

# Success Concept for Veturi- Collaborations

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### Abstrakt

Under de senaste åren har hela ekonomin och inte minst landskapet för innovation och entreprenörskap genomgått en betydande förändring mot samarbetsmodeller som ämnar att främja, innovation, utveckling och ekonomisk utveckling. I Finland är en framstående kandidat Veturi-programmet, som leds och finansieras av Business Finland. Veturi-programmet för samman olika intressenter, inklusive startups, etablerade företag, och forskningsinstitutioner för att samarbeta kring innovativa projekt med målet att driva ekonomisk tillväxt och förbättra konkurrenskraften.

Trots den ökande populariteten och investeringar i samarbetsinitiativ som Veturi, finns det fortfarande ett behov av djupare förståelse kring de faktorer som bidrar till deras framgång. Denna kandidatuppsats skall till fylla denna informationslucka genom att undersöka vad som gör Veturi-samarbeten framgångsrika, med fokus på att identifiera nyckelfaktorer för framgång och områden för potentiell förbättring.

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### **Abstract**

In recent years, the economy and not to mention the landscape of innovation and entrepreneurship have undergone a significant change towards collaborative models aimed at fostering growth, innovation, and large-scale economic development. In Finland, one prominent leader of this movement is the Veturi program. It is organized and financed by Business Finland. The Veturi program aims to bring together diverse stakeholders, including start-ups, established companies, and research institutions, to collaborate on innovative projects to drive economic growth and competitiveness.

Despite increased popularity and investments in collaborations like the Veturi program, there is still a need for a deeper understanding of the factors that contribute to their success. This Bachelor thesis aims to address this gap by investigating two respective Veturi programs, and what makes the collaborations successful, with a focus on identifying key success factors and areas for potential improvements.

## Table of content

1	Introduction.....	1
1.1	Background .....	1
1.2	Purpose .....	2
1.3	Delimitation.....	3
2	Theory .....	4
2.1	Resource Dependence Theory (RDT) .....	4
2.2	Absorptive Capacity Theory .....	5
2.3	Social network theory (SNT).....	6
2.4	Dynamic Capabilities Theory (DCT).....	8
2.5	Knowledge Management Theory .....	8
2.5.1	Core Concepts of Knowledge Management Theory .....	9
2.6	Stakeholder Theory .....	10
3	Method.....	15
3.1	Qualitative Method .....	15
3.2	Strengths and weaknesses - Interview.....	16
3.3	Research Methodology .....	17
3.4	Formulating the right questions.....	18
4.	Key findings.....	20
5.	Discussion .....	25
6.	List of References.....	27

# 1 Introduction

Innovation and entrepreneurship have undergone significant transformations worldwide. Traditional models of innovation, consisting of individual organizations have increasingly changed to collaborative models that emphasize cooperation and knowledge sharing among stakeholders and partners. This shift reflects the benefits of pooling resources and expertise with mutual trust to address them.

Finland is a country known for its strong tradition of innovation and technological advancement in a short period of time since the Second World War. Collaborative initiatives and models in the private sector have emerged as key drivers of economic growth and competitiveness. One notable initiative in this regard is the Veturi program by Business Finland. The Veturi program was launched to foster and boost innovation and accelerate the growth of Finnish companies, the Veturi program represents a strategic effort to bring together startups, established corporations, research institutions, and governmental organizations in collaborative partnerships. (Business Finland, 2024)

The Veturi program operates within the broader context of Finland's innovation ecosystem, which is characterized by public and private actors working together to promote innovation and entrepreneurship. Building on Finland's strengths in areas such as technology, design, and sustainability, the program seeks to leverage these assets to create new opportunities for growth and development.

My interest in innovation and business collaboration is an excellent fit for this Bachelor's thesis.

## 1.1 Background

In 2019, under the leadership of Prime Minister Rinne, research initiated by the Finnish government highlighted a concerning trend: a significant portion of Finnish companies' investments in Research and Development were directed outside of Finland. This trend raised alarms within the government and created a need to reassess strategies to promote domestic innovation and redirect investments domestically, thus creating better preconditions for economic growth in Finland. This marked the beginning of the Veturi

collaboration. The Finnish word “Veturi” indeed describes the collaboration quite well, translating into “locomotive” or “engine”.

The Veturi program, led by Business Finland, starts with the presentation of a headline. Companies then have the freedom to propose their ideas or concepts that fit within that headline. The company whose proposal best aligns with the headline is chosen as the Veturi company.

