

Business development of Pika-Apu Palvelu

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<p>Chalara Oy is a young Start-up founded in Helsinki, Finland in April 2012 by two individuals lacking business experience. During the company's development, Chalara Oy has been involved in different industries, but focused on their initial project, Pika-Apu Palvelu.</p> <p>The aim of this thesis is to describe the business development process of Pika-Apu Palvelu, a service that offers home services to businesses and individual consumers by matching customers with a reliable employee.</p> <p>This thesis will mainly discuss the marketing and quality management strategies of Pika-Apu Palvelu to produce the most effective marketing channels in different stages of business as well as methods used to improve employee work ethic and performance.</p> <p>This research combines theoretical and empirical studies with practical applications used in 2013. These findings give deep insight about how a start-up initially developed through trial-and-error with no market recognition to a healthily developing small company one and a half years later.</p> <p>In conclusion, in this thesis, it provides great case studies which combine various marketing methods with excellent quality management that lead Pika-Apu Palvelu to a higher level.</p>	
<p>Keywords Start-Up, Business development, Marketing, Quality control</p>	

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Introduction

1.1 Background

The purpose of this bachelor thesis is to describe the development of a new young start-up called Chalara Oy in the Helsinki region. This thesis will describe the early stages of a small medium enterprise in the service sector, the potential challenges faced, methods used to approach our customers, and how service quality was managed throughout. This describes the development of a real practical business beginning from a single idea to an actual business, and reflects the common opportunities and problems that a start-up may encounter while growing.

1.2 Thesis objectives and limitations

The main objectives of this thesis are picking out the most crucial parts for a brand new company entering the market. With no previous company brand recognition and lack of business experience, the company's co-founders had much to do and even more to learn to create a successful business. Therefore, this thesis depicts the various methods used to develop the business from only one original idea to a semi-matured small medium enterprise with 8 employees in 1.5 years.

The main topics to be discussed in further details are related to marketing and quality management. The following questions will be answered.

- What are the marketing channels that a start-up can use?
- What are the common problems start-ups may face?
- Potential solutions to marketing issues
- How to develop marketing using the long tail theory?
- Customer relationship crisis
- How do we manage quality?
- How do we manage employees?

The limitations of this thesis are directly related to the lack of initial resources of Chalara Oy at establishment. Truthfully, we did not have many contact resources. We only focused on the social media marketing channel, that led to the fact which emails campaigns and other possible marketing methods are left out in this thesis. Therefore, we matched different marketing channels according to our situation at the time. For example, at first we used a variety of online marketing methods to attract potential clients. These online marketing channels consist of a variety of social media marketing strategies, which includes the use of different social websites providing marketing opportunities through blog, microblog, texts, pictures and videos.

1.3 Thesis structure

This thesis can be divided to multiple sections, which combine theoretical and empirical studies.

Chapter two will provide basic business information about Chalara Oy including information regarding the founders.

Chapter three will introduce how qualitative research was conducted for this thesis. It will describe various marketing methods and competitor analysis

Chapter four will state how Chalara Oy's Pika-Apu Palvelu approached customers through different channels, past mistakes we have made during our initial business attempts, and the correct decisions that we made for our business, which enabled the survival of Chalara Oy. In this chapter, the application of various theories will be integrated with practical business activities.

Chapter five will describe our growth stage, and which parts we neglected in the beginning. When errors led to the occurrence of real problems, we had to manage crises between our company and our customers, and between our company and employees. These led to a set of solutions leading our business back on the right track.

2 Overview

2.1 Chalara Oy overview and introduction to Pika-Apu Palvelu

Two co-founders founded Chalara Oy in April, the year of 2012. They consist of Charles Dong (Thesis author) and Tara Joensuu. After 1.5 years' of development, Chalara Oy is primarily involved in the industries of home services, language training, and investing. Recently, due to the international background of its co-founders, Chalara Oy decided to re-open the door into the Chinese market, specializing in the business fields of education and clean technology consultancy. Chalara Oy is a member of China-Finland business association.

