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GROWTH PROBLEMS OF SMALL COMPANIES OWNED BY RUSSIANS IN
FINLAND

Case: Moliri Oy

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Moliri Oy

kasvun ongelmista, pieni liiketoimintaa, Venäläiset yrittäjät

Tämä lopputyö antaa yleiskuvan kasvun ongelmista, joita Venäläiset yrittäjät kohtaavat kehittäessään omaa liiketoimintaa, ja tarjoaa mahdollisia ratkaisuja. Lopputyö selventää eroja eri tavoissa harjoittaa liiketoimintaa Suomessa ja Venäjällä, paljastaa ostotottumuksia, mieltymyksiä ja ennakkoluuloja suomalaisista asiakkaista.

Tutkimuksen tavoitteena oli laatia opas venäläisille yrittäjille, neuvoa miten välttää virheitä, joita muut ovat tehneet; auttaa tutkinnon suorittaneita, jotka aikovat yksityisyrittäjiksi, pohtimaan vivahteita yrittäjyydessä Suomessa, ja laatia lista johtopäätöksistä yhtiön Moliri Oy tuleviin operaatioihin.

Yksi osa tutkimuksesta kartoittaa suomalaisia asiakkaita suoritettiin haastattelemalla venäläisiä yrittäjiä. Toinen osa on koostuu analyysistä liiketoiminnan suorituskyvystä Moliri Oy:ssä, käyttäen tilinpäätöstä ja pääomistajan toimittamaa materiaalia.

Yhteenvetona kaikesta todettiin, että Suomen asiakkaiden arvojen ja mieltymysten tunnustaminen, kun otetaan huomioon henkiset erot, perusteelliset markkinatutkimukset ovat olennaisia yrityksen kehittämiseksi. Kielelliset erot, tiedon puute Suomen verotuksesta ja lainsäädännöstä ja suhtautuminen venäläisiin, oletetaan tärkeimmiksi esteiksi Venäläisomisteisen yhtiön kasvussa.

ABSTRACT

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Growth problems of small companies owned by Russians
in Finland

Bachelor's Thesis

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Keywords

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This thesis gives an overview of the growth problems that Russian entrepreneurs meet when trying to develop their own business and provides possible solutions. It clarifies differences in the ways of doing business in Finland and Russia and reveals the buying habits, preferences and mental biases of Finnish customers.

The research goal was to prepare a guide for Russian entrepreneurs and graduates who intend to become self-employed, to help them to avoid mistakes and understand the nuances of entrepreneurship in Finland; to elaborate list of conclusions for company Moliri Oy to be considered in future operations.

One part of research involved conducting a survey of Finnish customers and Russian entrepreneurs. The second other part concerned the analysis of business performance of Moliri Oy using financial statements and materials provided by the main shareholder.

It was concluded that the recognition of Finnish customers' values and preferences discovered through marketing research is essential for company development. Linguistic divide, a lack of knowledge in Finnish taxation and legislation and Finnish customers' mental biases are the main obstacles for growth in companies whose owners are Russians.

TABLE OF CONTENT

ABSTRACT

1 INTRODUCTION	8
2 RESEARCH METHODOLOGY	11
2.1 Research objectives	11
2.2 Research methods	11
2.3 Research materials and analysis methods	12
3 COMPANIES GROWTH PROBLEMS AND CULTURAL DIFFERENCES	14
3.1 Cultural differences	14
3.1.1 Hofstede's 5-d model	14
3.1.2 Edward T. Hall's cultural factors	15
3.1.3 Trompenaars' and Hampden-Turner's cultural factors	17
3.2 Growth problems of small companies	19
3.2.1 L.E. Greiner's growth model	19
3.2.2 E. Garnsey's theory of the early growth of the firm	22
3.2.3 Major challenges and possible solutions	23
4 GROWTH PROBLEMS OF RUSSIAN OWNED SMALL COMPANIES IN FINLAND	29
4.1 Cultural differences between Finns and Russians	29
4.2 Different ways of doing business in Finland and Russia	32
4.2.1 Doing business in Finland: what entrepreneur should know	32
4.2.2 Russian way of doing business: main aspects	34
4.3 Finnish customers' opinions	36
4.3.1 Conclusions	38
4.4 Russian entrepreneurs' opinions	40
4.4.1 Conclusions	46
4.5 Case: Moliri Oy, Kotka	48
4.5.1 Growth problems of Moliri Oy	50
4.5.2 Conclusions	57

5 CONCLUSIONS	60
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REFERENCE LIST	63
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APPENDICES

Appendix 1. Outlook of questionnaire for customer survey	
Appendix 2. Outlook of interview questions list	67
Appendix 3. Financial Statements of Moliri Oy (2010)	68
Appendix 4. Financial Statements of Moliri Oy (2011)	

LIST OF FIGURES

Figure 1. Russian speaking population in Finland	8
Figure 2. Unemployment rate and trend of unemployment rate 1989/01 – 2011/06	9
Figure 3. Quantity of enterprise openings and closures from 2005 to 2011	9
Figure 4. Thesis structure	10
Figure 5. Phases of Growth and Problems	20
Figure 6. Russians vs. Finns: 5-d model	29
Figure 7. Finnish customers's survey results	37
Figure 8. Customer survey results depending on the age	37
Figure 9. Moliri Oy pancake kiosk in Kotka	49
Figure 10. Moliri Oy expenditures in 2010	51
Figure 11. Sales of Moliri Oy depending on location	54

LIST OF TABLES

Table 1. Research materials and analysis methods	12
Table 2. High-context culture vs. Low-context culture	15
Table 3. Monochronic action vs. Polychronic action	16
Table 4. 5 Phases of growth (Recklies, 2011)	20
Table 5. G. Hofstede'' National culture, countries comparison: Finland vs. Russia''	29
Table 6. Russian entrepreneurs' profiles	40
Table 7. Problems Russian entrepreneurs met and remedies undertaken	46
Table 8. Moliri Oy owners' profile	49
Table 9. Moliri Oy turnover and profit	52

1 INTRODUCTION

This thesis results are devoted to small companies owned by Russians in Finland and might appear useful for all foreigners, who arrived to Finland, started own business and are interested in its development.

According to Finnish statistics (Finnish statistics official website, 2011) 25650 persons immigrated to Finland from foreign countries during 2010. Due to current unemployment situation in Finland, more and more people take decision to become self-employed. This is a good way for immigrants to obtain the source of income and become employed in Finland. In 2006 there were almost 5.3 million inhabitants in Finland, and the percentage of foreign citizens was 2.3% of the whole population (121,739 people). Most immigrants come to Finland from Russia and Estonia. The percentage of Russians is 20.8% (25,326 people) (figures from 2006). Figure 1 gives an overview of percentage of Russian speaking population in Finland for the period from 1900 to 2010 years.

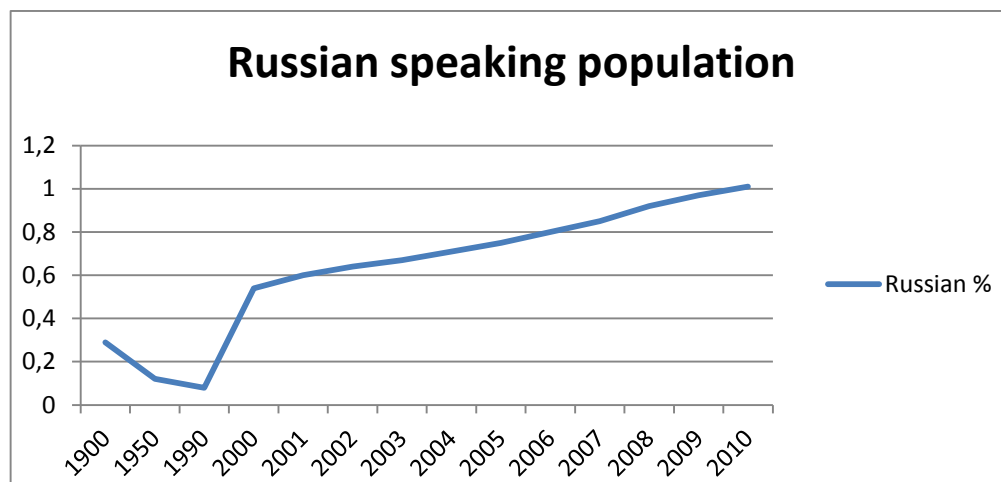


Figure 1. Russian speaking population in Finland (Finnish Statistics official website)

The educational level of Russian immigrants in Finland is fairly high: almost 40% of them have graduated from the university or polytechnic, whereas the corresponding number of the whole Finnish population is 30%. In 2001 the unemployment rate of people coming from Russia (and the Soviet Union) was 40. (Niemi 2007.)

According to statistics for unemployment situation in Finland (Finnish statistics official website, 2011) it was 8.4% in 2011, 8.4% in 2010 and 8.2% in 2009. Figure 2 demonstrates unemployment situation from 1989 till 2011.

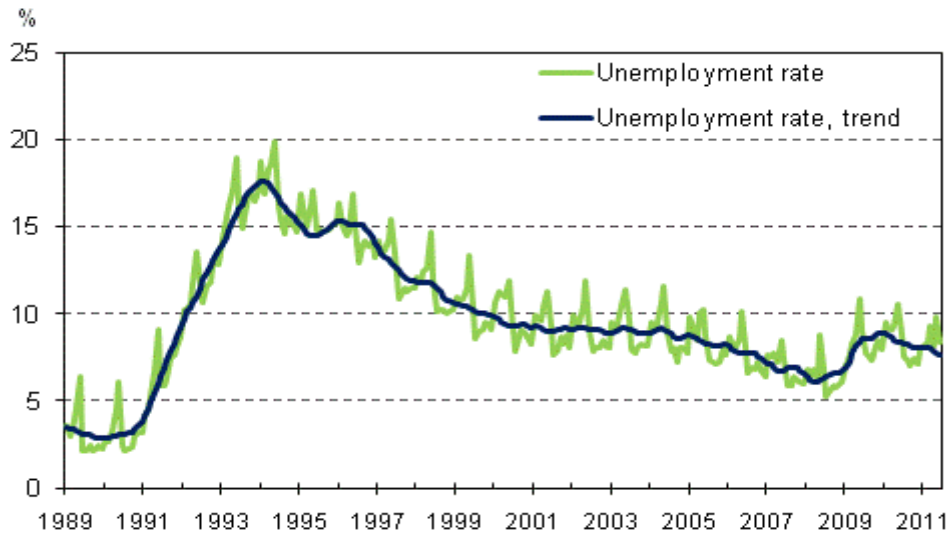


Figure 2. Unemployment rate and trend of unemployment rate 1989/01 – 2011/06 (Finnish Statistics official website)

Based on statistics, in the first quarter of 2011 the number of enterprise closures was up by 35.8% on the corresponding quarter of the year before. The highest percentage was in trade sector. According to Niemi (2007) a significant part of these businesses were owned by foreigners and some of the reasons correspond to obstacles foreigners met, mistakes they performed, difficulties they did not anticipate. Figure 3 demonstrates quantity of enterprise openings and closures from 2005 to 2011.

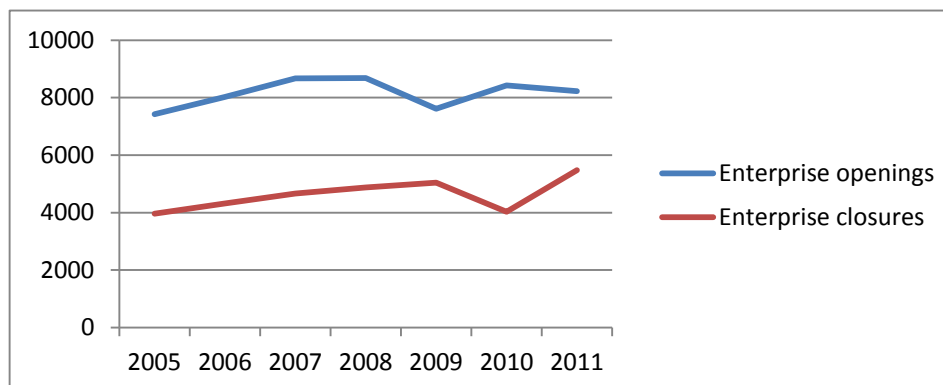


Figure 3. Quantity of enterprise openings and closures from 2005 to 2011 (Finnish Statistics official website)

Enterprise Agencies in Finland declare that at the moment, there are around 6,500 businesses operating in this country that have been established by someone who has moved from abroad. They point out the following main problems in starting up as an entrepreneur: arranging finance, lack of expertise and experience, lack of knowledge of legislation, taxation and setting up contracts, insufficient skills in the Finnish language, lack of familiarity with Finnish business culture, time management (work / study, family / spouse, free-time, etc.). (Uurityskeskus Finland 2011.)

Figure 4 bellow introduces Thesis structure.