The Veturi collaborations receive a maximum total funding of 20+50 million. The amount of financing disbursed depends on the extent to which the targets set by Business Finland are achieved. Typically, Business Finland sets the collaboration's goals with the aim of encouraging major Finnish companies to increase their investments in R&D within Finland. For Veturi leaders such as Wärtsilä to receive the full funding, they must meet the demands set by Business Finland.

Wärtsilä is currently involved in two Veturi collaborations, both of which are in their early stages. It is too soon to determine the full economic impact of these projects.

## **1.2 Purpose**

Despite the increasing popularity and investment in collaborative initiatives such as Veturi, there remains a need for deeper understanding regarding the factors that contribute to their success. While looking at previous Veturi projects, we can conclude that the results are largely positive and beneficial for all partners involved, but there is limited knowledge of the factors that made the collaboration successful and what can be done to make the collaboration even better.

The purpose of this thesis is to fill this gap by investigating what makes Veturi collaborations successful and what exactly could be improved. By identifying key success factors and areas for improvement, the study aspires to provide valuable insights for policymakers, companies, and researchers interested in collaborations for innovation and economic development.

### **1.3 Delimitation**

The thesis headline is quite broad and to implement some delimitation to the scope of this research, X key individuals from Small and Medium-sized Enterprises (SMEs), defined as those with fewer than 250 employees, with less than 50 million euros in annual revenue (European Commission, 2003) will be interviewed. Additionally, Karin Wikman, a representative from the Veturi program, at Business Finland, has been selected to participate in an interview. The interview with Business Finland is to gain insight into how the collaboration takes form practically and to see what follow-up processes are in place. All X key individuals from the SME are actively engaged in ongoing Veturi-Collaborations. They were chosen due to their established roles and comprehensive understanding of both successful aspects and areas requiring improvement.

## 2 Theory

This chapter serves as the theoretical foundation of this thesis, providing a framework for understanding the dynamics of collaborative innovation initiatives, particularly within the context of Veturi collaborations facilitated by Business Finland. The theories mentioned in this chapter are important as they offer valuable insights into the underlying mechanisms and factors affecting the Veturi collaboration. By applying these theories, we can better understand the drivers of success and identify potential challenges within Veturi collaborations, thus enhancing the analysis and interpretation of the research findings.

### 2.1 Resource Dependence Theory (RDT)

Resource Dependence Theory is a framework commonly used in organizational studies to understand how organizations depend on external resources to survive and thrive. According to RDT, organizations are not self-sufficient entities but rely on their environment for critical resources such as funding, expertise, and support.

(Archibald M. E., 2023)

Resource dependency theory is based on the principle that an organization, such as a business firm must engage in transactions with other actors and organizations in its environment to acquire resources. Although such transactions may be advantageous, they may also create dependencies that are not. Resources that the organization needs may be scarce, not always readily available, or under the control of uncooperative actors. The resulting unequal exchanges generate differences in power, authority, and access to further resources. To avoid such dependencies, organizations develop strategies designed to enhance their bargaining position in resource-related transactions. Such strategies include taking political action, increasing the organization's scale of production, diversifying, and developing links to other organizations. Strategies such as diversifying product lines may lessen a firm's dependence on other businesses and improve its power and leverage.

Companies typically adjust their business strategies to adapt to changes in power relationships with other companies. One of the assumptions of resource dependency theory is that uncertainty clouds an organization's control of resources and makes its choice of dependence-lessening strategies imperative.

As uncertainty and dependencies increase, the need for links to other organizations also increases. For example, declining profits may lead to expanded business activity through diversification and strategic alliances with other companies. (Archibald M. E., 2007)

## **2.2 Absorptive Capacity Theory**

The Absorptive Capacity Theory focuses on an organization's ability to acquire, assimilate, and apply external knowledge to enhance its innovation and performance. It suggests that firms with a high absorptive capacity can effectively recognize the value of new external knowledge, assimilate it into their existing knowledge base, and apply it to create new products, processes, or services. (Sancho-Zamora, 2022)

The theory posits that organizations have a limited ability to absorb new knowledge, which is referred to as absorptive capacity. This capacity is made up of the ability to recognize the value of new information and the ability to use that information to create value.

