



EXAMINING GROWTH AND INTERNATIONALIZATION WITHIN THE HEALTH AND WELL-BEING SECTOR

Maria Bergman

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Tampereen ammattikorkeakoulu
Tampere University of Applied Sciences

TAMPEREEN AMMATTIKORKEAKOULU
Tampere University of Applied Sciences

INTERNATIONAL BUSINESS**Bachelor's thesis****Author:** Maria Bergman**Degree Programme:** International business**Title of Thesis:** Examining growth and internationalization within the health and well-being sector**Month and Year of Completion:** June 2011**Number of pages:** 64**Supervisor:** Shaidul Kazi**Number of appendix pages:** 10**ABSTRACT**

HYVIS Pirkanmaa project, operating at Tampere Region Economic Development Agency Tredea, develops the health and well-being growth enterprises situated in Tampere region. I have conducted a survey for HYVIS Pirkanmaa project to provide it information about obstacles to growth, development challenges and internationalization of health and well-being growth enterprises in Tampere region.

According to my survey results, market instability was considered as most significant obstacle to growth. Market stagnation and lack of willingness to grow have also set barriers for smooth growth. Difficulties in finding professional labour are also preventing companies to multiply their services. The survey results revealed also most important development challenges among the target companies. Substantially biggest development challenge was strengthening marketing know-how. Other important challenges were strengthening tendering and service productization know-how, managerial skills and financial administration knowledge. The interest in becoming internationalized was very low. Only three companies from 34 respondent companies had been planning to become internationalized during the next two years. The companies would need financial aid and extended network to support their internationalization.

The growth and internationalization of health and well-being growth companies requires educating the personnel with marketing, tendering and service productization skills. The companies need professional consultation in improving managerial know-how and in training to learn exploitation of technologies. Professional labour could be searched from outside of Tampere region, because in some parts of Finland there is oversupply of health and well-being professionals. I also recommend the companies to consider internationalization because it brings competitive advantage at the market and provides benefits in utilization of location economies.

Key words: Health and well-being, Health services, Social services, Obstacles to growth, Development challenges, Internationalization

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1 INTRODUCTION

1.1 Background of the research

Tampere Region Economic Development Agency Tredea improves cooperation between Tampere region municipalities in economic development policy and builds up practical cooperation. The agency unites resources to strengthen the magnetism of the region and to develop prerequisites for successful business. (Tredea 2011)

Tampere Region Economic Development Agency Tredea invited me to a job interview. Tredea Oy was an impressive alternative for a permanent working place and I was very delighted to hear that I have been accepted as their new employee.

Tredea Oy provided me a topic for my final thesis and I am very grateful for that. I got the final thesis topic from the HYVIS Pirkanmaa project, which helps health and well-being enterprises in Tampere region to success in the international competition.

1.2 Goals and purpose of the research

My personal task at this project is to analyze obstacles to growth, development challenges and internationalization of health and well-being growth enterprises at Tampere region. The fieldwork will also have marketing value for HYVIS Pirkanmaa –project. The purpose of HYVIS Pirkanmaa -project is to add revenue for the health and well-being companies and to improve their profitability. It also aims to find few enterprises, which would be interested in becoming internationalized.

The public health and well-being services will not be able to meet the customer needs anymore and municipalities have started to seek solutions for missing personnel resources, cost effectiveness and new service innovations. Those solutions could be found from the side of the private sector of the health and well-being companies. (Elinkeino-, liikenne- ja ympäristökeskus 2010)

The present market situation is challenging. Many large international companies have conquered the market area and small local enterprises have to compete with them. In order to success in this competition and to be able to grow, the health and well-being enterprises at Tampere region have expressed that they need more know-how, especially at the area of marketing, leadership and financial administration. According to project manager Marco Roth from Tredea Oy, health and well-being enterprises need concrete and practical tools to improve their ability to success in the rising competition.

ELY, Centres for Economic Development, Transport and the Environment has granted 1,2 million Euros from the resources of European Social Fund for HYVIS project to develop the well-being enterprises situated in Tampere region. The executors are Tredea Oy, Sastamalan Seudun Yrityspalvelu Oy and Länsi-Pirkanmaan koulutuskuntayhtymä. (Elinkeino-, liikenne- ja ympäristökeskus 2010)

HYVIS Pirkanmaa project will last for three years and will reach approximate 150 enterprises. The operations will concern about 700 persons, including entrepreneurs, company personnel, operative leadership, development personnel and board members. The most important aims of HYVIS Pirkanmaa project are to actively promote networking between enterprises and the cooperation between public and private sector. The project will also try to reach the goal of creating five new enterprises and fifty new workplaces and additionally to help at least one company in becoming internationalized.

HYVIS Pirkanmaa project has strong foundation for its actions because Tredea Oy guides planning, decision-making and resources in a way that different sectors with their actions would support the development of Tampere region as united employment area and a good substrate for new businesses.

1.3 Research questions

Present rising competition at health and well-being market area has raised question if the local health and well-being enterprises at Tampere region are able to survive and success with their businesses. The situation is more or less unsettling and it seems to be

quite clear that there is a need for improving know-how of marketing, leadership and financial administration among the health and well-being enterprises at Tampere region.

I pose the main question as following: “How to insure growth and internationalization for health and well-being enterprises located in Tampere region?”

This main question raises many other sub questions, which will help to find answer for the main question.

“What are the obstacles for smooth growth?”

“Which are the key issues in becoming competitive at Tampere region?”

“Is there interest to internationalize the company?”

1.4 Research methodology

Qualitative business research gives a researcher an opportunity to focus on the complexity of business-related phenomena in their contexts. It produces new knowledge about how things work in real-life business contexts, why they work in a specific way, and how we can make sense of them in a way that they might be changed. (Eriksson&Kovalainen 2008, 3)

Sometimes qualitative methods are used to provide better understanding of issues that have remained unclear in quantitative studies, so it is possible also to combine qualitative and quantitative methods. If research aims relate to appropriateness of choosing qualitative method for research, there is no need to consider quantitative method superior to qualitative method. (Eriksson&Kovalainen 2008)

This is a qualitative research and I have done primary research by executing online survey among health and well-being growth enterprises. The questionnaire (appendix 3) included questions requiring both quantitative and qualitative analysis. The numeric

data provides some quantitative information, which helps in target group segmentation and qualitative analysis and it also provides necessary information for future consultation visits to companies carried out by the project manager of HYVIS Pirkanmaa project. The open questions provide more specific information about development demands and possible willingness to become internationalized. By combining qualitative and quantitative methods, the research provides more diverse information and both methods support the purpose of each other. As secondary research I have gathered information from earlier studies on this subject that is revealed in the chapter “Review of the literature”. I use survey as a key method and the conclusions are based on the data received from the survey.

I made the survey for HYVIS Pirkanmaa project. The participants were chosen by the result of the project executed by Centre for Economic Development, Transport and the Environment, which had mapped out the health and well-being companies at Tampere region.

The questionnaire, which was written in Finnish, was sent to 122 companies and I received answers from 34 companies. Participants include companies from various sections of well-being: health service, medical doctor service, exercise, physiotherapy, psychophysical physiotherapy, hospitals, pharmacy, eye surgery and several other sections.

The research was conducted in the Internet as an online survey through web-based program called Webropol. It is software created for data analysis and surveys and serves as a very smart tool for creating questionnaires. I saved the questionnaire in Webropol and copied the link of the questionnaire. The link was sent to the Centre for Economic Development, Transport and the Environment, which administers the contact information list of health and well-being enterprises at Tampere region.

The procedure of collecting the data was simple and fast. The Centre for Economic Development, Transport and the Environment sent the questionnaire to the recipients of the survey by email. The individuals who received the questionnaire at the companies were directors. The email included also covering note (appendix 1), which I had created to explain the meaning of the survey and to provide knowledge and contact information of HYVIS Pirkanmaa project. The recipient was able to open the inquiry by clicking a link,

which opened the questionnaire form. After answering the questions at the questionnaire, the recipient submitted it. The data was transferred into the Webropol software.

I informed Centre for Economic Development, Transport and the Environment to send a reminder for the recipients as I had received only 18 answers by the first date of deadline. After the reminder and prolonged response time, I received 16 more answers. The final amount of recipients was 34 companies.

I chose to use the online survey method from two reasons. First reason was the availability of the contact information of my target group. The only way to reach them was through the Centre for Economic Development, Transport and the Environment because I was not able to receive the list of the social and health service companies due to confidentiality reasons. Second reason is the practicality of Webropol software. It enables a quick way to create proper layout for the questionnaire. It is reliable way to collect the information during the survey and it also provides reports of gathered data with ready graphs.

Webropol program offered from the results a ready report to be printed out. The report organized the quantitative data into graphs and offered the qualitative data in the form the answerer had provided it.

Webropol provided also possibility to create cross-sectional analyses. These analyses provide deeper knowledge about obstacles of growth and biggest development needs considering the size of the company and the level of expected growth. I created all together more than 40 cross-sectional analyses.

I provided the report of the answers to HYVIS Pirkanmaa project as printed document and additionally I wrote my own research analysis about the results. The report was written in Finnish from the request of the Project Manager of HYVIS Pirkanmaa project. I also provided him a Power Point presentation about the results of the survey.

In the research analysis I explained the quantitative answers of the survey in written form and I explained the qualitative data by summarizing the answers. I took six cross-

sectional analyses as examples to give deeper look into the answers. At the end I provided conclusions about the results of the Survey.

1.5 Structure and limitation of the research

This thesis can be divided into seven parts. The first part introduced the background, goals and purpose of the research and revealed the research questions of this study. Research methodology part explained how the survey was conducted. In the second part I have provided useful background information of earlier studies about the situation of health and well-being companies and in the third part I presented the theoretical framework for my study. Fourth part made the reader familiar with qualitative research and the fifth part revealed the research result analysis. In the sixth chapter I discussed my conclusions based on the survey results and connected them to the theoretical background information. In the last chapter I gave recommendations for health and well-being companies

As every research, also this thesis has its limitations. I was not able to influence in the selection or the amount of the recipients of the survey because the target group was determined through Yritysharava. The amount of the respondents is quite small but it is enough for eligibility of qualitative research because the open questions gave room for in-depth analyses. All the respondents had not answered to all questions, which lightly violates the quality of result analysis.