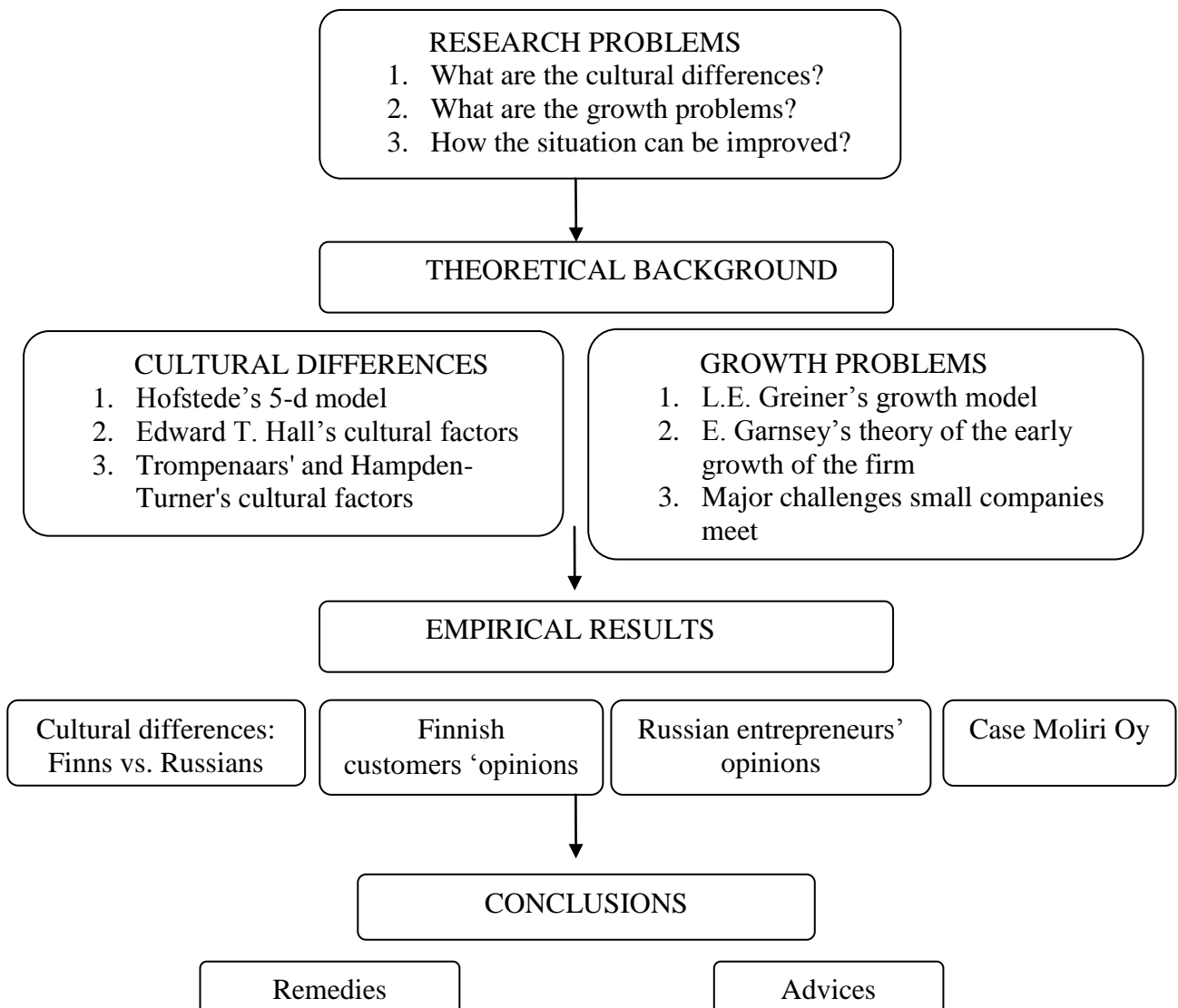


Figure 4. Thesis structure

2 RESEARCH METHODOLOGY

2.1 Research objectives

The aim of this research is to describe growth problems of small companies owned by Russians in Finland. The results received might help to avoid some pitfalls and challenges already experienced by similar companies, as well as to help in evaluation of business performance of Moliri Oy and increase profitability in the future.

The following research objectives were specified:

- What are the cultural differences between Finns and Russians, which affect Russian owned businesses development in Finland?
- What are the growth problems of small companies owned by Russians in Finland?
- How Russian entrepreneurs can improve their businesses performance in Finland?

2.2 Research methods

Research methods can be classified in various ways, however in this thesis qualitative and quantitative methods were applied. Quantitative data was collected by means of Finnish customers survey, qualitative information was obtained by interviewing of Russian entrepreneurs in Finland. This thesis is case study.

As qualitative research is concerned with the experiences of the participants, the interview questions (see Appendix 2) were designed to encourage subjects to express their opinions and views of the situation, comment on real events occurred in their businesses and provide suppositions. 5 Russian self-employed people were interviewed in order to collect research material for thesis.

Questionnaire (see Appendix 1) was elaborated as a set of short questions, regarding attitude to Russian companies, Finnish customers' opinions about quality of products, services offered and weak points and proposals, what should be improved. These lists with questions were distributed among Finnish customers in a form of survey.

Robert K. Yin (1984) has written about case study research and suggested techniques for organizing and conducting the research successfully and proposed six steps that should be used:

- Determine and define the research questions
- Select the cases and determine data gathering and analysis techniques
- Prepare to collect the data
- Collect data in the field
- Evaluate and analyze the data
- Prepare the report

In-depth study of Moliri Oy activity as qualitative method of data collection was used in this thesis: development measures evaluation, analysis of actions taken and correspondent results achieved. Growth problems were described by analysing of financial statements of Moliri Oy and efficiency of marketing strategies implemented. Information was gathered and expounded in six steps stated above. Case study is an effective way to disclose the problem and allows making deep analysis of the situation.

2.3 Research materials and analysis methods

The following research materials were used in this research:

- Perceptions of Finnish customers
- Experiences and considerations of Russian entrepreneurs in Finland
- Moliri Oy business activity results
- Statistical data

Table 1 provides information regarding research materials and correspondent analysis methods.

Table 1. Research materials and analysis methods

Research material	Analysis method
Questionnaire for Finnish customers (N=88)	Information received from survey was analyzed by means of descriptive statistics - the techniques that are used to summarise and describe numerical, such as:

	median, mean, mode, range data (Puustelli 2009).
Interviews with Russian entrepreneurs (N=5)	Qualitative research analysis methods practiced in this thesis - typology: a classification system, taken from patterns, themes, or other kinds of groups of data (Ratcliff 2012).
Case study: interview with owner of Moliri Oy (Matsera Irina)	Qualitative research analysis methods practiced in this thesis - logical analysis: an outline of generalized causation, logical reasoning process, etc (Ratcliff 2012).
Statistics	Hofstede's survey results (Hofstede 2011).

3 COMPANIES GROWTH PROBLEMS AND CULTURAL DIFFERENCES

3.1 Cultural differences

In the business world, communication is vital for the successful performance of the business. Understanding cultural differences and overcoming language barriers are issues people should take into account negotiating with business partners from other cultures. Often deals are lost because the parties involved did not take the time to learn about their partner from another culture before the meeting.

3.1.1 Hofstede's 5-d model

Hofstede (n.d.) defined power distance (PDI) as the extent to which the less powerful members of institutions and organisations expect and accept that power is distributed unequally and deals with the fact that all individuals in societies are not equal.

According to Hofstede (n.d.), individualism (IDV) - is the degree of interdependence a society maintains among its members. In individualist societies people incline to look after themselves and their direct family only. In collectivist society's people belong to "in groups" that take care of them in exchange for loyalty.

Masculinity/ femininity (MAS) a high score (masculine) on this dimension indicates that the society will be driven by competition, achievement and success, while low score (feminine) on the dimension means that the dominant values in society are caring for others and quality of life, which is already a sign of success and standing out from the crowd is not admirable. The fundamental issue here is what motivates people, wanting to be the best (masculine) or liking what you do (feminine). (Hofstede 2012.)

Uncertainty avoidance (UAI) - the way that a society deals with the fact that the future is not predictable: should we try to control the future or just let it happen? It is an extent to which the members of a culture feel threatened by ambiguous or unknown situations, and have created beliefs and institutions in order to avoid them. (Hofstede 2012.)

Hofstede (n.d.) assumes that long term orientation (LTO) - is dimension related to the teachings of Confucius, the extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view.

3.1.2 Edward T. Hall's cultural factors

Edward T. Hall was an anthropologist who identified the following key cultural factors (Changing minds 2012):

- Context

In a high-context culture, there are many contextual elements, which help people to comprehend the rules. As a result, much is taken for granted and may be confusing for person who does not understand the “unwritten rules” of the culture. In a low-context culture, very little is taken for granted. Whilst this means that more explanation is needed. Table 2 illustrates comparison of high and low context cultures.

Table 2. High-context culture vs. Low-context culture (Changing minds, 2012)

Factor	High-context culture	Low-context culture
Overttness of messages	Many covert and implicit messages, with use of metaphor and reading between the lines.	Many overt and explicit messages, which are simple and clear.
Locus of control and attribution for failure	Inner locus of control and personal acceptance for failure	Outer locus of control and blame of others for failure
Use of non-verbal communication	Much nonverbal communication	More focus on verbal communication than body language
Expression of reaction	Reserved, inward reactions	Visible, external, outward reaction
Cohesion and separation of groups	Strong distinction between in-group and out-group.	Flexible and open grouping patterns, changing as needed

	Strong sense of family.	
People bonds	Strong people bonds with affiliation to family and community	Fragile bonds between people with little sense of loyalty.
Level of commitment to relationships	High commitment to long-term relationships. Relationship more important than task.	Low commitment to relationship. Task more important than relationships.
Flexibility of time	Time is open and flexible. Process is more important than product	Time is highly organized. Product is more important than process

- Time

Monochronic time, according to Edward T. Hall, means doing some things simultaneously. It presumes careful planning and scheduling. It is Western approach known as "time management". Monochronic people tend also to be low context. In Polychronic cultures, communication predominates over time and material things, with less orientation on result. Polychronic people tend also to be high context. Table 3 clarifies difference between monochronic and polychronic time concepts. (Changing minds 2012.)

Table 3. Monochronic action vs. Polychronic action (Changing minds, 2012)

Factor	Monochronic action	Polychronic action
Actions	do one thing at a time	do many things at once
Focus	Concentrate on the job at hand	Are easily distracted
Attention to time	Think about when things must be achieved	Think about what will be achieved
Priority	Put the job first	Put relationships first
Respect for property	Seldom borrow or lend things	Borrow and lend things often and easily

Timeliness	Emphasize promptness	base promptness relationship factors
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- Space

Edward T. Hall called the study of space as “Proxemics”. People have concerns about space in many situations (personal body space, space in the office, parking space, space at home). Some people need more space in all areas. A Japanese person who needs less space thus will stand closer to an American, inadvertently making the American uncomfortable. Some people need bigger homes, bigger cars and offices. In most of cases this may be explained by cultural factors. (Changing minds 2012.)

- Territoriality

Some people are more territorial than others and pay more attention to ownership. They need to mark their areas boundaries with neighbours (e.g. co-workers may do battle over a piece of paper which overlaps from one person's area to another). Territoriality also extends to anything that is “mine” and ownership concerns extend to material things. People with lower territoriality have less ownership of space and boundaries are less important to them. Their sense of “stealing” is less developed. (Changing minds 2012.)

Summing up everything, it might be concluded, that when working across cultures it is wise to consider these factors into account. For example if people are late for meetings it may be because they are polychronic, not because they are disrespectful or lazy. Realizing personal, national or organizational culture, it is possible to act more efficiently. (Changing minds 2012.)

3.1.3 Trompenaars' and Hampden-Turner's cultural factors

Teamed with Charles Hampden-Turner (a dilemma enthusiast) Dutch culturalist Fons Trompenaars educed another cultural factors affecting intercultural communication (Changing minds 2012):

- Universalism vs. Particularism

Universalism is about finding broad and general rules. When no rules prescribed, it finds the best rule. Particularism is about looking for exceptions. When no rules fit, people judge the case from their own point of view, rather than trying to force-fit an existing rule.

- Analyzing vs. Integrating

Analyzing decomposes to find the detail. It assumes that God is in the details and that decomposition is the way to success. It considers people who look at the big picture as being out of touch with reality. Integrating brings things together to build the overall picture.

- Individualism vs. Communitarianism

Individualism seeks to let each person grow or fail on their own, and sees group-focus as depriving the individual of their inalienable rights. Communitarianism is about the rights of the group. It places the family, group, company and country before the individual and sees individualism as selfish and short-sighted.

- Inner-directed vs. Outer-directed

Inner-directed is about personal judgment “in our heads”. It assumes that thinking is the most powerful tool and that considered ideas and intuitive approaches are the best way. Outer-directed is searching data in the outer world. It regards that we live in the “real world” and that is where we should look for our information and decisions.