One of the key strengths of the theory is its ability to explain why some organizations are better able to leverage external knowledge than others. According to the theory, organizations with higher absorptive capacity are better able to identify valuable external knowledge and are also better able to integrate that knowledge into their existing capabilities. This, in turn, leads to improved performance.

The theory has been applied in a variety of settings, including technology transfer, international business, and open innovation. Research has shown that absorptive capacity can be enhanced through investments in human capital, organizational routines, and network ties.

Absorptive Capacity Theory provides a useful framework for understanding how organizations acquire and use external knowledge to improve their performance.

### **2.3 Social network theory (SNT)**

Social Network Theory focuses on the role of social relationships in transmitting information, channeling personal or media influence, and enabling attitudinal or behavioral changes. It emphasizes the importance of social ties, communication patterns, and network structures in shaping the dynamics and outcomes of collaborative endeavors. (Liu, 2017)

The Social Network Theory, in organizational behavior, examines the patterns of relationships and interactions among individuals, groups, or organizations. It posits that these relationships form intricate networks that significantly influence behavior, communication, information flow, and ultimately, outcomes.

At its core, the Social Network Theory emphasizes the importance of connections and social structures in shaping individual and collective behaviors. These networks can manifest in various forms, including friendships, professional relationships, collaborations, or alliances. The theory suggests that individuals within a network are not isolated entities but are interconnected through ties of varying strengths and types.

(Merchant, 2011, p. 6-7).

One key concept in Social Network Theory is centrality, which refers to the prominence or importance of a particular individual or entity within a network. Centrality can be measured in different ways, such as degree centrality (the number of connections), betweenness centrality (the extent to which an individual bridges different parts of the network), or closeness centrality (the degree of proximity to other nodes in the network).

Another crucial aspect of the theory is the strength of ties between individuals. According to Social Network Theory, ties can be strong or weak, depending on factors such as frequency of interaction, emotional intensity, or level of trust. Strong ties often signify close relationships, such as friendships or family bonds, while weak ties typically denote more distant connections, like acquaintances or colleagues. (Merchant, 2011, p. 8).

The theory also explores the concept of network density, which refers to the extent to which connections exist within a network. High network density indicates a tightly connected network where most individuals are linked to each other, fostering cohesion and rapid information dissemination. Conversely, low network density suggests a more fragmented network with fewer connections, potentially leading to slower information flow and less collaboration.

Social Network Theory has been applied across various disciplines, including sociology, psychology, anthropology, communication studies, and management. In organizational settings, it provides insights into how informal networks within and between organizations influence decision-making, innovation, knowledge sharing, and overall performance.

Furthermore, Social Network Theory has practical implications for understanding and managing relationships in diverse contexts, such as team dynamics, organizational change, community development, and marketing strategies. By leveraging insights from social network analysis, organizations can identify key influencers, bridge structural holes, enhance communication channels, and cultivate strong ties to achieve their goals effectively. (Carolan, 2013)

Overall, Social Network Theory offers a powerful framework for understanding the complex interplay of social connections and structures in shaping individual behavior and organizational outcomes. Its interdisciplinary nature and practical applications make it a valuable tool for researchers, practitioners, and policymakers seeking to navigate the intricacies of social relationships in various contexts. (Stephen P. Borgatti, 2011)

## 2.4 Dynamic Capabilities Theory (DCT)

Dynamic Capabilities are the organizations' ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.

Dynamic capabilities consist of specific strategic and organizational processes like product development, alliancing, and strategic decision-making that create value for firms within dynamic markets by manipulating resources into new value-creating strategies. Dynamic capabilities are neither vague nor tautologically defined abstractions. Second, these capabilities, which often have extensive empirical research streams associated with them, exhibit commonalities across effective firms or what can be termed 'best practice.' Therefore, dynamic capabilities have greater homogeneity and substitutability across firms than traditional RBV thinking implies. Third, effective patterns of dynamic capabilities vary with market dynamism. When markets are moderately dynamic such that change occurs in the context of stable industry structure, dynamic capabilities resemble the traditional conception of routines. (Teece, 2024)

This theory provides a framework for understanding how organizations build and deploy capabilities to adapt to changing environments, seize opportunities, and sustain competitive advantage over time. It emphasizes the importance of organizational learning, flexibility, and agility in responding to external threats and opportunities.