2 REVIEW OF THE LITERATURE

2.1 Research conducted by Ministry of Employment and the Economy (TEM)

Ministry of employment and the economy (TEM) has set up 2nd of February 2009 a strategic project to develop health and well-being field. There are specific aims that are defining the work of the project: to activate entrepreneurship and to reach skilful labour,

to encourage growth and internationalization and to improve the preconditions for productivity. (Hyvinvointialan kehittäminen: peruskartoitukset 2009)

The basis for this project is the II government program of Prime Minister Matti Vanhanen, which claims that the government promotes the companionship of the three sectors: public, private and the third sector at the production of services. According to the concern strategy of Ministry of employment and the economy, the improvement of productivity at the service sector has a great significance to the whole productivity of national economy. The wider co-operation between the public and private sector, especially at the health and social field is necessary in the future. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 15)

Hyvinvointialan kehittäminen: peruskartoitukset –publication has been published by Ministry of employment and the economy (TEM) at 2009 to provide updated information about entrepreneurship, skilful labour and productivity at the social and health field. The content of this publication is based on the statistical information and research literature as well as on the surveys and interviews. The publication includes actual and foreseeable development as well as the development needs and possibilities at the social and health field.

2.1.1 Labor situation at health and social service companies

Hyvinvointialan kehittäminen: peruskartoitukset –publication reports that the personnel of social and health field have been having stable growth since 1990. The publication presents the statistical information of 2009 about the labour situation at social and health field. The amount of educated personnel was 360 000 from which 75% was working. The proportion of the labour of social and health field from the entire labour force is 15 %. By the year 2020 approximately half of the employees at the social and health field will be retired. If all the conditions stay the same, the proportion of the labour should increase in 20 years from 15 % to 25 %. By mapping the need for services and improving the productivity it is possible to have significant influence on the development need of the labour at the social and health field. The present young generation will not be able to fill the need of personnel and this is why there is need for searching

labour from people who want to change their profession, or from unemployed people. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009)

2.1.2 Obstacles to growth

At the health field, significant obstacle to growth at private sector has been the remarkable position of federation of municipalities at the public health care and the insignificant importance of private sector's outsourcing services at the primary health care of the municipalities. At 2007 the proportion of private sector at health care outputs was approximately 24 %. The comparable proportion of social services was 29 %. The important support for the private sector growth at the social field has been the decision of municipalities to open their production of services for the rivalry. The ageing of the population leads to growth need of health services and this is the reason for the need of co-operation between the public and private sector. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009)

2.1.3 Measuring productivity

To measure the productivity at the health and well-being field is problematic because it does not include information about the quality of the service. It is the quality of the service that influences the health of the individual and the population. Instead of measuring the productivity, there should be a measurement for profitability, which includes both quality and impressiveness. Nationwide indicators to measure the profitability of health and well-being field do not exist. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009, 13)

Hyvinvointialan kehittäminen: peruskartoitukset –publication presents clear and important conclusion: the problems relating to social and health labour, productivity and entrepreneurship cannot be solved separately. The need for labour can be satisfied if the need for services is being created and simultaneously the productivity of the social and health field is improved. This requires renewing know-how from entrepreneurs and personnel. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 16)

2.1.4 Unemployment in health and well-being companies

During this millennium, the amount of unemployed people at the social and health field has been declining constantly. The unemployment changes along with the seasonal fluctuation. The unemployment increases after summer season staying higher until the turn of the year and the lowest unemployment is usually during April and May. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009, 17)

Encountering of the labour demand and supply can be observed by proportion the unemployed job seekers from the health and social field to the open jobs at the same field. When demand and supply do not meet, there can be seen two dimensions: labour shortage or oversupply of labour. The labour shortage means that the open jobs do not have enough applicants and the oversupply of labour means that there are not enough jobs for all the job seekers. The encountering problem can appear regionally or professionally. The regional encountering problem means that the unemployed job seekers and open jobs are located in different areas. In some parts of Finland the demand and supply are in balance whereas in other parts of Finland there can be problems in finding labour or there can be great oversupply of labour. The professional encountering problem means that the know-how and the qualities searched in the applicants by the employers do not match with know-how and qualities of the available labour. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 19-20)

The unemployment situation at the social and health field is influenced by the ageing of the labour, which influences significantly the demand. Additionally to ageing of the labour, also the expected growth in the life span and the higher general standard of living multiply the demand of health and social services. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 23)

2.1.5 Health service growth companies

The growth of the companies is very important because they create new jobs and usually create new products, new business models, services processes, innovations and pro-

duction methods. According to some economy researchers the amount of small companies should not be the absolute value but rather the supporting of the growth and employment opportunities of entrepreneurship. The growth of a company becomes evident in the growth of market share or expansion of the market area (generic growth), development of business activities at the new areas (diversifying) or growth through acquisitions and fusions. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009)

It is hard to determine the factors in the background that explain the growth of the company. The companies do not grow in order to employ. Growth is one way to succeed. Employing can be one consequence of the growth, but only successful company can employ. Profitability, possibility to success and stronger competitive position motivate companies to grow. The growth requires from the entrepreneurs strong motivation and readiness to take risks but only successful companies can expand their activities. That is why know-how, strengths, identifiable competitive advantages and possibilities at the markets are needed in expansion. (Hyvinvointialan kehittäminen: peruskartoitukset, 2009, 70)

The following things inside of the company influence its growth: the qualities of the entrepreneur as well as of the organization and the strategies related the growth of the company. The qualities of the organization refer to the need for growth, line of business and the resources needed for growth. For example small starting companies do not have enough personnel and financial resources or credibility at the market needed for the fast growth. This is why networking with other companies and co-operation with clients promote innovations and give for small, new companies the needed resources. Still, young companies grow fastest in the beginning and are many times more willing to grow than older companies. Because of their small size, the growth companies multiply their personnel compared to other companies. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 71)

The amount of growing companies is below the average at health care field. One reason for the small amount of growth companies is the public health care, which has not given the private health care services enough room to grow but the private activity has been recognized more as supplementary provider. This situation is changing and private health care has already started partly to replace the public health care. Big size of the

company would be advantage when companies rival to provide the services of primary health care at the municipalities. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 72).

2.1.6 Social service growth companies

One important reason why municipalities do not buy services from the social companies is the small size. This is why small companies only supplement municipal services, which does not support long-span business development. In the future, it is necessary for social service companies to grow bigger. In practice, growth companies are those, which have minimum 10 employees and whose average growth is more than 20 %. During 2000-2007 the amount of employees increased 90 %. This shows that employment development is quite fast among the growth companies. The willingness and ability to grow among young companies depends first of all from individual skills and decision of the entrepreneur. Essential qualities are the willingness to create and to recognize new financial possibilities and other personal risks. The growth goals of the company are usually connected with personality, experience, situation in life and personal aims of the entrepreneur. Taking a risk does not mean gambling but conscious financial risk taking. (Hyvinvointialan kehittäminen: peruskartoitukset 2009)

The growth usually includes the viewpoint to the future. The viewpoints about development of purchasing power at the market, the changing needs of customers or new possibilities of developing technology can be at the background of the decision to grow. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 102)

Growth companies usually have good education background, earlier entrepreneur experience or strong working experience as specialists and they are ready to take risks. According to Confederation of Finnish Industries, EK, for many growth companies finance and guarantees about the continuation of finance is essential problem. There is not enough risk financing for companies at their starting stage or even for more mature growth companies. It would be useful to ponder how to encourage private investors and associations of public utility to make risk investments in well-being companies. The

contractor's risk is very personal issue and this is why outsiders should not pressure the company to grow. (Hyvinvointialan kehittäminen: peruskartoitukset 2009, 103)

2.2 Entrepreneurship among well-being companies at South Karelia

Well-being field is growing in South Karelia and during spring 2009, the LEHTI/HAKE executed by Socom (Kaakkois-Suomen sosiaalialan osaamiskeskus Oy) conducted a survey, whose aim was to map the situation of health and well-being companies at South Karelia. The survey was sent to 297 health and social service companies and it reached 117 responses. (Hyvinvointilan yrittäjyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät)

2.2.1 Development needs

According to the survey of LEHTI/HAKE project, the entrepreneurs experienced writing up the tenders and contracts as most significant need to improve the know-how. As much as 42 % of the respondents need training or guidance in creating tenders and contracts. Financial administration tasks had also challenges. Almost every third wanted training in pricing and counting profitability. Other development needs were know-how in taxation, marketing, and quality control. (Hyvinvointilan yrittäjyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät, 35)

Obviously there is also need to develop business know-how as 40 % from all the respondents did not have business plan and part of the respondents did not even know what a business plan is. Information technology and using electronic tools was secondly important development task; 34 % of respondents need additional training at information technology. Only 50 % of the respondents use electronic customer information systems and the rest of the respondents still handwrite the customer information. Additional training was needed for using Word, Excel and Power Point. (Hyvinvointilan yrittäjyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät, 36)

2.2.2 Action to meet the lacks in know-how

The project has started to answer to development needs by organizing first training for information technology and financial know-how and later for cost accounting and training for quality control. (Hyvinvointilan yrittäjyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät, 37)

2.2.3 Growth demand: Big age groups

Almost half of the respondents think that demand for services has grown. Almost 50 % of the respondents believed their revenue to grow during the next 3 years and 24 % believed their personnel to grow. Big age groups will reach the age of retirement during this decade and that will cause the demand for social and health services to grow. (Hyvinvointilan yrittäjyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät, 38, 40)

3 THEORETICAL KNOWLEDGE ABOUT SERVICE SECTOR, GROWTH AND INTERNATIONALIZATION

3.1 Service sector

The share of service sector from gross domestic product (GDP) of Finland is in average smaller comparing to other developed economies. The productivity of services is lower, rivalry is more exiguous, prices are higher, and internationalization stage is lower than in Europe on an average. Services bring possibilities for the business and those possibilities are not yet fully exploited in Finland. Productivity could be substantially improved by developing the services. Service business provides continuously possibilities for growth also at the traditional field of industry. (Pirkanmaan palvelustrategia 2013)

3.1.1 Service as a concept

The word service is very complex to determine – this is why there is need to use viewpoints of producer and consumer to brighten up the term. (Pirkanmaan palvelustrategia 2013, 16)

The service is at least in some sense immaterial deed or series of deeds where the problem of the client is solved in a way that the customer, service personnel and /or the systems of service provider for goods and services are in interaction with each other's. (Pirkanmaan palvelustrategia 2013, 16)