- Time as sequence vs. Time as synchronization

Time as sequence where events are separate items in time, sequence one after another. It finds order in a serried queue of actions that happen one after the other. Time as synchronization sees events in parallel, synchronized together. It finds order in coordination of multiple efforts.

- Achieved status vs. Ascribed status

Achieved status is about attaining status through performance. People and organizations earn and lose their status every day, and that other approaches are recipes for failure. Ascribed status presupposes gaining status through other means, such as seniority, money. It assumes status is acquired by right rather than daily performance, which may be as much luck as judgment.

- Equality vs. Hierarchy

Equality is about all people having equal status irrespective of birth or other gift. Hierarchy is about people being superior to others, where order happens when few are in charges and others obey through the scalar chain of command.

When working in other countries and with people from overseas, it is wise to research their national culture along these dimensions.

3.2 Growth problems of small companies

Small firms have unique challenges. They are ceaselessly evolving and many times depend mostly on the capabilities and personalities of their founders. If you are a small business owner and want to tide over your business growth problems and attain constant growth, read on. Today market barriers of business growth seem to constrict all chances to get ahead.

3.2.1 L.E. Greiner's growth model

According to Greiner a growing and maturing organization goes through five stages, each of them is related to particular organizational characteristics and maybe to particular problems (Recklies 2011). Figure 5 demonstrates these phases.

Phases of Growth and Problems

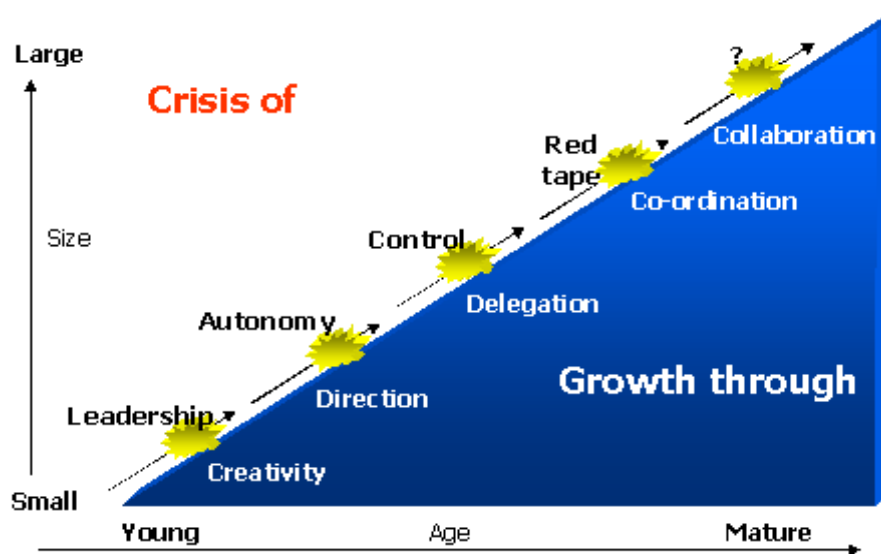


Figure 5. Phases of Growth and Problems (Changing minds, 2012)

Table 4 reveals which problems a speeding up of growth can bring. Within every phase and every crisis, the organization has to go through particular processes of learning and change.

Table 4. 5 Phases of growth (Recklies, 2011)

Phase	Growth through	Crisis of
1	Creativity: In this early stage, there are only few people in the company. They know each other well and share their experience, knowledge, and information. All relevant issues are discussed among all people. This is the typical creative start-up culture.	Leadership: As the company gets larger, it gets increasingly difficult to do everything in a mutual effort. They have problems to distinguish important from unimportant issues, since there are few or no organizational structures that allow allocating work to certain persons. The company needs a strong leader who holds the team together and establishes appropriate systems and structures.
2	Direction: Now the company is able to direct certain issues and tasks to certain people. Normally, directives and control are	Autonomy: If the company continues to grow, this leads to an extremely high workload for the manager or the management team. They have to handle

	highly centralized at this stage.	nearly everything in the company. They are responsible for assigning tasks, controlling results, acquiring work, solving problems, motivating people etc. As the company reaches a certain size, management will not be able to continue this way. They have to give up some of their autonomy and to share some tasks.
3	Delegation: Management delegates some tasks, functions and authorities to other people in the company. Departments emerge and develop their own dynamics.	Control: If management now fails to control the activities of these departments, they would start to handle tasks more from their own view than with the whole business in mind. At its extreme, departments would work against each other.
4	Co-Ordination: Projects and tasks are coordinated between all parts and departments of the company so that they are well in tune with each other.	Red Tape: This coordination can lead to a high level of bureaucracy. Fine-tuning requires high efforts that make it difficult for the company to adapt to changes in the external environment.
5	Collaboration: The co-operation between all parts of the company is so well organized that they really can work together effectively in whatever situation.	Nevertheless, doing business is never easy and the next crisis is waiting for sure.

In the beginning of each phase, all processes work smoothly, company develops on. In a situation of crisis, it is time for change. These changes have to be implemented, controlled, and modified. That means, however, that all members of the organization have to go through these phases of learning and development. Due to the several crises of growth, the implications of extreme growth on costs are enormous. Many once ambiguous Internet-start-ups who suffer from extreme costs are evidence for this. (Recklies 2011.)

3.2.2 E. Garnsey's theory of the early growth of the firm

E. Garnsey (1998) considers that new firms are subject to high infant mortality and their survival chances increase as they age. Theory and evidence suggest that about a half of new firms will grow to the point of achieving self-sufficiency, at most a quarter will expand beyond the plateau stage, and few will be unable to sustain their growth performance.

Nevertheless, surviving firms have chances to occupy own market niche. The statistical evidence of successful firms shows, that prospects are enhanced by early resource endowments, tangible and intangible, sufficient to meet new opportunities. These are more likely to be supplied by a team than by an individual, and by founders with qualifications and experience of the area of business. These attributes increase the networking capacity of founders and their ability to match opportunities and resources. The evidence also shows that partnerships and alliances allow growth firms to secure complementary assets and achieve market repositioning. In these ways they increase exposure to favourable demand and investment conditions. (Garnsey 1998.)

In accordance with Garnsey (1998) different types of market structure defines how growth can occur within dynamic markets. They can use the knowledge built up in the firm as a basis, existing resources can provide leverage, making it possible to acquire further competence in markets.

But emerging firms which fail after a period of early promise may have earlier possessed the characteristics of successful firms. The identification of success characteristics does not therefore guarantee success. The nature of growth-reversal processes explains this unresolved issue in the literature on small firm research. The drive to growth can have perverse effects as it creates resource shortages and synchronization problems. Moreover, chance comes into play, setting off unpredictable feedback effects. (Garnsey 1998.)

Nevertheless, the overall likelihood of success can be improved by certain policies: access to specialist market information and expertise can help these firms to target markets where demand conditions are appropriate. Even small inputs of key resources can bring results. Besides of it close monitoring of enterprises by experienced mentors increases survival rates. Garnsey (1998) considers a firm as an open system interact-

ing with others in its environment. No firm is an island, and to understand its growth it is essential to realize the webs of interaction which make up its environment.

3.2.3 Major challenges and possible solutions

Major challenges small company must overcome as it grows and possible solutions are provided further:

- Lack of start up preparation

It was found that there was a significant dependence between the nature and extent of intenders' preparation for start up a business. The greater the amount of consultation with knowledgeable persons and other sources of information, the better the chances of success. Despite the numerous sources available (government agencies, trade and professional associations, chambers of commerce) people purposing to set up own business show a reluctance to take an advantage of them. (Peacock 2000, 12.)

- Lack of a plan

King (2007) considers that lack of a plan is often a fundamental problem for many small enterprises. There are some important reasons to plan. Planning you set certain objectives you are much more likely to achieve. Plan will enable you to often think over and undertake actions necessary to achieve that plan; plan disciplines you to look "beyond the weeds" from time to time; plan can often help to predict the inconsistencies that need to be managed e.g. a lack of capital or other resources necessary to fund the growth projected. Once realized you are able to manage better the limiting factor.

- Lack of capital

Lack of capital is often the most critical obstacle for small company. Absence of diligent cash flow management and/or increasing capital needs, including debt, usually appear a serious constraint as company grows. In many cases the profit in one working cycle is insufficient to finance additional labour force required for the next operating cycle. This is especially the case where a business is either inventory or receivables intensive and/or the operating cycle is a long one. In order to expand and experi-

ence steady growth, a company needs capital to buy equipment, supplies, human resources, etc. Where the money flow should come from? One of possibilities is to grow capital internally by reinvesting earned profits back into the company or deposit your own finances in business. The main disadvantage though is that it can be slow. External sources of capital might be from bank loans, venture capital, investors, or even government grants. The solution should be the following: elaborate careful plan in order to see what your cash needs are and when your cash needs arise, focus on cash management techniques, and to get a handle on your cash sources so you will be able to finance the necessary capital requirements. (King 2007.)

- Poor financial management

According to surveys the predominant aspect of management inefficiency responsible for failure was financial management. Accounting was the biggest problem, because of “inadequate or no accounting records” and “deficiency in accounting knowledge”. Other key aspects of the finance function were: credit management, inventory control, cash flow analysis / liquidity, control of accounts payable, administration of fixed assets. (Peacock 2000, 9.)

- Lack of management skills and incorrect delegation

King (2007) suggested that lack of management skills is a problem that is hard to deal with in most small companies, due to limited management team size. Lack of expertise and time might be responsible for weaknesses in finance, human resources, and marketing. Often, business strategy failures are the result of inappropriate judgment, lack of business sense, and ineffective leadership style. Business owner takes charge and responsibility for all the business decisions and most setbacks occur when the owner and management fail to control all aspects of business operations. Lack of coordination and teamwork are some of the factors that may weaken the business structure. (Touch Biz 2011.) The resolution is to identify those weaknesses and then to develop a plan for dealing with those challenges, to assign person to manage the obvious pitfalls, or to hire a part-time employee or a consultant (King 2007).

- Lack of information about what is - and isn't - working

According to King (2007) lack of information about what is working, and what is not working, is another challenging issue for growing company. Often businesses do not evaluate their performance and when something specific happens, they do not know what has caused the success or problem. Implementation of a process for measuring and tracking key performance indicators on a weekly, or at least monthly, basis is crucial to empowering management to react to difficulties and opportunities timely. There is a proverb that you cannot manage what you do not measure is so true. Once awareness is settled, solutions are easier to find. (King 2007.)

- Poor marketing strategy

There is no difficulty to set up business that sells the best products and services at a competitive price, but nevertheless it does not eliminate the risk of failure because the targeted customers may not be aware of the products and services. Advertising is essential for company development. In case the entrepreneurs are unaware of how to launch the products to market, it is wise to apply to expert assistance. Volumes of e-commerce sales have risen significantly last few years. Every company is supposed to have professional looking website where customers can easily orientate. The marketing strategy should conclude information about target buyer, market segments the company will compete in, the unique positioning of the company and its products compared to the competition. (SCORE, accessed 26 Feb. 2012.)

- Poor procedures

Poor procedures are a permanent hassle for such kind of businesses trying to develop with limited resources. Most entrepreneurs do not get wise that the procedures for managing the business need to be carefully planned to diminish the incidence of failures. Mistake correction is often waste of time and especially management time. (King 2007.)

- Ignoring risks

Many small firms' owners ignore risk in their analysis of alternatives and possibilities. It is always about taking risks and one cannot insure for or evade it if one is in business. However those, who take a course of actions, deliberately consider ways to man-

age the risk and determine procedures or steps that can be initiated to reduce risks will increase the chances of success. Often, it is effective to follow-up on an issue so that nothing gets forgotten or having a deputy reviewing something to eliminate the risk of error. (King 2007.)

- Lack of focus

Referring to King (2007) lack of focus is often a serious arduousness for an entrepreneur in small company due to constant changes in priorities, issues that need prudence and other fires to be extinguished. Often it is difficult to say "no" to a short-term opportunity that will distract you from your long-term goals. Be concentrated on long-term objectives and the opportunities that will conduce achieving this.

- Bureaucracy

As businesses evolve, the management becomes more bureaucratic. Business practices become more sophisticated impeding small businesses from reaching their full potential. In this way, it is important to reorganize such structure into something more collaborative. (Touch Biz 2011.)

- The owner is the business

Peacock (2000, 6) considers, that usually in small organizations all critical management decisions, such as finance, accounting, personnel, purchasing, processing or servicing, marketing, selling are taken by the only person without the aid of specialists and with specific knowledge. At the start, and often for a long time afterwards, business depends on the personality, point of view, capabilities of the owner. There is an initial shortage in resources to manage the firm, unlike the big firm with number of supervisors for different duties.