## 2.5 Knowledge Management Theory

Knowledge Management Theory provides a framework for understanding how organizations create, share, and leverage knowledge to achieve their goals. It encompasses a range of practices and processes aimed at capturing, storing, disseminating, and applying knowledge within an organization. (Dalkir, 2023)

## 2.5.1 Core Concepts of Knowledge Management Theory

### Knowledge Creation

- In Kimiz Dalkirs book "Knowledge Management in Theory and Practice," Dalkir describes how organizations create new knowledge. This includes generating new ideas through interactions within the organization and with external partners and then integrating this new knowledge into the company's operations.
- Dalkir highlights the importance of an environment that encourages creativity and collaboration, where personal, experience-based knowledge (tacit knowledge) can be turned into documented, shareable knowledge (explicit knowledge).

### Tacit and Explicit Knowledge:

- Tacit knowledge is personal, experience-based, and hard to formalize, while explicit knowledge is documented and easily shared. Dalkir emphasizes the need for organizations to manage both types effectively. Turning tacit knowledge into explicit knowledge and vice versa is crucial for organizational learning and innovation.

### Knowledge Sharing:

- Dalkir stresses that sharing knowledge is essential. This means making sure that information flows freely across different parts of the organization, so everyone can access the knowledge they need. This requires a culture of open communication, trust, and teamwork.

### Knowledge Utilization:

- Using knowledge effectively means applying what the organization knows to improve processes, products, and decision-making. Dalkir highlights the importance of aligning knowledge management practices with the organization's strategic goals to drive innovation and gain a competitive edge.

Knowledge Management Theory provides a robust framework for understanding how organizations can effectively create, share, and utilize knowledge. By addressing the inherent challenges and leveraging the principles of knowledge management, organizations can improve performance, foster innovation, and gain a competitive advantage. The theoretical insights presented by Kimiz Dalkir offer a detailed understanding of the mechanisms and benefits of effective knowledge management

(Dalkir, 2023)

## **2.6 Stakeholder Theory**

Stakeholder theory (ST) is a theory of business ethics and organizational management. According to ST, organizations aim to generate multiple benefits for different stakeholders, meaning groups and individuals who can affect or be affected by the organization, for example, civil societies, communities, customers, employees, governments, shareholders, and suppliers. (Freeman, 2010)

The origin of ST can be traced to the 1960s when Stanford Research Institute first proposed the concept of stakeholder, emphasizing that organizations need the support of not only their shareholders but also their stakeholders to exist and thrive. Therefore, a clear imperative was drawn between maximizing dividends for shareholders and satisfying the needs of stakeholders. However, it was not until the early 2000s that ST research prominently appeared in top business journals. and since then, the body of knowledge on ST has more than doubled, as evidenced in the present review. Hence, ST can be defined as a theory that:

- Encourages organizations to acknowledge and consider their stakeholders, which exist internally or externally in the organization.

- Promotes understanding and managing stakeholder needs, wants, and demands, and thus, represents a holistic and responsible framework that goes beyond the focus of shareholders in decision-making processes, which, in turn, (iv) enables organizations to be strategic, maximize their value creation, and safeguard their long-term success and sustainability.

Business organizations are among the most powerful social entities on earth. They are the grand social institutions of our time, perhaps the sole remaining effective social institutions, expected not only to fuel free-market economies but also to carry burdens once thought to be the province of government and religion (e.g., health care, child care, protection of privacy, education). Business organizations control vast resources, cross national borders, and affect every human life. Their pervasive impact on human lives rivals that of history's most powerful kings and emperors.

Looking at the old cities of Europe gives one an idea of the movement of social power across time. The oldest of the large, elaborate buildings are religious. To note this is to note the transfer of power through history. The church and its leaders were arguably the most powerful institution for thousands of years. (Phillips, 2003, p. 3-6)

### **Key Concepts**

Stakeholder theory is built on several key concepts that define its framework and application:

- **Stakeholders:** Stakeholders are defined as any group or individual who can affect or is affected by the achievement of the organization's objectives. This broad definition includes a wide array of entities, from internal stakeholders like employees and managers to external ones like customers, suppliers, communities, governments, and even competitors.
- **Stakeholder Interests:** The theory posits that organizations must recognize and address the diverse interests and needs of their stakeholders. This involves

understanding how different stakeholders are impacted by business activities and ensuring that their voices are heard in decision-making processes. (Clarkson, 1995)