Service is to arrange solution, which mainly does not include delivering the goods. From the viewpoint of the consumer, a work or task, which benefits or satisfies him, can be considered as service. (Pirkanmaan palvelustrategia 2013, 16)

In its purist form, service is immaterial, even if the service process or service wholeness includes most of the time also material dimension. It could be said that the value part of the service is many times invisible even if the consumer of the service perceives only the visible part of manufacturing process. (Pirkanmaan palvelustrategia 2013, 16)

The simultaneousness of production and consumption and the heterogeneity of service are also qualities of service. This usually comes true in personal service, where the consumer of the service participates in producing the service. This is unique interaction and that is why service is seldom homogeneous. Service is impossible to store because it is born in the service process. Service is impossible to transfer to anybody else after service has happened. (Pirkanmaan palvelustrategia 2013, 17)

The difficult concept of service has been categorized in order to make it clearer. Categorizing can be based on maintenance sector, industry or service recipient. The category used by OECD divides services to producer services, distributive services, personal services and social services. Producer services are mainly services, which companies provide to each other's. Distribution services include the transportation of knowledge and products. Personal services consist of tourism, accommodation service and cultural services and it is labour intensive. Social services include social and health services and

education services where human interaction has essential role. This category is foundation for service classification of service branch also in the service strategy of Tampere region. (Pirkanmaan palvelustrategia 2013, 17)

3.1.2 Productization as a tool for developing services

The goal of systematic development of services is to create competitive, profitable and innovative businesses, which have, potential to success also at international market. (Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille)

The product development models, which concentrate in production, do not necessarily help in planning the service development. Most essential for competitiveness and success of the service producing companies is well planned and conducted development program of service productization, continuous innovation, cost efficiency and customer orientation. Productization is one way to systematize the development and realization of services so that those goals will be reached. (Palvelujen tuotteistamisesta kilpailuetua, opas yrityksille 2007, 3)

The main idea in development work is to create necessities for those services, which produce tempting added value to the customers. During the development project it is necessary that customers will test the services and give their feedback to the developers. (Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille 2007, 3)

The starting point of developing the services is the business strategy. Essential questions which determine the activity of business are 1) what kind of customers and customer relationships is the company pursuing, 2) what kind of products and services are produced and how they are being produced and 3) what is the stage of specialization and product development? Successful service business requires know-how regarding service, customers and line of business. (Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille 2007, 3)

Developing services can aim to renewals of a different level. Targets could be

- Changing the present style or expression of the service

- Improving the present service
- Extension of present supply of services to the present target markets of the company
- New kind of service to meet the existing need
- Totally new solution to meet the new need

(Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille 2007, 3)

Service innovation is new and substantially renewed service, which creates profit for its developer. Novelty value of service innovation can relate for example to the benefit offered to the customer, confronting the customer or a way to produce the service. Developing new services and service innovations is very important for productivity and competitiveness of the company. (Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille 2007, 4)

Goal:

Competitive business

Development targets:

Pricing, service process, supply of services, follow-up and measuring, communication

Means:

Concretizing, determination, systematize, standardizing

Results:

Profitability, growth, competitive advantage, quality, productivity (Palvelujen tuotteistamisesta kilpailuetua, Opas yrityksille 2007, 6)

The service strategy of Pirkanmaa (Pirkanmaan palvelustrategia 2013) presents survey results for the questions about which lines of businesses from the viewpoint of services are most significant for Tampere region in the future. According to the results, Social services were recognized as most significant line of business at the service sector. From all the respondents, 63,9 % placed social services in top three most important line of business. Social services were seen as the foundation for future needs, such as ageing and everyday life of people. Employment influence of social services was considered important and the development of social services was estimated to reflect prevailing set of values. (Pirkanmaan palvelustrategia 2013, 34-35)

3.2 Growth

According to Charan and Tichy (2000, vii), “Every business is a growth business”. This proposition is based on his experience of working together with world’s best business leaders like Jack Welch and Alex Trotman, to mention just two of them.

3.2.1 The four qualities of successful companies

There are four qualities recognized to be consistent among the leaders of successful companies representing different industries.

- “They believe in and act on the idea that there’s no such thing as a mature business.” (Charan & Tichy 2000, vii). These companies manage to increase the growth no matter whether economy is in recession or on a roll. (Charan & Tichy 2000, vii)
- “Their growth is profitable, sustainable and capital efficient.” (Charan & Tichy 2000, vii). Sometimes companies grow very fast but are not able to increase the profit. This kind of growth is bad symptom in business life and even worse would be to mistake in thinking that the company is already mature. Paying attention to costs, cycle time, and efficient use of capital are important attributes of smooth growth. (Charan et al. 2000, vii)
- “They grow because growth is in the corporate mindset, created by the company’s leaders.” (Charan & Tichy 2000, viii). It is not because of broadening the product line or investing more money on technology, which makes the growth to happen. It is the curiosity about the world’s needs that start the mindset of growth. It is free from boundaries like limits of existing products and markets and it always looks for new opportunities to diversify beyond the boundaries. (Charan et al. 2000, viii)
- “The mindset of growth starts at the top, but it must reach all the way to the bottom.” (Charan & Tichy 2000, viii). If the leader becomes a *genetic code of the*

organization, he/she is a set of signals, which forms that shape how people behave in working life, how well they learn from their colleagues and they look at opportunities. “There’s no standing still.” (Charan & Tichy 2000, ix). Leader should build the organization that continues to adapt and grow even when the leader himself is not part of the organization anymore. (Charan et al. 2000, viii - ix)

3.2.2 The crucial points

Nowadays growth has a great value in business discussions. The focus on operational excellence is not enough anymore. Companies should focus on growth, because they either grow or die. The following five crucial points are “hidden secrets behind many familiar success stories”. (Charan et al. 2000, 6)

1. “There is no such thing as a mature business.” (Charan & Tichy 2000, 7).

No matter which size is the company, no matter in which industry it operates and no matter how “mature” is the industry; any company can grow. The growth depends on its leaders – they have to learn how to look beyond their traditional definitions of industry and markets. (Charan et al. 2000, 7)

2. “Not all growth is good.” (Charan & Tichy 2000, 7).

If growth happens at all costs, or if it happens only for its own sake, it can become a catastrophe. So called *good growth* is sustainable, capital efficient and profitable.

3. “Growth is a mentality created by a company’s leadership.” (Charan & Tichy 2000, 7). It starts with the spark of a new perspective and it catches fire when everyone embraces the training and teaching of the leaders. (Charan et al. 2000, 7)

4. Balanced growth is the key to prosperity in the twenty-first century (Charan & Tichy 2000, 7).

Sustainable growth – growth for the long haul – requires meticulous attention to the basics: cost structure, quality, product development cycle time, productivity, asset utilization, investment of capital, supply chain innova-

tion, customer service satisfaction, and all the other components of operational excellence. Never-ending focus on these generates the resources for growth. (Charan et al. 2000, 7)

5. “Growing is less risky than not growing.” (Charan & Tichy 2000, 7).

The growth strategy should be based on strictly defined customer needs. A sustainable growth strategy is far less risky than sustaining the present situation, while a competitor grows. (Charan et al. 2000, 7)

There is something that communicates the actions and views of all true businesspeople – that is a business common sense. Charan and Tichy introduce two fundamental, original and common sense insights into a secret of creating a growth company: 1) Strategy from the outside in, and 2) Changing the genetic code.

(Charan et al. 2000, 8)

3.2.3 Strategy from the Outside In

Charan and Tichy emphasize that growth is a creative game. They add that it does not require a degree or license but what it does require is curiosity, imagination and emotional energy. The leadership needs to free up all the potential creative people in the company.

It’s human nature to look from inside out. When a company looks from inside out, it looks at what it makes and tries to figure out how to sell more of it. The focus is in the internal products and processes. Unfortunately. (Charan et al. 2000, 8-9)

The base for sustainable growth strategy is to understand that there is a difference between what the company makes and what people need. According to Charan and Tichy, it would be good to ask following questions: “What is happening in the market place?” “How are needs changing?” and “What needs could we satisfy now?” (Charan et al. 2000, 9)

Need is the key word in the outside-in company – not *product*. To expand demand is a focus instead of getting half a point of market share. The knowledge is gathered from the ground level and often the customers themselves do not know those needs, which are already identified by the company. (Charan et al. 2000, 9)

The profitable growth goes to those companies whose leaders *think out of the box*. The growth, the broader horizon and the excitement of new challenges and big opportunities energize people. It is important to have this kind of new mindset derived from the outside-in strategy – a new way of looking at the company's business. (Charan et al. 2000, 10)

3.2.4 Changing the Genetic Code

The right mindset is very important but first it is necessary to set mind to host certain patterns of thinking and behaviour. People tend to be heavily invested in the past; it has determined their rewards, their career paths, even their identities (Charan et al. 2000, 10).

Genetic code is nature and it especially decrees *how people work together* and *how they make decisions*. Organization's behaviour is influenced by cultural changes, coaching and workshops, which are nurturing interventions, but the genetic code shapes corporate culture at the most fundamental level.

The code originates with the organization's leaders - their thinking and behaviour send signals and cues that set of pattern for everyone else. In time, these become the organizational genetic code. And this code is all pervasive. (Charan et al. 2000, 11)

Reengineering the genetic code is real and lasting change and part of the strategy. The genetic code determines what the strategy will be and whether it will work. The organization's leader has a critical role in changing the genetic code - it is a great challenge. (Charan et al. 2000, 11)

3.3 Internationalization

Internationalization and its effects have raised many opinions and theories among researchers. During my research I have found several different theories, which argue the positive and negative consequences of internationalization among companies. I have chosen two theories, which provide clear and strong frame to understand challenges of internationalization, especially among young firms. Sapienza, Autio and Zahra argue in their article “Effects of internationalization on young firms’ prospects for survival and growth”, that internationalization threatens survival of new firms, but increases growth.

3.3.1 Review to the process theory of internationalization and the new venture internationalization theory

The process theory of internationalization (Johanson & Vahlne, 1977, 1990) explains the reasons for delays in entering into foreign markets and clarifies why firms proceed slowly after the entry. Internationalization is viewed as reluctant response to competitive forces and changing customer demands. “In contrast, the new venture internationalization theory depicts early cross-border activity as a reflection of the capacities of the new firm and a strategic response to opportunities unseen by competitors.” (Autio, Sapienza & Almeida 2000; Zahra, Ireland & Hitt, 2000).