- Competition

It is hard to imagine any business without competition. Direct and non-direct competitors do they best to persuade consumers to buy their products or services instead of yours. It is necessary to investigate the companies that are attempting to decrease your

take-home pay. Prepare list of the strengths and weaknesses of each competitor. Your business can become more effective by adopting practices you respect in competitor operations and by avoiding their mistakes. Many of them have been in business successfully for many years. (SCORE 2012.)

- Poor customer service

First of all it is vitally important to elaborate a strategy that puts the customer on first place. Customers will be served in best way when employees are empowered to do it. It should be kept in mind that a lost customer could spread the word of their disappointment, resulting in more lost customers. Review the most common reasons for poor customer service. Underpowered employees, when approval is needed by a manager for small problems that can easily be solved by a good employee, that may result in time-consuming waits by the customer. Unmotivated employees, when personnel are not encouraged to cater for the customer. Bad coordination of functions can end up in miscommunication, incorrect goods or services, and time delays. (SCORE 2012.)

- Isolation

Peacock (2000, 6) assumes, that small business managers do not have opportunities for problems discussions, what is in disposal of management in large corporations. It is considered that many people set up own business being motivated at least in part by a need for independence and control. But on the other side, this can mean isolation from colleagues and specialists that are available to managers in a large organisation. As a result, small companies tend to run lean because their limited resources are mostly used to gain profit and increase production rather than to engage managerial talent. As a consequence, entrepreneurs often lack colleagues with whom to share experiences, explore ideas.

- Product dedication

Although flexibility is an advantage, small firms also tend to “be more product-dedicated” than big ones; they are dominated by the products they produce or the services they offer. Smallness of their products/services portfolios does not allow shifting easily to something totally different. Being more concentrated on product line than on

other matters such as the use of funds, training of staff or planning, marketing strategies may negatively affect company performance. (Peacock 2000, 7.)

- External changes are critical

It was emphasized by Peacock (2000, 7), that such external forces as government regulations, employment requirements and industrial relations, finance charges and interest rates tend to have more impact on small business than on large firms which have enough resources to cushion change.

- Unproductive sales

Company's sales are considered to be the key indicator in business success. It is important to review company's patterns and trends in sales, and be ready to manage any fluctuations company may face. Business should also take notice of competitors, adjust prices of products and services correspondently, and employ competent sales staff. (SCORE 2012.)

- Company reputation

A company's reputation is important for growth. Customer service, professional behaviour of employees and managers, cleanliness of a store, prices, quality of goods, follow-ups – are the issues that influence company's overall credibility and reputation. (SCORE 2012.)

- Company location

A company's location is also critical for advancement. Appropriate location can facilitate business prosperity, whereas a company situated in a poor location will be at a disadvantage. Some point to take into account when deciding company's location is where the targeted customers live, the traffic, accessibility, and parking, the physical distance from competitors, and the condition and safety of a building. (SCORE 2012.)

4 GROWTH PROBLEMS OF RUSSIAN OWNED SMALL COMPANIES IN FINLAND

4.1 Cultural differences between Finns and Russians

If we explore the Finnish and Russian cultures through the lens of the 5-d model, we can get a good overview of the deep drivers of both cultures. The aim of this comparison, shown on figure 6, is to identify the dependence and impact of the differences on development of businesses started by Russian entrepreneurs.

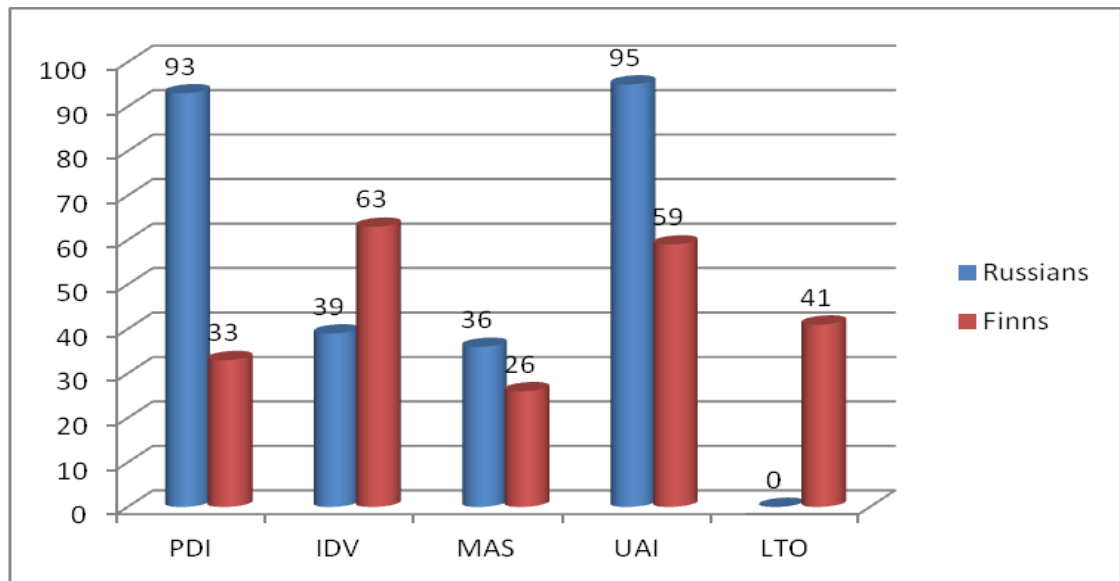


Figure 6. Russians vs. Finns: 5-d model

Interpretation of figure 6 is introduced in the table 5:

Table 5. G. Hofstede's National culture, countries comparison: Finland vs. Russia" (Hofstede's website, 2012)

What about Finland?	What about Russia?
<p>Power distance</p> <p>Finland scores low on this dimension (score of 33) which means that the following characterises the Finnish style: being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader,</p>	<p>Power distance</p> <p>Russia, scoring 93, is among the 10% of the most power distant societies in the world. This is underlined by the fact that the largest country in the world is extremely centralized: 2/3 of all foreign investments go into</p>

<p>management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Employees expect to be consulted. Control is disliked and attitude towards managers are informal and on first name basis. Communication is direct and participative.</p>	<p>Moscow where also 80% of all financial potential is concentrated. The huge discrepancy between the less and the more powerful people leads to a great importance of status symbols. Behaviour has to reflect and represent the status roles in all areas of business interactions: be it visits, negotiations or cooperation.</p>
<p style="text-align: center;">Individualism</p> <p>Finland, with a score of 63 is an individualistic society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. In individualistic societies offence causes guilt and a loss of self-esteem, the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only, management is the management of individuals.</p>	<p style="text-align: center;">Individualism</p> <p>If Russians plan to go out with their friends they would literally say “we with friends” instead of “i and my friends”, if they talk about brothers and sisters it may well be cousins, so a lower score of 39 even finds its manifestations in the language. Family, friends, and not seldom the neighbourhood are extremely important to get along with everyday life’s challenges. Relationships are crucial in obtaining information, getting introduced or successful negotiations. They need to be personal, authentic and trustful before one can focus on tasks and build on a careful to the recipient, rather implicit communication style.</p>
<p style="text-align: center;">Masculinity/ femininity</p> <p>Finland scores 26 on this dimension and is thus considered a feminine so-</p>	<p style="text-align: center;">Masculinity / femininity</p> <p>Russia’s relatively low score of 36 may surprise with regard to its pref-</p>

<p>ciety. In feminine countries the focus is on “working in order to live”, managers strive for consensus, people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favoured. Focus is on well-being, status is not shown. An effective manager is a supportive one, and decision making is achieved through involvement.</p>	<p>erence for status symbols, but these are in Russia related to the high power distance. At second glance one can see, that Russians at workplace as well as when meeting a stranger rather understate their personal achievements, contributions or capacities. They talk modestly about themselves and scientists, researchers or doctors are most often expected to live on a very modest standard of living. Dominant behaviour might be accepted when it comes from the boss, but is not appreciated among peers.</p>
<p style="text-align: center;">Uncertainty avoidance</p> <p>Finland scores 59 on this dimension and thus has a medium high preference for avoiding uncertainty. Countries exhibiting high uncertainty avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.</p>	<p style="text-align: center;">Uncertainty avoidance</p> <p>Scoring 95 Russians feel very much threatened by ambiguous situations, as well as they have established one of the most complex bureaucracies in the world. Also detailed planning and briefing is very common. Russians prefer to have context and background information. As long as Russians interact with people considered to be strangers they appear very formal and distant. At the same time formality is used as a sign of respect.</p>

Long term orientation	Long term orientation
<p>The Finns score 45, making it a short term orientation culture. Societies with a short-term orientation generally exhibit great respect for traditions, a relatively small propensity to save, strong social pressure “to keep up with the Joneses”, impatience for achieving quick results, and a strong concern with establishing the Truth i.e. normative. Western societies are typically found at the short-term end of this dimension, as are the countries of the Middle East.</p>	<p>No score available for Russia</p>

4.2 Different ways of doing business in Finland and Russia

Cultural differences can play a major role when negotiating with partner from another country and often are responsible for the outcome of the deal. In order to avoid mistakes, when doing business with Russians or Finns, some important considerations have to be taken into account.

4.2.1 Doing business in Finland: what entrepreneur should know

Before doing business in Finland, it is extremely important to have a good grasp of the Finnish cultural background. There is a proverb that suits appropriately to Finland: a little knowledge can go a long way. There are some tips listed below, which should be kept in mind, when one tries to occupy business niche in Finland (World Business Culture, accessed 5 Feb. 2012):

Finns prefer to know exactly the perimeters of their duties and are supposed to take the decisions within those perimeters. The structures of the organization are so that everybody knows what are expected of him.

Employees are amongst the best educated in Europe.

As regards to Finnish communication styles, Finns are quiet and used to contribute to a meeting or conversation only when they have something of import to say. Finns are very proficient in foreign languages. Many Finns speak not only English and Swedish (the other official language of the country) but one or two other languages as well. Finnish body language tends to be difficult to read. Lack of visible or verbal reaction to a presentation does not mean disinterest. Finns use humour extensively in business situations. It is usually very laconic and self-deprecatory; most of jokes are about themselves.

Finns are uncomfortable with a 'hard sell' approach.

Meetings are mostly used for the presentation of information rather than as debating chambers and prone to be highly structured. No section on business entertaining in Finland would be complete without a mention of the Finnish. The sauna is a venerated Finnish tradition. Business discussions may even be held in a sauna. Business lunch or dinner may be preceded or followed by a sauna. Finns insist on punctuality.

Work and private are separated.

Women have historically played a major role in business life. Many women today are on senior positions in large Finnish companies and this number seems to rise.

As concerns to Finnish management style, managers take a low-key approach to managing others. Once tasks have been delegated, the manager would not expect, or be expected, to supervise progress and check results thoroughly.

Main decisions are usually taken by a team of senior executives. This process can be slow, because change occurs only after very deep consideration by all involved parties.

Trust is the key issue in all aspects of Finnish life. For years, Finland has been at the top of the list announced by Transparency International of the world's least corrupt countries. So they are incorruptible. As for tradition of business gift giving, even small gift may be deemed as a bribe and may worsen the situation.

4.2.2 Russian way of doing business: main aspects

In order to realize why Russians behave in certain way, making business in Finland, it is necessary to comprehend the values, mental specialities they were brought up in. The main aspects of Russian way of doing business are specified further (World Business Culture 2012):

Networking and close personal relationships within the business environment are essential to successful business.

The legal status of many things in Russia is very ambiguous. Most agreements have to be made on a trust basis - a strong element of which has to be clearly identifiable self-interest. The legal basis of an agreement will probably mean very little once the relationship ends. Contracts are valid usually if supported by a close friendship.

Taxes are left unpaid on both a corporate and personal level. Almost all enterprises in Russia are leading "black" and "white" bookkeeping systems to diminish taxes payment.

As for Russian business structures, when dealing with potential clients in Russia, it is absolutely essential to make sure that the right person is being dealt with. Nowhere is the advice, "Go straight to the top", more pertinent.

Companies tend to have a short-term view of business activities (short term orientation).

Russian attitudes to business can vary widely from region to region. Are you dealing with a new-style entrepreneur or an old-school Soviet bureaucrat?

Law-breaking and rule avoidance have been promoted to an art-form in a country where the state has, for centuries, been seen as the enemy.

In Russian management styles, management tends to be centralized and directive. The boss directs instructions for subordinates to follow. Little consultation will be expected from people lower down the company hierarchy.

Many younger entrepreneurs (especially in the cosmopolitan centres like Moscow and St Petersburg) speak fluent English language. While in provincial centres foreign language skills are not common. Much more emphasis is placed upon the spoken than the written word. People believe things when they have heard them from someone with whom they have a trusting relationship. The verbal feedback during meetings in Russia is not usual; people listen silently, with little body language being displayed.

Although a high percentage of the Russian workforce is female, there are very few women in senior management positions.

Business dinner could simply be a relationship building exercise or you can find yourself in very detailed negotiations. A good meal will help build relationships and a few vodkas will also help things along.