The form of Chalara Oy is a Limited Liability Company. At the very beginning, Chalara Oy was established to enter the importing and exporting industry mainly between three countries, China, USA and Finland. Our initial business idea aimed to introduce new trends into the Finnish market as well as take advantage of existing, current trends. This would be accomplished through continuous review of new trends around the world, mainly central Europe, Asia (Japan, China, and South Korea) and North America. Chalara Oy participated in several open bidding events hosted by HOK-Elanto to leasing property at the heart of Helsinki downtown. Unfortunately, based on Chalara Oy's situation as a brand new company with lack of business experience history, we failed to acquire a property in a correct location. This led to a change in direction.

Chalara Oy founders information briefly:

CEO & Co-founder: Charles Dong (Thesis author), a 23 years old Chinese male from Shijiazhuang, a city in the northern part of China. He moved to Finland around 5 years ago, and is a business degree student at Haaga-Helia University of Applied Sciences with a Major in Marketing. He has some prior business experiences.

CFO & Co-founder: Tara Joensuu, a 24 years old Finnish-American female from USA. Currently she works for Chalara Oy and also is a degree student at the University of Helsinki with a major in Neuroscience.

After the other co-founder-Tara Joensuu's preliminary analysis of the local market, we quickly decided to switch our business from an importing and exporting company to an agency that connects potential employers to student employees for a variety of home services. The business name for this idea is Pika-Apu Palvelu, which translates to "Fast Help Service" in English. Initial home services offered included cleaning, yard-work, childcare and help for senior citizens.

2.2 Industry overview

The requirements for entering this market are not very high, and therefore there are many different companies that are related to different home services in the capital metropolitan area (consisting of Helsinki, Vantaa, Espoo and Kauniainen). According to the company search engine on www.suomenyriytykset.fi, there are over 1000 cleaning companies in Helsinki. The majority of the home service companies are small medium enterprises with less than 50 people, often run by one person or a group of professionals, sometimes families (Tilastokeskus, 2007).

According to Tilastokeskus (2007), typically larger cleaning companies have dominated the cleaning industry. However, ever since the introduction of "Kotitalousvähennys", the number of small companies has increased dramatically. This has led to an increase in revenue in the cleaning industry ever since year 2005. They have competed with large companies mainly over homeowner clients. (Tilastokeskus, 2007.) Currently, three of the largest companies include L&T, SOL and ISS. These three giants still take up a large proportion of the market and their service ranges are much wider than most of the competitors existing in the business.

As a brand new business, Pika-Apu Palvelu is entering a very competitive market. We need to compete with these three giants with well-known brands and hundreds of

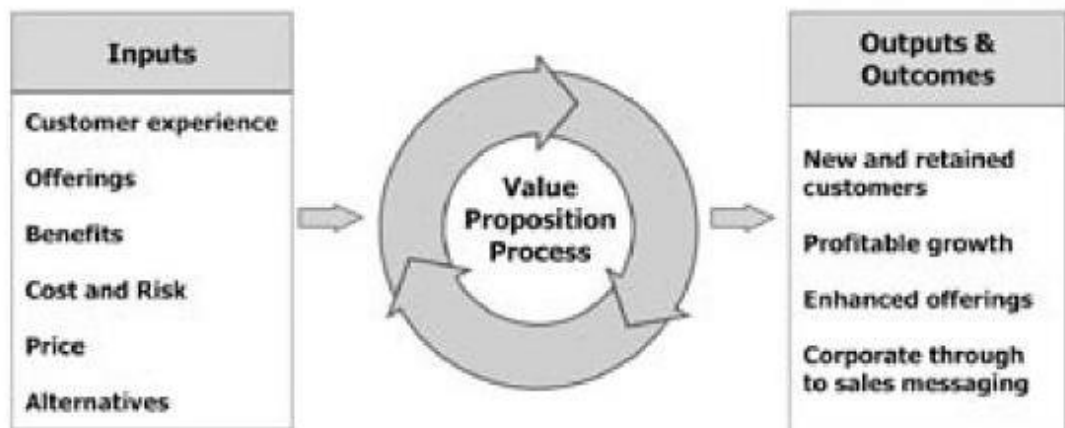
small-business competitors. This presents a huge challenge, and makes it crucial to develop strategies to gain initial customers and keep these customers.