The underlying framework of the article is built on knowledge-based view, which has a significant role in both the process and new venture theories of internationalization. At the center of the process theory is foreign market knowledge (Johanson&Vahlne 1990). ‘Knowledge’ in this context represents competencies which are required to co-ordinate the business activities successfully. When making decisions about resource allocations and current activities, knowledge competences have influence to firm’s future market commitment and knowledge. (Sapienza, Autio and Zahra, 2003)

The focus of the new venture international theory is on capacities and experiences. These resources allow firms to recognize opportunities unseen by others. “In the new venture theory, new ventures internationalize because their managers have knowledge

and competencies that make entering foreign markets attractive.” (McDougall et al.1994)

The process theory, in the tradition of the behavioural theory of the firm (Cyert & March 1963), posits a relatively risk-averse, reactive set of top executives who resist venturing beyond the scope of prior activities. Conversely, the new venture internationalization theory focuses on the desire to identify and pursue opportunities for growth outside domestic markets. (Sapienza, Autio and Zahra, 2003)

3.3.2 Effects of internationalization on survival and growth

Lower survival rates following internationalization have reasons, which can be divided in two categories (Singh, Tucker, & House 1986): internal processes and external processes. New roles within the organization, which require learning for mutual coordination, are part of internal process. External processes include need of establishing new and strong relationships with other organizations. (Sapienza, Autio and Zahra, 2003)

Venturing into foreign markets burdens the resources of firms. Resources are not the only challenge, but venturing into foreign markets also brings firms to competition in place of contest that they understand less well than they should. It exposes firms to take risks which are not faced by domestic firms. (Sapienza, Autio and Zahra, 2003)

Sapienza, Autio and Zahra offer the following proposition, which is consistent with the international process theory:

Proposition 1A: New internationalization creates a significant short-term shock to the resources of a venture; therefore, *ceteris paribus*, the probability of survival decreases following foreign entry for an initial period of time until these costs can be recovered. (Sapienza, Autio and Zahra, 2003)

Recovery from the shock to the resources supply after entering the market depends from several issues. The market acceptance and the how fast the firm learns essential things about its new environment (Zahra et al.2000), have influence on the speed of recovery from the shock. Naturally, entry will connect the firm with new customers, innovation centers and suppliers outside its domestic market (Zahra et al.2000), which multiplies the productive opportunities and gives first-hand knowledge of the market. New contacts are very important because they help the firm to recognize and to identify new opportunities in foreign markets.

Proposition 1B: Prospects for growth increase following a venture's foreign market entry for a period of time until the new productive opportunities are explored or they disappear. (Sapienza, Autio and Zahra, 2003)

3.3.3 The Effects of age

When considering internationalization, new firms are at a disadvantage comparing to other firms. This is because of their lower stock of resources, which might force the firm to create new systems, relationships and solutions. Older firms have advantage of having stronger brand recognition, organizational norms, customer loyalty and political power - these intangible assets protect older firms against the costs during the foreign market entry. “The younger the firm, the more likely is that a misstep will be fatal. “ Young firms have also advantage from their age when entering foreign market. They have cognitive learning advantages whereas old firms, before developing new routines, must unlearn old routines. (Sapienza, Autio and Zahra, 2003)

Proposition 2A: The youth of the firm at initiation of the internationalization process moderates the effects of internationalization, such that it increases the negative effects of internationalization on the probability of survival, and

Proposition 2B: increases the positive effects of internationalization on the probability of growth. (Sapienza, Autio and Zahra, 2003)

According to Autio et al. (2000), knowledge intensity improves growth in sales among internationalizing firms. The ability to reconfigure knowledge appropriately restrains the ‘shocks’ of entry. After implementation of a decision to internationalize, greater knowledge intensity promotes a firm’s revival and growth prospects.

Proposition 3A: The knowledge intensity of the firm at initiation of the internationalization process moderates the effects of internationalization, such that it decreases the negative effects of internationalization on the probability of survival, and

Proposition 3B: increases the positive effects of internationalization on growth prospects. (Sapienza, Autio and Zahra, 2003)

Entrepreneurial orientation appreciates more the idea of achieving growth than avoiding failure. It includes more risk-taking and competitive aggression. “Pursuing a greater risk, greater reward strategy should have predictable effects on the new firm’s probability of future survival and growth prospects.” (Sapienza, Autio and Zahra, 2003)

Proposition 4A: Greater entrepreneurial orientation at initiation of the internationalization process moderates the effects of internationalization, such that it increases the negative effects of internationalization on the probability of survival, and

Proposition 4B: increases the positive effects of internationalization on growth prospects. (Sapienza, Autio and Zahra, 2003)

3.3.4 Advantages of internationalization

Sapienza, Autio and Zahra introduce a model, which suggests that going international increases risks of failure but increases opportunities for significant growth. The model also suggests that entering foreign market, even though it risks of failure, it increases opportunities for remarkable growth. Internationalization involves risks if the entrepreneur wants to ensure life-long sustenance, but if the entrepreneur’s goal is to build rapidly a venture of great potential, internationalization could be the right choice. (Sapienza, Autio and Zahra, 2003)

4 QUALITATIVE RESEARCH

4.1 What is qualitative research?

It is quite hard to define quantitative and qualitative research and that is why qualitative research is often portrayed in contrast to quantitative research. According to David Silverman, comparing these two research methodologies brings appreciation for the internal variety of both of them and also prevents straightforward comparison between these two methodologies. (Eriksson&Kovalainen 2008, 4) Still, comparing these two methodologies gives deeper understanding of the methodologies and helps the researcher to realize which research approaches will serve his research best and directs him to follow the right research process.

There is several research approaches derived from qualitative research. To be able to categorize various qualitative approaches, have to look at their research interests. (Eriksson&Kovalainen 2008, 4)

Tesch (1990, 72-73) introduces four categories of qualitative research by their interests in characteristics of language (e.g. discourse analysis, symbolic interactionism), in discovery of regularities (e.g. grounded theory, critical research, ethnography), in discerning meaning (phenomenology, case study research, hermeneutics) and in reflection (reflective phenomenology, heuristic research). (Eriksson&Kovalainen 2008, 4).

Quantitative and qualitative approaches have their own specific features. While quantitative approaches use explanations, testing of hypothesis and statistical analysis, qualitative approaches are concerned with interpretation and understanding. Qualitative research aims to holistic understanding of the issues studied. (Eriksson&Kovalainen 2008, 5)

Quantitative methods are more commonly used by business researches than qualitative methods from the reason that quantitative research has the long-standing dominance in the world of business research. The business research textbooks typically present quan-

titative research as the one that provides more accurate information and qualitative research as the one that can be used as complimentary when searching to find out something that cannot be translated into numbers but can be expressed in words. (Eriksson&Kovalainen 2008, 5). Quantitative research presents rigorous facts based on the answers. However the form of the quantitative question usually provides limited options for the answerer to express his/her opinion and thus excludes the deeper truth to become revealed for the researcher. Analyzing the accuracy of the answer observed from this perspective, qualitative research provides more possibilities to reveal the accurate truth about the issue studied. It is self clear that qualitative research does not provide tools for creating accurate statistical information, but it provides intelligent way to reveal the problems in such form, that the conclusions based on the research results, can be modified specifically to answer the research questions at the individual level.

As a researcher I want to find the truth about the research problem and this desire should determine all the actions of my research. Quantitative research and qualitative research both aim to search for the truth but from the opposite directions. Qualitative research tries to find the truth about the context within which decisions and actions of people take place. (Myers 2009, 5) As people we know that an object looks different when it is watched from different perspectives. If there happened an accident, most probably the eyewitness who stood on the northern side of the scene would describe the story a bit differently from one who stood on the southern side of the scene. Both are telling the truth, which is the truth based on their experience. Still the truth looks different for the third person who was not present when the accident happened and who hears the story of both eyewitnesses. Also the way to think and to feel is individual for each person and everyone responds to the questions following his personal way of processing thoughts.

The present state of the philosophy of science is illustrated by recent work on the 'truth hypothesis', according to which, science is generating increasingly accurate representations of a mind-independent and largely unobservable world. According to Karl Popper, although truth is the aim of science, it is impossible to justify the truth hypothesis. According to Thomas Kuhn, the truth hypothesis is false, because scientists can only describe a world that is partially constituted by their own theories and hence

not mind-independent. The failure of past scientific theories has been used to argue against the truth hypothesis; the success of the best current theories has been used to argue for it. Neither argument is sound. (Lipton 2005, 1259)

Pervez Ghauri and Kjell Gronhaug (2005:202), the authors of an introductory business research book focusing mostly on quantitative methodology write that:

Qualitative research is particularly relevant when prior insights about a phenomenon under scrutiny are modest, implying that qualitative research tends to be exploratory and flexible because of 'instructed' problems (due to modest insights).

According to Silverman, (Silverman, 2001: 32) to use qualitative research as the first phase of study followed by a quantitative phase is common in social science and business research. Qualitative methods are also widely used as providers of deeper understanding of issues that are unclear by the result of quantitative research. Different business research books offer different opinions about the position of qualitative research methods at the area of business research. According to Eriksson and Kovalainen, qualitative business research is to be considered as an adequate method of knowledge production, also without any link to quantitative research. (Eriksson&Kovalainen 2008:5).

The decision to execute qualitative research project requires more justification than performing purely quantitative research project. What the researcher wants to know on the basis of his research should be primary reason to justify the choice of research methodology. This claim is quite demanding considering that we have a tendency to choose the methodology, which is more familiar to us on the basis of our prior knowledge. Even if the researcher could not fully justify the methodology in relation to his research questions, he should still do proper research about it and find compatibility between the research questions and methods. (Eriksson&Kovalainen 2008, 5).

I chose conduct a qualitative research because I wanted to get deeper knowledge about how things work in real-life business and also the target group sample of the survey was quite small. The purpose of this research is to provide useful knowledge about the biggest obstacles to growth and interest in internationalization as well as most important development challenges of the sample group to HYVIS project which aims to improve the growth and internationalization of health and well-being companies at Tampere re-

gion. The research results have been provided to Marco Roth, the Project Manager of HYVIS Pirkanmaa project. I coded the results in a written form in Finnish language and created a Power Point –presentation as a side product to the leadership group of HYVIS Pirkanmaa project. Although this is a qualitative research, I had to use quantitative data collection technique to get empirical touch to the most important variables of the research problem. The open questions provide qualitative information about the variables, opening the issues of biggest obstacles to growth.