- **Stakeholder Engagement:** Effective stakeholder management requires active engagement with stakeholders. This includes communication, dialogue, and collaboration to build trust and mutually beneficial relationships. Engagement helps organizations anticipate and address stakeholder concerns, leading to more informed and ethical decision-making. (Greenwood, 2007)
- **Value Creation:** Stakeholder theory emphasizes creating value for all stakeholders, not just shareholders. This holistic approach to value creation considers the social, environmental, and economic impacts of business activities, promoting sustainable and responsible business practices. (R. Edward Freeman R. E., 2007)
- **Interconnectedness:** The theory acknowledges the interconnected nature of stakeholder relationships. Actions affecting one stakeholder group can have ripple effects on others. Understanding these interconnections helps organizations navigate complex environments and make decisions that balance multiple interests.

(Ronald K. Mitchell, 1997)

## Implications for Business Practices

Adopting stakeholder theory has significant implications for how businesses operate and make decisions. Here are some of the key areas influenced by this approach:

- **Corporate Governance:** Traditional corporate governance models prioritize shareholder interests. However, stakeholder theory advocates for governance structures that include representation and accountability to a broader range of stakeholders. This can involve the creation of stakeholder advisory panels, the inclusion of stakeholder representatives on boards, and transparent reporting practices.

(Thomas Donaldson, 1995)

- **Strategic Management:** Strategic management under stakeholder theory involves identifying key stakeholders, understanding their interests, and developing strategies that align business objectives with stakeholder needs. This approach can enhance reputation, build loyalty, and foster long-term sustainability.  
(R. Edward Freeman J. S., 2007)
- **Corporate Social Responsibility (CSR):** CSR is a natural extension of stakeholder theory. Businesses are encouraged to adopt practices that go beyond legal requirements and actively contribute to social and environmental well-being. This includes ethical labor practices, sustainable sourcing, community engagement, and environmental stewardship.  
(Carroll, 1991)
- **Risk Management:** Effective stakeholder engagement can help identify potential risks and mitigate them before they escalate into crises. By understanding stakeholder concerns and expectations, businesses can proactively address issues that might otherwise harm their reputation or operational continuity.  
(JAMES E. POST, 2002)
- **Innovation and Competitive Advantage:** Engaging with stakeholders can drive innovation by uncovering new opportunities and insights. Collaborative relationships with stakeholders can lead to the co-creation of products and services that better meet market needs, providing a competitive edge.  
(Michael E. Porter, 2006)

Stakeholder theory offers a clear framework for understanding and managing the complex relationships that businesses deal with. By focusing on balancing the interests of all

stakeholders, this theory encourages ethical, sustainable, and responsible business practices. Although there are challenges in putting it into practice, the benefits of a stakeholder-focused approach are clear: better reputation, increased loyalty, more innovation, and long-term success. As businesses continue to evolve in response to social and environmental challenges, stakeholder theory remains an essential guide for achieving balanced and sustainable growth.

(Ronald K. Mitchell, *Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts*, 1997)

In summary, the theories presented in this chapter offer valuable perspectives on various aspects of the collaboration. These theories provide a perspective through which we can analyze the Veturi collaborations and gain deeper insights into their dynamics.

Moving forward, every theory and theoretical concept mentioned above will be applied and tested in the empirical section of the thesis. Through interviews and analysis of collaboration experiences, we will explore how these theories unfold in the context of Veturi collaborations, examining their implications for success, challenges faced, and opportunities for further improvement.

### **3 Method**

This chapter aims to give a brief introduction to the method that was used to gather the information.

Interviews are a widely used research method in various fields. Interviews can be defined as a qualitative research technique that involves conducting intensive individual interviews with several respondents to explore their perspectives on a particular idea, program, or situation.

The approach used in this scenario is a semi-structured interview format, which blends elements of structured and unstructured interviews, it provides a flexible framework for gathering qualitative data. With this approach, the interviewer has a predefined set of questions or topics to guide the conversation, but there is also room for elaboration and follow-up questions based on the participant's responses. This format allows for deeper insights into the participant's perspectives, experiences, and emotions while ensuring consistency across interviews. Additionally, semi-structured interviews offer the flexibility to adapt the questioning based on the context and the flow of the conversation.

(Leavy, 2014)

#### **3.1 Qualitative Method**

Qualitative research assumes that everything must be assessed based on people's experiences of reality and their different perspectives on it. This also applies to the researcher. The reality the researcher is interested in is the one that people themselves perceive or construct in their interaction with others. When it comes to reliability, for example, several interpretations of the same information are entirely possible and are also likely to be so. A summary of some recommendations for achieving good reliability in qualitative studies is presented below.