Meetings tend to be used to communicate information; do not expect a great deal of open debate. Smaller meetings often occur behind closed doors where senior management might come to agreement. Russians are known as great "sitters" during negotiations, this demonstrates their tremendous patience. Before negotiation, be in touch with the others parties and ensure your meeting time and place, it isn't rare that your negotiation partner cancels or reschedules your negotiation. The Russian negotiation style can be described as "hesitant, contradictory, improvising, and inflexible, hard, rigid tough uncompromising, secretive, risk-averse and manipulative" is more like distribution than cooperation, compromise is equal to unscrupulousness or weakness, and they prefer zero-sum game "win-lose".

In order to create your own business in Russia you may start with the purest of intentions, but as "circumstances force" an honest man turns into a corrupt one. Bribes and kickbacks in Russia have become common, nowadays they are perceived as the norm and interact with the authorities. A bribe for a license, "gifts" to tax and other authorities, a victorious kickback for winning the tender. Most Russian entrepreneurs consider that without this it is impossible to do business in Russia. According to the international non-governmental organization Transparency International, Russia is 146th out of 180 countries included in the ranking.

4.3 Finnish customers' opinions

In order to obtain Finnish customers' points of view on research problem, survey among own business (pancake kiosk) consumers was conducted. The aim of the survey was to educate Finnish customers' buying preferences and reveal thereof obstacles, which Russian entrepreneurs face leading the business, to identify the attitude of Finnish customers towards Russians on Finnish market. Appendix 1 contains customer survey outlook.

Survey was carried in Kotka city. Questionnaire was prepared as a set of statements regarding customers' opinion about Russian roots in businesses in Finland and customers' buying preferences. Quizzes were offered to rate each question from 1 to 10, depending on significance of the issue and level of agreement (where: "1" is (absolutely) "no", "10" is (completely) "yes". The survey was anonymous; all lists were put into closed box to ensure the integrity of answers. The questionnaire consists of 6 assertions. 88 Finnish consumers, whose age varied from 17 to 66 years old, took part in it. All customers were divided into four age groups: from 17 to 25 years old, from 26 to 35 years old, from 36 to 50 years old, and from 55 to 66 years old. 20 representatives of each age group were asked (N=88).

Figure 7 makes results visible, illustrating mean for each statement of customer survey, which was conducted among Finnish people from 17 to 66 years old.



Figure 7. Finnish customers' survey results (N=88)

Figure 8 shows comparison between results received in customer survey depending on age group.

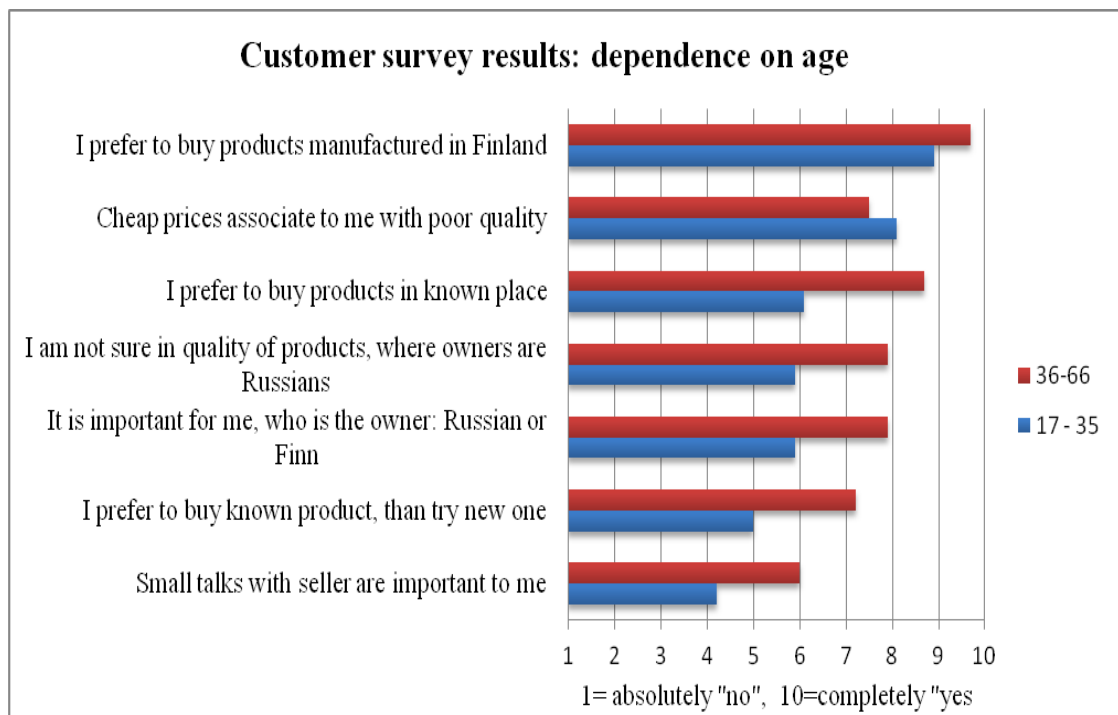


Figure 8. Customer survey results depending on the age (N=88)

After processing the results the mean to each statement of this survey was identified:

- *It is important for me, who is the owner: Russian or Finn:* 6.9 (the more important it appeared to people from 36 to 50 years old)
- *I prefer to buy known product, than try new one:* 6.1 (people from 55 to 66 years old appeared the most conservative in preferences)
- *I prefer to buy products in known place:* 7.4 (familiarity with place appeared more important for people from 36 to 50)
- *Cheap prices associate to me with poor quality:* 7.8 (people from 26 to 35 years old were more agreeable with this statement)
- *I prefer to buy products manufactured in Finland:* 9.3 (people from 36 to 50 appeared to be more patriots in buying habits)
- *I am not sure in quality of products, where owners are Russians:* 6.9 (people from 36 to 50 appeared more suspicious towards to Russians)
- *Small talks with seller are important to me* 5.1 (the most important it appeared for customers from 55 to 66 years old)

4.3.1 Conclusions

It might be supposed that the main problem for Russians having business in Finland is old stereotypical attitudes on both sides. If one Russian has done something negative, Finns tend to think that all Russians are the same. The media usually represents bad news willingly and people generalize them quickly. The opinion that no one could do business in Russia without getting involved with bribery and corruption, that all issues can be solved by means of money (what has an impact on quality standards), that Russia is associated with bureaucracy and definitely not with perfect quality, is still there. Besides of all, Finland was under Russian rule for over 100 years, and both nations were engaged in War against each other. The history has unfortunately perverted the Finns view on the Russian people. All mentioned above cannot help affecting Finnish customers buying decision. This phenomenon is called as "country of origin effect" in marketing.

Making business in Finland, Russian entrepreneurs should be ready that Finn would prefer to buy products of Finnish origin, produced from Finnish ingredients and manufactured in Finland by Finns, being assured in its quality. Based on survey results, people from 55 to 66 years old are most sensitive towards product origin.

Being first of all Russians, many Russian entrepreneurs used to deem that price is decisive factor. While in Finland consumer would prefer to pay some Euro more for quality. According to survey for most of respondents cheap price associates with poor quality and, as a result, could hardly be determinative factor. So those Russian small business owners, who put emphasis only on low price, can fall on face on Finnish market.

Survey demonstrated stability in buying preferences of Finnish consumers. The older people the more they are keen in obtaining products in proven and reliable place, while younger generation is not so care about place of purchase making. This issue should be taken into account, if business target group are people from 35 to 66 years old.

Unfortunately Russian products do not associate with quality as Swiss made watches do. This perception may affect greatly business growth, where owners are Russians. As regards to survey results, mean 6.9 from 10 just confirms it. Consumers from 36 to 50 years old appeared more distrustful towards to products offered by Russians.

The mean 6.9 from 10 illustrates that for many Finnish customers (especially for people from 36 to 50 years old) it is relevant, who owns the business: Finn or Russian. Reputation of people, who can avoid rules, if it will be profitable, close eyes on non performance of quality standards, may revoke the contract, change opinion and do not fulfil obligations, is responsible for this attitude and could appear serious barrier for business growth.

In accordance with survey old people show more conservativeness in consumption habits, then younger buyers. Average rate 6.1 characterizes Finnish consumers as loyal to products they used to purchase and as not very inclined to trying something new. Those Russian entrepreneurs who are going to deepen product range or introduce completely new product to Finnish market, should allocate enough time for product launching, and keep patience. Neglecting this factor may result in waste of time and money.

Old people who took part in survey underlined magnitude of small talks with the seller during purchasing process. This communication may help to maintain customer loyalty and convince buyer to make the deal. Absence of fluent Finnish language knowl-

edge could be a serious impediment to growth of businesses with Russian owners. This factor may complicate new customers' acquisition process as well.

It can be assumed, that stereotypical attitude towards to Russians is still one of the business development problems Russian entrepreneurs might meet in Finland. And this issue definitely should be taken into consideration, when one intends to expand business.

4.4 Russian entrepreneurs' opinions

Five Russian entrepreneurs, who run business in Finland, were interviewed. They were asked about growth problems their companies met and measures attempted to solve them. Entrepreneurs' profiles are presented in table 6.

Table 6. Russian entrepreneurs' profiles

Entrepreneur	Profile
Irina Kovaleva	Age: 41 years old, woman Company name: Chance Company form: Private Entrepreneur Company main line of business: accounting services
Amina Tsicieva	Age: 32 years old, woman Company name: Ami Company form: Private Entrepreneur Company main line of business: manicurist
Lina Notko	Age: 46 years old, woman Company name: LV Company form: Limited Liability Company Company main line of business: forwarding firm, expedition
Roman Loginov	Age: 27 years old, man Company name: Lendle Company form: Limited Liability Company Company main line of business: e-commerce, online shop, marketing and advertisement
David	Age: 35 years old, man

Danielyan	Company name: Urartu Company form: Limited Liability Company Company main line of business: logistics services, warehousing, custom clearance
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Irina pointed out the following growth problems she faced, trying to develop own company:

- Lack of facility in Finnish language, inability to use language as a marketing tool

Absence of fluent Finnish language results in inefficient promotion campaigns and not effective advertisements. Inability to use language as a marketing tool appeared an obstacle to company growth. Capability to speak Finnish language does not allow you to think as Finn. Inadequate knowledge of Finnish language was named a ground for refusal in start up capital to her company.

- Psychological barrier of being entrepreneur in another country

Point that you are in foreign country, sense of excessive responsibility, higher attention to Russian entrepreneurs' activity by state authority, necessity to prolongate residence permit proved to be an additional pressure. It often turns into barrier to business progress.

- Scarcity of experience and knowledge in sphere of Finnish accounting, legislation system, taxation

Shortage of pitfalls knowledge, specific issues, newly adopted laws, nuances in accounting system in Finland can lead to significant mistakes in professional practice. This is responsible for negative company image creation and customer discontent. As a result, fines from tax authorities, loss of customer and difficulty in acquiring of new clients. Lack of working experience in Finland was named a refusal ground in start up capital (usually granted by Employment office) in her case.

- Finances deficiency, being in Finland

Insufficiency of financial resources hinders smooth growth of enterprise. In this case it mainly ended up in not renting office, which customers could visit, and not buying more technically developed accounting program, that finally negatively affect customer service. Being a foreigner in Finland she has no possibility at the moment to take the loan.

Amina specified the following growth problems appeared obstacles to her company growth:

- Distrust to Russian service provider

Suspicious attitude to Russians hampers forming of customer base. When Finnish customers hear Russian accent, they start to doubt in quality of services offered. And if client is not satisfied with results achieved, he usually attributes it to Russian roots of entrepreneur.

- Word of mouth in Finland

She noticed that in Finland, especially in small town like Kotka is, circulation of negative impressions is more intensive than in Russia. Despite the opinion can be strictly personal, the overall image of business will damage.

Lina defined these issues as restrictions to the business advance:

- Poor legislative protection in Finland when deal with foreign customers

In most of cases it is completely impossible to bring e.g. Russian clients to account and receive debts. As consequence, Finnish company loses significant amount of profit, which may be assigned for company development instead.

- High risk of being at law with partners, employees, customers in Finland

Over protection of employees, sometimes too efficient consumer protection, widespread practice of litigation in Finland, ease to file lawsuit against entrepreneur tends

to company's engagement in some processes simultaneously. It is time and money consuming and impedes business growth.

- Difference in mentality

Diverse ways of doing business, business customs, values and priorities complicate the cooperation process with Finnish partners (e.g. carriers, shipping lines). Such issues as working hours (Finnish working day ends at 16.00, while in Russia it may end whenever), and non flexibility of Finnish workers from this point of view (negative attitude to even 20 minutes delays in order to complete an order) leads to Russian customers' dissatisfaction. Most of business relations in Finland are based on trust. As negative consequences entrepreneur emphasized: people became more gullible and inattentive, misunderstandings and inaccuracies (when no written confirmation issued), loss of customers and money, damaged relations occur oftener.

