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ECM Market review

Is there space for M-Files in the Swedish
ECM market?

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Tämän päivän yrityksissä ja erilaisissa organisaatioissa käsitellään valtavia määriä tietoa. Informaation hallinnasta onkin tullut yksi yritysten keskeisistä menestystekijöistä ja kehityskohteista. Opinnäytetyö on tehty M-Files Oy:lle, joka on yksi suurimmista ECM-yrityksistä Suomessa. M-Files hakee kasvua maan rajojen ulkopuolelta. Ruotsin ECM-markkinat ovat erittäin houkutteleva kohdemaa M-Filesille. Houkuttelevuus johtuu Ruotsin markkinoiden koosta, kasvupotentiaalista, maantieteellisestä sijainnista, samankaltaisesta kulttuurista ja kielestä.

Opinnäytetyön tarkoituksena on selvittää millaisilla markkinoilla ja millä edellytyksillä M-Files voisi toimia Ruotsissa. Tässä työssä tutkitaan markkinoiden koostumusta, asiakkaita, kilpailua ja paikallisia trendejä.

Tutkimuksessa käytetty menetelmä on laadullinen tapaustutkimus. Tutkimusaineisto koostuu ensi- ja toissijaisista lähteistä. Ensisijainen materiaali kerättiin haastatteluilla ja toissijainen materiaali on kerätty internetistä, teollisuusraporteista, vuosikertomuksista ja kirjoista. Tutkimuksessa haastateltiin setsämää ECM-asiantuntijaa.

Tutkimuksen tulokset tarjoavat uutta tietoa Ruotsin ECM-markkinoista ja sen kilpailutilanteesta. Näiden tietojen perusteella M-Files voi tehdä parempia strategisia päätöksiä Ruotsin markkinoiden kannalta. Johtopäätöksenä voidaan todeta, että M-Filesin tulisi tulevaisuudessa keskittyä enemmän Ruotsin ECM-markkinoihin.

| Avainsanat | ECM, Ruotsi, Markkina-analyysi, ohjelmistoliiketoiminta |

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Today, companies and various organizations are processing massive amounts of data. Information management has become one of the key factors in the success of companies and development areas. The thesis was commissioned by M-Files, which is one of the biggest ECM providers in Finland. M-files, as well as other companies are looking for growth abroad. The Swedish ECM market is very attractive for M-Files to focus on. The attractiveness is caused by market size, growth potential, geographical location, similar culture, and language.

The purpose of the thesis is to identify in what type of market, and under what conditions M-Files corporation operates in Sweden. This paper studied the composition of the market, customers, competition and local trends.

The research method was a qualitative case study. The material used in the study consisted of primary and secondary data. The primary data was collected with interviews, and the secondary data was collected from the Internet, industry reports, annual reports and books. Seven selected ECM experts were interviewed for the study

The results of the study provide new information about the Swedish ECM market and its competitive situation. M-Files can make better strategic decisions in the Swedish market on the basis of this information. It can be concluded that the M-Files should focus more on Swedish ECM market in the future.

Keywords	ECM, Sweden, Market analysis, software business

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1 Introduction

Enterprise Content Management (ECM) plays an important role in the ICT industry and it's one of the growing areas of ICT Markets. Today it is one of the companies' key to success. The amount of data due to ECM system's role has been continuously increasing in recent years. For today successful company, one of the objectives of the strategy is that all company information is available, including the unstructured data. However, this is why ICT Services play an important role in organizations and companies by providing advice, expertise, solutions and the right tools for their jobs.

The aim of this analysis is to help M-Files in decision-making about the Swedish ECM Markets. The purpose is not to give a clear answer about whether there is space for the M-files in Swedish ECM market. The study will also discuss factors which relate to the company's expectations and how these can be achieved.

As the author I will be able to provide inside information on the subject as I have been working in the M-Files marketing department since September 2013. First as a trainee and then as a marketing analyst. The study was conducted in the spring 2014. (February to April)

1.1 M-Files

M-Files' Corporation was established in 1989 in Tampere, Finland. M-Files is a software company, which consists of M-Files Oy and a subsidiary M-Files Inc. The company has two offices in Finland and one in the USA. The personnel turnover has risen for several years by over 40 percent, and last year the company hired more than 70 new employees in sales, product development and consulting. The revenue was 12,6 million euros in 2013. 56 percent of the revenue is generated in Finland, but the situation is changing in the opposite direction. Thousands of companies in more than 100 countries use the M-Files products. The strongest export markets are the USA, Switzerland, France, the UK, Australia and Canada. At the moment M-Files has one partner in Sweden, which is iStone.

In 2013, the research company Gartner upgraded M-Files on the world's most promising data management solutions list. Forrester Research (2013), in turn, in their report ranked M-Files as a "contender" for the big industry players. Deloitte has listed M-Files to Deloitte Technology Fast 500 EMEA and 50 Finland –lists in 2010-2013.

The company's business model is providing technology products for its customers. The main business is Enterprise Content Management (ECM). M-Files ECM is a content management solution, which increases the efficiency and productivity of organizations in a unique way by utilizing the metadata structure. The solution is suitable for all kinds of industries and all sizes of companies. The most commonly used M-Files software is M-Files Document Management System (DMS) and it acts as a platform for other M-Files' software which are Quality Management System (QMS), Human Resource (HR), Contract Lifecycle Management (CLM), Enterprise Asset Management (EAM) and various customized solutions.

1.2 Objectives, scope and limitations of the study

The aim of this study is to investigate the Swedish ECM market's market situation and to examine if there is space for M-Files in the Swedish ECM market and which sectors could be particularly interested in it.

This study is limited to merely cover the Swedish ECM market. The study also discusses the Swedish ICT market in general, because the relevant information about the Swedish ECM market is not widely available and the ICT industry trends give an indication towards those of ECM. All in all ECM covers company information management and its systems.

This study is a one-off and a descriptive market analysis and it includes primary data and secondary data. The primary data is collected from semi-structured interviews. The secondary data is the statistics, other studies, journal articles, the data collected from Internet and the company's own written data. The secondary data is collected especially about competitors, the overall market and potential customers and the data was mainly collected from reliable Internet sites.

1.3 Theoretical framework

The main theoretical framework of the study is Porter's five forces model, which is used to describe the competitive market situation and its formation. The five competitive forces model is used to examine the market attractiveness from the company's point of view, in this case, the M-Files. The market analysis is presented in the theoretical framework in the study because in order to succeed it is essential to know what kind of market information should be collected. The concept of the ECM will also be clarified. This section focuses on the findings of existing studies about ECM industry. So, what kind of direction ECM products and markets are developing in the future. Later, this data can be compared with the data obtained from the interviews.

Swedish ICT market is presented as framework; this section is focuses on the Swedish ICT sector, the Swedish economic climate and concentration of the industries. The country's economic situation is affecting organizations' willingness to invest, in this case the Swedish organization's ECM investments. The Industry structure is considered in order to identify those sectors where M-Files' solution might have particularly high demand in Swedish ECM market. The ICT sector coverage is justified by the mere fact that it also covers the concept of ECM. The need for this section is also evident since the M-Files' Chairman of the Board is an American, as well as a significant part of the workforce are of non-Nordic origin, so their knowledge of Sweden can be assumed to be weaker than the Finns' knowledge.

1.4 Research question

The main research question can be considered to be "Is there space for the M-Files in Swedish ECM Market?" which appears in the title of the study.

 The sub-questions are:

- What are the biggest drivers in Sweden for organizations to adopt an ECM solution?

- When looking at ECM adoption, are there certain industries that are ahead of others?

- How do organizations in Sweden typically find, evaluate and select ECM technology and who is helping them with this process?

These questions seek to collect the most comprehensive information about market conditions in the Swedish ECM market, and later the factors M-Files should take into account in Sweden can be presented on the basis of this data. The questions were compiled with the help of M-Files.

2 Market analysis

2.1 The objectives of the market analysis

The aim of the market analysis is to provide information that helps organizations make better decisions (Lotti 2001, 26). A market analysis is part of a market research, which in turn is part of marketing research (Lotti 2001, 28). Market information is very important to a company's operations.

Lotti (2001, 18-21) describes a hierarchy of information by a four level pyramid, in which the bottom is the raw material of knowledge, data. On the second level is the interpreted data, which is achieved by combining the organization's external data to internal data. The third level is expertise, which comes from uniting different data. The sign of expertize is that the effects of different measures can be anticipated. At this level, quiet and explicit i.e. the hard, documented information are combined. Lotti states that for market analysis elements from all the levels of information are required. Information should be collected purposefully and its usefulness should be assessed.

For a market analysis, data is collected and analyzed by using market research methods. Market analysis requires data and interpreted information, which is derived by combining the company's external and internal information. For the integration of information to be successful, it should be based on regularly and systematically produced indicators and key figures. (Lotti 2001, 26-28).

