is already acceptable by the majority, which can be even seen from the utilization rate of the care units and the waiting list. There are exceptions, as some municipalities with lower populations seem to be more traditional and have more respect for traditional values, with the family taking care of the elderly, but within larger populations and higher population density municipalities it is more acceptable. Additionally, recently the elders themselves feel that they do not want to burden their families, and have chosen to use the various services of these care units by themselves. Ultimately the acceptance of CaringTV will greatly depend on individual preferences. (Hagino and Kudo, 2010)

4.7.3 CaringTV as a tool within short-stay of the elderly

In this context, the use of CaringTV for short-stay clients can be seen as a viable solution. This would give the family and the elderly peace of mind as they are separated for a short period of time. A CaringTV unit would therefore be useful in the short-stay units.

The marketing of CaringTV should also differ from current marketing activities in Finland. To the municipalities and whoever in reality paying for the service, cost effectiveness is still the most important point of emphasis. (Hagino and Kudo, 2010)

To the end user in the case of the elderly however the concept should be promoted as a way of keeping in touch with grandchildren and friends within the community. According to the interview and the group discussions, this single fact seemed to be most important and was emphasized frequently. (Hagino and Kudo, 2010)

Also to create new networks and enjoy different services, with only the purchase of a tangible machine is sufficient. If CaringTV had have services appealing to the grandchildren of elderly, could that be used as an advantage to promote the CaringTV as a means to keep in touch with ones grandchildren. (Hagino and Kudo, 2010)

4.8 From the point of view of internationalization

According to Hiroo Hagino and Kenichi Kudo, the internationalization process has progressed well. The process has been advancing step by step. More collaboration partners have joined the process making the internationalization more possible. This step-by-step progress is

similar to the kind of behaviour explained by the Uppsala model in the theory section. (Hagino and Kudo, 2010)

4.8.1 Physically long distance and cultural matters

The physical long distance and cultural differences can cause misunderstandings, so increasing mutual understanding could enhance the process. To somewhat fix this problem face to face communication should be used as much as possible. Workforce is insufficient, as everyone involved in the internationalization also have various other tasks. During the interview it was noticed that from the point of view of Tohoku Fukushi University, it would help the university to move more freely if Laurea University of Applied Sciences and Finpro had a deeper network relationship with the City of Sendai. It is impossible to make any critical decisions and moves in Japan without thinking about the municipality and the long-time insurance system. (Hagino and Kudo, 2010)

4.8.2 Possible financial aid: a profit company

Tohoku Fukushi University's personnel also feels that a profit company would be useful for the future of the internationalization, but introducing a new company would be a very difficult process from the point of view of the collaborations common goal. (Hagino and Kudo, 2010)

4.9 Focus group discussions in Japan

A total of five focus group discussions were held in Sendai, Japan during the fall 2010 for a Master's student Carmen Stahl's Masters thesis. Because of the similarities of interest the author of this thesis also took part in the focus group discussions as an observer and received permission from Carmen Stahl to use the data freely. The focus groups were divided into three groups of which the first one was the elder, their family members, a care manager, the facilitator and two observers. There were three of these discussions at the elderly persons home.

Focus Group	Discussion	Participants
1	1,2,3	Elderly persons, family, care manager, facilitator and two observers
2	4	researchers, supporters and policy makers
3	5	elderly care professionals.

Table 7: The participants of the focus group discussions

4.9.1 Focus group discussion questions and participants

The questions asked in these group discussions as written in the thesis plan of Carmen Stahl are as follows: “How can CaringTV create benefits for you/what needs to happen with/through CaringTV for you to gain benefits?”. To be more specific the elderly person was asked who he or she would like to contact, and what types of services he/she would use. Furthermore there was inquiry concerning the concrete usability and functions of CaringTV. The second question was “What kind of benefits would you gain from using CaringTV?”, including details such as which important aspects of one’s life and the kinds of changes would take place if CaringTV. (Focus group questions, 2010)

The second focus group consisted of researchers, supporters and policy makers from different organizations. In this case the questions were as follows: “What kind of value/benefits do you think elderly can gain from using CaringTV” and “How can CaringTV create this value/these benefits, what needs to happen with/through/for CaringTV so that elderly gain value/benefits from it?” The second question was split into three levels, which were the practical, structural and technical levels. The third group consisted of elderly care professionals. The focus group discussion questions were the same among group number two and three. (Focus group questions, 2010)

4.9.2 Time and place of the focus group discussions

All focus group discussions were held in Japanese and recorded. This data was then transcribed first in Japanese and after that into English. Because of timing issues, for this thesis the raw and edited Japanese transcriptions were be used. Being present during the discussions also helped in analyzing and understanding the true feelings of the interviewees.

4.9.3 First focus group discussion on 05.10.2010

When discussing the first question, mentioned above, there was hesitation in the beginning. It felt like the elder was culturally compelled to answer according to the needs of the facilitator. It is therefore possible to think this is why the topic first stayed on the care center environment. The first answers regarding who the elderly would like to contact were a doctor and the care manager. The relationship between the elderly and the care manager's seemed very close, and warm hearted, so contact would probably occur. (Elder focus group discussion 1)

4.9.3.1 Workplace's importance for elderly men in Japan

As the tension dissipated, the interview gained more depth and the elder started to speak about old co-workers. Always when talking about co-workers the elderly persons expression was truly happy. This goes hand in hand with the findings from the interview, which took place at Tohoku Fukushi University that former work partners are very important to the elderly men of Japan. The company the man had worked for was seen almost as family. The topics of discussion would mainly consist of reminiscence and wondering how the company is doing at present. (Elder focus group discussion 1)

4.9.3.2 Gender differences in the preferred use of the service

The spouse of the elder felt was most important to maintain contact with the care unit's staff and especially the care manager, to keep informed about the current situation and future plans. On the other hand, the spouse of the elder would appreciate more casual discussion concerning for example hobbies and people with mutual interests. Most importantly concerning pain and grief in the form of peer support with people who have similar experiences. To be able to express complaints and grumble with someone trustworthy seems to be important. (Elder focus group discussion 1)

4.9.3.3 Feeling of entrapment within one's own household

There was also concern about the current trend of being able to do everything within the house. As this progresses the elderly could start to feel ill about being inside and feel confined inside the house. As long as one can move and leave the household the spouse felt it is important to do activities outside. (Elder focus group discussion 1)

4.9.3.4 Emphasis on software simplicity

When discussing the second questions it came evident that the simplicity of the software is very important. Complexity might produce panic, negative and feelings of powerlessness which might produce resistance towards the use of CaringTV. (Elder focus group discussion 1)

Lastly, during the discussion about the benefits CaringTV could bring to the elderly, health and hobbies were prominent. Hobbies were felt to be an important way of releasing stress. Also as mentioned in the interview done at Tohoku Fukushi University, the spouse mentioned of peace of mind during travels if the elderly could be placed in short stay care could be contacted through CaringTV. (Elder focus group discussion 1)

Focus Group Discussion 1	
Positive thoughts / usable ideas Remembering the old times / Empowerment Contacting with care personnel / Peace of mind Hobbies / health Peer support Release of stress	Negative / doubt Isolation (Hikikomori) Complexity of usage / demotivation

Table 8: Conclusions of the first focus group discussion

4.9.4 Second focus group discussion at the elder's house

The participants this time were the facilitator, the elderly, care manager and two observers. The elder in this focus group discussion had had a disability since childhood and therefore had a very difficult childhood. He had been bullied and widely rejected from different groups, which is a very strong aspect of the Japanese collective culture. Because of these issues he has been living a very lonely life, but nevertheless accepted this interview. The elderly had very strong opinions about discrimination and the importance of communication. Gradually the elder has been accepted in the community and had mentally opened up. These matters helped the focus group discussion receive opinions from a different angle, which might help the further development of CaringTV in the future. (Elderly focus group discussion 2)

To the elder, the most important contact through CaringTV would be the person most trusted. In this case the care-manager. To the elder, maintaining human contacts and being accepted was the most important aspect of life. (Elderly focus group discussion 2)

4.9.4.1 Freedom of participation

A free atmosphere and freedom of participation were considered highly important. This finding correlates strongly from the point of view of social pressure in the strongly collective Japanese community. The elder was eager to try out leisure services, for example a music club or a coffee discussion that can be provided by CaringTV. With a curious mind the elder would also like to expand world knowledge through the concept, for example, by interacting with other people from different cultures and age groups. This wish also correlates with the tryout in Finland with elderly and small children playing together. Simplicity of the interface was considered important.