4.2 Data collection technique: Survey

The survey objectives, research questions and everything that follows in the survey have an important connection and that is why it is very necessary that the survey researcher knows and communicates clearly the objectives of the survey.

This effort is time-consuming but it is a good investment. “The objective is a statement, at a reasonable high level of generality and abstraction, of what the survey is trying to find out.” (Punch, 2003, 27)

What probably always surprises the survey researcher, at least if he is not the experienced one is that the created question is usually not the final one. The purpose of a research questions is to make generalized statement of objectives to more specific and concrete. The research questions are divided in general and in specific questions and if they have been created well, should expose clearly, what data are required to answer them. If the questions are meeting the expectations of required data, then researcher is ready to move to data collection questions. (Punch 2003, 27, 29, 30)

The actual data collection tool is a questionnaire, which is guided by the research questions. So the first thing when starting to create a questionnaire is to go back to the research questions and to make a list of the variables for which data will be required. The operational definition of the variable is represented by the data collection questions for each variable. (Punch 2003, 31)

Describing the variables is not as interesting for a researcher than finding the relationships between them. There is usually a conceptual status for each variable in the re-

searchers thinking and this means that the researcher has a conceptual framework for thinking about the variables. The conceptual framework is important part of developing the survey. (Punch 2003, 5, 30)

There are four relevant issues to consider when a researcher starts to develop the questionnaire. When starting to create the survey questions it is good to remember that much survey research has already been done and it is possible to find excellent survey questionnaires, although it could be challenging for a student to locate the existing questionnaires. Secondly, it is important to evaluate the quality of the questionnaire, and thirdly the skills of the researcher concerning the measurement expertise should be realized, whether they are good enough. Fourthly, it is good to realize that the quality of the questionnaire and measurement expertise interact with each other. If researcher has little or no measurement expertise, the efforts of trying to construct measures can have regrettable consequences for the quality of the data. (Punch 2003, 32)

Quality of data describes the reliability, validity, response rates and attitude of respondent. Reliability means stability of response and “validity means whether the data represents what we think they represent.” (Punch 2003, 42) Response rates mean the proportion of the selected sample concerning those who complete the questionnaire and frame of mind or attitude of respondent should be cooperative so that the respondent would answer honestly and conscientiously. (Punch 2003, 42-43)

5 RESEARCH ANALYSIS

5.1 Information about the survey

I conducted this survey among the health and well-being growth companies at Tampere region. I formed the questions of the inquiry together with Mr. Marco Roth, the project manager of HYVIS Pirkanmaa project. The name of the survey was as following: *HYVIS Pirkanmaa project – more of revenue and better profitability for the health and well-being companies.*

5.2 Questionnaire result analysis

I BACKGROUND INFORMATION OF YOUR ORGANIZATION

The size and net revenue of the organization

1. a) What is the number of employees at your organization?

More than half of the answerers were small companies, whose number of employees was between 1 and 10 persons (52,9 %, 18 companies). The companies of 21-50 employees (17,6 %, 6 companies) had been second active in responses. Least active were companies with 11-20 employees (5 companies), companies with more than 100 employees (4 companies) and companies of 51-100 employees (1 company).

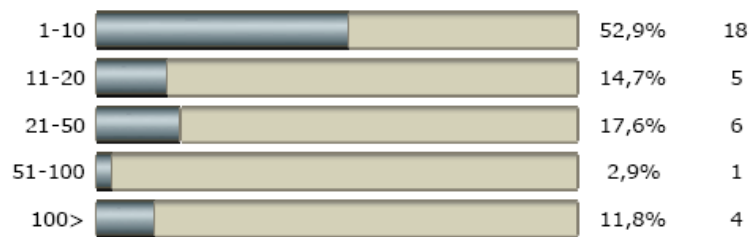


FIGURE 1. The number of employees in the organization.

1. b) What is the net revenue of your organization (euro/year)?

From 34 answerers only 31 companies had reported their net revenue. The biggest reported net revenue was 60 000 000 euros and the smallest net revenue was less than 2000 euros in a year.

All together 6 companies reported their net revenue to be 10 000 000 euros or more and 6 companies reported their net revenue to be between 1 000 000 and 5 000 000 euros. The net revenue of 10 companies was between 100 000 and 900 000 euros and the net revenue of 8 companies was between 15 000 and 90 000 euros. Only one company had net revenue of less than 15 000 euros. The average value of net revenue among the answerers was 5 400 258 (euros / year).

1. c) How much is the estimated change in the net revenue of your organization during the next two years?

The estimation concerning the change in the net revenue during the next two years was estimated quite positively among the answerers. All together six companies estimated their net revenue to grow more than 20 % and 13 companies estimated to have 10-20 % growth during the next two years. Eleven companies estimated the net revenue to remain stable during the next two years. Only four companies estimated their net revenue to decrease 10-20 % and none of the companies estimated their net revenue to decrease more than 20 %.

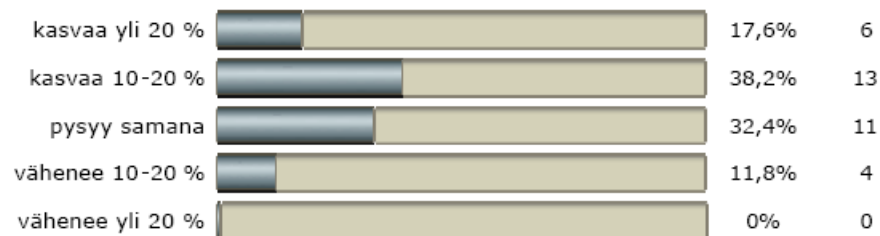


FIGURE 2. The estimated change in the net revenue during the next two years.

II DEVELOPMENT CHALLENGES OF YOUR COMPANY

The obstacles for growth in the company

2. Which are the two most significant obstacles to growth in your company?

The instability of market was the biggest obstacle for growth of eleven companies which is 32, 4 % of all respondents. All together 23,5 % of respondents reported stagnation of market as an obstacle for growth and 23,5 % of the respondents do not realize a need for growth at all.

Lacks in availability of employees were mentioned as an obstacle for growth by 20,6 % of the respondents. 17,6 % of companies face a problem with lack of know-how of improving growth and 14,7 % of companies reported difficulties with financing.

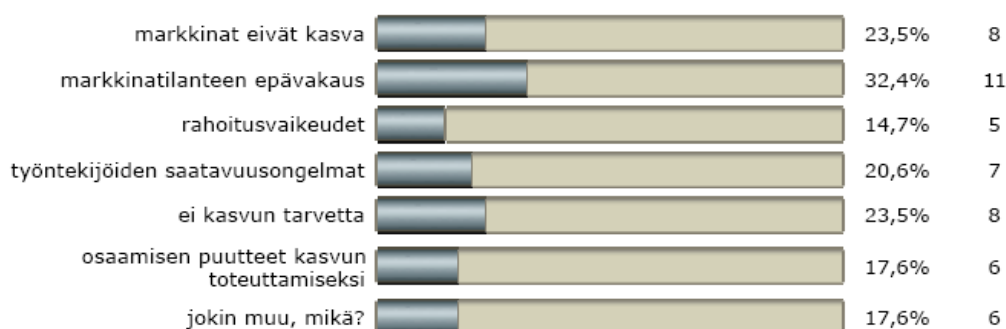


FIGURE 3. The most significant obstacles to growth.

Some other thing, what?

Also other significant obstacles for growth were found. The limitation of working space limits the recruiting of new employees and lack of cars necessary for business turned out to be obstacles for some companies. Also official decisions, decrease in prices of the medicines and lack in tendering know-how have set barriers for growth. The companies do not have anticipation knowledge or know-how of request for quotations, which is needed to execute the tendering in a proper way.

Additional comments:

Some company experienced commune buyer as uncertain and they do not have private customers. Small, one-man company suffers having problems with growth because working time can be increased only with limited amount. One company mentioned that they would need support for know-how even in very basic issues. One company mentioned that the change in legislation of the new law of health care is a positive issue, especially the fact that the new legislation will change along with the new health care law, which will come into force at 1 May 2011. This new law adds for customers more freedom of choice in choosing their health service provider.

The development challenges of the company

3. What are the biggest development challenges of know-how in your company? Choose three most important ones.

Based on the research, definitely the biggest development challenge was strengthening the marketing skills (66, 7 %, 22 companies). Service productizing skills were experienced as second important challenge (42, 4 %, 14 companies) and almost as important challenge was the need for the improvement with managerial know-how (39,4 %, 13 companies). Other challenges were tendering and financial administration know-how as well as strengthening the strategic know-how and exploitation of technologies. Also working atmosphere had needs for improvement.

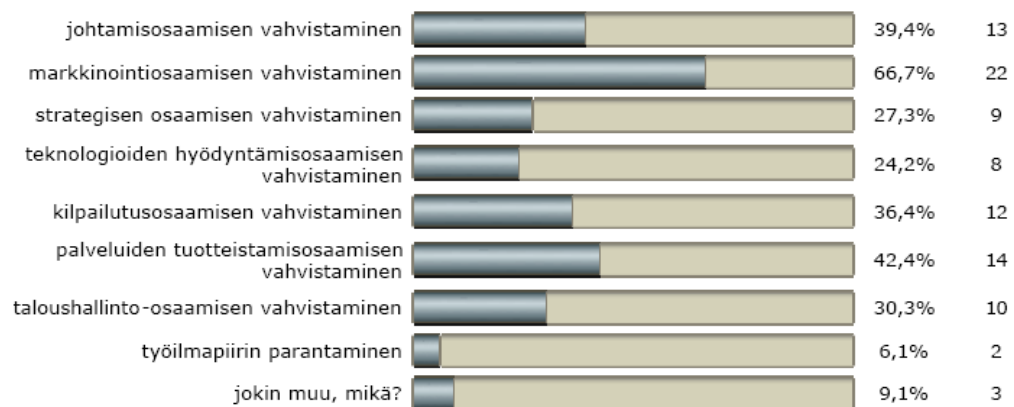


FIGURE 4. The biggest development challenges.

Some other thing, what?