2.3 Value proposition

2.3.1 What is value proposition?

“A value proposition statement is a *clear, compelling and credible expression of the experience that a customer will receive from a supplier’s measurably value-creating offering*”. (Barnes, Blake, Pinder 2009, 22).

A value proposition is a promise by a company to the customer that through their co-operation, the customer will experience a certain value offered by the company’s product or service. Company strategies are based on value proposition development, which lead to internal documents, which guide future business decisions. In the development of the value proposition, the company must take into consideration the inputs such as value experiences, costs and benefits to customers and the market, and the various outputs of the combined inputs. The diagram below in figure 1 provides more information.



(Figure 1. Value Proposition Development Process (Barnes, Blake, Pinder 2009, 22))

2.3.2 Process of Value Proposition development

In the current market, quality and customer orientation are confronted with the problem that the addition of value becomes an issue for continuation- or call it survival. Customer expectations develop so that they can only be met by a value-adding product or service or by a challenging price. (Baets Oldenboom 2013, 134.) An important step in the early and continuous stages of business strategy development is the development of value proposition. According to Barnes,Blake & Pinder (2009,31), it is built up through six steps (see figure 2 below).

These steps consists of considering an array of perspectives.

1. First segmentate your customer group into those who may have potential to deliver values and profit.
2. Secondly, assess the value experience you provide for your customers include all costs and benefits, whether the experiences are good, neutral or bad.
3. Thirdly, identify the product/service you are offering to your customers.
4. Fourthly, assess and declare the benefits or value of your product/service to the market group. The benefit consists of the price and consumer risks.
5. Fifthly, it is necessary to clarify how your solution is different and better than any other alternative.
6. Lastly, it is crucial to establish necessary credibility for your business and product.

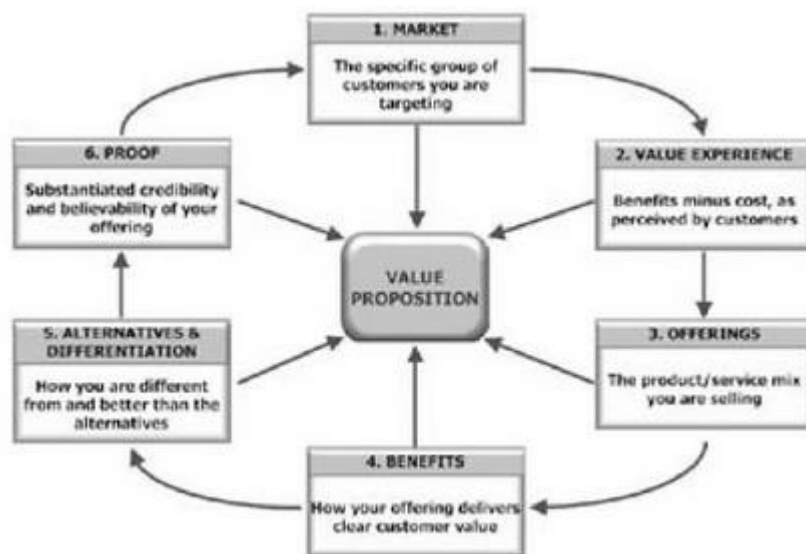


Figure 2. Six steps to value proposition development. (Barnes,Blake,Pinder 2009,31)

2.3.3 Structure of a value proposition statement

“The company must also decide how it will serve targeted customers- how it will *differentiate* and *position* itself in the marketplace. A company’s *value proposition* is the set of benefits or values it promises to deliver to consumers to satisfy their needs (Armstrong, Kotler 2011, 11)”.