(Elderly focus group discussion 2)

A concept like CaringTV could increase stimulation, revitalization and motivation of the elder. In other words the elders expectations of CaringTV during this focus group discussion, and what CaringTV offers, the empowerment of the elderly correlate strongly. (Elderly focus group discussion 2)

Focus Group Discussion 2	
Positive thoughts / usable ideas Simplicity Keeping social contacts intact Create new social contacts Empowerment	Negative / doubt Free atmosphere Discrimination

Table 9: Conclusions of the second focus group discussion

4.10 Third focus group discussion on 28.10.2010

The third focus group discussion at an elderly person's house included the care manager, interviewer, the elder, the elder's spouse and their daughter. The interviewee's spouse was also an elderly person, but in good physical and mental condition, whereas the interviewed person had been diagnosed with Parkinson's disease 13 years ago. The elder's child was living with the elderly couple. With this setting the daughter and the spouse felt that CaringTV is not really that needed as the elder has daily support from family as well as the services provided by the insurance system. If this situation were to change though, CaringTV could be used more effectively. (Elderly focus group discussion 3)

At first it was difficult to convey exactly what CaringTV is capable of, but when the idea of communication through the device was successfully passed, the elder told that contacting siblings who live apart would be appealing. There are three siblings of which one lives apart.

The siblings visited each other frequently when they could, but now both have difficulties moving freely so the CaringTV would help. (Elderly focus group discussion 3)

4.10.1.1 Possibly best suited for leisure only

The daughter of the family, along with the elder quite strongly stated that using CaringTV to discuss serious matters would not be suitable. This would not be the case with professionals such as the care manager, but with fellow users and or relatives, the topics and level of discussion would be quite superficial. The daughter also had experience of using Skype and felt that with current technology the lag creates a feeling of distance. This does not really differ from Finnish culture either, since someone has very serious matters to discuss it is felt better to do so face to face. It might be added, that in the Japanese context the emphasis was put on not making others worry. (Elderly focus group discussion 3)

4.10.1.2 The impact of culture on the focus group discussion

Also during this group discussion it became clear that the elderly person was a very modest traditional woman who, instead of her own need or will, looked the situation from the side and abided by other people's will. This passivity was further strengthened alongside with the Parkinson's disease as it becomes more difficult to physically speak. (Elderly focus group discussion 3)

It was suggested that in the Japanese culture the inside of one's house is a very intimate area and therefore may not be wanted to be show on the monitor. The interviewees, however did not have strong feelings in this respect and felt it is fine even if the house is shown. In the Finnish concept of CaringTV it has been said that from the professional's perspective, it is very helpful to see even a glimpse of the elderly's living environment to evaluate living standards. (Elderly focus group discussion 3)

In day service the proportion of elderly men is very small and there have been cases where the men feel very alone and suppressed even on this occasion, but the spouse of the interviewee mentioned that these kinds of circumstances would not matter and he would like to take part in the day care service anyway. The spouse was very extrovert which may positively affect to this kind of situation. A more traditional quieter Japanese individual might prefer not to take part, and when using the CaringTV a person can freely turn off the machine. (Elderly focus group discussion 3)

4.10.1.3 Ease of usability

When discussing the usability of the touch panel version of CaringTV, it was apparent that the functions had to be very basic. The public transportation system in Japan uses machines, where one buys a ticket according to the destination and the elderly considered this system to be confusing. As long as there is a larger button with a photo or text, they had confidence in operating the system. As with many elderly people in Finland, banking was handled at the counter of the bank, instead of using internet or the ATMs. In short, face to face communication is preferred over convenience and speed. (Elderly focus group discussion 3)

4.10.1.4 eServices portfolio

Discussing the services the elderly might want to use included for example, tea ceremony, flower arrangement and penmanship (calligraphy) of which with the elderly had had experience with. Continuing these hobbies would be pleasant, as it is very difficult now to leave the household and go to a class. Also an opinion from the daughter was that a daily checkup of 5 to 10 minutes at a fixed time would help estimate the patient's condition. The elderly and the daughter also felt that the possibility to use a so-called e-Nurse consultation would be truly helpful. As an example if one is unsure of whether to go to a hospital or not, this service could be first used to consult a professional. (Elderly focus group discussion 3)

The daughter also compared the health promotion shows, for example the chair stretching exercise to sold DVD's and was very happy this kind of interactive service is available. The consensus in the end of the group discussion then was that an elderly person with not much help available would greatly benefit from CaringTV. The use of the service at the day service was mentioned. So the way CaringTV is being used now in the Finnish care centers may be effective also in Japan. (Elderly focus group discussion 3)

Focus Group Discussion 3	
Positive thoughts / usable ideas	Negative / doubt
Contacting family Clubs (tea ceremony/calligraphy) Brief daily checkups by the care worker Contacting with care personnel / e-Nurse Collective usage at care centers Freedom of usage Continuum of rehabilitation	Not really needed with strong family support Cannot discuss serious matters with family "online" Lag causes feeling of distance Showing own house to strangers Complexity of usage / demotivation

Table 10: Conclusions of the third focus group discussion

4.10.2 Three focus group discussions, the elderly in focus

Generally then, the three focus group discussions held at the elderly person's house involved the elderly person and his or her family, a care manager, a moderator and two observers. There were two main questions planned before the discussion, but the flow of the conversation was fairly free. The CaringTV demo, created for Shanghai Expo 2010 was shown at two of the focus group discussions. Other than that not much information concerning the concept was revealed to the interviewees in order to get pure and original thoughts and ideas about how to use CaringTV.

4.10.3 Focus group discussion: policy makers and researchers

The fourth focus group discussion was held at Sendai-Finland Wellbeing Center and consisted of the facilitator, policy makers within the City of Sendai, researchers of Tohoku Fukushi University and two observers. (Policymakers)

4.10.3.1 Emphasis on the community

According to the person, partly responsible and in charge of refurbishing of the long-term care insurance (Kaigo Hoken), stated that as the number of elderly grow and the workforce declines emphasis must be put on the community. This would be the ideal situation, but the reality is more complicated. There are elderly who are physically unable to go outside and individuals who have emotional problems and prejudice concerning this kind of activity. To these kinds of elderly people the CaringTV might become a way of communication with the community. One to one communication with the care center personnel is also good, but the emphasis should be on the value to the community. (Policymakers)

4.10.3.2 CaringTV as a part of the care portfolio

CaringTV is not seen as a shortcut, but more as a part of the whole care system in the future to help handle the increasing work burden. All parties should work together and thus the maximum potential of CaringTV could also be used. Peace of mind and the anxiety effects of the elderly and especially the family of the elder were also discussed. As elderly living alone increase the possibility to see the elder and their living environment would bring peace of mind of the family and to the staff of the care centers. (Policymakers)

Another participant with a similar position also mentioned the importance of the possibly continuation of services with the CaringTV. As an example when a person's physical condition worsens and he/she is unable to access the services wanted, the elder can still continue their hobbies though CaringTV and keep communicating with fellow hobbyists. According to the participant it would also be important to market the concept as being unlike the TV, but put

emphasis on the empowerment, as many elderly might be put off by the image of a TV. The use of CaringTV in the care-centers was also mentioned in a very similar manner as currently used in Finland. (Policymakers)

4.10.3.3 Financial questions and doubts

There was doubt concerning the costs as a whole. For example if the e-Nurse consultation rose the occurring costs would be too high. The actual quality of video and sound were also questioned, again from the point of view of an e-Nurse service. The goal is empowerment, but on the other side if the elderly relies on the concept too much it may cause individuals to be locked inside their houses and become more unsocial. Also the stress factor was mentioned. New technology may cause stress and as one's physical capabilities diminish, not being able to use the concept might cause harm to the self-esteem and pride of the elderly. (Policymakers)

4.10.3.4 CaringTV as a tool of continued rehabilitation

The members of the focus group discussion did however understand the shortcomings of the current system and expressed the opinion that increasing rehabilitation through CaringTV would be a viable idea, as rehabilitation needs continuity to be effective. Currently the rehabilitation provided is as little as from 15 minutes up to a few hours per week. This discussion was also extended to include the preventive care, as more healthy individuals could use the service to prevent the decline of health to some degree. (Policymakers)

An important point made by the personnel of Tohoku Fukushi University, was that from the point of view of a specialist, it is very important to see the actual change and movement of the elderly. CaringTV would also let the elderly continue rehabilitation and preventive exercise after the official rehabilitation had ended. Today, there are rehabilitation videos but without two way communication and actual personal contact the elder will not stay motivated for long. (Policymakers)

Next the focus group discussion started to focus on the topic of elderly persons with special needs and the benefits CaringTV could bring to these individuals. A point was made that even the collective Japanese culture, many elderly wish to have personal service and preserve some individuality. (Policymakers)

4.10.3.5 More easily usable by future generations

When discussing this topic one of the first points mentioned were the fact that the elderly people who no longer cannot drive by themselves or freely use the public transportation anymore. In this case the remote medicine and various services would be of more assistance. Deviating from the topic, the discussion moved on to the important topic of the usability of CaringTV. The opinion was roughly so that the generation now, not properly able to use cell phones, might have problems with CaringTV, but with simple lectures and a care center employee for example using the device together in the beginning would help. Putting emphasis on making the CaringTV fun was important. (Policymakers)