- Informational vacuum

Lack of relevant information, difficulty in finding it in Finnish language usually end up in important events and exhibitions missing, or being not aware of particular legislation, customs changes, concerning the business activity. Without sufficient knowledge of Finnish you are not able to search properly needed information in internet, you may not pay attention to something that facilitates company growth.

Roman highlighted the following barriers to his company development:

- Linguistic divide

In case of distance selling, capability of fluent communication in Finnish is essential. Sales person should speak without foreign accent and be literate. Otherwise sales process may evolve into waste of time, confusions, negative attitude of Finnish customers and decrease in sales.

- Unmotivated employees

Over protection of employees ensured by Labour Unions, comparatively high level of unemployment allowances in Finland are responsible for employees' laziness, making them uncountable and motiveless. Many of them do not care of company development, because they draw fixed salary. And even if the company is bankrupt, or they are dismissed, they will receive greater share of the salary from unemployment fund.

- Deficit of enthusiastic young specialists, who are able to work independently

For instance, in Russian you have two ways to succeed: either you have necessary pulls or you have enough enthusiasm and intelligence to do it by yourself. In Finland, where most of professions are well paid, stability dominates, the career development is not so fast moving. Graduates do not have critical need to do his best and demonstrate his diligence in order to get a foothold. On the other way, Finnish employers seem to be more tolerant towards new employees. Not feeling any pressure most of recently accepted employees are not able (or simply do not want) to work independently and do not feel themselves confident long time after recruiting. According to Hofstede's research, power distance score in Finland is 33, what means that managers are used to rely on the experience of their colleagues, employees expect to be consulted and know perimeters of their duties, control is disliked.

- Hassles in PR and doing marketing for Finnish consumers

Being Russian it is completely impossible to realize, which marketing campaign will work in Finland, and which will not yield results, which advertisement will influence purchasing decision, which will not be paid attention at all. If you did not grow up in Finnish environment, not familiar with Finnish customs, values, attitudes, beliefs, you could hardly create advertisement that pulls custom. Not being aware of slang, idioms, quotations from Finnish films or wing words of Finnish famous people - all these limit foreign entrepreneur in doing effective marketing in Finland.

David considers the issues below as obstacles to business growth:

- Absence of internal market in Finland for such kind of businesses and propitious preconditions

Transit economy in Finland is targeted mostly to Russian market. Finnish enterprises, engaged in logistics, are dependent on Russian customers; most of them do not have Finnish clients at all. This puts business at risk, and makes it sensitive to any fluctuations and external changes (e.g. laws adopted by Russian authorities), affecting company stability and growth.

- Paucity of integration with Finnish business society (conferences, meetings)

Participation in conferences, seminars, courses, business events gives entrepreneur opportunity to build new relationships, establish useful contacts, expand communication network, solicit support and be recommended by somebody. Even small talks may appear useful for business promotion. Otherwise you are not cognizant, flexible and in the dark about latest trends.

- Penury of professional analysis of business activity (sales, marketing)

Most of small companies used to live for today, not applying to systematic analysis of business activity. For small companies professional assistance can be unaffordable in Finland. Often entrepreneur considers that company gets profit, while it already sustains losses. Short of qualified assessment of efficiency of methods used, expenditures, campaigns, calculation of breakeven point and overall policy company conducts often complicates company growth.

- Finnish taxation system is not favourable for business development

In case of Limited Liability Company, double taxation is applied. At the end of the year 26% tax must be paid from the company profit (company income), then 28% tax shareholder pays from the dividends (entrepreneur's personal income) he receives. In contrast, in Russia LLC income tax is 20% and tax from dividends – 9%.

- Enticing customers away is common practice in this sphere of business

Even if employer signs correspondent contract with the employee, it would be troublesome to prove that this particular person lured away the customer after termination of employment.

- Instability of price formation on given market

There is no agreed price for expedition services in Finland, nor minimum, nor maximum. If competitor offers less price he steals your customer.

- High costs of services in Finland

Resource to professional assistance (lawyers, promoters, agencies, bookkeepers) in most of small companies is beyond means.

- Failure to take the loan for small company

Despite of existence of variety of organizations, offering financial solutions for companies (e.g. Finnvera), in reality small companies are considered to be insolvent and in most of cases bank rejects loan request.

- Socially adapted system in Finland is not profitable for entrepreneurs

Being a feminine society, Finland focuses on "working in order to live". From the other side, scoring 59 in "Uncertainty avoidance" dimension, security is an important element here. As a result the social services made Finns as one of the most socially protected nations in the world. High level of unemployment allowances, accomplished by child subsidy, finally leads to the situation when there is no significant difference: either to be unemployed or have a job. Many of Finnish employees do not value their positions, became indifferent to company achievements, what is reflected on quality of work.

4.4.1 Conclusions

Having analysed all responses, main problems and remedies were described in table 7:

Table 7. Problems Russian entrepreneurs met and remedies undertaken

Problem	Remedy

Linguistic divide	<p>To attend Finnish language courses, improve fluency of speech.</p> <p>To communicate in Finnish everywhere: in a shop, on the exhibition etc. That may help to realize some mental particularities, enrich communication network and overcome linguistic divide.</p>
Scarcity of knowledge in taxation, accounting, legislation in Finland	<p>To apply to help of development companies - guides to successful business (e.g. Cursor Oy). They know relevant contacts, specific information and can give valuable advices.</p> <p>To enrol in advanced training, constantly deepen professional skills; be aware of nuances in sphere of your business.</p> <p>To inspect all possible aids, which Finnish state provides for entrepreneurs and try to take advantage.</p> <p>To apply to experienced and recommended accountant. Carelessness, delays in reports and lack of correspondent knowledge may result in fines from tax authorities and additional costs for corrections.</p> <p>To examine financial statements monthly. This will allow you to keep a close watch on company activity and have a clear picture of results achieved.</p> <p>To assess business performance with a help of professionals periodically.</p>
Distrust to Russian service provider	<p>To increase collaboration with Finnish customers: organize parties, excursions for clients, presentations, free tests, present symbolic gifts. Finns positively react on it.</p> <p>To conduct business as transparently as possible, so that no clients, no state authorities may drop a hint of doubt.</p> <p>To put emphases on quality of product/service, reliability and responsibility. It is essential for most of Finnish customers.</p> <p>To consider contracts thoroughly. Regardless what kind of contract it is: employment contract, with customer, with partner. Scrupulousness in such issues will create positive image to your company.</p> <p>To use customer satisfaction surveys, or ask clients' opinion regarding the business services in person, what they would</p>

	<p>like to improve, what are disadvantages.</p> <p>To fulfil obligations and be responsible towards customers in any circumstances. One disappointed Finnish customer may appear too costly to company operations (bad PR).</p>
Difficulties in doing marketing due to different mentality	<p>To use Finnish advertising agencies to promote products/services. They will do in Finnish way, from point of view of Finns.</p> <p>To employ experienced Finnish employee. You will be able to verify facts, refer to his opinion and ideas, because he is thinking like most of Finns do.</p> <p>To monitor Finnish competitors constantly. It will keep you updated and helps to orientate in current trends on market.</p>
Difficulties in employment issues	<p>To exercise internal marketing to increase employees' motivation. Celebration of holidays together, corporate parties bring together employer and employee, make personnel value current position.</p> <p>To engage graduates in business activity on part-time job or practice. It will stimulate currently employed personnel and bring fresh look, ideas, and innovations.</p> <p>To use practice as possibility to examine potential employee. Employment office provides possibility to engage trainee at state expenses up to 6 months.</p>
Lack of integration with Finnish business society	<p>To attend business events oftener (e.g. workshops, conferences, corporate parties).</p>

4.5 Case: Moliri Oy, Kotka

One of the thesis work objective was making description of company (Moliri Oy) activity, trying to reveal failures and their reasons. Conclusions, presented in a form of summary of points to consider, are supposed to be valuable asset for further company operations. It will allow avoiding previous mistakes, taking appropriate financial, marketing and managerial decisions in the future. Besides of it, this part of thesis can be instructive for all Russian entrepreneurs in Finland, who purpose to set up own

business and would like to avoid same pitfalls, for graduates who decided to be self-employed.

Moliri Oy was originally founded as a pancake kiosk in Kotka in 2009. Now the line of business was changed to “sales and services”. Interview was granted by general director of this company - Matsera Irina. Table 8 gives an overview of Moliri Oy co-founders.

Table 8. Moliri Oy owners' profile

Owner	Profile
Irina Matsera	Age: 32 years old 51% of shares in the company Education: lawyer (Moscow, Russia)
Olga Masalova	Age: 25 years old 49% of shares in the company Education: BBA (Kouvola, Finland)

Figure 9 is a picture of pancake kiosk – main Moliri Oy activity at the moment.



Figure 9. Moliri Oy pancake kiosk in Kotka

4.5.1 Growth problems of Moliri Oy

The following growth problems of Moliri Oy, their reasons and consequences were described:

- Lack of start up preparation

Careful planning is essential to success and is reflected in enterprise's stability and profitability. First of all, according to results, the marketing research conducted was tenuous. It would be wise to organize some test samples, customer survey. It was necessary to communicate with some Finns and ask their opinion about the product itself, way of launching, location. Shareholders did not ask for advice from other Russian entrepreneurs, did not ask about their problems. It was not acquired enough information about Finnish customer's values, habits, preferences.

- Lack of a plan

The business plan is a written guide that details the start-up and the future direction of the company. In this case it was mainly elaborated for provision to state authorities (in order to prolongate visas). It was not used later as vital management tool that enables the manager to anticipate situations before they become problems. It was not regularly checked with what it is in reality. Most likely, if results had compared with what was originally planned and finally achieved, changes would have adopted timely.

- Lack of capital

Another frequent mistake that many small businesses make is underestimating the amount of necessary funding needed for their company's start-up. Expenses regarding pension and other insurances to be paid, depreciation were not taken into account. Finally this sum counted a significant amount of total salary to be paid. When at the beginning it is the salary of 1500 Euro per month for the employee, finally it will rise up to 1950 - 2000 euro. Owners did not make allowance for many expenditures (e.g. for state authorities' permits), because they were not aware of them. As a result, company is still having debts. More deep consideration would probably have made owners wait until they have enough funds, and only after that to start a business.

- Poor financial management

Even if the projected income statement shows a profit, it is possible that the cash flow for the same period is actually negative. First two years the bookkeeping was outsourced and annual reports were received at the end of the year. Meanwhile, the analysis of monthly cash flow and statements can indicate whether the business will collect sufficient cash to pay operating expenses. If frequent cash shortfalls occur, it might be wise to review the type of products you offer, the pricing and terms of the sale. In given case, when the balance sheet was received from bookkeeper at the end of the second year, it was already too late. According to financial statements, cash shortfalls were occurred 4 times in 2010 and shareholders lent almost 5500 Euro to the company. Total company debts were 15891 Euro in 2010, while salary paid to shareholders – 20789,21 Euro and profit – -10026,24 Euro (see appendix 3).

Figure 10 clarifies company expenditures in 2010. Another capital distribution (more investments in marketing, less salary paid) could facilitate company growth, instead of debts enlargement.

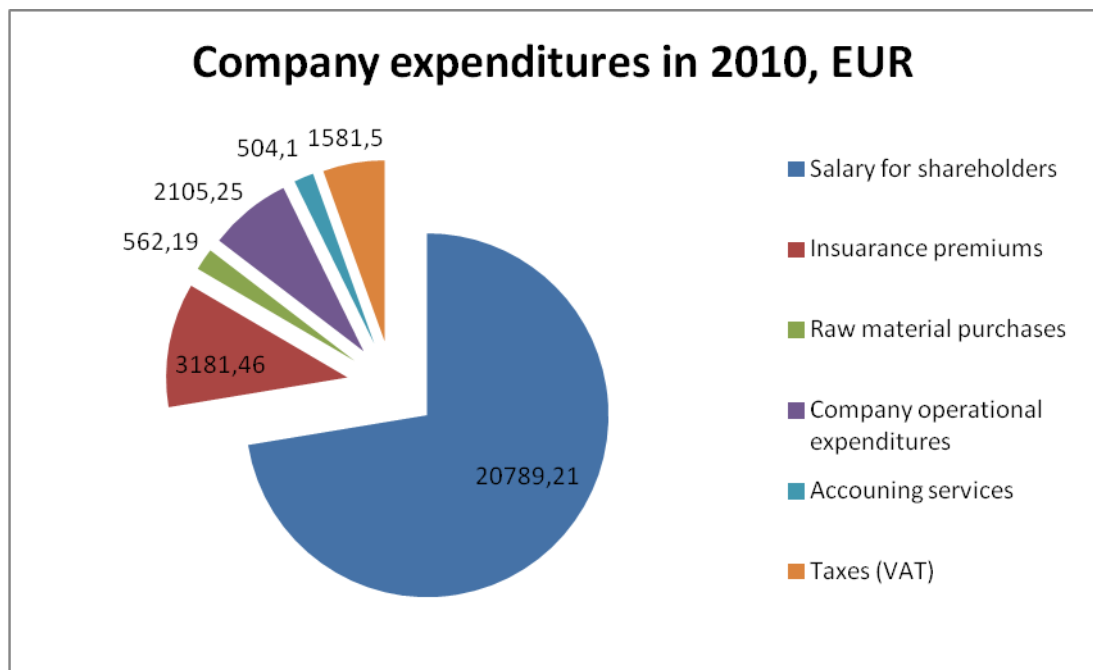


Figure 10. Moliri Oy expenditures in 2010

- Lack of knowledge in Finnish taxation, accounting, legislation and aids for entrepreneur

Entrepreneur in Finland is entitled to many grants, aid and subsidies, providing by the state. There are certain preconditions must be met and rules to be observed. Not being enlightened of them in advance Moliri Oy forfeited rights to these aids. For instance, company did not have a chance to apply for start-up capital, because registration of business was completed before filing the correspondent application. Company did not benefit from the program, when state pays up to 30% of salary to the employee (that appears very helpful at the first stage), because labour contact (that had been already concluded) did not comply with necessary demands. Consequently, owners did not have enough funds to employ the Finnish employee.