Through the value proposition process, a value proposition statement can be made and can be valuable to the development of the company image. Michael Skok (Forbes.com, 2013) discusses the usefulness of the value proposition statement construction for new entrepreneurs by dividing the development of the value proposition into four steps: define the problem, evaluate your approach, measure its pain/gain ratio for customers and then finally build the value proposition statement.

- “**Define** the problem set to help vet whether it’s a problem worth solving.” Michael Skok describes 4Us to determining and validating the nature of the problem.
 1. “Is the problem Unworkable?”
 2. “Is fixing the problem Unavoidable?” refers to how necessary it is to address the problem due to regulatory control or other issues.
 3. “Is the problem Urgent” refers to the priority level of the problem to the company.
 4. “Is the problem Underserved?” refers to how well the problem is currently addressed.

- “**Evaluate** whether your breakthrough is unique and compelling.” Michael Skok emphasizes the importance to analyze your solution to the defined problem. His method is to analyze your solution in the context of the 3Ds:
 1. “Discontinuous innovations” is a solution that offers a unique approach due to their different approach to the problem.
 2. “Defensible technology” describes a solution that can be protected legally, which provides a competitive advantage.

3. “Disruptive business models” is a solution that uses a well-designed business model to increase value or decrease cost, leading to profit and growth.

- “**Measure** potential customer adoption using the Gain/Pain Ratio.”

Entrepreneurs are usually very familiar with their own product/service and so it is difficult for them to see how a potential customer may need time to adapt to the use of the product/service. Therefore, it is important for the entrepreneur to measure the Gain/Pain Ratio towards the target customer group; how much the customer benefits versus the cost of time and money.

- ”**Build** the value proposition”

After completing the previous three steps successfully, Skok recommends building the value proposition positioning statement according to a common framework: Value proposition statement: For (target customers) who are dissatisfied with (the current alternative), our product is a (new product) that provides (key problem-solving capability) unlike (the product alternative).

2.4 Quality management

Quality management is the process used to improve the quality, the value experience of the product/service to increase the customer value. Knowles (2011, 11) states, “As Quality is the end point, then Quality Management is the approach and process for getting there.”

According to Knowles (2011, 11), there are a several principles used in quality management. These include:

- **Customer focus:** It is crucial to understand the requirements and expectations of the target customers to accurately increase the value of the product. This requires a strong focus on who the customer is and how the customer’s expectations change.
- **Strategic focus:** Quality management is a type of strategy in a company aimed to deliver increased value to their customers and must be treated as such. This strategy should influence associated goals and actions.

- **Leadership focus:** Success in an organization requires the commitment of the leaders. They are in charge of actively enforcing the strategy, and constant positive engagement with its application.
- **Process focus:** Correct processes should be applied accurately to produce the desired outcomes.
- **People focus:** The purpose of quality management is to produce effective processes, which deliver value to the customers when properly performed by staff. Therefore, it is important to focus on the customers and the staff.
- **Continual improvement, innovations and learnings:** Quality management focuses on improving existing practices and initiate new techniques in new markets and practices. This stems from dissatisfaction with the existing conditions/solutions. Therefore, quality management is not only about solving problems, but also about actively learning about customers, processes and behaviors.
- **Systems thinking:** Each part of quality management plays a role in the development and execution of a solution. Accordingly, all parts should be assessed as part of the whole as well as on an individual basis.

3 Conducting the research

3.1 Marketing

As stated in the thesis objectives, the purpose is to describe and analyze the development of marketing strategies used by Pika-Apu Palvelu. The aim will be realized by studying theories for both online and offline marketing and conducting qualitative and quantitative research to determine the needs and wants of potential customers and the efficacy of competitors.

What is marketing?