The following things were reported as other big development challenges: increasing reliability, developing of professional skills and standardizing the quality of the work.

Additional comments:

In the additional comments, answerers described the following things as important development challenges. The biggest challenge is lack of the know-how in marketing. This is very serious problem of development process of the company, because marketing skills are always needed, especially if the target group is private customers. It would be important to get more customers, predictability and stability for markets.

The companies hope that they could get practical help, as one respondent answered: "We do not need any new project but real help!!!" This comment represents almost di-

rect emergency situation, which requires fast action. Many companies cannot afford to employ marketing expert and that know-how is not found in their own company. One company mentioned that marketing does not exist in the curriculum of nursing education! Also lack of time was noticed to be a problem. The activity could be more effective if there would be time to stop and think about alternatives. Productizing the services would be a lot of work and supporting that area could be for a big help for these companies.

Another great challenge, which appeared, is the knowledge to benefit from the technology and information technology. There would be need for some kind of new thinking and also for possibility to discuss about these points as a whole big issue with some specialists. Many companies commented that they have purchased many software's and operation management systems but employees in the company do not know how to use them. It would be too expensive to educate personnel for those programs and sometimes training is too superficial.

4. What kind of concrete help would you need for supporting the growth of your company?

This was an open question and its purpose was to map those means, which could be used to satisfy the development needs of the company.

Again the need for help was highest at the area of marketing and skills of tendering. Support is needed for everyday activities in running the company, so that there is enough know-how to respond to tender competitions and to exploit the software programs so that they will support the daily work. Employees do not have knowledge to work with the software programs and marketing should have more orderliness. Companies need direction and development for marketing its products. Among the answerers was mentioned the challenges of marketing the physiotherapy, physical tests and body constitution services for companies and defence forces.

The answers also revealed that well-being companies have an image that the projects do not really listen to the companies – the project is being helped but the companies not! Now there is a need for supporting the conditions of small businesses and providing

proper education for the industry. Financial management issues need checkups and the economy should have clear system. It was mentioned at the answer that at the moment it is quite hard to make realistic budgetary estimates.

Companies were hoping to have external clarifier because of the problem that in small health and well-being companies the entrepreneurs have to concentrate in taking care of small issues and so bigger issues stay with less attention. Running the company in these conditions is mostly just trying to survive from day to day.

Additionally to marketing and tendering know-how there is also need to improve the managerial skills and productization skills. Practical instructions would be best at improving know-how of tendering because in most cases the big companies win the tendering and small companies are left to fight to be able to survive. The answers included a wish that the educators who understand well-being field would help and coach with these issues.

For company to be able to grow, it requires professional and healthy personnel. Human resources were emphasized in this answer as a lack of professional labour and problems with working atmosphere. At health and well-being industry it is impossible to offer salary, which is high enough, and employee relationships get often problematic because the work is very challenging.

The answer included also wish for strengthening the personnel recruitment and improving the working atmosphere. Companies need help in finding solutions for strengthening and motivating the personnel. They also need help in productization of services and financial issues.

Creating new contacts and networks takes time but it would be significant and important for companies in many ways. The companies were wishing more contacts with other companies and they suggested that the co-operation with payer directions would become improved. Innovations should be executed together to benefit the best of the residents.

It is clear that money is always needed and there is never too much of it - this is true also among health and well-being companies, which hope to get from project some funding for the growth process. Simply, the companies need money! The answerers mentioned also hope to get governmental funding or some amendment with respect to rehabilitation benefit.

Funding counselling and teaching of risk management would be necessary and concrete means to help companies to survive in the competition, which is constantly getting harder. There is also need for help in finding financial channels, mainly investors.

5.a) Have you planned to operate also outside Finnish borders during the next two years?

Three enterprises, which is 8,8 per cent from all the respondents, are planning to become internationalized during the next two years. More than 90 % from the respondents do not have any intention to internationalize during the next two years. Slight interest towards internationalization was to be expected. HYVIS-project has aim to help couple or at least one company in becoming internationalized during the project schedule, so these three companies interested in functioning outside Finnish borders offer a great opportunity for HYVIS project to reach its goal.



FIGURE 5. The plans to operate outside Finnish borders during the next two years.

5.b) If you answered yes, what kind of help would you need for the support in becoming internationalized?

Offering help in issue of getting internationalized did not really raise great interest or enthusiasm among the answerers. The only comments concerned the need of money and help in expanding the networks. Surviving in Tampere region was experienced enough challenging at the moment.

6. Will you accept that the data of your answers will be provided for the Project Manager of HYVIS Pirkanmaa project to serve as ground material during the customer visits?

Less than half of the respondents (41,2 %, 14 companies) wanted to give their contact information connected to answers for HYVIS Pirkanmaa project to serve as ground material at the customer visits. There were 20 companies, which did not want to give HYVIS Pirkanmaa project the permission to use their answers as ground material. Those companies, which answered “yes” to this question, were asked to present their contact information. Altogether 11 companies provided the name and the contact information. This information is confidential and for that reason is left out from this report.



FIGURE 6. The willingness to provide the contact information connected with the response material for the HYVIS Pirkanmaa project.

5.3 Cross-analyses based on the results

5.3.1 Small growth companies and their development challenges

Cross-analysis exposed which were the development challenges of those growth companies which are small in size of personnel but intend to grow more than 20 % during the next two years.

Those health and well-being companies whose personnel is 10 persons or less and which intend to grow more than 20 % highlighted three development challenges equal to each others: Strengthening the know-how in the area of marketing, strategy and service productization. The managing know-how was also mentioned among the most important challenges.

The important difference in development challenges is remarkable when comparing the previous results with those companies, which have the same amount of personnel but have intended to grow only 10-20 % during the next two years. Their development challenges disperse wider, covering the know-how demand in every area of the company. Also these companies have greatest development challenges at the area of marketing and service productization but other and almost as important challenges are with financial management, tendering, strategic know-how and exploitation of technology.

Next we examine the companies whose personnel are between 11 and 20 employees and which intend to grow more than 20 %. These companies did not mention any other development challenges than managerial and marketing know-how. The companies of same size but with intention to grow only 10-20% have also challenge with managerial know-how but experiences equal development needs in tendering and financial management.

The companies with personnel of 10 persons or less have challenges in developing all the areas of the company, to mention as most important the know-how of strategic, marketing and service productization. The only thing, which seems to have no need for development is work atmosphere.

Interesting observation is that the companies with employees between 11 and 20 persons do not claim to have any need for developing know-how in strategic area, exploitation of technologies, service productization or work atmosphere. Their needs condense in managerial and marketing know-how. Also financial management and know-how of tendering need some improvement.

Even if the size of personnel of these companies of employees between 10-20 persons is not much bigger than the size of it in smallest companies, the demand of know-how can be covered in the most areas of the business. This must originate from the reason that bigger amount of personnel brings bigger amount of know-how along with it, even though the difference in personnel is only around 10 persons.

Managerial know-how and marketing knowledge are exactly those areas, which have not been enough big part of studies at the degree programs of health and well-being

education. These are that type of knowledge areas, which are needed and learned through the experience in the real corporate life. The same phenomenon appears at the area of financial management and tendering know-how. Small companies face financing problems because they have to employ more competent staff to deal with marketing and managerial issues.

5.3.2 Big growth companies and their development challenges

The well-being companies with size of personnel of more than 100 and which assume to have a growth for more than 20 % during the next two years did not report any need for development. Instead those companies with the same amount of employees but assuming only 10-20 % growth had lacks in know-how. The two biggest challenges are related to marketing skills and developing know-how at tendering. There is also need to strengthen managerial skills and service productization. Also strategic know-how and financial management need improvement. All of these lacks of know-how explain at least partly why these companies cannot grow 20 % or more like other companies with the same size.

5.3.3 Obstacles for growth considering the revenue of the company

This analysis indicates why health and well-being growth companies are not able to grow more than they already do in terms of revenue. Companies, which grow more than 20 per cent, experience hard market situation and financing difficulties as obstacles for growth.

Those companies, which grow 10-20 %, report that the greatest obstacle for growth is the problem to find proper labour. Also the instability and stagnation of market as well as problems with financing slows the growth.

5.3.4 Companies with no expected growth and their obstacles to growth and development challenges

This cross-analysis reveals that the obstacles for growth among those companies which do not grow or even assume their revenue to lower 10-20 % differ from the obstacles of the companies that expect growth.

Those well-being companies, which assume their revenue to remain the same in the near future, report the unwillingness to grow being the biggest obstacle for growth. Also instability of market, stagnation and lacks in know-how of executing the growth are obstacles for smooth growth. Also financing problems have been mentioned. These companies see all know-how areas of the company as development challenges. The most important development challenge is to strengthen the marketing know-how.

The instability and stagnation of market situation was reported to be the biggest obstacle to growth by those companies, which assume their revenue to decrease 10-20 % during the next two years. Other obstacles are lacks in know-how of how to execute the growth, unwillingness to grow and also the fact that markets are not growing. The greatest development challenges of these companies are to strengthen marketing know-how and service productization. Also all other areas of know-how need development in these companies.

5.3.5 Managerial skills and size of the personnel at the company

This cross-analysis reveals the size of those companies, which need help in managerial issues. Companies with size of personnel between 11 and 20 employees were outstanding in need of managerial skills. Same need exists in companies having 21 to 50 employees and also in companies with more than 100 employees. Exceptional result was that companies with 51-100 employees do not need help in managerial issues at all.

5.3.6 Internationalization and the size and growth of the company

I examined the willingness of becoming internationalized considering the size and the growth of the company.

Willingness to become internationalized occurred only among three growth companies, from which one was size of 1 to 20 employees, second was size of 11-20 employees and third one was a big company with more than 100 employees.

It is understandable that only those companies, which grow and experience some kind of certainty about their business here in Tampere region, desire internationalization. It is surprising that small well-being companies are most enthusiastic in becoming internationalized.

6 CONCLUSIONS

The objective of this thesis was to analyze the obstacles to growth and internationalization among health and well-being growth enterprises in Tampere region. I conducted a survey, which revealed the significant obstacles to growth, most important development challenges and willingness to become internationalized among the companies of the survey respondents.