Deficiency of understanding in accounting led to confusing situations. When shareholders thought, that company started to get profits, actually it only started to pay out debts. To their surprise entrepreneurs saw unexpected loss at the end of the year.

Table 9 gives clear picture of what the owner usually sees during the year (sales) and what is seen in financial statements at the end of the year. Figures can significantly vary.

Table 9. Moliri Oy turnover and profit (from financial statements of Moliri Oy)

Year	Sales (Turnover), EUR	Profit, EUR
2009	2174,11	-5421,19
2010	17139,38	-10026,24
2011	12395,20	9948,06

Besides of it, shareholders of this company were not aware that depreciation is voluntary measure to adjust company balance. Bookkeeper did not inform about it and deducted 25% from equipment value. After it had been done, company loss increased even more.

As for taxation, it is useful to deepen own knowledge, even if a bookkeeper employed. For instance in 2009 company accountant did not mention the possibility to get tax discount. Particular form must be completed and returned to tax authorities, if company turnover does not exceed 22500 Euros per year. Shareholders occasionally knew about it from another accountant.

- Lack of information about what is - and isn't - working

Moliri Oy neither applied to professional assistance (it was unaffordable), nor did own investigation, concerning company performance. Cofounders did not measure sales before and after distributing flyers with product ad, did not make customer satisfaction surveys to conceive clients' point of view. Otherwise they would have comprehended own disadvantages in good time and took correspondent measures (to change location, raise prices, widen product range, employ Finnish speaking seller). Nevertheless shareholders denoted that such marketing expenditures as leaflets with product info, banner and article in newspaper about kiosk brought positive results.

- Poor marketing strategy and company location

From the beginning the target group was not determined correctly. The first location was port of Kotka and the product was mostly oriented to Russian drivers and Russian workers. Very soon it became obvious that most of drivers used to bring food from Russia and cook it in their equipped trucks. Most of port workers did not like to stay outside and wait for pancake to be ready even for 1 minute. Besides of it, they also brought meal from home. Finnish employees were accustomed to have launch at port cafeteria and were not very keen to test something new from unknown seller. Consequently, this not carefully elaborated marketing strategy failed. If survey had been done in advance, this place would not have selected at all.

The second location was main market square in Kotka. Owners assumed that most of buyers would be people from 30 to 50 years old. Finns were deemed to have propensity to test something new. Marketing strategy was developed from this perspective. However, marketing research, which had been carried out, appeared non reliable. Finally, most of consumers were pensioners and pupils. Kiosk opening hours (10.00 to 16.00) appeared inconvenient, because old people used to attend market square from 7.00 to 10.00 am, and pupils – after 14.30.

Importance of location can be observed on the figure 11, which introduces sales earned for the same period of time in different locations.

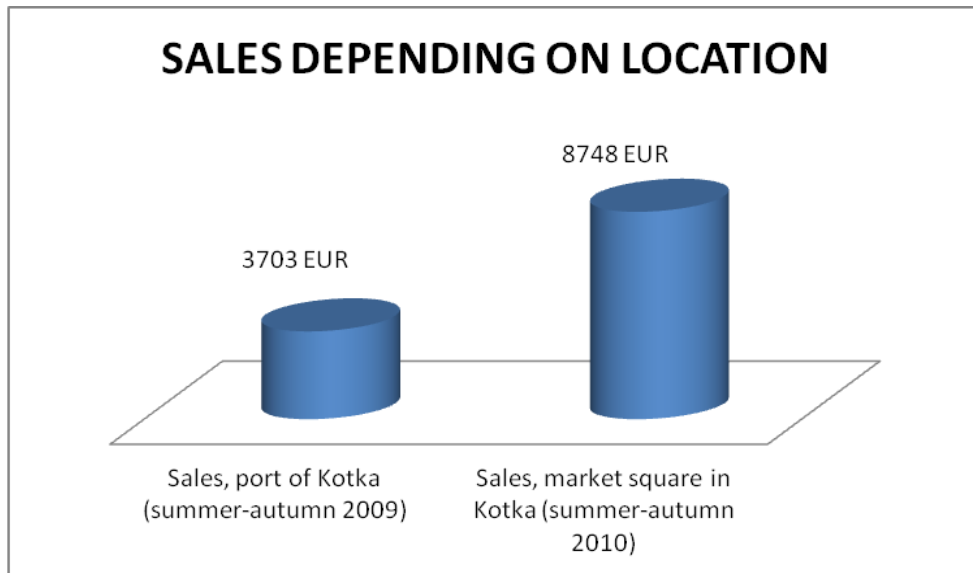


Figure 11. Sales of Moliri Oy depending on location

- Poor procedures

Having analyzed all methods and measures undertaken, it becomes obvious that almost all business procedures were incomplete: marketing, financial management, customer service as it was general rehearsal of the real business launching.

- Ignoring risks

One of the most serious mistakes regarded risks. Correspondent analysis concerning possible losses (financial risk), competitors (strategic risk), and health authority new regulations (compliance risk) was not done. For instance, prohibition for selling hamburgers due to inappropriate ventilation system was not foreseen.

- The owner is the business

Business dependence on the personality, point of view, capabilities of shareholders created an initial underage in resources to manage this business (including insufficient knowledge of Finnish language).

- Competition

The main competitor on market square was cafeteria, owned by Finnish woman. They offer standard Finnish snacks, are opened from 6.30 till 14.00 am daily and usually have all sits occupied. They had two Finnish sellers, convenient fitting-out of the kiosk and long queue of regular customers.

- Country of origin effect

As was mentioned earlier, most of customers were old people. Country of origin effect often predetermined customers' choice. Many of them casted down on quality of product and ingredients, some did not want to buy from Russians in principle.

- Poor customer service

Customer service conception must be planned in accordance with main target groups. In this case, where main customers were pensioners, not enough attention was paid to communication with them. Small talks about nothing during purchasing seemed to be even more important for old customers, than the product itself. Unfortunately, Finnish language knowledge in this firm was insufficient for cheerful conversations. Due to lack of labour force, kiosk was sometimes closed during working hours specified. In Finnish society, where punctuality and precision are norms, it left bad impressions to buyers.

- Mental biases and Finnish customers' preferences

One of the inconveniences in kiosk had technical nature. It is designed in such way, that seller stays not on the same level with customer (like in most of Finnish sales kiosks), but almost one meter upper. As it was observed many Finns were embarrassed by such position and feel themselves uncomfortable.

It was also noticed that most of customers incline to buy from the place, where there are already many other people, and they will not stand out or draw attention, being alone. Seller in this kiosk often had to wait for the first decisive customer.

Another barrier was some kind of conservatism in eating habits. Consumers regularly asked if pancake kiosk sells "lihapiirakat", and were very disappointed with negative

answer. It was not effortless to make them taste product, which they are not used to eat or have never tried.

Comparatively low prices offered (which must have been a competitive advantage), many customers, associated with low quality. It was not realized, that price is not decisive factor for Finnish customers, but quality predominates and they are ready to pay for it.

- Isolation

Due to financial reasons and limited communication network company did not involve specialists, or discuss difficulties with those, who can give advice in this case. To most of conclusions owners came by means of hit-and-miss method and did not learn from the mistakes of others. Meanwhile, tips given in time could change situation radically.

- Linguistic divide

Linguistic divide complicated information search of relevant information in internet. Inability to read Finnish newspapers, check Finnish forums, and freely find recently adopted laws and regulations in Finnish, fluent communication with customers did not encourage smooth product penetration.

- Product dedication

Concentration on one main product was initial mistake of the business. Diversification of product range might attract more customers and facilitate sales. Some other product could have been added to product range, which Finns already familiar with and keen to buy.

- External changes are critical

Competition (who served most of potential consumers), traffic authority's regulations (obligation to receive traffic plates for kiosk before year 2014 – due to difficulty in obtaining required certificates and permits), employment requirements (due to mini-

mum wage, owners could not afford hiring of Finnish employee) had and will have substantial impact on company growth.

- Unproductive sales

Low margins, low price and low sales made business unprofitable. Possible solutions might have been: prices adjustment to price level of competitors, maximization of profit margins, sampling by taste, employment of experienced Finnish seller (at least for part-time job) and advertisement (flyers distribution).

- Company reputation

In case of B2C Moliri Oy reputation did not play significant role for customers of pancake kiosk. But when recently it was decided to act as a supplier of bathroom glass cabinets for some Finnish companies (B2B), few of them immediately checked Moliri Oy financial statements for previous years, main line of business and rejected company proposals. Firm did not match their requirement as a supplier: company did not have enough experience in this field, did not have enough financial safety margins.

4.5.2 Conclusions

In order to make new company inception successful and avoid previous mistakes, the following reminders were prescribed:

- Marketing research should be scrupulous and done in advance before launching new product /service and contain surveys, test samples. Otherwise it can be waste of time and money.
- Business plan is a written guide, which needs to be checked with on regular basis to undertake necessary changes timely.
- When consider capital needed for company growth it is essential to anticipate hidden costs (depreciation, insurances, social contributions, permits, licenses, repair costs) maximally.
- Not to forfeit right to aids (start-up capital) and subsidies (for equipment purchasing), provided by the state, it is necessary to inspect preconditions well in advance before applying.

- Business cash-flow cycle may vary from income statement. To have real picture of company results and avoid cash shortfalls, it is wise to analyze financial statements monthly.
- It can be useful to acquire information regarding tax discounts, refunds, and deductions which company entitled for and consult another accountant.
- Tax authority concedes possibility to use some dimensions to adjust company balance (for small companies): depreciation, procedure of writing off debts from shareholders, transfer debts to the next year. Entrepreneur is able to improve the situation using these methods.
- If professional assistance (who can analyse company performance) is not affordable, it is crucial to deduce in time what is and what is not working.
- Correct identification of target group is essential, otherwise marketing campaign will fail.
- Company turnover depends on location and opening hours. Preliminary research has to be done at target place.
- Do not underestimate competition. The more it is investigated, the easier to find own niche and introduce competitive advantage. Something can be adopted from competitors.
- Country of origin effect affects customer choice in Finland greatly. Sometimes it is prudent not to demonstrate company Russian roots, because many consumers would not confident in quality of products/services.
- Small talks during buying process are especially important to customers from 55 years old and seller should have enough fluent language.
- Linguistic divide is a serious obstacle to company growth. In case of distance selling, where person must speak very fluent language to avoid confusions, employment of Finn for part time or remote job could be a solution.
- Punctuality and preciseness are norms in Finland. Failure to observe them could be costly.
- Some mental biases to be taken into account: Finns do not like to draw attention and many are conservative in their preferences; they are favour to buy, what is produced in Finland, low prices can be associated with poor quality.
- Applying to free assistance (Cursor Oy) and exchange of experience with other entrepreneurs allows learning from others' mistakes.

- To launch the only product to the market is risky. Possibility to diversify product range cannot be set aside.
- To apply for Finnish students help (from marketing department) to elaborate advertisement for products/services promotion is an affordable alternative to create it in Finnish way and with fresh view.
- Financial safety margin and experience are one of the most important determinants of company image. But professional website, stylish visit cards, well educated and representative sales person, precise information provided, responsiveness, responsibility, adhering to conditions – all these should be executed from the beginning.

5 CONCLUSIONS

This research was aimed at identification of growth problems, which Russian entrepreneurs face, trying to develop own small company. Comparison of Russian and Finnish ways of doing business, customer survey, statistical information, interviews with five Russian business people and description of business activity of Moliri Oy made possible to educe correspondent conclusions.