- Participant control means that the people who have provided information in the research are given access to the descriptions and the interpretations, in order to decide whether the results seem reliable.
- Horizontal review and feedback mean that colleagues take part in and discuss the results as they emerge.
- A participatory approach means that those who participate in the research are also involved in its various phases, reviewing, and commenting.

(Carlström, 2006)

### **3.2 Strengths and weaknesses - Interview**

The Interviews conducted are completely anonymous and that gives the participant a free and open space to fully express themselves. This provided detailed data that offers insights into participants' perspectives, experiences, and attitudes related to the Veturi collaborations. This greatly enhances the understanding of success factors and challenges. The flow of information can also be highly effective in an interview, the key points are often well summarized.

The semi-structured format of the interviews allows for follow-up questions. If something remains unclear or if the participant provides terms or such that are unclear, there is an ability to ask follow-up questions to clarify. (Whorton, 2016)

Online interviews are well established today, and it is a much more personal feeling than just sending a questionnaire. It is much easier to create trust and identify whether the interviewed person is telling their true story. This all leads to more authentic data.

Conducting interviews can be time-consuming, especially when scheduling, conducting, and transcribing interviews for multiple participants. Finding a time that works for both parties and getting replies is time-consuming.

Interviews are subjective, as they rely on the participants own perceptions and interpretations, which can sometimes differ from reality. This subjectivity can introduce bias into the data, particularly if participants provide socially desirable responses or misinterpret the questions. (Kvale & Brinkmann, 2009)

Interviews provide an opportunity to gain an in-depth understanding of Veturi collaborations, including the motivations, dynamics, and outcomes. This understanding can inform policy recommendations and future research directions.

Interviews can be complemented with other data collection methods and information sources, such as surveys or document analysis to further emphasize findings.

The participants in the interview may feel obligated to provide socially acceptable or desirable responses during interviews, particularly if the topic is sensitive. This can lead to untruthful responses. (Statistikmyndigheten, 2024)

### **3.3 Research Methodology**

This study employs a qualitative research approach to investigate the impact of Veturi collaborations facilitated by Business Finland on innovation success and ecosystem dynamics.

Data for this study was collected through semi-structured interviews with participants from both companies involved in the Veturi collaboration and Business Finland. The interviews were conducted on teams, based on the participants preferences.

The sampling strategy for this study was purposive, selected participants have direct experience and expertise relevant to Veturi collaborations. The interviews took place from

February to April. X participants were selected from a diverse range of SME companies. Also, Karin Wikman gave her insights on Veturi Collaborations on behalf of Business Finland. The aim is to get a comprehensive understanding of collaboration dynamics.

Ensuring that the study findings are valid and reliable is crucial for making sure they are trustworthy. Validity means that the study accurately measures what it's supposed to, while reliability is about how consistent the findings are. (Louis Cohen, 2017)

Several steps were taken to ensure validity and reliability in the interviews. For example, crafting interview questions that directly addressed our goals and anonymously recording the interviews. As well as checking our findings from different angles to make sure they aligned with the goal of the study and were not completely out of the blue.

### **3.4 Formulating the right questions**

The right type of questions is needed to get the information we want. Keeping in mind, formulating the right type of questions is the key to ensure relevant and useful answers in the interviews.

Asking the right questions during interviews is crucial for several reasons. It ensures that the information collected directly aligns with the research objectives. Clear and engaging questions also encourage participants to share their insights more freely, leading to much more comprehensive responses. Additionally, neutral, and unbiased questions help to maintain the integrity of the data. Well-crafted questions lay the foundation for robust data analysis and interpretation, enabling researchers to draw meaningful conclusions from their findings. Therefore, careful consideration of interview questions is essential for conducting effective and insightful interviews (Grant & Barbara Sen, 2013)

**Interview questions to SME companies:**

1. What were your expectations of the Veturi-collaboration?
2. How have you and your business developed since the Veturi-collaboration?
3. What is the concrete value added you got from the collaboration?
4. Are there risks and possible concerns with the collaborations?
5. What was tricky with the collaboration?