The questionnaire was sent to 122 companies and 34 companies sent their response. More than half of the answers were small companies with employees between 1-10 persons and the net revenue of the companies varied between 2000 euros and 60 000 000 euros. According to the survey results, more than half of the respondents (55,8 %) estimated to have growth in the revenue during the next two years and the rest of the respondents (44,2 %) estimated the net revenue to remain stable or even to decrease during the next two years.

6.1 The first sub research question: “What are the obstacles to smooth growth?”

The most significant obstacle to growth among the respondent companies was the market instability. The stagnation of market and lack of need to grow were next significant obstacles to growth. Other obstacles are problems in finding professional employees, difficulties with financing and lack of know-how about how to improve growth. The open questions revealed more obstacles experienced by the respondent companies. Limitation of working space limits the recruiting of new employees and lacks in tendering know-how have set barriers to growth. Additional comments opened possibility to open the issue more and it exposed that companies experience municipality as an uncertain buyer but they are expecting positive change as the new health care law (which became valid in Finland, 1 May 2011, which is after the survey was conducted) will add for customers more freedom of choice in choosing their health service provider.

The survey respondents were asked to choose three most important development challenges of know-how in their companies. Based on the results, substantially biggest development challenge was strengthening marketing know-how. Other important challenges were service productizing know-how and managerial skills. Still there is also need for improvement with tendering and financial administration know-how. Open questions add valuable information about the difficulties inside of the companies. Standardizing the quality of the work and productizing the services are those areas which require more training and knowledge among the employees. Information technology has also become challenging through new programs, which are not familiar to the employees. The survey conducted by Socom (Kaakkois-Suomen sosiaalialan osaamiskeskus Oy) searched for answers for development needs among health and social companies at South Karelia. The results connect with the results of my survey in development need of marketing and tendering know-how. Also information technology and using electronic tools was secondly important development task. (Hyvinvointialan yrittäjäyys Etelä-Karjalassa – nykytila ja tulevaisuuden näkymät).

The health and well-being growth companies need concrete help with every day business life including training, consultation and finance. The companies need direction in marketing its products and also in financial administration. The lack of professional labour is serious problem because marketing and other necessary business skills are not always part of the education at health and well-being field. Small companies do not

have enough finance to employ business professionals to take care of marketing, financial administration and other business functions, so the employees of health and well-being companies need to learn also business skills along with their work. The hard employment situation influences also the working atmosphere at the companies. The companies were hoping to receive help from educators who understand well-being field, and who would coach with the problematic issues. Last but not least, the companies need money! Funding counselling and teaching of risk management would help the companies to survive in the competition.

6.2 The second sub research question: “Which are the key issues in becoming competitive at Tampere region?”

According to one of my sources for theory (Hyvinvointialan kehittäminen:peruskartoitukset 2009), the willingness and ability to grow depends from individual skills and decision of the entrepreneur. Essential qualities are willingness to create and to recognize new financial possibilities and other personal risks. Also the situation in life and personal aims of the entrepreneur are connected with the growth goals. These theoretical facts connect with my survey results. Those companies, which are not expecting revenue growth, do not even recognize the need for growth. The pressures with financial problems prevent the plans of growth and development.

Hyvinvointialan kehittäminen:peruskartoitukset 2009 presents also that new possibilities of developing technology and changing needs of customers can be motivating the decision to grow. The survey results of my thesis reveal many areas with serious lacks with know-how and skills. The respondent companies experienced exploitation of technology problematic. The employment situation is hard, which causes problems in meeting customer demands. Together these two issues can create even more problematic situation because meeting the customer demands usually requires fluent exploitation of technologies. This concludes to idea that improvement in know-how of technologies will improve the competitive situation in Tampere region. Improved know-how among personnel influences the quality of service, which influences the customer satisfaction and brings more loyal customers.

6.3 The third sub research question: “Is there interest to internationalize the company?”

The survey was also conducted to find out the level of interest in internationalization among health and well-being companies in Tampere region. Unfortunately only three companies have planned to function outside Finnish borders during the next two years. These companies need financial support and also help in expanding the networks in becoming internationalized.

The last question asked respondents a permission to provide their individual response data to the project manager of HYVIS Pirkanmaa project to serve as ground material during the customer visits. Only 14 from 34 companies gave their contact information in the survey. This result is interesting, especially because the need for help is very urgent and giving the contact information could have provided the company a great possibility to get targeted help and consultation.

6.4 In depth value of cross-analyses

The cross-analyses based on the results provide valuable information because they reveal the connections between different attributes.

The smallest companies with had most important development challenges with know-how in marketing, strategy, management and service productization. The biggest companies with personnel more than 100 employees and which have assumed to have growth of revenue for more than 20 % during the next two years did not have any need for development. Instead, the companies with more than 100 employees but with less expected growth of revenue have development challenges with marketing skills and tendering know-how.

For those health and well-being growth companies which assume their revenue to grow more than 20 % during the next two years experience hard market situation, financing difficulties and lack of know-how as obstacles to growth. Those companies which do

not expect any growth, report unwillingness to grow to be the biggest obstacle to growth.

When considering the need for improving management skills, companies with personnel between 11-20 employees need mostly training in this area. Companies with 51-100 employees did not need help in managerial issues at all.

Internationalization was interesting only for smallest and biggest companies. The medium sized companies have not planned to become internationalized.

6.5 The main research question: “How to insure growth and internationalization for health and well-being enterprises located in Tampere region?”

According to Hyvinvointialan kehittäminen: peruskartoitukset 2009, the growth of the company becomes evident in growth of market share or expansion of the market area, development of business activities in the new areas or growth through acquisitions and fusions. The same theory applies to situation in Tampere region. According to my survey, the market stagnation is the biggest obstacle to growth and marketing skills are the biggest development challenge among the health and well-being companies in Tampere region.

Improvement of service productization skills was also one of the biggest challenges and is exactly the key issue in developing the business. According to Pirkanmaan palvelustrategia 2013, most essential for competitiveness and success of the service producing companies is well planned and conducted development program of service productization, continuous innovation, cost efficiency and customer satisfaction. The competitive, profitable and innovative business has potential to success also at international market.

Internationalization is considered as reluctant response to competitive forces and changing customer demands. The results of my survey connect with this theory. Only three companies showed interest towards internationalization. According to Sapienza, Autio and Zahra, the knowledge is the competence, which is, required to co-ordinate the business activities successfully. This knowledge-based view has a significant role in process

theory of internationalization. The result of my survey exposes the development challenges in very basic areas of daily business activities.

To ensure growth and internationalization for health and well-being companies in Tampere region requires that the growth companies would focus in developing their personnel in the areas the employees have lacks in know-how. Professional consultation especially among young companies would result better strategies and more fluent daily business actions. Companies should actively look for solutions to financial issues and insure that productization of services is constructed in proper way. To become internationalized is encouraged by the new internationalization theory, which presents early cross-border activity as a reflection of the capacities of the new firm and a strategic response to opportunities unseen by competitors. (Autio, Sapienza & Zahra 2000; Zahra, Ireland & Hitt, 2000). Quoting Autio, Sapienza, and Zahra, entering foreign market, even though it risks of failure, it increases opportunities for remarkable growth. Internationalization can be suggested especially for those companies, which are older and have entrepreneurial orientation with proper level of knowledge.

The competitiveness of health and well-being companies in Tampere region would become improved if the public health service sector would replace missing personnel resources by directing more customers to the private sector. This would also encourage private sector to create more innovative solutions and services to meet the increasing customer needs caused by ageing of the population.

6.6 Discussion about growth

According to Charan and Tichy, the growth of the company is strongly in connection with the mindset of the leader and his ability to realize new opportunities.

First thing is to understand that every company can grow and should grow in order to survive. The growth can happen regardless from the stage of maturity. The health and well-being companies of my survey have agreed with many obstacles to growth. One of the biggest obstacles to growth was the fact that there is no need for growth. That is so true, even more than the respondent companies might realize. If the company has al-

ready determined that it has no chance to grow, how could it grow then? According to Charan and Tichy (2000), the mindset has a great importance in the process of growth. If the mindset is wrong, then there is no chance to create growth. The thought that there is no need for growth, is a wrong mindset, because without growth it is impossible to survive in the competition.

The result of the survey revealed that the biggest obstacle to growth is the instability of market. According to Charan et al. (2000), the large market area does not guarantee growth. Concluding from this statement could be said that the instability of market area is not the biggest obstacle to growth among health and well-being companies but rather the unwillingness to grow and to see new opportunities at the market.

The leaders have a great importance in having the right mindset and in communicating it to the employees. By becoming genetic code of the organization, the leader can influence strongly the behaviour of the workers in the company. The respondent companies reported the problems with leadership and it is certainly one of the biggest obstacles to growth.

To be able to grow, it is crucial to realize the needs of the customers. To be able to find opportunities for new products and services, the company should know the demands even before the customers are aware of those. The companies should create new perspectives to inspire and motivate the employees.

According to Charan et al. (2000), growing is less risky than not growing. There is constant competition at the market and there is no way but to find solutions for growth. Still, not all growth is good. So called good growth is sustainable, capital efficient and profitable. The survey respondents had problems with financial administration know-how. This lack of know-how prevents the company to manage the finances and to make proper plans to execute capital efficient and profitable growth.

Charan et al. (2000) emphasize that sustainable growth requires attention to the basics like cost structure, quality, product development and customer service satisfaction. Service productization was one of the biggest development challenges of the survey respondent companies. To be able to provide right product and service to the customers, it

is necessary to know the customer needs. When there is clear understanding of the market situation, competitive advantages and customer needs, the company is qualified to develop its products and services, which can meet the customer needs.

Strategy from the Outside in frees up all the potential creative people and leads the leader to think beyond the boundaries. There are many new opportunities available, but to realize them, it requires from leader courage to think outside the box. This thinking applies perfectly to the idea of internationalization. It requires leaving the comfort zone and extending thinking to reach the opportunities that are not close to the present internal situation of the company. New environment and new culture can inspire the company to create new products and to reach new customers. It could bring competitive advantage to the company, which is trying to create growth. It might require taking a risk, but it is worth of it, coming back to the statement of Charan and Tichy (2000), “Growing is less risky than not growing.”

6.7 Reliability and ethical viewpoints related to this thesis

The reliability of this survey is quite high. The responses of the survey questionnaire were saved directly in the database of Webropol program, which created ready graphs, so the possibility for errors in the quantitative results is very narrow. Open questions naturally leave more room for human errors, but as a researcher of this survey, I have analyzed the answers with my best skills and I have double-checked the results to conduct as rigorous research as possible.