A market-analysis combines the information in the main proceedings from an organization's operating environment, markets, customers, other stakeholders and the products (Figure 1). Lotti notes that the market analysis information can be combined with the company's financial or other figures, which are used for management purposes. The following chapter will discuss collection of information in more detail.
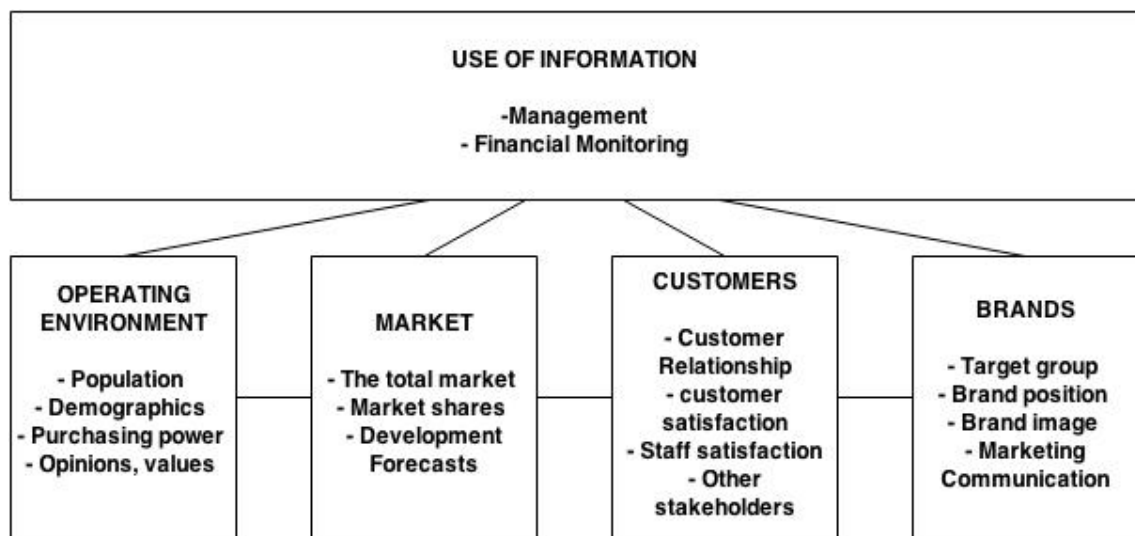

FIGURE 1. The emergence of a market analysis (Lotti 2001, 27)

The results of market analysis can be used in many ways. On the basis of the results an organization should determine which functions need to be developed. In addition, the results can also be used for, monitoring the progress of sales and marketing tools. The data allows better response to competitor actions and customer needs. Market research delivers value among other things when a company launches a new product or a service. (Birn 2004, 182, 189) In commercialization of professional services, market surveys provide information for the basis of the organization's external analysis. Then the focus is on the identification and the interpretation of potential trends and their impact on the expert organization. The opportunities and threats of market environment should be evaluated on the basis of the external analysis (Lehtinen & Niinimäki 2005, 69-70)

According to Vaarnas, Virtanen and Hirvensalo (2005, 26-27) study, information helps protect against risks, reduce costs, and can also be seen as a competitive tool. The information management helps organization to identify the changes in the operating

environment. The problem with information is that so much raw material of information is available that it is difficult to identify relevant information. The need for information is high but the quality of information is paramount.

According to Anttila and Iltanen (2001, 350) the market analysis should examine the number of potential customers, breakdown of the customer target groups, the average purchase by customer target group, market size by segment, the saturation rate of the market and changes in marketing regarding to the factors mentioned above. Mäntyneva, Heinonen and Wrange (2003, 10) argue that market research will address the composition of market, entities operating there, competition, and general trends.

2.2 Operating environment

According to Lotti (2001, 30-47) the operating environment examined in the market analysis mainly includes the macro environment. Lotti's opinion is that the different groupings of the population, including socio-economic status, and number of data are the basis for assessing the size of the market. They are also used in defining and analyzing the target market, opinions and consumer behavior. Kotler and Armstrong (2008, 65-68) state that a company is included in the microenvironment as one part of it. The microenvironment includes parties, which work closely with the organization, such as suppliers, middlemen of marketing, customers, competitors and public actors. The microenvironment has characteristics that can be influenced. The macro environment comprises a wider environment in which also the microenvironment parties are active. The areas are demographic, economic, environmental, technological, political, and cultural forces. The main feature of the macro-environment is that it cannot be controlled. The macro-environment shapes the organization's opportunities and threats.

According to Xu (2005, 24-27), when analyzing the operating environment one should devide a macro environment into uniform subgroups, which are easier to handle. For this purpose Xu offers a PEST classification system. The letter combinations PEST arises from the words politics, economical, socio cultural and technological. When the operating environment is analyzed the relations between these factors and the impact on organization's activities should be examined. Political factors include legislation among other things. The researcher says that many of the political decision spring from

economic or social and cultural practices. The evolution of technology will also be taken into account. Development of the Internet has had a major impact on the way businesses make purchases. The most important category is the socio-cultural factors that dominate all other PEST categories. These factors influence people's choices and include societal beliefs, values and attitudes.

2.3 Market

The market as a concept is ambiguous. In general, the market is defined as a group of potential customers. The market can be understood also more widely. This chapter examines the concept only from the B2B market point of view because the M-Files operate only in the B2B market.

Kotler and Keller (2012, 31) describe B2B markets as a market where companies sell business goods and services to professional buyers. On B2B Market demonstrating shows, a big role because it is important show to customers how their products will help achieve higher revenue or lower costs. The sales force, the price and the company's reputation can play a big role.

Smaller customer bases and the power of large customers and their importance are the reasons why suppliers are expected to customize their offerings to specific business customer needs. On the b2b side, a wide range of people with different backgrounds and motivations take part in the purchase decision process so sales force has to be well trained to deal with the customers. (Kotler and Keller 2012, 206-7)

On B2B markets, personal selling and skills are emphasized. Long-term customer relationships are typical for the b2b market. Well-managed long-term customer relationships are beneficial for both the selling company and the customer. The benefits of long-term customer relations for the selling company include increased profitability and sales, lower costs, free word-of-mouth and customers given references based marketing, reduced price sensitivity of customers, learning and new competences and reduced staff turnover rate (Ojasalo & Ojasalo 2010, 126). In ECM business customers want to change the system as little as possible because the implementation of projects

are slow and expensive. In addition, annual licenses are a major source of revenue for software enterprises.

Ojasalo and Ojasalo (2010, 129-132) point out the fact that the long customer relationships generate safety, predictability and continuity, providing the seller with benefits that are highlighted in the current economic times. In addition, the buyer has significant advantages about long supplier relationships. Generally speaking, with a long-term supplier relationship customers have access to higher value for themselves. When the seller constantly produces great value to the customer, the customer has a greater motive to retain the relationship without considering the other options.

Ojasalo and Ojasalo (2010, 132) also deal with the benefits long-term supplier relationships to the customer. The first of these is mentioned the confidence that the supplier company has earned with top-quality products, professionals, services, or course of action. When the customer trust is in order, customers tend to remain the same supplier as customers. Another advantage of benefits is the special treatment as well as customization. The customization means that the customer is identified by special services or pricing relative to other customers. One important addition to soft benefits is the social benefits associated with direct personal relationships between people. These may include, for example, friendship and the opportunity to discuss the issues confidentially. These things often has the most important role in the B2B customer relationships and personal relationships as well as networks are emphasized the narrower market segment in question.

The long-term relationships also involve risks. To give an example, a company might commit itself to a particular customer too strongly, in such a way to exclude other possibilities out or the company may incorrectly interpret the customer relationship, and will fail to achieve mutual security (Ojasalo & Ojasalo, 2010, 25, 133). Ojasalo and Ojasalo (2010, 25) describe the B2B Market in the following figure (Table 1).

Table 1. The characteristic of B2B markets (Ojasalo and Ojasalo 2010, 25)

Structure of Market	• Geographically focused • Relatively few buyers • Few sellers compete with each other
Products and services	• Possible technically complex • Tailored to customer needs • Service delivery and availability are very important • Purchased for purposes other than for personal use
The Buying behavior	• The buyers are often well trained professional buyers • Several different levels of the organization and the departments are affect to purchase
Relationships between seller and buyer	• Technical expertise is valuable • Personal relationships between buyer and seller • A significant exchange of information between the parties is personal • Stable and long-term relationships encouraging faithfulness
Distribution channels	• Short and straight
Marketing communication	• Focus on a personal sales efforts
Price	• Either invitation to tender or complex buying process-related
Demand	• Derived • Inelastic (in the short term) • Highly variable • Discontinuous

2.3.1 Evaluation of the overall market

According to Lotti (2001, 49), the knowledge about the overall market is the one of the most important parts of market analysis. The total market represents companies, products and brands relation to its major competitors. Industry-specific information about the overall market is produced by, for example, research companies, industry associations and statistical authorities.