**Questions to Business Finland:**

1. How does Business Finland identify and evaluate potential partners and projects under the Veturi program?
2. What resources, tools, and services does Business Finland use to support participating organizations and ensure that Veturi partnerships achieve their objectives?
3. What are the primary objectives of Business Finland's funding of Veturi cooperation?
4. What has been challenging about the cooperation between large and small companies?
5. How does Business Finland measure and evaluate the results and impacts of Veturi cooperation over time?
6. How does Business Finland see the future of the Veturi program and how does the organization plan to continue supporting and developing collaborations to meet the challenges of the future?

## 4. Key findings

The following chapter will summarize the key findings from all X interviews with the SME companies, highlighting the issues and key points they raised, and suggested ways to resolve them.

### **Expectations of the Veturi-collaboration**

Through all the interviews conducted with the SME companies, all companies expressed a strong desire to actively discuss and establish clear paths and plans for achieving targets alongside realistic expectations. Setting a solid foundation for the goals is very important. Several instances came up during the interviews where SMEs were working towards vaguely depicted goals, leading to confusion mid-way regarding roles and responsibilities.

“We thought the goal we were working towards was clear, but some made their own interpretation midway”.

Based on the answers it is evident that clear communication during the initial stages and throughout the process cannot be stressed enough. As in all projects and ecosystems of this size, clear communication and goals are crucial. There needs to be a structured project management framework in place to avoid misunderstandings.

### **Business developments and value-added from the Veturi-collaboration**

Despite the collaboration being mostly research-oriented, SME companies are primarily motivated by the prospect of business opportunities within the collaboration. All SME companies have gained access to invaluable networks and developed their own business portfolios and product developments thanks to the Veturi collaboration. The other side of this positive aspect is that one of the biggest concerns among SMEs is that there might not be adequate outcomes, highlighting the need for concrete results to justify their investment of time, resources, and effort. There exists a perception among X SMEs that their contributions and needs may be overlooked.

“In the end, we must ourselves provide our customers with solutions that bring them return on investment as soon as possible”. “The biggest risk for us as a small company is that there is no concrete outcome of this collaboration, the funding we get from Business Finland is very limited”.

Since X of the interviewed individuals experienced unclear goals and unseen achievements, it needs to be ensured that the collaboration includes clear, measurable business objectives alongside research goals. This will help align the expectations of SME companies and provide tangible targets to work towards. Allocate resources and responsibilities in a way that ensures all partners, especially SMEs, have the necessary support to contribute effectively. This includes access to data, tools, and expertise required to achieve their goals. Implement a robust evaluation framework that assesses both research and business outcomes. Use these evaluations to make necessary adjustments and to demonstrate the value generated by the collaboration.

### **Primary concerns and risks raised about the collaboration**

The collaboration generates a wealth of data, which is crucial for SMEs, yet some perceive that Veturi companies fail to document their input adequately. Consequently, there is a strong need to do more regular and thorough follow-ups to the project to address this concern. Further clarification on which company handles specific areas is necessary. SME feedback suggests that Business Finland should be even more careful in selecting companies for Veturi collaborations, and make sure that all partners involved have some concrete value to be added. There are some participants who are adopting the quiet hang-around concept and are in it just for the money.

“As an AI-oriented company, the data is vital to us”. “It has been very frustrating to see that some are not doing anything”. “They are simply here for the funding.”. “Business Finland should be much more careful in the selection process when admitting partners”. “Business Finland should make sure that each of the admitted partners has some value to be added to the collaboration”.

As in all projects, the flow of information is crucial and one possible would be the Implementation of a standardized process for documenting all contributions and data generated by each company involved in the collaboration. This should include regular updates and detailed reports to ensure transparency and accountability. Furthermore, Introduce performance-based criteria for continued participation in the collaboration. Companies that fail to meet these criteria should be reevaluated or replaced to maintain the project's integrity and effectiveness. Thus one could Identify and address companies that are perceived to be participating solely for financial gain without contributing meaningfully. This could involve setting clearer expectations and enforcing consequences for non-performance.

SME companies wish to be more actively involved in the R&D operations of the Veturi leader as there is a strong need for SME companies to yield their own customers' return on investment. Several of the SME companies have taken great learning from the Veturi project and have been able to make their own ecosystem that can yield a more direct return on investment for their customers.

Some of the negative feedback has come from the nature and framework of the collaborations themselves. The ecosystem being developed consistently focuses on high-tech solutions, which have a limited market in Finland. There is a strong demand and potential in all parties involved for this Veturi concept to become more internationalized.