6.8 Closing words

I am grateful that I had a possibility to make this survey, especially because it provided necessary and valuable information for HYVIS Pirkanmaa project. The project manager Marco Roth will be able to use the results in determining the needs of the health and well-being growth companies at Tampere region. This will probably result with better direction of consults and practical help to those companies, which are in need of support. I hope that this survey will help the health and well-being growth companies in Tampere region and especially the respondents of the survey, to realize that they are not

alone with their problems but the competitors are having similar challenges. I want them also to realize that their needs have been recognized by Tampere Region Economic Development Agency Tredea through the HYVIS Pirkanmaa project and the resources it provides.

Obstacles to growth and development challenges are opportunities to discover the weaknesses of the company and the competitive tools and to reactivate the motivation among the employees to obtain better tomorrow in customer satisfaction and revenue growth.

This survey provides only limited amount of information about the issue studied. Therefore, this thesis leaves room for further research about the problematic situation of health and well-being service industry in Tampere region.

7 RECOMMENDATIONS FOR HEALTH AND WELL-BEING COMPANIES

Based on the results of my survey and theoretical frame work, I would recommend health and well-being companies in Tampere region to increase their competitiveness by developing the marketing know-how and other necessary skills of the employees, by looking for professional labour also from other parts of Finland where there is oversupply of health and well-being professionals, and by improving the financial situation with the help of expert consulting. I would also recommend the companies to consider internationalization because it could bring competitive advantage at the market. Internationalization would provide new opportunities and create new environment for innovations.

Most important change, in order to insure growth among health and well-being companies in Tampere region, would be ‘the change of mindset’. I would encourage companies to have faith in reaching smooth growth and to build courage and motivation among the employees.

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APPENDIXES

Appendix 1: 1 (2) The questionnaire's covering note in Finnish

Hyvä vastaaja,

Yrityksenne on valittu mukaan hyvinvointipalveluja tarjoavien yritysten kasvua ja kansainvälistymistä kartoittavaan selvitykseen.

Tutkimuksessa kartoitetaan yritysten kasvun ja kehittymisen pullonkauloja ja pyritään löytämään käytännöllisiä keinoja niiden poistamiseksi.

Kyselyyn vastaaminen kestää noin 5-10 minuuttia. Vastauksia käytetään Tredea Oy:n hallinnoiman HYVIS Pirkanmaa -hankkeen toiminnan ohjaamiseen.

Taustatietoa HYVIS Pirkanmaa -hankkeesta:

HYVIS Pirkanmaa -hanke auttaa hyvinvointialojen yrityksiä pärjäämään kansainvälisessä kilpailussa vahvistamalla henkilöstön osaamista. Hankkeen kautta yrityksiä autetaan kasvamaan ja menestymään alalla, joka tuo elinkeinoelämän rakennemurroksessa uusia työpaikkoja ja verotuloja maakuntaan.

Hyvinvointialan yrityksille hanke tuo lisää liikevaihtoa ja parempaa kannattavuutta. Käytännönläheisten ja tuloksiin tähtäävien konsultointien ja koulutusten avulla luodaan pohja yritysten kasvulle ja menestymiselle.

Hankkeen toteuttajia ovat Tredea Oy, Sastamalan Seudun Yrityspalvelu Oy sekä Länsi-Pirkanmaan koulutuskuntayhtymä. Hanketta rahoittavat Pirkanmaan ELY-keskuksen kautta ESR ja Suomen valtio, kunnat sekä hankkeeseen osallistuvat hyvinvointialan yritykset.

(continues)

Appendix 1: 2(2)

Halutessanne tarkempia tietoja tutkimuksesta, voitte ottaa yhteyttä HYVIS Pirkanmaa – hankkeen projektipäällikköön:

Marco Roth

p. 040 800 7865

marco.roth@tredea.fi

Kiitos ja menestystä liiketoiminnallenne!

Ystävällisin terveisin,

Tampereen kaupunkiseudun elinkeino- ja kehitysyhtiö Tredea Oy

Appendix 2: 1 (2) The questionnaire's covering note translated in English

Dear Respondent,

Your company has been selected to the survey, which maps the growth and internationalization of health and well-being companies.

In the survey, we try to map the bottlenecks of growth and development of the companies and to find practical means to remove them.

It will take approximately 5-10 minutes to answer this inquiry. Answers will be used to direct activity of HYVIS Pirkanmaa project.

Background information of HYVIS Pirkanmaa project:

HYVIS Pirkanmaa Project helps health and well-being companies to success in the international rivalry by strengthening the know-how of personnel. Through this project companies are being helped to grow and to success in the field, which brings new jobs and tax revenue to the province in the middle of structural change at economic life.

The project brings more of revenue and better profitability to health and well-being companies. The foundation for growth and success is built by practical and profit targeting consultancy and training.

Realizers of the project are Tredea Oy, Sastamalan Seudun Yrityspalvelu Oy and Länsi-Pirkanmaan koulutuskuntayhtymä. The project is financed by ESR and the government of Finland through Centre for Economic Development, Transport and the Environment as well as by municipalities and by those health and well-being companies, which participate in the HYVIS Pirkanmaa Project.

(continues)

Appendix 2: 2(2)

If you would like to have more information about the survey, please contact the project manager of HYVIS Pirkanmaa project:

Mr Marco Roth
Tel. 040 800 7865
marco.roth@tredea.fi

Thank you and success to your business!

Best regards,
Tampere Region Economic Development Agency Tredea

Appendix 3: 1 (3) Business research questionnaire in Finnish**LISÄÄ LIIKEVAIHTOA JA PAREMPAA KANNATTAVUUTTA
HYVINVOINTIALAN YRITYKSILLE****Tampereen kaupunkiseudun elinkeino- ja kehitysyhtiö Tredea Oy****I YRITYSTÄNNE KOSKEVIA TAUSTATietoja*****Yrityksen koko ja liikevaihto*****1.a Mikä on organisaationne työntekijämäärä?**

- 1-10
- 11-20
- 21-50
- 51-100
- 100>

1.b Mikä on organisaationne liikevaihto? _____ euroa / vuosi**1.c Miten paljon arvioitte liikevaihtonne muuttuvan seuraavan kahden vuoden aikana?**

- kasvaa yli 20 %
- kasvaa 10-20 %
- pysyy samana
- vähenee 10-20 %
- vähenee yli 20 %

(continues)

Appendix 3: 2(3)

II YRITYKSENNE KEHITTÄMISTARPEET

Yrityksen kasvun esteet

2. Mitkä ovat kaksi merkittävintä kasvun estettä yrityksessänne?

- markkinat eivät kasva
- markkinatilanteen epävakaus
- rahoitusvaikeudet
- työntekijöiden saatavuusongelmat
- ei kasvun tarvetta
- osaamisen puutteet kasvun toteuttamiseksi
- jokin muu, mikä? _____

Lisäkommentteja:

Yrityksen kehityshaasteet

3. Mitkä ovat suurimmat osaamiseen liittyvät kehityshaasteet yrityksessänne? Valitkaa kolme tärkeintä.

- johtamisosaamisen vahvistaminen
- markkinointiosaamisen vahvistaminen
- strategisen osaamisen vahvistaminen
- teknologioiden hyödyntämisaamisen vahvistaminen
- kilpailutusaamisen vahvistaminen
- palveluiden tuottamisaamisen vahvistaminen
- taloushallinto-osaamisen vahvistaminen
- työilmapiirin parantaminen
- jokin muu, mikä? _____

(continues)

Appendix 3: 3(3)

Lisäkommentteja:

4. **Mitä konkreettista apua tarvitsisitte kasvunne tueksi?**

5. a) **Oletteko suunnitelleet toimivanne seuraavan kahden vuoden aikana myös Suomen rajojen ulkopuolella?**

- kyllä
- ei

5. b) **Jos vastasitte kyllä, niin millaista apua tarvitsisitte kansainvälistymiseenne tueksi?**

6. **Voidaanko vastaustietonne luovuttaa HYVIS Pirkanmaa –hankkeen projektipäällikölle yrityskohtaisten asiakaskäyntien pohjamateriaaliksi?**

- kyllä

Yritys, yhteyshenkilön nimi, sähköpostiosoite ja puhelinnumero:

- ei

Appendix 4: 1 (3) Business research questionnaire translated in English

MORE OF REVENUE AND BETTER PROFITABILITY TO HEALTH AND WELL-BEING COMPANIES

Tampere Region Economic Development Agency Tredea

I BACKGROUND INFORMATION OF YOUR ORGANIZATION

The size and net revenue of the organization

1.a **1. a) What is the number of employees at your organization?**

- 1-10
- 11-20
- 21-50
- 51-100
- 100>

1.b **What is the net revenue of your organization (euro/year)?**
 _____(euros / year)

1.c **How much is the estimated change in the net revenue of your organization during the next two years?**

- Increases more than 20 %
- Increases 10-20 %
- Remains the same
- Decreases 10-20 %
- Decreases more than 20 %

II DEVELOPMENT CHALLENGES OF YOUR COMPANY

The obstacles for growth in the company

(continues)

Appendix 4: 2(3)

2. **Which are the two most significant obstacles to growth in your company?**

- Markets do not grow
 - Instability of market
 - Difficulties with financing
 - Problems with availability of employees
 - No need for growth
 - Lack of know-how of how to improve growth
 - Some other thing, what?
-

Additional comments:

The development challenges of the company

3. **What are the biggest development challenges of know-how in your company? Choose three most important ones.**

- Strengthening managerial know-how
 - Strengthening the marketing know-how
 - Strengthening strategic know-how
 - Strengthening know-how in exploitation of technologies
 - Strengthening tendering know-how
 - Strengthening service productizing know-how
 - Strengthening financial administration know-how
 - Improving work atmosphere
 - Some other thing, what?
-

Additional comments:

(continues)

Appendix 4: 3(3)

4. **What kind of concrete help would you need for supporting the growth of your company?**

5. a) **Have you planned to operate also outside Finnish borders during the next two years?**

- Yes
- No

5. b) **If you answered yes, what kind of help would you need for the support in becoming internationalized?**

6. **Will you accept that the data of your answers will be provided for the Project Manager of HYVIS Pirkanmaa project to serve as ground material during the customer visits?**

- Yes

Company, name of the contact person, Email address and phone number:

- No