4.10.3.6 Remote monitoring for care personnel

It was mentioned that some kind of remote monitoring system would be appreciated by the care personnel in the case of isolated elderly, but would be very difficult to accomplish because of rules and regulations. As the isolated elderly do not wish to be contacted, CaringTV could possibly lessen the barrier. In one's own house is much more private and intimate than in the west, and therefore people might not want to show their house to the "public". (Policymakers)

When discussing the isolation of elderly, the topic was broadened to include handicapped users and mothers with small children. The widely acknowledged opinion was very similar to the other focus group discussions. Elderly persons could use the service to contact children, grandchildren and friends who live physically far away. (Policymakers)

4.10.3.7 Changes needed to succeed in Japan

Next the discussion moved to consider the changes needed to happen on the practical (service content), structural (long-term insurance system, financing) and technical (hardware) level for an elderly to gain benefits from CaringTV. (Policymakers)

4.10.3.8 Monetary aspect and the Kaigo Hoken

The first point that came up was the monetary aspect of the concept. An elderly living on pension would normally have trouble paying for CaringTV. As the merits of CaringTV would also be on the professional's side, it felt natural that the elder would not have to pay for the service in full. Counting the costs and benefits of preventive care is extremely hard. It was also mentioned that cost savings would have to be evidence based, before the concept could be used as a part of the care portfolio. As also stated in other discussions, the conclusion was that in the current system CaringTV is best suited for preventive care. (Policymakers)

The “Kaigo Hoken” (Long-term care insurance system) is reformed every three years. It is also understood that the current situation is unbearable. Tohoku Fukushi University hopes that the addition of various ICT solutions under the Kaigo Hoken would be freer in the future. This would not only make the use of CaringTV possible, but so many other technological solutions making the elderly persons life easier, and give access to monitoring devices for the welfare sector workers. (Policymakers)

4.10.3.9 Information circulation and informing

As for the information that needs to be distributed through CaringTV, this would first include educational and motivating information. Also contact information including various medical care institutions and support would be needed. In other words CaringTV could replace the various documents the elderly now get in paper form, and show them in a more simple form. (Policymakers)

Information concerning hobbies and activities was also wanted. This is also the case in Finland, so an information channel would be highly welcomed. The elderly would themselves suggest the actual content of the service. Also some kind of user profiling could be used to give the elderly more sufficient information concerning their needs. Compared to Finnish elderly, the Japanese would appreciate a more customized service. (Policymakers)

Information concerning rehabilitation would also be welcomed as a reminder and a motivator. From the point of view of welfare workers, the information of continuity of rehabilitation would be appreciated. For example, the rehabilitation programs are currently too short and if the elderly stops doing the exercise after the programs, the effect quickly wears off. With CaringTV, rehabilitation could be continued with lower costs to increase the motivation of the elderly. (Policymakers)

4.10.3.10 Production of contents

Next the discussion moved to questions concerning who would produce the contents of the services. It was discussed that the support of different independent groups, the elderly themselves, as well as assistance from the municipality would be needed. As for the contents, mutual tools to support the community were suggested. A current problem in Japan is swindlers who try to steal the elder people’s money over the phone. Information concerning this kind of activity and how to prevent it was proposed. Also more casual and fun services were discussed. As empowerment is an important part of CaringTV, it was stated that the community and different social groups could produce the leisure services. (Policymakers)

At this point the facilitator summarized the opinions this far. CaringTV could be used as a tool to improve preventive care, offer leisure services and programs that provide empowerment of the elderly, with the help of the community. Urgent help and an alarm system should be implemented. A button to call for help or for example an ambulance, and a way for the care provider to access the clients CaringTV in case of emergency. This is very similar to the system already active in the Finnish CaringTV. (Policymakers)

4.10.3.11 Hardware questions of CaringTV

The discussion then focused on the technological questions of CaringTV. The first point mentioned was that the camera's image quality would have to be good if used in professional use. Other than the camera, what else is required, for example an Internet supplier and maintenance questions, and costs needs to be answered. (Policymakers)

4.10.3.12 Other possible segments of users in Japan

Last the topic was broadened so that the participants could discuss who else could benefit from CaringTV and in what way. Firstly mothers with small children were first mentioned. Peer support for mothers, who cannot easily leave their homes, information concerning childcare and consultation to bring peace of mind to the mothers. (Policymakers)

Healthy recipes and information concerning cooking would be appreciated. This kind of activity has already been tested in Finland and the users have truly enjoyed it. The employees of the City of Sendai also felt that the collaboration of the elderly and students is a very good idea and supported it fully. The lack of practical training places in Japan is a problem, and though CaringTV students could receive good real life experience and the elderly would be made active through this activity. (Policymakers)

As the fourth focus group discussion was ending, the two participants from the City of Sendai stated that the decision makers are becoming more open how the idea of CaringTV could be a part of the care portfolio in the future. With proper evidence based proof and persuasion they see it as possible in the future. (Policymakers)

Focus Group Discussion 4: Policymakers	
Positive thoughts / usable ideas	Negative / doubt
Focus on community / Segmentation	Prejudice concerning technology
Part of the whole care portfolio	Funding / Cost questions as a whole
Piece of mind / relieve anxiety	Quality of video/audio in consultation
Contacting with care personnel / e-Nurse	Isolation (Hikikomori)
Continuance of rehabilitation / Hobbies	Stress caused by technology
Two-way communication	Complexity of usage
Preservation of individuality	Strict rules®ulations of welfare sector
Emphasize on making usage enjoyable	Evidence based data needed for cost saving
Peer support: Expecting and mothers with small children	Reliable internet service provider
Being included in the the Kaigo Hoken	Maintaining questions
Educational/inspirational information	
Extensive contact information	
Programs by community, social groups	
Marketing through emphasizing empowerment	
Actually seeing the elder exercise/move	

Table 11: Conclusions of the fourth focus group discussion

4.10.4 Focus group discussion: the elderly care professionals

The fifth focus group discussion consisted of the facilitator, an employee of Tohoku Fukushi University, a present of the care center, Sendan no Oka (an occupational therapist), a manager of the day service center and a professional of the Kaigo Hoken preventive care field, personnel from the Sendai-Finland Wellbeing Center (an occupational therapist) and a care manager of the one of the care centers owned by Tohoku Fukushi University. (Elderly care professionals)

4.10.4.1 Possible use of CaringTV

At first the possible use of CaringTV in this context was discussed and the opinions correlated quite strongly with the earlier opinions. The opinion was that especially with elderly still in quite good condition, the concept could be widely used. It could not completely replace home visits but would reduce the number of visits. The level of technology was doubted, but after explaining the simple interface and technological aspects of CaringTV, the consensus was, that the elderly who are able to use this kind of technology are increasing all the time, and that it would be viable for this use. The concept should try to be merged into the every day life of the elderly. (Elderly care professionals)

4.10.4.2 Living alone and isolation

The isolation of the elderly is a very big problem and even now almost 30% of the elderly people of Sendai live alone, so CaringTV could be an effective tool against isolation, a tool to offer empowerment of elderly and a way to transfer knowledge to younger generations. In the

future CaringTV could become a part of the daily electric appliances used in the household. It was however mentioned that as the Japanese elderly are not typically proactive, the beginning might be difficult. In Finland it has been seen that with time and as the elderly gets used to the context they start to communicate more openly. (Elderly care professionals)

4.10.4.3 CaringTV as a safety network

It was summarized that even outside the welfare and elderly care context there would be many applications. As the elderly retire and become unable to move freely, CaringTV could prolong the active communication and become a so-called safety network for these social groups. It was also added that as the large demographic segment (now 50-60 year olds) become elderly, the use of this kind of technology, Internet and services will no longer cause hesitation or problems. With the many possible uses of CaringTV, the most important is to make it a tool of empowerment for the elderly and give them the possibility to continue to participate and be a part of the community. (Elderly care professionals)

4.10.4.4 Cost efficiency and effectiveness

A point made by the worker of the care center that strongly correlates with the cost saving aspect was that currently, when an elderly person calls the care center, he or she has to be visited. Through CaringTV, the state of the elderly could be confirmed, and with online consultation the visit possibly omitted. Even if the total number of visits could not be reduced that much, the care could be distributed more effectively among those who really need it. The rules and regulations and the actual need do not meet, and with CaringTV it could be corrected to some degree. (Elderly care professionals)

A further statement expressed the possibility that with the cost savings accumulated, the municipality could purchase the machinery for the elderly and this way create further savings. (Elderly care professionals)