According to Xu (2005, 22, 45, 69), the total markets can be examined by measuring the market's age, size, growth rate, potential, concentration, saturation, attractiveness, substitution and market shares. The market size is an important part of the market-examination. Market size is generally measured by the product or amount of purchased services. Also, the market growth rate is important. If a company's growth rate is higher than the market, its competitive goes well. The market share is perhaps the most important indicator that shows organizations status relative to competitors. It also refers to a company's stability and the position in the market. It would be important to monitor the changes in market shares over time. Market shares should be considered in the different segments. In addition, the product lifecycle, seasonality, and trends can be examined (Lotti 2001, 54). Market potential can be measured by Porter's five competitive force model presented subsequently.

2.3.2 IT Market

Hoch, Roeding, Purkert, Lindner and Müller (2000, 27) have divided the IT market (Figure 2) into four main categories: hardware products, hardware maintenance products, software products and services, as well as processing services and Internet services. Software products and services can be divided into three main entities: embedded software including services, professional software services as well as software products that can be further divided into enterprise solutions, and packaged mass-market software.
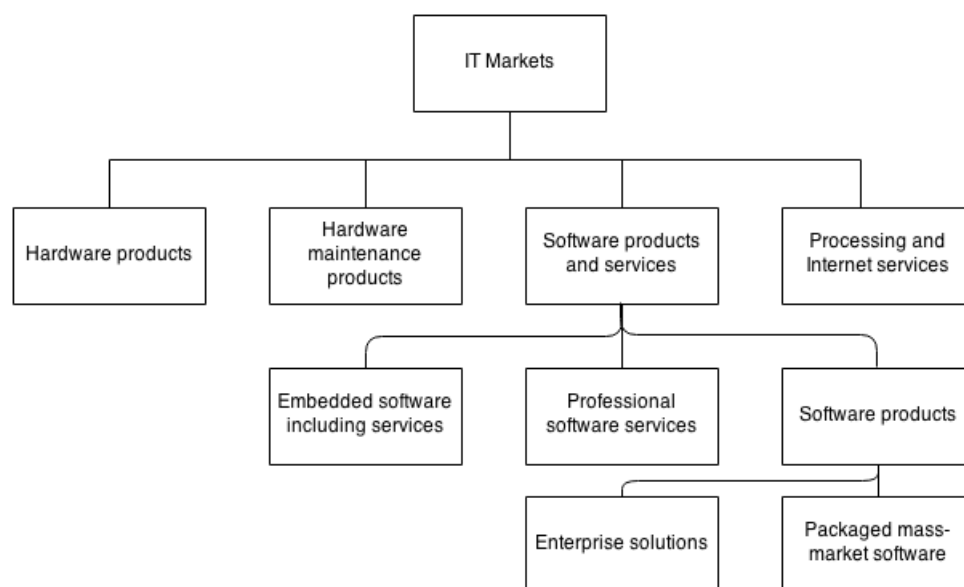

Figure 2. IT markets According to Hoch et al (2000, 27)

2.3.3 The definition of ECM

AIIM (Association for Information and Image Management) defines Enterprise Content Management (ECM) as follows:

"Enterprise Content Management (ECM) is the strategy, method and the tool that is used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. ECM tools and strategies allow the management of an organization's unstructured information, wherever that information exists."

ECM term is ambiguous and, therefore it does not mean the actual system solution or a pure product but it can be thought as one of the possible term for a wide range of different types of content management products. The term ECM is much the same style and even partly overlaps with content management concept. In addition, companies that produce content management systems have differing thoughts and opinions of the ECM concept, and it makes difficult to delimitate the concepts. Although the ECM is basically just a variant of existing technologies, it can be thought of as a kind of strategy or vision of system that are used to manage all the content which is used in the company.

ECM concept could be described in the phrase "The whole organization-wide content management." ECM will aim to combine traditionally regarded as separate "silos" into a single entity that is managed by common principles and methods.

From the perspective of the ECM, system typically consists of the following elements:
- Document management (DM)
- Document management (RM)
- Workflow / Business Process Management (BPM)
- Web Content Management (WCM)
- Teamwork
- Content search
- Digitization, OCR
- Electronic forms
- E-mail management and archiving

The ECM enables an organization to achieve the many benefits from cost savings to data quality, integrity and accuracy, whose importance for business should not be underestimated. It makes it possible congruent working methods, and entirely by electronically produced processes. The ECM increases potential for more business opportunities and improves customer service. The essence of the ECM is that it examines issues from the perspective of the whole organization. (AIIM 2011)

Compliance and provisions of the laws of Business processes poses risks and costs when introducing new systems. The ECM is able to adapt to these demands when the contents are imported, saved, managed, stored and destroyed appropriately reducing the risks. When all of the content can be stored in a central content storage, changes to back-end system does not affect to the finding the content or presentation of the finding result, company has no need to change the system integrations whenever one of the single system changes. The ECM can be certified as part of the company's operating model, making it a tool for the implementation of activities under the standard. (Kampffmeyer 2006, 19-20)

2.3.3 Charasterics of ECM Markets

AIIM's research (2011) shows that the main reasons for the acquisition of ECM solutions are improving the organization's operational efficiency and optimizing processes. (Figure 3) At other important matters to be considered a "Compliance & Risk Management", in practice the laws, regulations and guidelines, as well as ensuring compliance with risk management. In addition, to improving customer service should not be over looked as an important criterion for ECM projects.
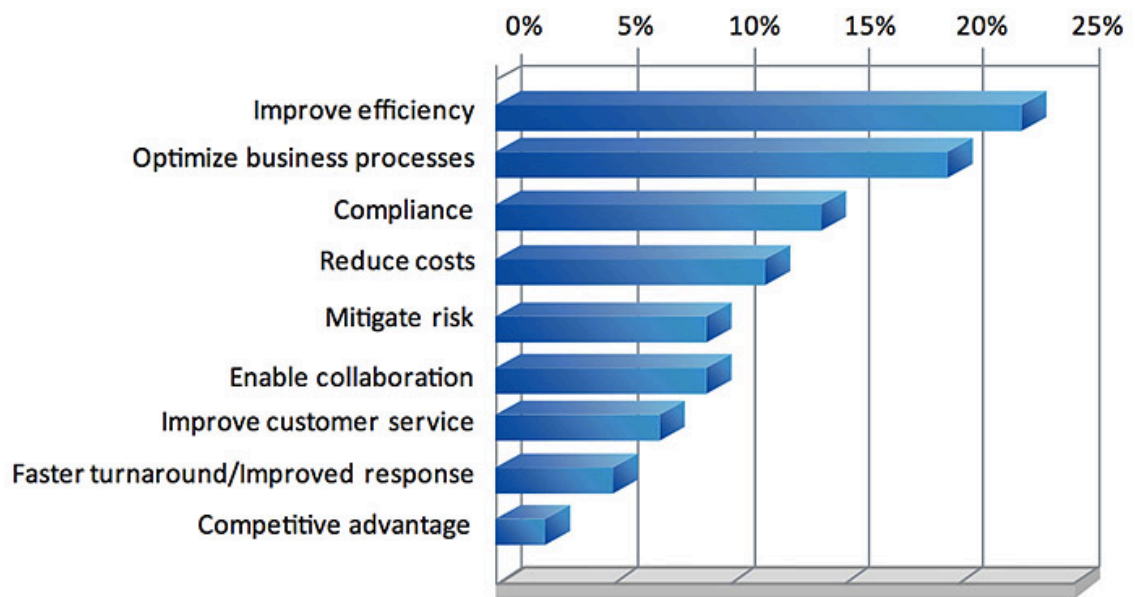
Figure 3. The most significant business drivers for ECM project (AIIM, 2011).

Numerous companies have to use various ECM systems simultaneously, 72% of larger organizations have 3 or more ECM/DM/RM systems and 25% have 5 or more ECM/DM/RM systems. 42 % of AIIM's survey respondents consider replacing the existing systems with one single-vendor ECM system in the future.