“The market for this ecosystem is very limited here in Finland”. “The market is way too small in Finland”. “Denmark for example has succeeded in creating the right framework for this kind of collaboration”

### **Challenging and tricky parts of part of the collaboration**

The primary concern voiced by SME companies relates to Intellectual Property Rights (IPR). This collaboration is a new and innovative approach, a system that has not been widely implemented before, there exists a substantial degree of skepticism towards the Veturi leader. Larger companies maintain strict and inflexible IPR policies, and SMEs exercise caution to avoid conflicts within this domain. Some items can just simply not be worked on, due to a clash on IPR. Meaning it is easier to just bypass it.

The lengthy process of managing Intellectual Property Rights (IPR) increases the likelihood of initially missing some valuable intellectual property assets, only to realize their significance later. Careful management of IPR becomes crucial within the Veturi collaboration framework. It's vital to have clear and detailed Non-Disclosure Agreements (NDAs) that clearly outline their scope and purpose. However, there are occasional uncertainties about what is covered in NDAs and how they relate to business matters.

“We could have expanded on this issue, but our IPRs put limits on how far the collaboration could go”.

All the SME companies expressed their frustration with how slow the process is sometimes. The primary concern voiced in this regard is the decision-making progress. Every day counts for the SME companies. The bigger companies do not see the cashflow in the same way.

“After working for a big company for a long time, it still amazes me how incredibly slow the decision-making progress really is”. “They do not know see the cash flow the same way we do as in a smaller company”. “Quicker execution is needed”.

Based upon the frustration regarding slow decision-making processes, one could schedule short and concise meetings as concerns or questions arise in the collaboration. Make swift decisions after careful consideration.

All interviews highlight the impressive competence, skillset, and network cultivated within Veturi collaborations. The funding provided by Business Finland in these collaborations offers breathing room and serves as an excellent opportunity for innovation.

“Overall this collaboration has been excellent!” “Only minor issues in the collaborations”  
“Fantastic people and brilliant minds”. “Excellent networking”.

In conclusion, the interviews emphasize the remarkable competence, skillset, and extensive network developed through Veturi collaborations. The consistent cash flow these partnerships provide not only offers financial stability but also fosters an environment ripe for innovation. Overall, the feedback on the collaboration is overwhelmingly positive, with only minor issues reported, and participants praised the excellent networking opportunities and the involvement of fantastic and brilliant individuals.

## 5. Discussion

The key findings highlight the diverse experiences and insights of the stakeholders involved. It emphasizes the importance of open dialogues and realistic expectations in achieving collaboration targets, particularly beneficial for SMEs is having access to crucial data for solution implementation.

However, the text acknowledges potential risks within the collaborative environment, such as concerns regarding the protection of Intellectual Property Rights (IPR) and disparities in input from different partners. Despite these conflicts, the steady funding provided by Business Finland in the Veturi collaborations allows for innovation and serves as a platform for expanding networks and deepening knowledge, especially in areas like high-tech solutions and AI-related research.

The text proves the strategic significance of Veturi collaborations in driving economic development and competitiveness through direct involvement in Research and Development (R&D) and emphasis on building long-term business partnerships. It also notes a growing demand for Veturi initiatives to adopt a more internationally oriented approach to capitalize on business opportunities beyond Finland's borders.

In conclusion, Veturi collaborations are depicted as dynamic ecosystems where innovation flourishes, networks expand, and knowledge is shared. By addressing the key findings mentioned above, Veturi Collaborations will become successful. This success refers to the excellent execution and collaboration within the ecosystem itself. How well the ecosystem performs in the market is a separate matter.

This discussion and key findings align with several theories, including Knowledge Management Theory, Dynamic Capabilities Theory, and Social Network theory. Each of these theories offers insights into how organizations can effectively manage knowledge, develop capabilities, leverage social networks, and absorb external knowledge to drive innovation and competitiveness within collaborative environments like Veturi initiatives.

Moreover, the information obtained from the interviews suggests an underlying theme of considerable competition for high-tech SMEs in Finland across various ecosystems. The guidelines established by Business Finland are very strict, requiring SMEs to meet strict criteria to be able to participate.

Further research is needed to explore the effects of collaborations in a broader international context. For instance, Business Finland's counterparts in Denmark do not necessarily prioritize solely domestic R&D increases, highlighting the need for comparative analysis and deeper investigation into cross-border collaborations.

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