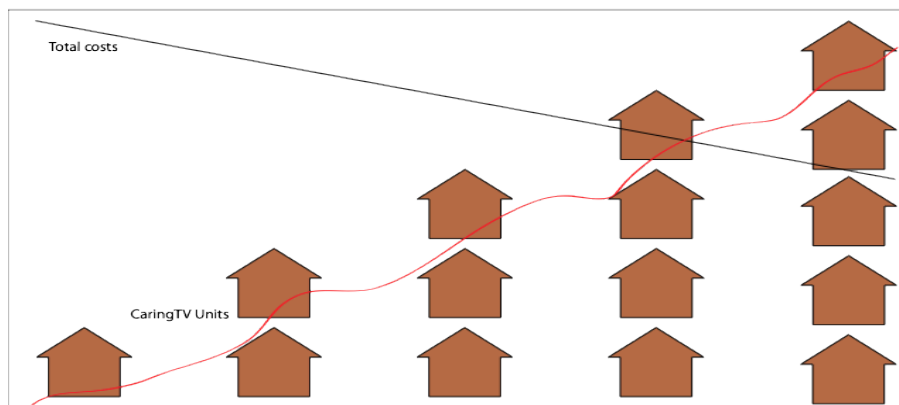


Figure 22: The correlation of total costs and savings with the use of CaringTV

It was said that visiting an elderly persons home once costs approximately 10 000 Yen (90 EUR 1/2010), and thus omitting some visits would increase the effectiveness and save costs. With the current Kaigo Hoken system, the saved proportion could be used for more substantial services, and so the quality of care would also increase. CaringTV could also be used to support the home-helpers visit. As an example the elder could be contacted beforehand to discuss daily matters as such grocery shopping. This activity again could prevent dementia. (Elderly care professionals)

4.10.4.5 Time management and emphasizing need

From the point of view of a care manager, the use of CaringTV would, without a doubt increase their professional effectiveness by for example using the concept to have meetings with other care personnel. Care managers timetables are very strict and because of these meetings, finding suitable times with the clients is becoming very difficult. The time with the clients should be emphasized, so this is one more reason and a way of use for CaringTV at the care center. It was also emphasized that using CaringTV as a tool to communicate with fellow workers would lead in an increase of motivation. (Elderly care professionals)

The services provided would be truly valuable for persons with problems about moving. For example an elderly person who uses the day care services gets hospitalized. In this case the elder could still be able to see friends, communicate and remain a part of the community, even though hospitalized. (Elderly care professionals)

The rules and regulations of the nurses are very strict, and if the jurisdiction of the nurses broadened, so would the uses of CaringTV. Also the trend is that the care workers responsibilities broaden, which is why a more easily controlled environment needs to be created. (Elderly care professionals)

4.10.4.6 Benefits through frequent contact

It would be helpful for the depressed, isolated and lonely elderly but in this case the initiative would be difficult because of resistance towards new services. Still, promoting CaringTV as a means of staying independent and contributing to the community could help these individuals. In the case of the elderly people in bad physical condition, the service could also be used to see the condition of the elderly more frequently helps evaluate the condition and builds trust. From another point of view the frequent contact would also

mentally help the other family members. Compared to communication through a cell phone, this type of video call would be beneficial to all parties. From a medical point of view, currently hospitalized elderly are released after their state stabilizes, but the biggest cause of insecurity and anxiety is caused by the medical care of the elderly after being released from the hospital. Communicating through CaringTV could again bring peace of mind to the home-helper, the professional and the relatives. (Elderly care professionals)

Generally, it was stated that currently becoming unable to move freely causes much dissatisfaction, but with the CaringTV this mental burden could be decreased. (Elderly care professionals)

4.10.4.7 Program and eService production

The topic of the discussion then moved to what kind of programs and eServices would be needed in the Japanese market.

4.10.4.8 Personal needs and service contents

The first observation was that in the Japanese market, personal needs have to be met. A single channel like in Finland would lead to decline in demand. The content of the programs should not be restricted, but be broad as possible, as too narrow service content could lead to passiveness in the elderly. When the current Finnish concept of program production was explained, it was seen as being sufficient from the point of view of the Japanese welfare sector professionals (Elderly care professionals)

Program and service contents should be planned and designed mainly for the elderly now in good condition. Also, the contents of the programs should be thought to be more important than the technical questions. Marketing the concept through activation, active independent life and as a device of information distribution would be the key concept for the Japanese people. If the services are not interesting, it will not be used. Different types of games and game programs might broaden the user segment. As in Finland, the Japanese elderly could be straightforwardly asked what kind of programs they would enjoy. (Elderly care professionals)

4.10.4.9 Continuity of rehabilitation

Continuity of rehabilitation through CaringTV has already been discussed. It is widely considered as a positive aspect, but it was also pointed out that even though it is very important to continue the rehabilitation after being discharged from the hospital, it is

important not to make the exercise feel like “military service” (A word often used in Japan in this context) (Elderly care professionals)

4.10.4.10 Different needs by gender and interests

As for the different genders, it was implied that women could enjoy more free chatting while for example drinking tea, but men would require hobby based programs. In more detail it was said that for women a fixed time for a free-for-all chat system could be inviting and for men the programs should be more in the form of a course or a lecture type. How to produce these different types of programs will be a challenge for the future. If an elderly is unable to freely move and comes across uninspiring programs, the whole concept will start to feel demotivating. (Elderly care professionals)

A group or a community with similar interests needs to be created. This way empowering programs can be produced for the right people, and even though the group might physically change, they could still keep communicating through CaringTV. (Elderly care professionals)

It was added that the region or municipality needs to find a large group of possible users, before the concept can effectively function. These users should get used to the services, and as they grow older, it would already be a part of their daily lives. One by one, individualistic use would lack empowerment and would make the service demotivating. The privacy of the users was questioned, but it was also stated that remote monitoring by a care worker would be effective.

4.10.4.11 Kaigo Hoken and the monetary aspects

With the current insurance system, CaringTV cannot be effectively used alongside the Kaigo Hoken. Universities and municipalities must provide incentives in order to include the service in the insurance system in the future. In the current system the elderly has to pay the costs of “living supplies” themselves, which is how CaringTV would be categorized. This way of thinking needs to be changed. The framework of the whole Kaigo Hoken needs reforming to properly make use of CaringTV. (Elderly care professionals)

4.10.4.12 The rules and regulations of Kaigo Hoken

From the perspective of insurance, eServices through a television or in this case CaringTV would not be counted as rehabilitation. A service is seen as rehabilitation only if a professional does it personally and firsthand. The circulation of personal information is also a problem, and needs to be highly regulated in the Japanese system. Because of this system,

the use of CaringTV is at the moment stuck at the level of University research. (Elderly care professionals)

Even if the use of CaringTV would be at first funded by money given to Universities research, there has to be a transition at some point and it will cause many challenges in the future. (Elderly care professionals)

After discussing many matters one of the participants stated that perhaps, because Japan is a collective culture, capable people go meet the community members in person and that CaringTV might not be so suitable for them after all. In contrast it would most definitely work as a tool to watch over the elderly in weaker conditions. It was then questioned if these individuals can for example change the channel depending on the contents. (Elderly care professionals)

4.10.5 Advice on usability

The visual look is important, and as with the current system, large buttons with pictures are sufficient for the elderly. This will also change as the generations change. The elderly of today's workforce will have extensive knowledge and experience working with computer and cell phones and so on. (Elderly care professionals)

4.10.5.1 Limitations caused by the technology

An important point was made concerning the technology as a complicated setup will be hard to use and cause rejection, but a too simplistic interface will cause the elder to think they are being treated lightly, which will again cause rejection. The keyword then is "consumer electronics". From this the concept could be broadened as if the household has a CaringTV, then also the elderly children and grandchildren could make use of its future services. The elderly children could for example use it for childcare consultation and the grandchild for educational purposes. (Elderly care professionals)

In Finland it has also been used in way that elderly and young children virtually play together, which will bring joy and new knowledge to the children and empowerment to the elderly as they feel they still have a purpose and can contribute to the community.

Focus Group Discussion 5: Elderly Care Professionals	
Positive thoughts / usable ideas Usable in preventive care Reduce amount of home visits CTV should be merged into everyday life Transfer of knowledge to younger generations Safety network with social groups / community creation Online consultation / confirm state of elder / pre-contacting Increase quality of care Dementia prevention Increase effectiveness / emphasise the elder More frequent contacting / peace of mind Emphasise preventive care Game / leisure programs Gender differences in Japanese community Remote monitoring University & municipality collaboration Make CaringTV into "consumer electronics" Future usage for students / children More usable for future elderly (baby boomers) Most suited for elder in weak condition?	Negative / doubt Doubt concerning technical complexity Passiveness of elderly Rules & regulations strict Wide enough contents of services Make continuum of rehabilitation stressful Gender differences in Japanese community Large user group needed Privacy issues / laws & regulations Remote monitoring Kaigo Hoken Future financing questions Maybe not so suited for preventive care afterall? Too complex / too simple interface

Table 12: The conclusions of the fifth focus group discussion

4.11 Information received from professionals

When arriving to Sendai in the fall 2010, the author of this thesis, and a fellow student had briefing sessions on how the Kaigo Hoken (Long-Term Insurance System) in Japan works. In short, the system was established in April 2000 to support the care of elderly in the society. The system is revised every three years. Elderly people get support based on the level of care they need, and are freely able to choose the care place. (The Long-term care Insurance system)

4.12 Observations

Observations were made throughout the six months spent in Japan. From the experience of living one and a half years in Japan and past studies of the Japanese culture, it was possible to see and observe matters not visible to people with no experience of Asian culture. During the focus group discussions these observations were recorded on observation sheets and the observations mainly were that in the beginning of each focus group discussion there was some tension perceptible, but as the discussion moved along and the participants relaxed, mostly true feelings were expressed. The Japanese facilitators opinion was also asked and the opinion was the same.