Figure 4. The Transition into Digital Business. Source: Gartner 2013

Gartner (2013) report predicts that in the future companies will move to new working environments and working methods, as business is becoming digitized. These issues affect the company's competitiveness and productivity. The ECM market (See Figure 4) is currently used by old and new practices at the same time, although parts of the

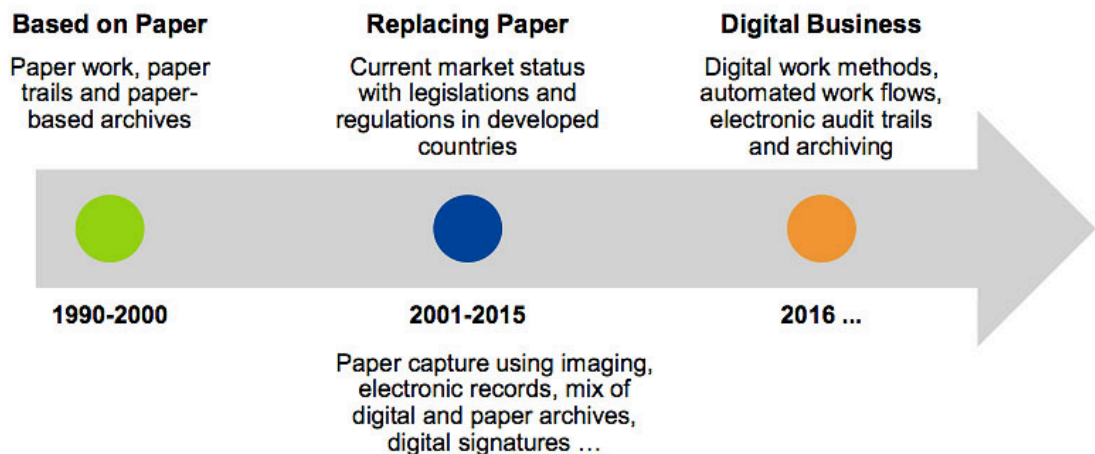market are constantly approaching paperless transactions. We are still many years away from new digital working methods. The causes, consequences and questions of this new change the business are:

People communicate over online "social" communication instead of using email. Those online applications or online communication methods do not have legal endorsement that email has. How is that information collected and stored in ECM systems? How User-generated content such as texting, communities, video, rich media, Web TV, blogging, wikis, maps, and other personal will be considered, treated and stored?

According to Radicati (2013) the overall ECM market will grow from $5.1 billion in 2013 to over $9.3 billion in 2017. The average annual growth is 16% over the next four years. In Sweden, the growth is slightly slower. (Figure 5)
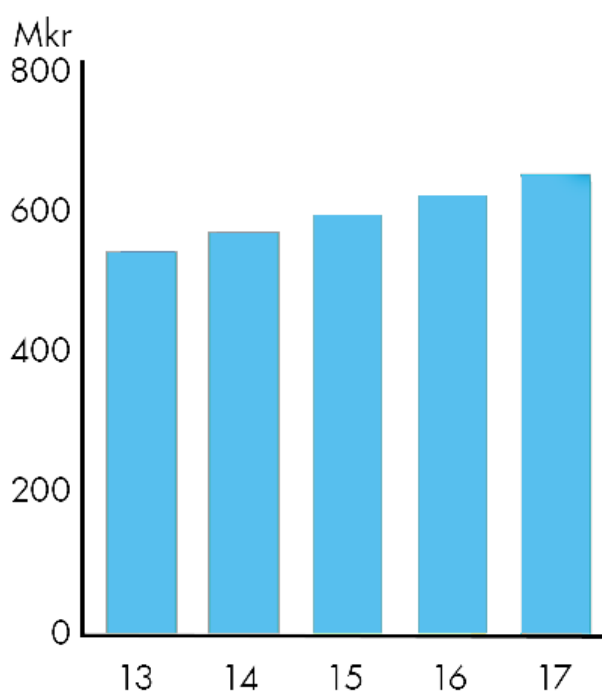

Figure 5. Gartner market forecast of Swedish ECM market size in 2013-2017 in SEK (Formpipe 2014)

2.4 Customers

Having Better and higher quality customer service than competitors is a good way to achieve market differentiation. High quality customer service also provides added value to customers. If customer service is to be used as a competitive tool, the competitors' methods must be determined in order to serve their customers. It must aim towards differentiating customer service (Bergstrom & Leppänen 1997, 180-181).

Customer relationships are strategically important and valuable. Customer relationships are valuable based on their possibility to provide economic return or future business opportunities. Strategic customer relationships generate a large part of the company's turnover and therefore contribute to the durability of the company (Storbacka, Sivula & Kaario 2000, 15)

The manner in which the company divides the target customers is called segmentation. (Jobber & Lancaster 2003, 14) the market segments can be generate by identifying the customers who have similar needs and desires. The individual segments can also be divided into smaller niche segments. One way to segment is based on the locality of the market its extreme form, is that a single customer can form a segment. Corporate customers can be segmented with many different criteria. Demographic criteria are the industry, company size, and geographic location. Customer practices and existing technologies, purchasing habits, situational factors or company features can also act basis of segmentation. (Kotler & Keller 2009, 248-250, 267)

2.5 Brands

There are a number of different definitions for the brand. Most of the definition emphasizes the brand's differential visibility and symbols. In simple terms, a brand is name, emblem, symbol, shape, or combination of such approaches, which can be used to identify a particular brand's products or services. Such identifiers that distinguish the products from competitors' products, such as the Adidas three stripes, Fazer Blue chocolate wraps and a golden signature. (Vuokko 2003, 119 - 120)

Gustav Hafren's Brand definition is crystallized in the following way: "The brand is the added value that the consumer is willing to pay more for the product compared to regular, anonymous product, which also fulfill the same purpose. Unsigned product is just a commodity. When a brand is not able to offer the consumer a better advantage than its competitors, it becomes a commodity. The fate of commodity is prescribed by market price. "(Laakso 2003, 22)

The brand's value can be calculated. The key metric is the brand recognition. The brand can be measured by amount of usage and loyalty. Measuring the opinions of the brand it will always be compared to major competitors. The image-related issues are: satisfaction with the product, as well as opinion on its quality, price and product performance. (Lotti 2001, 89-93)

According to Hoch et al (2000, 20-21) brand and expertise image building is typical for the software business through aggressive advertising, public relations and sponsorship. Successful software product companies are marketing a strong brand and investing to form marketing alliances.

3. Porter's five forces model

This part of study will consider identifying the key structural features of industries that determine the strength of the competitive forces and hence industry profitability by using Porter's five forces model. Michael E. Porter created five forces model in 1979 for analyzing the micro-environment and it takes account of the competitive forces that shape the industry structure. (West, Ford & Ibrahim 2010, 79) According to Porter (2004) the industry's state of competition depends on five basic competitive forces. Those forces are show in Figure 6. The collective strength of these forces rule the ultimate profit potential in the industry and the competence of organization in an industry to earn rates of return on investment in surplus of the cost of capital. (Porter 2004, 3)

According to Porter (2004, 4) the goal of competitive strategy is for company to find a position in the industry where the organization can best uphold itself against these competitive forces or can influence them in its favor. The essential reason for developing strategy is to go beyond the surface and analyze the sources of each. Understanding these hidden sources of competitive pressure draw attention to the critical strength

strengths and weaknesses of the organization, in essence it points to its positioning in its industry, simplifies the areas where strategic changes may generate the greatest outcome, and also point out the areas where industry trends promise to influence the greatest impact as well as opportunities and threats for the organization.

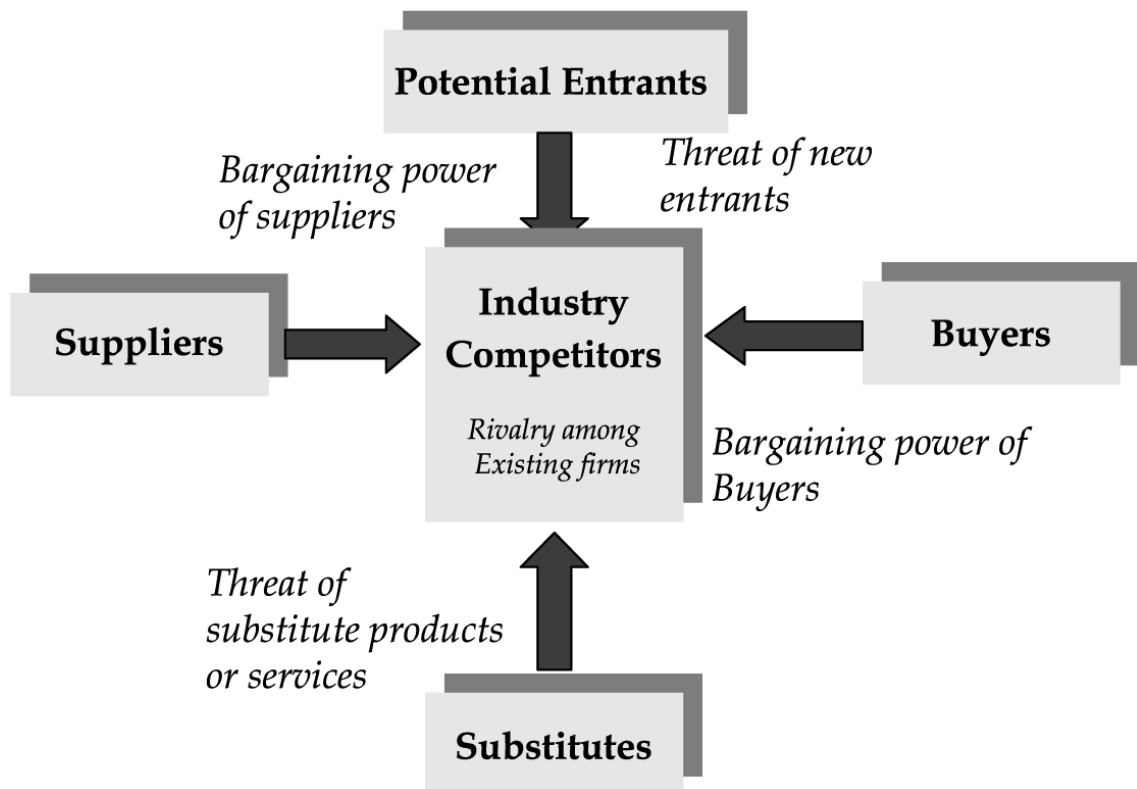Figure 6. Forces Driving Industry Competition (Source: Porter 2004, 4)

3.1 Threat of new entry

New comers are always a potential threat to existing businesses. It can lead to a potential in lower prices and loss of market share as well as important resources (Porter, 2004, 7). There are six major entry barriers of which affecting to the threat of entry into an industry. These barriers to entry are presented in table 2.