“Marketing, more than any other business function deals with customers. The definition can be concluded into one sentence: Marketing is managing profitable customer relationships. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction (Armstrong, Kotler 2011, 32.) “

“Broadly defined, marketing is a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with each other. Marketing is a process by which companies create value for customers and build strong customer relationships in order to capture value from customer in return (Armstrong, Kotler 2011, 33.)”

For qualitative research, we chose not to conduct personal surveys. Instead, we chose to browse the internet (especially forums) to see what potential customers had to say about their experiences with home service companies. At the same time, we became better acquainted with our competitors. We focused on cleaning services and collected the following types of information:

- Which cleaning service was purchased?
- Which company?
- Price/quality ratio?
- Personal experience with the service?
- What are the common complaints?
- What were common improvement suggestions?

3.1.1 Online marketing-B2B,B2C

With the rapid development of technology, more and more people acquire their daily information from the internet.

Online marketing can take two forms:

B2B Business to business (Online)

Businesses approaching other businesses can use websites, email, online catalogs, online trading networks, and other online resources to reach new business customers and serve existing customers more efficiently and improve price competitiveness. (Armstrong, Kotler, 2011, 488).

B2C Business to consumer (Online)

Businesses can approach individual consumers online through online marketing and developing an online store to sell goods and services to final consumers. Nowadays, the internet now influences 35 percent of total retail sales (sales transacted online plus those carried out offline but encountered by online research). (Armstrong, Kotler 2011, 487).

Channels of online marketing include:

Search Engine Ad (Google, Yahoo, Microsoft Bing)

This is a type of online marketing. When a company places an ad with one of these or other search engine firms, the search engine firm sets its web-page-indexing technology to match the contents of a keyword or phrase with the advertising firm's web page. Then the internet search engine firms auction the keywords to the highest bidder. (Vanhoose 2011, 188.)

Google search engine advertising consists of two parts two parts, Google AdWords and Google AdSense. Google AdWords is for enterprises that want to conduct the marketing campaign for their service or products by placing a bid for (search engine) keywords which are matched with a pre-designed advertisement shown in the web users' search results. Google AdSense is affiliate marketing for websites, which want to generate profit by joining this program. Which Google runs as an advertising merchant provides a flat fee or a commission to the owners of sites providing web links that result in purchases. Since we are trying to gain customers, Google AdWords is more suitable.

Google+

Google Plus is a created by Google. It has two different versions: one for normal users with social media needs for finding friends and contacts and forming social groups. The other version is focused for business users, where businesses can create your own fan base, and your customers can show how much they appreciate your product or service by rating and reviewing. This is an excellent way to establish customer relation management. Meanwhile, when customers conduct searches for services or products through Google search engine, Google will take the customers' location into account, and recommend your business if you register your business on Google maps.

Facebook

Facebook is an online social networking website. It is widely used by people from different age groups and it is a great channel for thousands of companies of all different sizes to build up their brand image through the creation of their own company page on Facebook. This allows businesses to directly interact with their users and attract potential users.

Facebook has far more users than traditional media and currently it's the perfect place for business to try a new marketing plan and expand their market. Facebook provides brands with new ways to target ads more effectively. They have actively opted in to more targeted advertising such as "Liking" ads or share their data with select external sites and partners. (Zarrella, 2011, 3.)

Twitter

Twitter is also an online networking service that allows users to write microblogs and read "tweets" from others. One downside is that the microblog allows only up to 140 letters microblog sent at each time. But it is still probably one of the most effective and efficient ways for companies to interact with their fans. It is commonly used in United States. More and more companies place more emphasis and spend more on marketing on Twitter nowadays than Facebook.

LinkedIn

LinkedIn is comparable to previously mentioned Facebook or Twitter, since it is also an online platform for people to know each other. However, LinkedIn is more professional than Facebook or Twitter. It is a networking tool for professionals to build up or extend their contacts, and so a lot of businesses conduct their marketing for employees through LinkedIn.