Monetary data from the City of Sendai and Tohoku Fukushi University concerning cost efficiency were also tried to obtain.

5 Conclusions of the thesis

The conclusions will be written based on the findings of the empirical study and theoretical background.

5.1 Internationalization process of CaringTV

By studying various internationalization process models and theories behind them it is then possible to explain how the internationalization has progressed in the case of CaringTV. The internationalization has many similarities to many internationalization process models, but the true process can mostly be explained by a few of them.

5.1.1 Aspects from the Uppsala Model

The internationalization process of CaringTV has fundamentally progressed as stated in the Uppsala internationalization model. This was established in the paper by Hannu Pirnes called "Description of the Active Program" as well as from an interview with the Tohoku Fukushi University staff. The network relationship and involvement have gradually deepened (Pirnes, discussions, March 2010)

The important aspects of the Uppsala model are learning and knowledge, which affect the internationalization process. In the case of CaringTV, there are not much resources needed in the internationalization process, compared to a company that sells physical products. It is therefore the lack of information that makes the internationalization challenging. Knowledge of the target market and knowhow of individuals are key aspects of the model, which go hand in hand in the case of CaringTV. The Active project's members involved in Japan relations are not many in number, thus making the knowhow of these individuals truly invaluable.

The market commitment aspect of the Uppsala model of internationalization also revolves greatly around the degree and emotional attachment of individuals, instead of the resources committed to the internationalization.

Experiential knowledge is required for internationalization, but as stated in the Uppsala model, it is to gauge opportunities, which is not the case for CaringTV, as starting the pilot in Japan has more to do with the personal, or informal network relationships.

According to observations and the interview conducted in Sendai, the network relationships between Laurea and Tohoku Fukushi University are very strong. This is why the internationalization process is able to progress well and smoothly. Because of these network relationships, there might even be acts and deeds of the other party that contradict one's own way of conducting business, just because asked to. (Interview)

5.1.2 The I-model

The Uppsala model is more suitable than the I-model, to describe the internationalization process of CaringTV, but there are still many usable parts of this theory. For example, the case of experiential learning, in which perceived uncertainty decreases as market knowledge increases. This kind of behaviour is similar in the case of service and product company internationalization process. Also in the I-model, the learning experiential learning is increased by actual operations in the target market, which is not the case in the internationalization of CaringTV. The process and network relationships have expanded through various types of meetings and information exchange.

The I-model is more of a step by step model, which makes the U-model more suitable for the case of CaringTV, as the process has progressed more gradually. The I-model also mentions acquisitions as a possible part of the internationalization process, which is out of the question in this case.

5.1.3 Imitation and competition as a part of internationalization

Theories concerning imitation and competition in general do not apply in the case of CaringTV, as the project does not have any competition to take note of. Also Laurea University of Applied sciences is a school that would not have the resources for competition. The theory of reducing uncertainty through mimicking does however make sense and studying the internationalization process of other service orientated SMEs might be of assistance in the case of CaringTV.

5.1.4 Role of network relationships in internationalization

The role of these formal and informal network relationships are by far the most important to the internationalization process of CaringTV. These relationships are basically making the whole process possible. The theories support the case of CaringTV very accurately. Moreover, the deep informal network relationships are very important to the process. They are making the process possible, even to this very physically distant market. The consortium of Active project includes many organizations, but the very close informal relationships of Laurea

University of Applied Sciences and Tohoku Fukushi University are truly valuable for the internationalization process.

5.1.5 Internationalization of a service company

Even though the concept of CaringTV and furthermore the case of it's internationalization is mainly a service, this internationalization model is not suitable for CaringTV. The organization is not large and complex enough to have any use for this kind of model.

5.1.6 The product cycle theory

This type of model is only suited for large countries like the United States of America, and for product centered industries, which is not the case in CaringTV's internationalization process. It is argued that internationalization models built for product-centered industries can be modified in order to be effective also in the case of service-oriented internationalization. (Blomsterno, A. and Sharma, D.D; 2003, p.4) The internationalization can, however be explained far more efficiently through other models, so the product cycle theory is not really suitable in this case.

5.1.7 Conclusions on internationalization from the interview

It was stated that if Laurea and the other Finnish organizations of the collaboration had deeper network connections with the city of Sendai, and other Japanese organizations, Tohoku Fukushi University could also move and make decisions more freely. This is also a cultural matter, as the culture is more collective and thus making decisions alone is frowned upon.

5.2 Cultural matters affecting CaringTV

Next the cultural dimensions by Hofstede will be explained from the point of view of the observations of the author and the data received from the interview and focus group discussions.

5.2.1 Findings and observations on the cultural dimensions

As the author of this thesis has lived in Japan for one and a half years and studied various cultural theories, it is then possible to compare the theories with real life observations and come up with new conclusions.

5.2.1.1 Individualism versus collectivism

As for Individualism versus collectivism, Japan truly is a much more collective culture than Finland. Hofstede's finding on how geography seems to have an influence on individualism appears correct in this case. As Finland's climate is much more colder than Japan's on average, so the nation also much more individualistic. The trend is, however changing and Japan is on its way towards a more Western way of thinking and individualism. This individuality is already affecting the country from the point of view of elderly care. (Hagino, Kudo, 2010)

Historically the meaning of family was quite similar in both societies. In the same household usually three or even more generations lived together and the elderly were taken care of by younger individuals of the household. In Finland this is not the case anymore. Elderly people are institutionalized and put into care centers, instead of their children and grandchildren taking care of them. This trend is now also being acknowledged and accepted in Japanese society.

In the past in Japan and still to some degree, major corporations market themselves as not employers but as "family" This gives an idea how the Japanese see their workplace and how they commit themselves to their work. The proportion of people in lifetime employment is, however, rapidly declining and the trend is more Western way of hiring, as the questions of effectiveness and cost-efficiency can no longer be ignored. This has then caused the collectivism to decrease due to individual indicators and the compensation system at the workplace.

Even though the role of the community is gradually declining, the interviewed people all emphasized the importance of community. Benefit of the community is seen as a key advantage to employ CaringTV to the Japanese markets.

5.2.1.2 Masculinity versus femininity

In Japan women now have more freedom and are turning down the old ways of life. The masculinity versus femininity dimensions are radically changing in Japan. Even though Japan ranked in first place in Hofstede's cultural dimension of masculinity versus femininity, the generations growing up today will have a very different mindset concerning the roles of the sexes. Arranged marriage (Omiai), for example is not anymore a part of the everyday life, as the Japanese look for love marriages (Ren-Ai). Arranged marriages are still found, for example, among heirs of major corporations in order to strengthen their position economically.

This phenomenon then links us to the CaringTV. As the roles of people change and old models are no longer sufficient, the need for more cost effective elderly care services grow.

Collectivism is however still present and strong in the Japanese culture. There are two circles, the inner and the outer in which individuals are placed. In the inner circle true feelings are revealed and the members are trusted (Honne). In the outer circle true feelings are kept hidden and a more indirect way of communication is noticeable (Tatemaie). From this business point of view, CaringTV is in a good position, as it has already acquired a certain level of trust and collaboration with the Japanese partners, and through this collective way of thinking the Japanese are seen as loyal business partners who do not seek quick profits but respect and expect long-term collaboration.

Cultural difference can however also cause problems in the form of misunderstood communication. The Finnish and for example North American cultures are known for their straight talk with no room for error, whereas in Japan it is quite the opposite.

Through this collectivity it might be quite easy to gather volunteers to produce shows to the clients of CaringTV in Japan. There might be for example a school club activity to produce different shows for the clients. This would also be beneficial for the students as club activity is highly regarded by employers and a way for the Japanese to be in a group.