Table 2. The six major sources of barriers to entry. (Porter 2004, 7-13)

Barrier to entry	**Impact**
Economies of Scale	Large-scale production is achieved benefits when the production technology generate high fixed costs compared to the maintenance costs. As the company grew the production costs are much lower, and so can be made more profitable products than a small company.
Product Differentiation	Product differentiation means that the products manufactured by the company have brand identification and customer loyalties. And this may create a barrier to entry by forcing new entrants to invest heavily to overcome existing customer loyalties.
Capital Requirements	Sunk costs need to pay special attention to. Sunk costs are past costs, which cannot be recovered if the firm decides to exit the market. That is so particularly the advertising and R & D costs.
Access to Distribution Channels	Relationships and agreements between the entrant and key distribution channel may also create a barrier to entry. The Entrant may need to lower the price or allow cooperative advertising in order to get products to market.
Cost Disadvantages Independent of scale	The established companies may have such benefits to which market entrant has no chance. These are: proprietary product technology, favorable access to raw materials, favorable locations, government subsidies and learning or experience curve.
Government Policy	The government can limit or even block market entry with controlling and limits to raw materials.

The other sources of barriers to entry are switching costs, expected retaliation, the entry deterring price, properties of entry barriers and experience and scale as entry barriers.

3.2 Intensity of rivalry among existing competitors

The competition between existing companies occurs because one or more competitor either feels the pressure or sees the opportunity to improve their own position (Porter 2004, 17). A number of interacting structural factors forming the intense of rivalry. These factors are for example:

Numerous or Equally Balanced Competitors. Competitive pressures will automatically increase when the number of competitors increases. The market is often unstable, if the companies are the same size and have access to similar resources. In this environment, small changes (eg, prices) can have a significant impact on all.

Slow Industry Growth. The slow growth of the industry leads competition into a market share game. In this situation the company needs financial and managerial resources in order to stay in the competition.

High Strategic Stakes. Strategic stakes are on high when the company loses its market position or has potential for high growth. This intensifies competition

High Exit Barriers. High barriers to exit may set the high costs to exit the market, so the company needs to continue competing. The major sources of exist barriers are: specialized assets, fixed costs of exit, strategic interrelationships, emotional barriers and also government and social restrictions.

3.3 Pressure from substitute products

The threat of substitute products refers to the possibility that there will be a product, which satisfy customers need better than existing products or it's cheaper than existing ones. In some cases, the replacement product will determine prices in the industry. "The more attractive the price-performance alternative offered by substitutes, the firmer the lid on industry profit". (Porter, 2004, 23).

3.4 Bargaining power of buyers

Buyers want lower prices, higher quality or more services, and playing competitors against each other. These factors affect the profitability of the industry. High bargaining power of buyers maybe caused by, among other things, the lack of buyers, large orders of buyer, similarity of products, the ease of replacement supplier, the buyer's information level, price sensitivity and the fact that the product or its quality is not critical to the customer. A company's choice of buyer groups to sell should be considered as a critical strategic decision (Porter 2004, 24-26), in this case M-Files target group in Sweden.

3.5 Bargaining power of suppliers

According to Porter (2004, 27-28) Companies rely on the quality of the products and services of suppliers. Good suppliers will be able to help the company increase its productivity. Sensitive industries for the bargaining power of suppliers are especially those industries in which the company is not important for the supplier's business, the supplier has a significant impact on the buyer's business or supplier group is an easy by themselves move on industry. Also labor must be recognized as a supplier as well.

4. Swedish ICT market

4.1 ICT Industry in Sweden

Sweden's ICT sector is one of Sweden's fourth largest industry, owning about 34 000 firms. Most of the companies are micro-enterprises with less than 100 000 € turnover. (FinSve). ITU ICT Development Index ranked Sweden in second place right after South Korea.(ITU 2012) The index measures the ICT readiness (infrastructure), ICT usage amount (intensity) and ICT competencies (know-how). Sweden's good ranking reflects the fact that Swedes are open to try new products and services, and that there is demand for innovative solutions. Outsourcing, virtualization and transfer services moving to cloud, "the cloud computing", are currently the industry trends in Sweden. Multiple

small and medium-sized enterprises used cloud computing by offering a variety of In-
ternet-based services, such as CRM, billing, logistics and warehousing services.
(FinSve) Swedish ICT industry has grown by 16 per cent since 2008 and employs more
than 4 per cent Swedish workforce. (Sutherland 2014)

Distribution channel varies depending on the product or service. For many companies,
a natural distribution channel is a local partner. In many cases, IT solutions are pur-
chased (e.g. municipalities and state-owned companies) through public procurement
process which is known complex process in Sweden, and often surprise the small IT
companies. The Swedish ICT market is changing in such way that the information val-
ue of the business is valued more than technical solutions. The IT department does not
lead to changes in the organization, but will support the company's transformation pro-
cess. Companies and solutions that understand their customers' challenges are wel-
come in the market to increase the competitiveness of its customers and enhance the
value of the company for customers, shareholders and other interest groups. (FinSve)
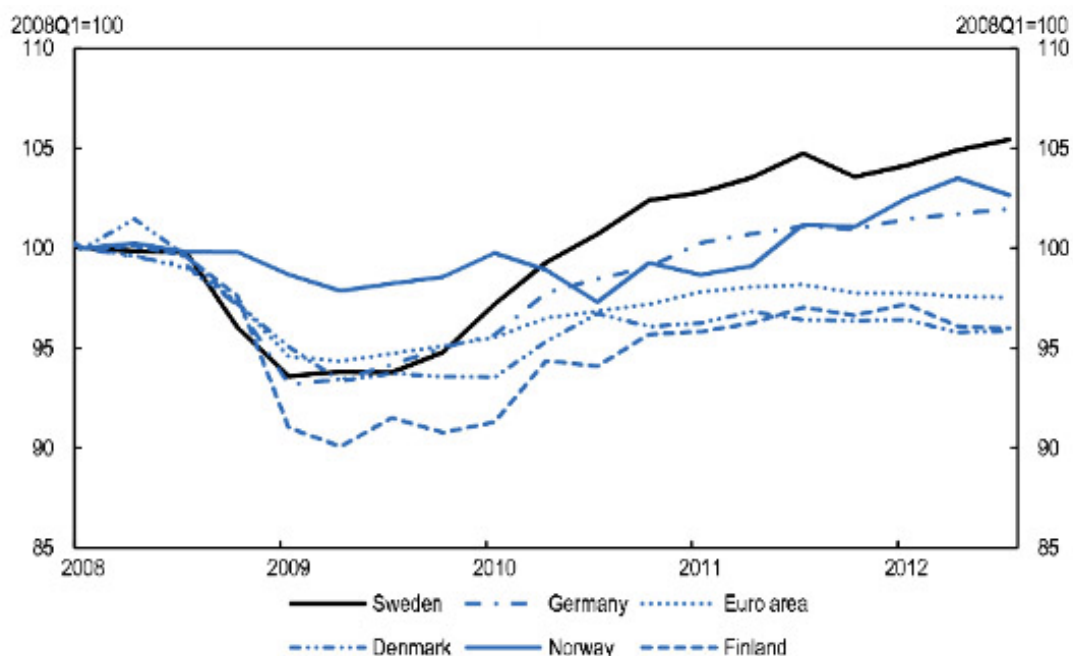
4.2 Swedish economy

Figure 7. Swedish, neighboring countries' and the euro area's economies 2008-2012
(OECD)

Sweden's public finances have long been in the surplus and the present government is committed to one per cent surplus target during an economic cycle. However, from 2012 onwards, the target is lenient even keep up with the reference values within the framework of the EU's Stability and Growth Pact (Figure 7). Sweden's GDP per capita was 55 041 USD in 2012 and GDP grew by 1,7% from the previous year. (Suomen suurlähetystö) Sweden's unemployment rate was 8,2 percent in 2013. (SCB 2014) Today Sweden is one of the world's least corrupt countries and Transparency International's Corruption Perceptions Index 2012 ranked Sweden on fourth place. (Sweden.se) About 70% of Swedish workforce are members of trade unions, and almost 90% of employees are covered by collective agreements. (Tulo- ja kustannuskehityksen selvitystoimikunta 2013)

4.3 Swedish Industry

Sweden is a highly industrialized country, where agriculture and forestry contribution to GDP is about two per cent, industry and construction share just under 25 per cent and the service sector share about 73 per cent. The majority of Swedish companies are small or medium-sized. (Suomen suurlähetystö) The largest Swedish companies in 2012 by turnover were AB Volvo, Ericsson, Vattenfall AB, Skanska AB, Volvo Personvagnar AB and Hennes&Mauritz AB. (Largestcompanies 2014) Other well-known Swedish companies are music streaming service provider Spotify, furniture retailer IKEA and household appliance manufacturer Electrolux.