3.1.2 Offline marketing-B2B,B2C

In comparison to online marketing in this very fast pace society, offline marketing seems to be a bit laid back. Online marketing uses more computing and telecommunications, but offline marketing uses more door-to-door methods. The most common way of offline marketing is post. Each day, the typical person still receives plenty of information from newspaper, brochures or flyers etc in our daily life. New forms of media are gradually replacing traditional media such as television, radio, and newspaper. However, traditional media is still important. For example, in Finland advertising in newspapers is still very common.

Banner or billboards are widely used in any business, it can be displayed outside of an actual business to attract certain target customer group.

With my research, there are two ways for marketing Pika-Apu Palvelu. In our business, our offline marketing strategy is quite limited due to higher costs, but is to put Ad on these traditional channels.

3.1.3 Mass marketing and target marketing

Two common marketing strategies include mass marketing and target marketing.

Mass marketing is an approach to advertising that attempts to reach every possible consumer, rather than targeting a particular marketing segment. A mass marketing strategy is effective for products that appeal to a large variety of consumers due to their common use. It is not as effective and cost efficient for products with limited appeal. Mass market media methods are usually more expensive than direct marketing media, because the pricing is based on the total number of consumers reached, and so therefore must generate a larger return in order to justify the expense.

(Allbusiness dictionary.)

Common mass marketing channels include:

- Advertisement on TV

- Advertisement on newspapers
- Banner
- Billboard

Target marketing is the limited marketing that is defined for a specific group of persons for whom a firm creates and maintains a product mix that specially fits the needs and preferences of that group. This method of selecting a target marketing segment for a product rather than attempting to sell it to the entire market can be much more cost efficient, because a carefully directed marketing plan that reaches precisely the right people with the right message increases a greater market share rather than by trying to capture market share with a universal approach.

(Allbusiness dictionary.)

Channels of target marketing include:

- Forms on offline marketing such as direct mailing marketing, which involves sending an offer, announcement, reminder or other item to a person or business at a particular physical or virtual address. (Armstrong Kotler 2011. 477)
- Forms on online marketing such as targeting key groups through keyword manipulation on social media sites and search engines.

3.2 Competitor analysis

In the beginning of our business as well as later on, we analyzed our competitors so that we can compete at a similar level. Since we mainly used Google adwords as our initial marketing strategy, we learned the best way to succeed is to place high bids on keywords.

Using Google Adword's tool-Ad preview and diagnosis, it is possible to preview search engine results of potential customers. For example, entering the keyword: Helsinki siivous (Helsinki cleaning), the search engine provides the following (see figure 3 below).