Reliability is the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials. Research for this thesis was conducted by different means (survey, interviews, case study) and results received were interrelated, coincided and complementary, what therefore proves an accuracy of the information gathered.

Validity is concerned with the study's success at measuring what the researcher set out to measure. As for external validity, results of a study are generalizable and widely applicable (thesis can appear useful for Russian entrepreneurs and graduates in Finland, for Moliri Oy shareholders). As regards to internal validity, all set questions (objectives) were explored and answered with due care. Problems were investigated from diverse perspectives and point of views (Finnish customers, entrepreneurs).

Customer survey proved the opinion about Finnish patriotism and their preference to buy product of Finnish manufactures. Based on survey results, people from 55 to 66 years old are most sensitive towards product origin. Many Russian entrepreneurs consider price a decisive factor, while quality is priority for Finnish consumer. It became obvious that the older people the more important for them to buy products in proven and reliable place, while young consumers do not pay much attention to it. Unfortunately Russian products do not associate with quality this perception may affect greatly business growth of Russian quality. Consumers from 36 to 50 years old appeared more distrustful towards to products offered by Russians. Lack of fluent Finnish language is serious impediment to growth of businesses by Russian owners, because small talks in Finland are powerful tool in obtaining customer loyalty, especially in case of pensioners. It should be admitted that stereotypical attitude of Finnish consumers towards to Russians is still one of the business development problems, which Russian entrepreneurs meet in Finland.

In case of Russian entrepreneurs' interviews lack of facility in Finnish language was named by interviewees as one of most serious barrier to company growth. Inability to use language as a tool renders difficult in PR and doing marketing for Finnish consumers. Inadequacy of experience and knowledge in Finnish accounting, legislation and taxation resulting in costly mistakes (fines from tax authority) and their corrections, appeared an obstacle for almost all of entrepreneurs. They also struggled from finances deficiency, which was complicated by high costs of services in Finland and failures to take the loan for small company. Suspicious attitude towards Russian service providers in addition to strength of word of mouth in Finland are often responsible for low sales in company with Russian roots. One of entrepreneur pointed out that it is a high risk of being at law with partners, employees, customers in Finland and it would be wise to take insurance from law suits. This person also complained on poor legislative protection in Finland in deals with foreign customers. Linguistic barrier was named a reason of informational vacuum and paucity of integration with Finnish business society (conferences, meetings). Due to lack of finances, it appeared unaffordable for these business owners to apply to professionals and make analysis of business performance, which may help to reveal timely all growth problems. It was noticed that Finnish taxation system (taxation of LLC companies especially) is less facilitating to business development in comparison with Russian's one for instance. Another difficulty entrepreneurs met was unmotivated Finnish employees. This was explained by socially adapted system in Finland (overprotection of employees, high unemployment allowances). Despite Finnish employees are amongst the best educated in Europe, deficit of enthusiastic young specialists, who can work independently was underlined. It was attributed to Finnish management style and employees' preference to know exactly perimeters of their duties. Besides of it, such growth problems as psychological barrier of being entrepreneur in another country, absence of internal market in Finland for such certain kind of businesses were mentioned during interviews.

According to information provided by the main shareholder of Moliri Oy, lack of start up preparation, lack of a plan and lack of capital initially put company in a weak position on Finnish market. Half-baked marketing research ended up in incorrect identification of target customer group and thereof inappropriate marketing strategy implemented. Lack of information about what is - and isn't – working, poor procedure, risks ignorance, lack of focus, limitation of resources led company to unproductive sales and significant negative balance. Lack of information about what is working and what

is not, tough competition and external changes made the situation even worth. Company did not take into account mental biases and Finnish customers' preference when elaborated marketing approach, despite in such kind of business (sale of food) country of origin effect plays an important role. Inappropriate working hours, instability in kiosk working schedule, inability to communicate freely with clients were signs of poor customer service and left negative impression on customers. Lack of knowledge in Finnish taxation, accounting, and legislation resulted in some aids, which entrepreneurs did not get and tax discount they missed. Owners did not monitor financial statements on monthly basis and did not take correspondent measures timely. Another problem was product dedication. It was necessary to widen product range long time ago. Owners appeared isolated from other business world, and had to lead business by trial and error.

At the conclusion two main advices can be given. First of all the following proverb should always be kept in mind: *Forewarned is forearmed*. When one decides to set up own business in Finland it is vitally important to overcome informational vacuum and acquire as much knowledge as possible. Secondly, to remember words of Rene Dubos: *Human diversity makes tolerance more than a virtue; it makes it a requirement for survival*. Making business in Finland Russian entrepreneurs should not be overconfident in success and never forget, that Finnish consumers and business partners may have another point of view and preferences.

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Outlook of questionnaire for customer survey

Suomalaisten asiakkaiden kyselyn tulokset

1 - ehdottomasti "ei" 10 - täydellisesti "kyllä"

1**10**

1. Ostan mieluummin Suomessa valmistettuja tuotteita	
2. Halvat hinnat minulle tarkoittavat huonoa laatua	
3. Mieluummin ostan tunnetun paikan tuotteita	
4. En ole varma venäläisten omistajien tuotteiden laadusta	
5. Minulle on tärkeää kumpi maa tuotteen tuottaa Venäjä vai Suomi	
6. Mieluummin ostan tunnetun tuotteen, kuin kokeilen uutta	
7. Pienet keskustelut myyjän kanssa ovat minulle tarkeitä	

KIITOS!

Outlook of interview questions list

ИНТЕРВЬЮ / INTERVIEW

1. Имя вашей компании / company name:
2. Сфера деятельности вашей фирмы / main line of business:
3. Ваш возраст /age of entrepreneur:
4. С какими проблемами развития бизнеса вы столкнулись в Финляндии / could you please specify growth problems your company faced in Finland?

Financial Statements of Moliri Oy (2010)

Tase-erittely - Moliri Oy

Y-tunnus 2268986-5

31.12.2010**T A S E****V a s t a a v a a****PYSYVÄT VASTAAVAT**

Aineelliset hyödykkeet

1121 Koneet ja kal. ostot ALV22%

2 862,19

Aineelliset hyödykkeet

2 862,19

VAIHTUVAT VASTAAVAT

Rahat ja pankkisaamiset

1700 Kassa

39,95

1710 Nordea 106930-233973

36,21

Rahat ja pankkisaamiset

76,16

2 938,35**V a s t a t t a v a a****OMA PÄÄOMA**

Osakepääoma

Osakepääoma

2000 Osakepääoma

2 500,00

Osakepääoma

2 500,00

Osakepääoma

2 500,00

Ed. tilikausien voitto (tappio)

2020 Ed. tilikausien voitto/tappio

- 5 426,88

Ed. tilikausien voitto (tappio)

- 5 426,88

Tilikauden voitto (tappio)

- 10 026,24

Oma pääoma yhteensä

- 12 953,12

VIERAS PÄÄOMA

Lyhytaikainen

Muut velat

2450 Siirtovelat lyhytaik.

5,51

2473 Maksettava palkka

1 621,60

2479 Verotilipahtumat

764,36

2488 Velat osakkaille

8 500,00

2489 Velat Masalov Y.

5 000,00

Muut velat

15 891,47

Lyhytaikainen

15 891,47

2 938,35

Tase-erittely - Moliri Oy

Y-tunnus 2268986-5

1.1. - 31.12.2010**TULOSLASKELMA****LIIKEVAIHTO**

3012 Myynti ALV 12% nettokirjaus	3 559,91
30121 Myynti ALV 13% nettokirjaus	13 579,47

LIIKEVAIHTO	17 139,38
	<hr/>
	17 139,38

Materiaalit ja palvelut**Ostot tilikauden aikana**

4010 Ostot ALV 22% nettokirjaus	- 17,92
40101 Ostot ALV 23% nettokirjaus	- 122,72
4012 Ostot ALV 12% nettokirjaus	- 140,25
40121 Ostot ALV 13% nettokirjaus	- 261,64
4020 Ostot ALV 0%	- 19,66

Ostot tilikauden aikana	- 562,19
Materiaalit ja palvelut	- 562,19

Henkilöstökulut**Palkat ja palkkiot**

6000 Palkat ja palkkiot	- 20 789,21
Palkat ja palkkiot	- 20 789,21

Eläkekulut

6020 Eläkekulut	- 1 077,65
Eläkekulut	- 1 077,65

Muut henkilösivukulut

6030 Sotu	- 463,60
Muut henkilösivukulut	- 463,60

Henkilöstökulut	- 22 330,46
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Liiketoiminnan muut kulut

6100 Vuokrat ALV 22%	- 131,04
61001 Vuokrat ALV 23%	- 115,45
6610 Pienkalusto ja tarv ALV 22%	- 81,80
66101 Pienkalusto ja tarv ALV 23%	- 18,91
6620 Kolmen vuoden ALV 22% kalusto	- 900,00
6650 Sähkö ja lämpö ALV 22%	- 15,40
66501 Sähkö ja lämpö ALV 23%	- 97,56
6750 Vakuutukset liike ym	- 51,11
6751 työttömyysvak.	- 30,10
6752 ryhmähenkivak.	- 8,20
6753 tapaturmavak.	- 50,01
6754 Tyel-vak.	- 1 640,21
6820 Puhelin ja internet ALV 22%	- 205,24
68201 Puhelin ja internet ALV 23%	- 107,93
6930 Kirjanpito- ja muut ALV 22%	- 504,10
6936 Taloushallinto, ALV 0%	- 55,00
6955 Pankkikulut	- 237,50
Liiketoiminnan muut kulut	- 4 249,56

LIIKEVOITTO (-TAPPIO)**- 10 002,83****Rahoitustuotot ja -kulut****Muut korko- ja rahoitustuotot /muilta**

7300 Saadut korot myyntisaamisista	0,03
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Muut korko- ja rahoitustuotot /muilta	0,03
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Korkokulut ja muut rahoituskulut muilta

Tase-erittely - Moliri Oy

Y-tunnus 2268986-5

1.1. - 31.12.2010

7550 Verojen korot ja lisäykset	- 23,44
Korkokulut ja muut rahoituskulut muilta	- 23,44
Rahoitustuotot ja -kulut	- 23,41
VOITTO (TAPPIO) ENNEN SATUNNAISIA ERIÄ	- 10 026,24
VOITTO (TAPPIO) ENNEN TP. SIIRT. JA VEROJA	- 10 026,24
TILIKAUDEN VOITTO (TAPPIO)	- 10 026,24

Financial Statements of Moliri Oy (2011)

Moliri Oy	Tase	Sivu 1
2268986-5	31.12.2011	31.1.2012
VASTAAVAA		
PYSYVÄT VASTAAVAT		
Aineelliset hyödykkeet		
Koneet ja kalusto	2 146,64	
Aineelliset hyödykkeet yhteensä	2 146,64	
Pysyvät vastaavat yhteensä	2 146,64	
VAIHTUVAT VASTAAVAT		
Rahat ja pankkisaamiset	162,08	
Vaihtuvat vastaavat yhteensä	162,08	
Vastaavaa yhteensä	2 308,72	
VASTATTAVAA		
OMA PÄÄOMA		
Osakepääoma	2 500,00	
Edellisten tilikausien voitto (tappio)	-15 453,12	
Tilikauden voitto (tappio)	10 571,76	
Oma pääoma yhteensä	-2 381,36	
VIERAS PÄÄOMA		
Muut velat	4 000,00	
Siirtovelat	690,08	
Vieras pääoma yhteensä	4 690,08	
Vastattavaa yhteensä	2 308,72	

Moliri Oy	Tuloslaskelma	Sivu 1
2268986-5	1.1.2011 – 31.12.2011	31.1.2012
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LIKEVAIHTO	12 395,25	
Materiaalit ja palvelut		
Aineet, tarvikkeet ja tavarat		
Ostot tilikauden aikana	-130,01	
Materiaalit ja palvelut yhteensä	-130,01	
Henkilöstökulut		
Henkilösivukulut		
Eläkekulut	-477,18	
Muut henkilösivukulut	-58,31	
Henkilöstökulut yhteensä	-535,49	
Poistot ja arvonalentumiset		
Suunnitelman mukaiset poistot	-715,55	
Poistot ja arvonalentumiset yhteensä	-715,55	
Liiketoiminnan muut kulut	-1 066,57	
LIKEVOITTO (-TAPPIO)	9 947,63	
Rahoitustuotot ja -kulut		
Muut korko- ja rahoitustuotot	4,33	
Korkokulut ja muut rahoituskulut	-3,90	
Rahoitustuotot ja -kulut yhteensä	0,43	
VOITTO (TAPPIO) ENNEN SATUNNAISIA ERIÄ	9 948,06	
VOITTO (TAPPIO) ENNEN TILINPÄÄTÖSSIIRTOJA JA VEROJA	9 948,06	
Tuloverot	623,70	
TILIKAUDEN VOITTO (TAPPIO)	10 571,76	