Even though the Swedish economy is in the surplus, its exports decreased by 7 per cent in 2013. Sweden's trade policy is marked by a strong promotion of free trade. Sweden's export to the EU area in 2012 was 57 per cent. Europe's share of the whole, including Russia had a total of 73 per cent. The largest export market for Sweden in 2013 was Norway with 116 705 million SEK exports. The next largest export markets were Germany and Finland. (SCB 2014) In 2013 the export sectors were machines and vehicles. (Figure 8)

Corporate social responsibility has an important role in the Swedish business culture and Sweden was number one in RobecoSAM Country Sustainability Ranking in 2013. The ranking was based on 17 environmental, social and governance indicators. Those

indicators cover business operations as diversely as from corruption in supply chains to local environmental efforts. (Sweden.se)
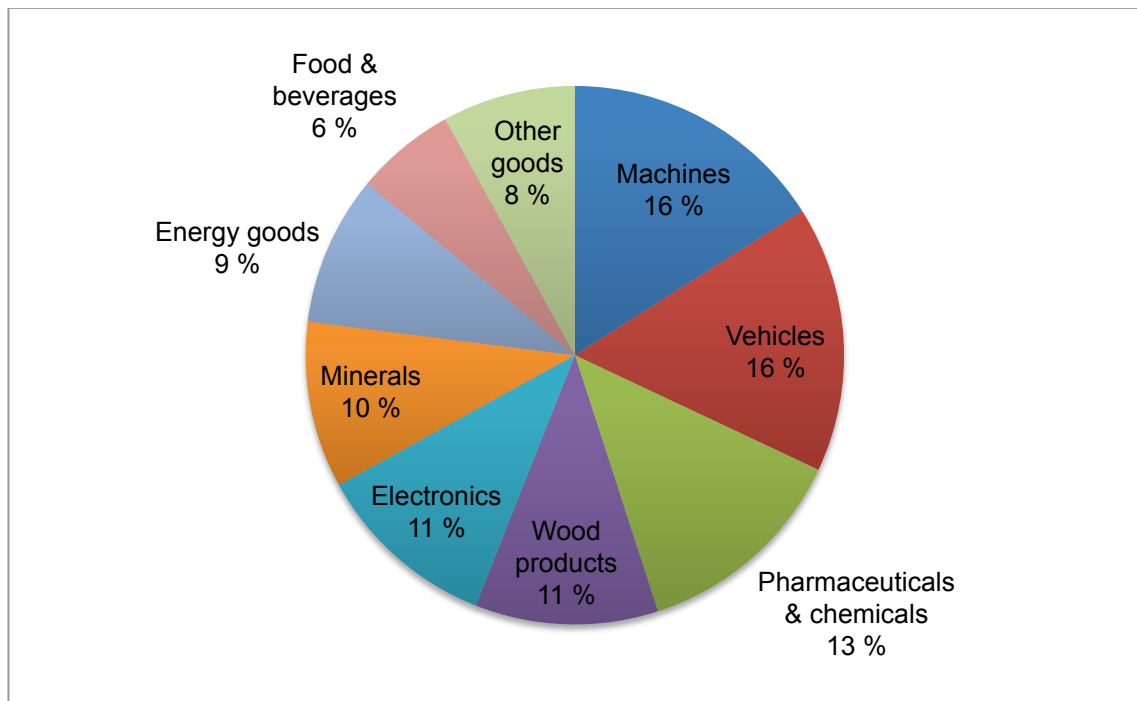

Figure 8. Swedish goods exports by industries (Sweden.se)

4.4 Swedish public sector

In this case, the Swedish public sector is a market where the public sector to acquire a services and products through public procurement process. Furthermore, these markets are included more than 2,000 companies, which are owned by the state, a municipality or county councils. The public sector is still important for the Swedish economy, although its importance has decreased in Sweden after the 1990s economic crisis. Public expenditure accounts for over half of GDP and about a third of Swedish workforce work for the public sector, and produces about 30% of all services. Swedish public sector was calculated to be 93 billion worth in 2012. The profit margin is on the public sector equal on private sector, which is 10% of net sales, in aggregate, approximately 8.5 - 9.7 billion euros. (nen 2012, 22)

The Swedish public service delivery is one of the world's best. This also makes those taxes, as a share of GDP is one of the highest in the world. The Swedish public sector

has gone through dramatic corporatization and privatization in recent years. (FinSve) This has released resources for e-government development. (Figure 9) 24 per cent of workers employed in Sweden's public sector in 2012 were foreign-born. In 2013 the Swedish public sector provided employment for 36 000 foreigner (Gee, 2013)
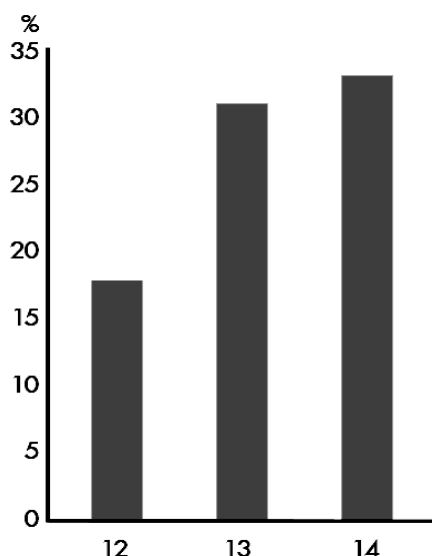

Figure 9. Share of Swedish Public operations with budget for ECM.(Formpipe 2014)

5. Research Methods

Research methods are divided into two types, qualitative and quantitative. Quantitative methods try to seek collect objective, numerical data, which is analyzed by statistical methods. The data, which is collected by Qualitative methods, is subjective and non-numeric characters. Qualitative research tries to seek in general to understand the object of study in greater depth than quantitative research. (Mäntyneva et al 2003, 59, 69-70.) Quantitative research's starting points are specifically delineated, as opposed to qualitative, in which the cause-and-effect relationships be specified as the study progresses. (Metsämuuronen 2008, 7)

The interpretation of qualitative research is divided into time of research process. The researcher has the power of the material with respect to production. The power is completely on material producer: interviewee, author of the text, speech producer. The researcher can admittedly participate in the material production situation, but the lack to define. In contrast, data interpretation, or processing associated to power and the re-

sponsibility is completely the responsibility of the researcher. In qualitative research is needed, as well as theoretical concepts and their empirical equivalents. (Tilastokeskus)

The most common way perform qualitative research is to interview the selected person. By interviewing, obtained information is more in-depth and diverse than with question- naires obtained information. A better understanding of studied objects is the strength of qualitative research. Qualitative methods are less research targets than quantitative, and therefore generalizability of the results may be difficult. From the results similarities can observed. (Carson, Gilmore, Perry, Gronhaug 2001, 63-67.)

As the past had established, information for market analysis would be collected by us- ing market research methods. Selecting a research approach will make two decisions. First of all, it will decide how often information is to be produced: one-off, repeatedly or continuously. Secondly, it will decide the desired accuracy of the information. The mar- ket research can be descriptive or explanatory. (Lotti 2001, 105-108.) This research is carried out in a one-off exploratory research. According to Lotti (2001, 108), a one-off executable research's methods it is possible to be less structured than the studies car- ried out repeatedly. This type of market analysis based on existing statistical data, the Internet, industry associations, and possibly a small number of expert interviews. For such investigations is usually used the term, desk research. The studies based on above-mentioned properties are for example the research about export markets. The desired type of information contributed to the fact that the qualitative case study be- came to the method of this study. This study aims to explore what exists and under- stand the connections between various information. Exploratory research usually pro- duces large amounts of data from which it seeks to compress into crucial elements. The data for this study consists of one type of material, which is typical for this kind of a study. This study includes primary data collected from interviews.

The primary data for the research is collected from interviews. The interviews focused on the people who are experts and have reliable information. The interviews were con- ducted by semi-structured interviews that focused on essential elements of research problems. The semi-structured interview is a conversation with in advance decided purpose. In this interview situation raised themes are carefully considered and defined in advance. In some cases, the themes treatment order, is not critical, but rather a nat- ural conversation flow should be prescribed the order of themes. (Tilastokeskus)

6. Research Material and Results

The people for interviews were chosen based on the people's knowledge of the Swedish ECM market and its procurement process. The goal of interviewees' selection was that the interviewees would have rather different perspective on the topic and different points of view would become widely represented. Requests for interviews were sent to primarily through LinkedIn Inmail. In total 35 pieces interview requests were sent through Inmail and email, to which 4 people replied in the affirmative.