Finland is a more feminine country than Japan and it can be seen in everyday life. This cultural difference can be seen as a challenge, but also as an opportunity. New working models concerning CaringTV and its services might be found by looking further into this cultural dimension. What is contradicting though, is that even though Japan is a more masculine culture, it has been observed that the concept of CaringTV should be marketed using more soft values to the Japanese elderly. (Hagino and Kudo, 2010)

5.2.1.3 Power distance

As for power distance, Hofstede's findings seem to be true in the case of CaringTV. The link to population and geography seem to both be true. Because of these differences, there are also many possibilities for future synergy from the point of view of CaringTV. Finland is seen as a country of ultimate welfare and education, at-least from the point of view of the young Japanese, and there are also many things than Finland can learn from Japan concerning this cultural dimension. The generations growing up now are very different than the generations who make the political and financial decisions today. It seems to be very rare for a politician

to make the somewhat radical and innovative decisions that are needed to employ CaringTV. This is why the future looks brighter for these kinds of services. (Hagino and Kudo, 2010)

5.2.2 Other cultural matters

What is not mentioned in the cultural dimensions is, for example, the different preferences by gender. It was many times stated that the services and programs should differ according to gender. As the gender gap has always been strong in Japan, it would also affect the program preference. For example men would enjoy a more tightly constructed program series of a certain topic, where women would enjoy a freer environment and for example discuss daily topics while drinking tea.

The fine line between using the community without creating stress and social pressure needs to be addressed. On many occasions it was mentioned that the use of communities would be the main driving force of CaringTV, but if the elderly feel a strong social pressure to use the service, it contradicts the basic idea of the concept.

5.3 Cost approach of CaringTV

According to the staff at Tohoku Fukushi University, CaringTV could be used in the preventive care section of the Long-Term Care Insurance System (Ministry of Health, Labor and Welfare) CaringTV cannot simply be added to the care portfolio of the care centers, because of bureaucracy, laws and regulation. In order to be able to use CaringTV within the Long-Term Care Insurance System, it would require a law reform, which is a long process. This is why at this moment elderly in already in weak physical or mental condition could not use this service concept, as the insurance does not cover the fees. However according to the staff at Tohoku Fukushi University it could be implemented as a part of preventive care. Moreover through piloting and proof of cost effectiveness it might be included in the coverage of the long-time insurance system. (Hagino and Kudo 2010)

5.3.1 The reality of finding accurate financial information

As the population of Japan is very big, it was not possible to acquire very specific financial information concerning the costs of different elderly care services. The costs are broke down very specifically in Finland, but corresponding financial data was impossible to get in Japan. This is why; in this thesis it is not possible to offer a concrete example of cost savings, as would be possible in Finland. There is, however, substantial information extracted from the focus group discussions and the comments concerning the cost efficiency of elderly care services by professionals and policy makers of the City of Sendai, which are very valuable.

This qualitative data is then used instead of the quantitative financial data to create the conclusions of this thesis.

5.3.2 Quantitative data concerning the cost efficiency of CaringTV

It was on many occasions stated that use of CaringTV could in fact bring cost savings and increase effectiveness. Examples used included the decrease of transportation fees and simultaneous increase in effectiveness.

A completely new idea concerning the financing of the concept arose from these focus group discussions. The professionals stated that by attaining cost savings through CaringTV, these funds could be used to purchase more devices and thus create more cost savings.

5.4 Conclusions and similarities, perspective of the elderly

The conclusion and similarities of the focus group discussions will be explained in two parts, as the interviewed groups differ so greatly.

5.4.1 Positive thoughts about the concept

The creation of empowerment through contact with family members, friends and creating new social networks were mentioned in all focus group discussions. This is exactly what the concept of CaringTV is trying to provide, so the demand and supply meet.

For the family of the elderly, the concept would bring peace of mind by being able to connect the elderly care professionals and the elder, in the possible case of short-stay. Also the possible continuity of rehabilitation and various peer support were greatly welcomed.

5.4.2 Doubts and challenges concerning CaringTV

On the other hand, there were also doubts mainly concerning the complexity of the hardware and software. It seems to be truly important that the concept is simple enough, but not too simple to hurt the pride of the elderly, which is a very fine line. The family members also had doubts about the elder being too dependant on the concept and therefore increase the feeling of isolation.

Freedom of participation was also mentioned frequently. It has positive as well as negative sides to it. The elder should be encouraged to use the services, but in the case of feeling forced or pressured the elder won't willingly continue to use the concept.

5.5 Conclusions and similarities, perspective of the professionals

The elderly care personnel and policy makers clearly stated their minds more openly concerning the challenges and doubts for the concept. Still most of the ideas are quite similar with the ones brought up by the elderly and their family.

5.5.1 Positive thoughts about the concept

As a part of the whole care concept, CaringTV could help decrease the burden of the professionals and increase their efficiency. Examples brought up were using CaringTV as a communication tool among professionals, and omitting routine checks whenever possible. Because of this the spare resources could be redistributed to create more value. Also the continuity of rehabilitation and remote monitoring were frequently brought up topics. An implementation of an alarm system would be happily welcomed.

The point of empowerment and peace of mind were emphasized throughout the focus groups discussions, but also fresh ideas of new segments and services were offered. An extensive information-channel type of service and services and peer support to expecting mothers and mothers with small children were strongly brought up.

The elderly people interviewed were concerned about relying on the concept too much and feeling isolated, but the professionals felt CaringTV would in fact work as a tool against isolation, and would work as a safety network for the elderly to keep in contact with the community.

5.5.2 Doubts and challenges concerning CaringTV

Doubts concerning the simplicity of the concept were also a concern during these focus group discussions. The fine line of making the hardware and software meet with the elderly's needs and skills was questioned. A similarity in all focus group discussions was that for future generations, CaringTV would be a very suitable solution but for now challenges and prejudice concerning new technological solutions might also cause problems. Relying too much on technology was also brought up frequently in the discussions.

The biggest concern overall is the Kaigo Hoken and many doubts were expressed about future challenges. In particular monetary issues and rules and regulations of the insurance system were discussed.

Lastly, during all the four focus group discussions the unanimous opinion was that CaringTV would be most suitable for preemptive care and for elderly still in good mental and physical health. This is because it is currently impossible to employ the concept with the elderly using the insurance system. At the end of the fifth focus group discussion with the policy makers, however, there was doubt concerning whether the concept would be usable after all with this segment. The reasoning was mainly due to the collective culture.

5.6 Performance measurement

In the theory section, a few selected performance measurement models were explained to more deeply understand the possible cost efficiency of CaringTV. These models do not however apply in this case of CaringTV

5.7 Final conclusions

Japan is changing and as a concept, CaringTV becomes more viable as time passes. The generations using cell phones and TV remote controls today feel confident of being able to use CaringTV as elderly people.

Because of the current insurance system in Japan, CaringTV could be implemented as a part of the preventive care service portfolio. Short-term use in the form of regional support could be seen as a good start for the municipalities to get to know the concept, but the many financial questions still need an answer. Good suggestions included using the concept during the short-stay care to keep in touch with one's family. The rules and regulations at the moment exclude the actual use of the concept as a medical consultation device.

After concrete proof and long-term piloting, it might be however possible to use CaringTV as a part of the whole care portfolio covered by Kaigo Hoken. This can be seen as a chance for Tohoku Fukushi University to carry out the piloting.

5.8 Future research challenges of CaringTV

At last there was doubt concerning the whole concept even as a part of the preventive care, which indicates there might be more research to be done before truly beginning the internationalization of CaringTV. An answer to this might be Tohoku Fukushi University, which is conducting a mass survey in the area surrounding the university in Sendai, and also starting a small-scale pilot of CaringTV. Findings from this survey and user experiences gained from the Japanese will be very valuable information for the Active project, and might open ideas for new research questions in need of an answer.

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FOCUS GROUP QUESTIONS

Taken from the research plan:

“The research questions of this study are “What are CaringTV value opportunities for elderly people in Japan?” and “How can CaringTV create these value opportunities for elderly people in Japan?” The term value opportunity derives from the scientific jargon of economists. Most people who are not involved in economics might not be familiar with its meaning. That is why the research questions will be posed to participants as such: “What kind of benefits can elderly people in Japan gain from CaringTV?” and “How can CaringTV create these benefits for elderly people in Japan?”. The research questions will be answered based on data, which is drawn from elderly people, their significant others, elderly care professionals and elderly care experts.”

1. **What** kind of value (opportunities)/ benefits elderly can gain from CaringTV?
2. **How** can CaringTV create these benefits? Meaning: **What needs to happen** with/for/through CaringTV, **so that** elderly people can get these benefits?

(1) Focus groups: 1 elderly person, 1 family member, 1 care manager

In this case it seems to be beneficial to pose the HOW question before the WHAT question. This decision is based on the assumption, that the elderly people and their family members, who are interviewed, are not that familiar yet with the idea of CaringTV. In such case, it seems to be more reasonable to first make the participants think about HOW CaringTV can be used, HOW they could and would like to use CaringTV. Second the WHAT question will be added, to make the elderly and family members think about the value they gain when using CaringTV the way they could and would like to.