The following people were chosen for the interviews(Table 1):

- 2 people from M-Files
- 1 person from M-Files' Swedish partner
- 4 people whose represent different M-Files' competitors in Sweden

The interviewees' experience in the Swedish ECM market varied between 4 months to 20 years but the average experience was 11,9 years.

Person	Date and time	Duration in minutes
Interviewee A	28 March at 09:30	35
Interviewee B	28 March at 11:00	51
Interviewee C	4th of April at 10:00	29
Interviewee D	4th of April at 15:30	30
Interviewee E	10th of April at 13:00	50
Interviewee F	11th of April at 15:30	33
Interviewee G	14th of April at 11:20	29

Table 1. Date, time and duration of the interviews

To interview the M-Files staff was justified, because they have first hand knowledge about M-Files and its activities in Sweden and in addition information about the Swedish ECM market from M-Files point of view. M-Files' Swedish partner's interview gave a different kind of point of view about M-Files operations in Sweden and how they see M-Files.

6.1 ECM adaptation in Sweden.

In Sweden the biggest drivers for ECM adaptation depend entirely on the industry. According to the respondents the most common driver for ECM adaptation in the Swedish public sector can be seen as regulations to handle information. On the private side the major drivers are improving the efficiency and easy access to information. In Sweden, solutions must be easy to implement.

When asked about industries which are ahead of others the respondents were of the view that the regulated industries are ahead of others on the private side. Pharmaceutical, medical, food and aviation industries mentioned as such type of industries. These industries are regulated due to regulations from the EU and U.S. government. Also the Swedish army, car and truck industries, as well as insurance and legal companies were mentioned and the manufacturing industries excluding above mentioned car and truck industries are not so much involved with ECM.

"Volvo and Scania handles the information very good, because of the laws. Also defense industry and army are very good in ECM. In army combat ships they used to have ton of documentation on board and they replaced the documents by ECM. Now they have ammunition instead of paper documents." (Interviewee E)

On the public side the municipalities are ahead of others in adaptation and they are changing paper-oriented organizations to electronically oriented. One of the significant findings was the fact that on the public side ECM vendors must have a framework agreement from Kammarkollegiet (the Swedish Legal, Financial and Administrative Services Agency) if they want to do business with municipalities or with Swedish governmental institutions such as school and universities. At the moment this Framework Agreement has gained five or six vendors in Sweden.

Interviews showed that nearly all of the existing users of ECM solutions are not satisfied with the current solution but they are open to discussion about better options.

"I have never met happy ECM owner." (Interviewee E)

6.2 ECM market saturation and growth rate in Sweden

Based on the results from the interviews that have been made one could say that there is an accurate estimate about market ECM market saturation in Sweden. Respondents estimate that it could be about 20% per cent of all companies that have a proper ECM solution. Almost all the big companies have a proper ECM solution while the smaller companies are looking for solutions. Almost all the companies have Microsoft Share-Point, but they are not taking full advantage of it. The spread of SharePoint with Office is good for all ECM vendors in Sweden because it acts as a door opener. Frequently companies adopt SharePoint because it's very cheap and easy to adapt, but when companies realize the benefits of ECM they want to buy more comprehensive solutions, which are more suitable for companies' needs.

"A lot of companies are working with SharePoint. SharePoint is good because the interest in document management has grown also when that happens they also discover this is not enough which means that more or better platforms are presented. It's a door opener for discussion but usually they find out that they need something more." (Interviewee B)

"Almost all the companies have SharePoint, but the question is how they use it. Share-Point is very very spread." (Interviewee E)

Based on the results from the interviews the Swedish ECM market is growing in the future but based on interviews it was impossible to obtain any estimates of growth rate. According to Gartner the Swedish ECM market is going to be 60 million euros in 2014. Gartner forecasts that the Swedish ECM market will grow by 5 per cent during 2014. (Formpipe 2014) Growth pressures may increase the fact that Swedish organizations have become more worried about how information is used.

6.3 Market trends of Swedish ECM market

According to the respondents the most common or "the hottest" trend in Swedish ECM market is cloud adoption. Especially smaller businesses are moving into cloud. Other

observed trends were mobile access, analytics tools, and integrated services. Some Swedish companies are experiencing cloud services as a security threat for them.

"One company owned by government has made a decision that all non-core systems should be cloud based. Especially companies who doesn't have any organized ECM systems today they look into jump directly to cloud because it's practical" (Interviewee E)

6.4 M-Files' competitors in Sweden

When asked which are the most commonly used ECM systems in Sweden the response was almost invariably SharePoint. In the private sector also OpenText, EMC Documentum, Alfresco and IBM play a significant role.

On the public side there are only a few vendors who are acting there because of regulations(framework agreement). Software Innovation, Formpipe, Forte, Essvision and OpenText were mentioned. The solutions for public side are highly specified for the Swedish market. In the last three years Oracle was the only mentioned market entrant in Sweden.

6.5 Mobile Access role in Swedish ECM market

Based on the results from the interviews the availability of the mobile access is becoming more important for customers on the private side of Swedish ECM market and it was seen as a competitive advantage for some vendors. Native mobile access app was felt to bring an added value to the customer due to its security if compared to web-based access on mobile phones. On the other hand the Swedish public sector does not seem to be so interested in mobile access.

"Customers are asking it because employees want to have it. They want to work at home." (Interviewee E about mobile access)

6.6 How Swedish customers find, evaluate and select ECM solution?

In the private sector customers are typically seeking information about suitable vendors by themselves from Internet or they are using consulting companies, which are specified for ICT procurements or ECM solutions. Foreign vendors should have Swedish references on the website so that they can be considered as a serious alternative. Customers also read expert reports such as Gartner's magic quadrants. Swedish companies also use word-of-mouth and professional network to ask for the experiences of others.

"All are very good by themselves…I would say that Swedish people are very it developed… should have a good information on website or on the web in someway it's good way to spread the word and they read a lot before they contact" (Interviewee B)

According to the interviews on the public side they have to choose the specific vendor who have a framework agreement from Kammarkollegiet despite this, they use also much consulting to choose ECM solutions. The public side is very price oriented.

6.7 Swedish ECM / ICT market

The Swedish business culture is different than in Finland, in Sweden negotiations and the decision making process is longer because Swedish people like to refine their details before the transaction. Swedish companies are less hierarchical if compared to other European countries and for this reason it is sometimes difficult to find the correct decision maker.

"Swedes are very detailed; they look into details very high level in decision making. Even vice presidents ask questions about details and you have to answer to those details." (Interviewee B)

Locally based small companies and also the public sector are more supportive of local vendors. This has the effect that on the public side they are more likely to use Swedish as the business language and documentation language. In the private sector the working language is mostly English in IT-department based on that fact that there are many

big international corporations, which have their offices in Sweden and also large section of Swedish population are foreign-born.

7. Market analysis and recommendations

The theoretical framework of market analysis is the previously presented Porter's five forces model. These five competitive forces determined attractiveness of the considered market from company's point of view, in this case from M-Files' point of view. After the analysis there are recommendations for M-Files which they can use in deciding the future strategy for the Swedish market.

7.1 Potential Entrants

It can be said based on the information of the study that there is not a high probability of a new entrant in the Swedish ECM Markets. This is due to the fact that at the moment the Western European ECM market where Sweden is considered to belong is the most advanced of all the markets. This may lead to the Swedish market for non-existent vendors who will put their resources in less developed markets where the growth potential can be more easily achieved.

The public side of the Swedish ECM market is not attractive to new entrants due to the fact that vendors must act mostly in Swedish and they must have a framework agreement from Kammarkollegiet. Also the needs for ECM are specific on the public side and the existing players are already very skilled.

In the last 3 years the market has detected only one real market entrant who is an american based computer technology corporation, Oracle. In the past Oracle was landed on the Swedish ECM market but customers experienced that it was too expensive. Now they are trying to start activities through local partners.

The Swedish ECM market is easy to enter through Swedish partners. Oracle is trying this but the establishment of the office and hiring employees in Sweden will be costly, especially now when the Swedish economy is booming. Also the company and its

brand recognition make it difficult for market entry, especially when the Swedish customers want to see Swedish companies in the vendor's reference portfolio.

7.2 Industry Competitors

Even though the western European ECM market concentration ratio is the highest of all, the Swedish market has grown steadily over the past few years and the market is forecasted to continue grow in the future.

However, the Swedish ECM market is not saturated and until now, in Sweden it is considered that the ECM concept has arrived into boardrooms. Lately companies are beginning to be concerned about how to manage and archive their important business information.