Hence the questions, which can be answered by both elderly and family member, are:

I HOW CAN CARINGTV CREATE BENEFITS FOR YOU/ WHAT NEEDS TO HAPPEN WITH/THROUGH CARINGTV FOR YOU TO GAIN BENEFITS?

Imagine you could use CaringTV:

1. What would you like to use it for?
 - 1.1 Who would you like to be in contact with through that device?
 - 1.2 What kind of service or contact would you like to get when using the device?
2. What should the CaringTV device look like/ function/ work, so that you would like to use it frequently?

II WHAT KIND OF BENEFITS WOULD YOU GAIN FROM USING CARINGTV?

Imagine you can get all the services and contacts through CaringTV, which you have just imagined (part I).

3. What kind of changes would take place in your life?
 - 3.1 What are the different **areas** of your life which are of importance to you?
 - 3.2 What kind of changes would happen in these different areas of your life?

(To moderator: make the elderly think about different areas in their lives which are of importance: social contacts, health, religion, etc. But do not lead them towards Lehto's Finnish model. Let the elderly and family members themselves think of important areas in their lives. The moderator should simply assist them in being creative and in thinking.)

Allow the elderly and family members here also, to think again about the HOW questions!

(2) Focus group: elderly care professionals

Since I assume, that the participants have heard of and thought about the concept of CaringTV before, it is possible to pose the questions in the original order.

I WHAT KIND OF VALUE/ BENEFITS DO YOU THINK ELDERLY CAN GAIN FROM USING CARINGTV?

1. Please think about the different dimensions of the life of an average elderly person living at home, and discuss what kind of value/ benefits the elderly can gain from CaringTV concerning these dimensions! (e.g. health, social network, ..)
2. Please think about elderly person with special needs and discuss what kind of benefits the elderly could gain from CaringTV concerning these dimensions!

II HOW CAN CARINGTV CREATE THIS VALUE/ THESE BENEFITS, WHAT NEEDS TO HAPPEN WITH/THROUGH/FOR CARINGTV SO THAT ELDERLY GAIN VALUE/BENEFITS FROM IT?

3. Please discuss what needs to happen on a
 - 3.1 practical level (what kind of services, who offers the services, service content)
 - 3.2 structural level (concerning law regulations, long-term insurance, financing) and the
 - 3.3 technical level (development of the CARINGTV device)for the elderly to gain the benefits from CaringTV!

III ADDITIONAL QUESTIONS IN CASE THERE IS TIME LEFT:

- 4.1 Who else involved in elderly care (other stakeholders as professionals, family members, etc) would gain value/benefit from CaringTV?
- 4.2 What kind of value/benefit would they gain?
- 4.3 How would they gain that value/benefit?

(3) Focus group: researchers/ industry supporters/ policy makers

Since I assume, that the participants have heard of and thought about the concept of CaringTV before, it is possible to pose the questions in the original order.

I WHAT KIND OF VALUE/ BENEFITS DO YOU THINK ELDERLY CAN GAIN FROM USING CARINGTV?

1. Please think about the different dimensions of the life of an average elderly person living at home, and discuss what kind of value/ benefits the elderly can gain from CaringTV concerning these dimensions! (e.g. health, social network, ..)
2. Please think about elderly person with special needs and discuss what kind of benefits the elderly could gain from CaringTV concerning these dimensions!

II HOW CAN CARINGTV CREATE THIS VALUE/ THESE BENEFITS, WHAT NEEDS TO HAPPEN WITH/THROUGH/FOR CARINGTV SO THAT ELDERLY GAIN VALUE/BENEFITS FROM IT?

3. Please discuss what needs to happen on a
 - 3.1 practical level (what kind of services, who offers the services, service content)
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- 4.2 What kind of value/benefit would they gain?
- 4.3 How would they gain that value/benefit?

Interview with Hiroo Hagino and Kenichi Kudo

Research questions:

Background/profile questions:

- Name of the organization: Tohoku Fukushi University
- Who is the (main) owner of the organization?
- Why and when the care units were established?
- How do you define the idea or mission of the care units?
- Are there any other similar care units in Sendai or in Japan?
- Who are the competitors of the care units?
- The number of full-time personnel in the care units?
- The number of clients per in the care units?
- What is your position in the organisation?
- What are the main operations or activities (services provided) in the care units?
- How are the main (service) activities organised in the care units?
- What are the main service processes in the care units?
- How do you describe the qualifications of the personnel?

Questions regarding client structure:

- Which kind of client structure do the care units have(age, sex, social background)?
- What is the utilization rate (full capacity / present number of clients) in the care units?
- How satisfied do you think the clients are regarding the care services and the facilities (location, buildings, rooms, etc.)?

Questions regarding cost efficiency:

- From which sources incomes of the care units come?
- Can you influence on incomes or are they constant?
- Can clients buy additional services and pay them separately?
- Are there any risk factors that may influence negatively on incomes?
- How well the income budgeting and the realised results are in balance?
- How big share of the incomes is based on your own production of services?
- How much outside partners are used in service production (% of volume/turnover)?

Appendix 2

- Are there any especial ways to decrease costs or achieve savings?
 - Do you feel its possible to attain cost-efficiency through the implementation of CaringTV to the care-portfolio without jeopardising the quality of the care?
- How much economical issues are influencing in your decision-making?
- What happens if you fail in your budgeting and evoke losses?
- Even with cost-efficiency, do you see CaringTV really being employed by organizations other than the pilot? (Link with Cultural aspects)

Long-Term Care Insurance System

- If the usage of CaringTV would be covered by the Long-Term Care Insurance system, do you see it could be efficiently used as a part of the care portfolio provided by the care units?

Questions concerning culture:

- Do you feel that the concept of CaringTV is suited for the Japanese collective culture?
- With the concept of family slowly changing towards a Western style of thinking, is it culturally acceptable to leave an elderly to a care unit (and for example take contact through CaringTV?)
- How should CaringTV be promoted in order to appeal to the Japanese? (Soft values etc.)
- In Finland it is now mainly the students and volunteers who produce the contents of the broadcasted shows. Do you see the same kind of activity possible at Tohoku Fukushi University? (Club activity)
 - Who in Japan could produce the contents of the programs?
- What kind of services might be suited and unsuited for the Japanese user?
 - (Empowerment & services promoting sociality
 - Products & Shopping, Clubs: (Ikebana, Calligraphy), Art and Culture, Supportive help, Ceremonies (Buddhist?), Information channel
 - Health and wellbeing
 - Virtual Clinic (rehabilitation?), Online help 24h, Consultation (physician, home helper, Link to family members
- What kind of new services could be introduced compared to the services used in Finland?
- What changes do You think are needed to make the concept fit the Japanese culture? (Soft values etc.)

Questions concerning Internationalization:

- How do you feel about the current internationalization process of CaringTV?
- What could be made to enhance the process?
- Has the long physical distance caused difficulties?
- How have the network relationships matured throughout the process?

Appendix 2

- Are you satisfied with the collaboration (network relationships)? (Communication etc.)
- Are more or less network partners needed locally or internationally?
- How active have different partners acted?
- Do you see any cultural barriers from the point of view of internationalization of CaringTV?
- What do you feel you have gained from the Finnish network relationships?
- What would have you hoped more/less of from the relationship?
- All in all, do you see the collaboration has been a success this far?
 - If not why?
- What kind of possibilities/opportunities/threats do you see in the future for the collaboration?

Appendix 3

Case 1

On 5th October from 10.00、Mr. OOTA

●Ice Breaking& Intake

—————0分—————

利用者：体には気をつけないといけないと思って。特にここ1週間、2週間は寒くなってきてますんで、やっぱり体には気をつけようと、そういう思いは持っています。

職員：ああ、そうですね。夏があんなに暑くて、本当に寒くなるのかななんて思ってたら、やっぱり寒くなりますね。

利用者：なんか急にね寒くなったんで。

職員：そうですね。なんか暑い日もあれば急に寒い日もあったり。

利用者：そうですね。

職員：反動がかなりね。

利用者：ただ、せんだんさんの中にいると空調がよろしいんで。

職員：そうですね。なんとか快適に過ごしていただけましたか？

利用者：快適に過ごさせていただいています。

職員：そうですね。なんか今度バスツアーをするって伺ったんですが、Oさんは傘下のご予定はなかったですか？

利用者：今回はね、ちょっと見合わせようかなって思っています。

職員：そうですね。お家の、そのご家庭ではどこかドライブに行ったり、買い物に行ったり、奥様と外出していましたか？

Appendix 3

利用者：もう女房の運転ですから、どっかに行くときは女房の運転で。

職員：そうでしたか。

利用者：こっちは付いていく、そんな感じですね。

職員：あと今日みたいな日はお散歩日和ですね。ワンちゃんを連れて。

利用者：そうですね。まあ散歩はね、朝と夕方ちゃんとやろうと思っていますけどもね。ただ雨が降ったり、暑かったり、そういう気温の激しい時にはちょっとやっぱりまずいかなって思って、それはね極力出ないようにしています。

職員：予防しながらといったところですね。

利用者：ただ、やっぱり歩かにはやらんなと思ひまして。

職員：そうですね。

利用者：結構な時間は歩くんじゃないかと思ってました。まあ、時間は計ったことないですけれど、この前、何歩ぐらい歩くのかなと思って口で1、2、3、4って勘定しながら歩いてみましたが、やっぱり夕方の短いほうで1千歩ぐらいは歩いているんですよ。

職員：コースが短い。

利用者：短いほうで。ですから朝の長いほうはですね2、3倍は歩いているんじゃないかと思ってました。

職員：ああ、そうなんですね。じゃあ、日常生活の中でお天気がいい限りはね。犬の散歩をされていたら、歩くというところで運動を取り入れながらの生活というかね。

利用者：あのね、歩かにはいかんなと思ってますからね。

職員：いいですね。そういう意識付けも。奥様と一緒に。

利用者：そうです。まあ、ちょっと私もね。決まったコースのところを1匹で往復するのはいいんですけども、2匹いますんでね、あちらこちらって引っ張られますよね。ちょ

Appendix 3

っと、やっぱり1人じゃ無理かなって思いました。まあ、女房がそういう時、一緒に歩いたりします。

職員：ああ、そうですか。歩く姿勢はどうですか。奥様がね、気をつけてよくお声がけなさっているみたいですけども。

利用者：私もよく気をつけて歩いているんですけども、さあどうなのかなって。

職員：でも、こう座っていらっしゃる姿勢なんかを見ても、ずいぶんきれいに姿勢が、ならもうちょっと肩を丸めるような感じで。気持も明るくなったせいかシャンと堂々と座っておいでな感じで。

利用者：やっぱりね、せんだんさんに行って、ああそうか姿勢もよくせないかんと思つて。そういう思いは持っているんですよ。

職員：そうですか。そういうところにも人的交流のプラス効果っていうんですかね、お家で1人で運動するよりは、皆さんの中に入って少し緊張感を持って。

利用者：だと思えますね。ですからね、月曜日と木曜日は行かないかんと思つてね。それがやっぱり途切れてしまったらまずいなと思うんですよ。本当にね。

職員：でも本当にコンスタントにね、ご利用いただけてますものね。

利用者：いやもう本当にね、励みにしてますから。よし行こうと、そういう気持ちを持っているんですよ。

**Expertise in Health/Human Care Services
and
Service Science**

5th February, 2010 Laurea IAB meeting at Levi



Professor Koichi Ogasawara
Tohoku Fukushi University
Partnership Initiative for Human Service Innovation

4/3/11 Professor K. Ogasawara TFU-PIHSI 1

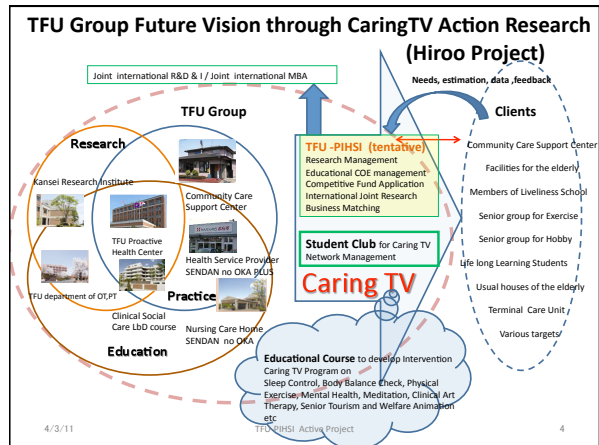
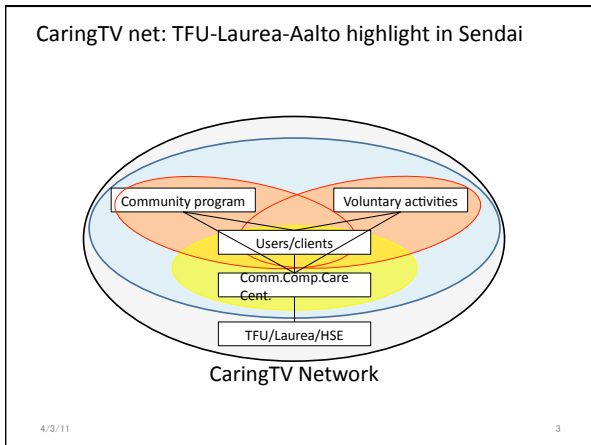
TFU's global solution links for Wellness and Liveliness

Tier theory and innovation
TFU-TFC-Laurea-HSE-Espoo-Vantaa + Knowledge Cluster + Academic Frontier
 Action Project stage1: Refurbishing the elderly care-theory & practice
 Action Project stage2: Action research by CaringTV framework
TFU-Aalto-Laurea + BMLTC
 Service science innovation in health/liveliness

Tier knowhow transfer with highbred model development
TFU-NENU, TFU-HTMC Open Univ.
 field analysis, education system package, navigation,
setting-up, care facility managerial package, service creation

Tier HRD and training
TFU-TMU, TFU-NENU, TFU-HTMC Open Univ., TFU-DJU, TFU-Hallym
Ph.D., MA, order-made training package, joint school

4/3/11 Professor K. Ogasawara TFU-PIHSI 2



Elderly Care

- Cause of being cared is decreasing mental/physical functionalities and functionality in memory and cognition by aging, which is not recoverable
- It is the care at terminal stage of life. It is highly organic process of creating services in that integrated way of providing those physical, grief, palliative, psychiatric, mental, and even spiritual care skills and methods is indispensable.
- It is basically the care within a small scale of community care, so that care services must be provided by comprehensive and continuing nets if to be effective. So the provision system is a kind of process organization of shared target and behavioral consortium.
 (“de-domesticity of the target” and “spontaneity of expertise-ism”)
- Because of its communality, community care system is indispensable for securing stability and flexibility in resource planning, purchasing, allocation, and implementation.

4/3/11

Professor K. Ogasawara TFU-PHISI

5

The world of only 0.14%

- Withdrawal and loneliness in those living at home
 silent (subjective and systemic)
 lack of socialization channels
- Difficulty in being involved and in continuity of participation
 weakness in risk conciseness
 restrictions and risks in living circumstance (inflexibility in regulation)
 lack or irrational of information flow
 compartmentalization and medicalization of the process and programs
- Challenge in person to person interfacing phase
 gap in between service user’s subjective evaluation and expertise’s rationalization

4/3/11

Professor K. Ogasawara TFU-PHISI

6

Issues for Action Research in HHCS

Get services in action and more supportive

1. Activating services as “personal human service”
 - (1) how to visualize and enhance user’s autonomous say
 process and form of detection : fact finding type of detection
 evaluation ability of expertise : including mental/behavioral analysis
 - (2) how to smartnize the barriers in cognitive interface (communication)
 less interpretation/explanation, more reality lead
2. Program development
 - (1) how to extend flexibility to each case
 - (2) how to create complexity and comprehensiveness of targeted functions
 (not by the names of programs)
 - (3) how to cope with cost and risk issue
3. Institution/provision system dimension
 - (1) how to innovate and visualize the service process (even peering/story telling)
 - (2) how to create partnership-type cooperation within nodes and social roles

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Why scientific approach required for health/human service innovation

1. health/human service needs to be “scientific”
 - (1) practice-led, client-oriented, human factors
 epidemiological evidence and methodological fluctuation
 - (2) trend toward being multi-disciplinary or integration
 scientific logic for multi-disciplinarization or integration
 - (3) personal human service
 ethical/moral rules and technically rationalized tools
2. what about being “scientific”

two alternative loads for service science to go

either(1): service science based on the notion of commodity
 or(2): service science based on the assumption of process
3. range
 - service interface: target setting, knowledge and skills, processing
 - service provision: organizational engineering & management,
 institutional innovation

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Methodological strategy of solution

Service science methodology
Service Science Engineering and Management Conference 2005
 Kusunoki2005 service as the context of displaying dimension-free values
 Kono2005 service science as methodology of service process innovation
Innovating Service Clustering through Service Science Workshop 2009
 Lillrank2009 anti-medicalization , value co-creation phenomena
 Hagihara2009 anti compartmentalized treatment

Cultural interpretation
 (Bendelow 2009, Hagihara 2009 etc)
 1. Stress paradigm shift
 2. Culturally sensitive comprehensive methods
 3. Being sensitive to expressions that Japanese (or any single) society can accept

Personal human service as moral game (Ogasawara 2009;)
 morals of stakeholders, for self-dependency, for technical rationality
 not conflict, but game for social worth"es" and helix process of value creating

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