ECM markets in Sweden may be regarded as divided into two sections, the public sector regulated by Kammarkollegiet and the private sector. On the public side the competition is quite price-oriented and it supports more local vendors. In the private sector there are more international vendors and customers focus more on the technical details even on the high level of the hierarchy.

Based on research results, M-Files can be considered to have about 10 reasonable competitors in the Swedish ECM market and about half of them are more focused on offering their services to the public sector. On the private side of competition the large companies have adopted the ECM solution already, in particular, those companies whom have to comply with the regulations from EU and US.

M-Files can be seen as a challenger to the Swedish market. Its competitive advantage can be regarded as the benefits of a meta-data structure, cloud implementations and mobile accessibility. Referring to Gartner Magic Quadrant for Enterprise Content Management 2013 –report:

"*M-Files needs to be careful that the rapid expansion does not come at the expense of its strong showing in expertise and innovation, as larger clients may have different expectations than the current midsize clients.*"

7.3 Substitutes

At the moment the risk of substitute products is naturally low for M-Files because the M-Files customer base in Sweden is still so limited. In the future the M-Files solutions uniqueness can form protection by risk of substitute solutions. Because of increasing amounts of data it can be estimated that the business interest in ECM products will continue to grow in the future.

Microsoft Share Point can be seen as a kind of substitute for a decent ECM solution, which is widely spread in Sweden. Many companies end up in SharePoint because of its low start-up costs, but discover afterwards that it will involve a lot of internal costs due to the workload of the introduction. Substitute products may create a threat to the M-Files if its customers have chosen unsuitable ECM solutions for their needs or its implementation has failed. Sometimes Swedish companies buy an ECM system with-out proper evaluation and then they are not satisfied with it.

Occurring industry research may create a threat of substitute products, for example, M-Files' possible poor performance in Gartner's magic quadrants report. In 2013 Gartner Magic Quadrant stated that *"M-Files needs to find different messages to market, as "metadata driven" messaging may limit its appeal. Instead, it must focus on how these capabilities make the applications perform better and help gain better adoption."* Also, the above-mentioned types of unclear marketing messages may affect the M-Files. The development of the industry and unsuccessful product development would bring the threat of substitute products to M-Files especially as the industry is expected to change in the near future into an entirely digital business.

7.4 Buyers

In spite of the Western European ECM market's high concentration ratio compared to other market areas, as many as 34 000 firms operate on the Swedish ICT market. However, most of the ICT market are micro-enterprises with less than 100 000 € turno-ver. Recently, it has been found out that especially smaller firms are turning to use the ECM system and they are particularly keen on cloud based ECM implementations.

ECM solutions share of public-sector budgets have increased year after year. The trend is that public-sector costs are reduced for ongoing operations, and this releases resources for e-government development. ECM solutions have become one strategic part of the municipal side IT issues.

The large-scale of implementation and training costs due to the customer is expensive and difficult to change a competitor's product. Due to the strategic properties of the ECM products its value for customer is significant. If the customer has made a comprehensive evaluation during the purchase process they can be expected to have found the most suitable option. But the Swedish companies are always ready for good proposals, which can improve their businesses.

At the moment the market trends in Sweden are cloud services and mobile access. Some Swedish customers believe that the cloud may involve some security risks.
The whole mobile access trend may be an indication of the coming digital business era. In the future Swedish employees want to work remotely using integrated ECM systems. Also the era of digital business brings with it new requirements of the customers. Questions such as how user-generated content such as texting, communities, video, rich media, Web TV, blogging, wikis, maps, and other online communications will be considered, managed and stored must be considered.

Swedish ECM customers' needs are many and varied, solutions must be easy to implement, performance-enhancing and ensure easy access to information. The regulated industries have their own specific needs for ECM systems. They have to support compliance for example with FDA and ISO standards.

7.5 Suppliers

Currently the M-files do not have a lot of subcontracting, therefore their influence on the M-Files will be minor. Since the labor force is considered to belong with suppliers it might be the biggest threat of suppliers to M-Files in Sweden. In Sweden about 70% of employees are members of trade unions, and almost 90% of employees are covered by collective agreements so the bargaining power of trade unions together with the Swedish high labor costs, may cause threats to M-Files if the they are to hire Swedish staff. Currently in Sweden there seems to be a shortage of ECM professionals so it may be challenging to hire talented Swedish employees. M-Files is highly dependent

on the labor force becausef its staff is limited and in some cases the knowledge of a particular industry is based on only a few key   persons.

7.6 Recommendations

According to the results manufacturing is the most attractive industry for M-Files to focus on for multiple reasons. Many Swedish manufacturing companies are dealing with export. That means that potential sales in Sweden could also bring business in other countries. In particular, M-Files could focus on machinery manufacturing industry, as it accounts for 16% of the Swedish exports. Companies in this industry include:

- ABB
- Alfa laval
- Atlas cobco
- Concentric
- Indutrade
- Xano industri

The Swedish ICT industry is very attractive for M-Files to focus on, and the following reasons highlights the sector's appeal. The first reason is the generous amount of companies operating in this industry. It's fourth largest industry in Sweden. Swedes are also known for their innovations and many international companies develop their technology in Sweden. For example, such companies are:

- Electronic Arts
- Ericsson
- Google
- Huawei
- Intel
- Qualcomm
- Skype

Third, it's attractive for industries Sweden using M-Files to focus on the pharmaceutical industry. M-Files already have one good reference customer in this sector, Swedish-English pharmaceutical company, AstraZeneca. Other similar companies are:

- Conpharm

- Active Biotech
- Diamyd Medical
- Enzymatica
- Glycorex Transplantation
- Meda

The Swedish public sector is not that attractive for M-files at this stage to focus on, but there are still some potential customers. These are private educational institutions which are more considerably number than in Finland. Naturally, this style of organization dealt with a great variety of documents, so they are potential customer segment for M-Files DMS. According to The Economist (2008) in 1994 – 2004 the share of Swedish children educated privately has risen from a fraction of a percent to more than 10%.

M-Files should create a proper market entry strategy for the Swedish ECM market. The company should decide the distribution channel strategy for Sweden. There are two main methods that can be used to expand their software solution to the Swedish ECM market. Those two options are direct sales and sales through partner or partners (Indirect sales).

8. Conclusion and suggestions for further research

The thesis was commissioned by M-Files, which is one of the biggest ECM providers in Finland. M-Files, as well as other companies are looking for growth abroad. The Swedish ECM market was selected for analysis object because the Swedish ECM market is very attractive for M-Files to focus on. Attractiveness is caused by market size, growth potential, geographical location, similar culture, and language. It can be concluded that the M-Files should focus more on Swedish ECM market in the future.

For the theory framework of this thesis a wide variety of sources were used, including research papers, books, annual reports and Internet sources. The main focuses of the theory part have been on opening concept of Porter's five forces model that describes the competitive markets and the concept of market analysis. Another important part was to use existing reliable material about Sweden and ECM including economy of

Sweden, Swedish industry, Swedish public sector, ICT Industry in Sweden and charasterics of ECM Markets.

For the research part of the thesis semi-structured theme interviews was used. The reason why semi structured interviews were chosen was because of the opportunities to go more in-depth with the interview objects on interesting fields. The problem with that approach is the accurate scope needed. To get Swedish interviewees for interviews proved to be difficult and time-consuming. In any case, seven people were interviewed for the study.

The major findings of the study were that there is a market for M-Files in Sweden. More specifically, the most interesting sectors for M-Files to enter would include:

- Manufacturing
- ICT
- Pharmaceutical industry
- Private education

The most important topic that could be investigated further would be "How to enter the Swedish public sector with a framework agreement". The reason why this would be a suitable topic to investigate is because the public side in Sweden has good growth potential.

8.1 Evaluation of the Research

The goal of this study was investigate the Swedish ECM market's market situation and to examine if is there space for M-Files in the Swedish ECM market and which sectors could be particularly interested in it. The study was able to gather an extensive theoretical background which goes deep enough into the research topic from the reader's point of view. Theory contains literature and reliable sources from Europe and North America. Therefore the theory is extensive and covers a considerable part of the literature related to the topic.

The research was performed with a semi structured research. The approach was successful and exposed issues which are important for M-Files or companies whom are

interested in Swedish ECM market but lacked with previous research. Five persons from Sweden and two from Finland provided a saturation point for both M-Files and competitor's side and also an independent party was represented in the interviews. All seven interviews were recorded and the recordings made amounted to a total of 257 minutes. Results of the interviews were also compared with the theoretical framework. The research reached it goals and can help M-Files in decision-making about the Swedish ECM Markets. Other ECM solution vendors can adapt the results also.

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Interviewee A, Channel Account Manager at Finnish ICT company

Interviewee B, Business Manager at Swedish ICT company

Interviewee C, Sales Executive, at Finnish ICT company

Interviewee D, Senior ECM Consultant, at Swedish ICT company

Interviewee E, ECM Consultant at Swedish ICT company

Interviewee F, ECM Consultant at Finnish ICT company

Interviewee G, Technical Business Consultant at Swedish ICT department

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