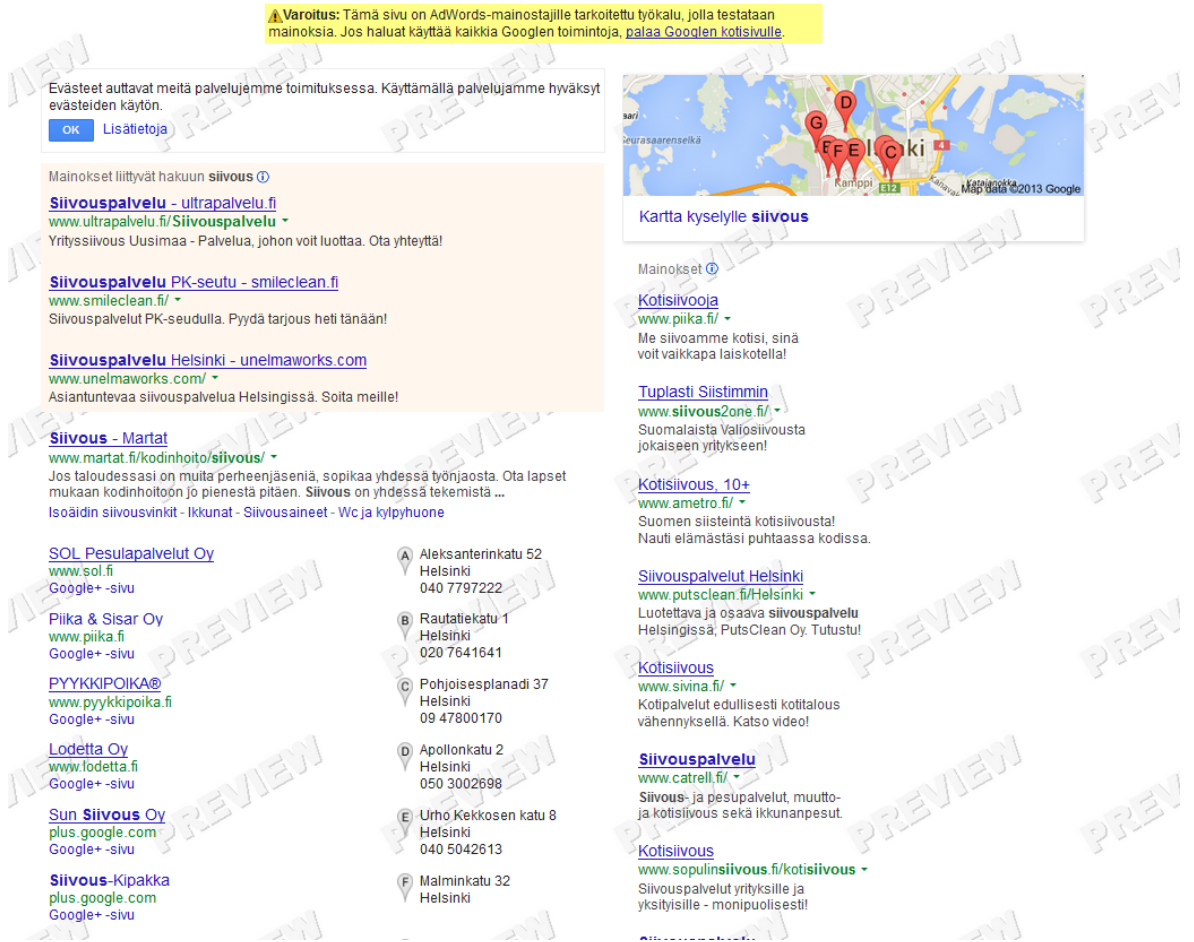


Figure 3. Google search engine results for "Helsinki siivous"

Google ad are located in different areas. The top yellow box shows three results based on the keywords matching, and on the right side of the page shows a list of 10 results. As mentioned in the chapter 1, the existing 3 big dominant companies do not put any advertisement through Google adwords. Instead, other over 400 small to medium companies are competing for this direct visibility.

As illustrated in the picture, in the yellow box (the most visible and therefore pricy), there are three companies:

1. Ultrapalvelu.fi
2. Smileclean.fi
3. Unelmaworks.com

The results change based on various keywords searched and the amount of the marketing budget of each business. Marketers can modify the CPC(Cost per click) or total daily budget. In the top yellow box, the average price per click is around 2 euros per click, while on the right column the average CPC averages from 90 cent to 2 euro.

The most effective way to attract attention from customers is to increase your budget so that your advertisement in the top yellow box.

4 Pika-Apu Palvelu's marketing

When Pika-Apu Palvelu was initially established, we did not have anything visible to show to customers. Because Pika-Apu Palvelu is new to the market and therefore lacks a brand image, we needed to design a strong initial marketing plan. We decided to focus on the cleaning industry due to low initial investment and risk and target individual homeowners as potential customers.

4.1 Online marketing

Developing an online marketing strategy for Pika-Apu Palvelu was very important because without recommendations, our potential customers use online-sources to find and hire services from a company. Through our research we noticed customers tend to trust professional-looking websites compared to other sites. As our first step to building a brand image, we decided to use Weebly to create a very professional looking website with well-written content and clear, eye-catching pictures. We also chose a memorable HTML address: www.pikaapu.fi.

4.2 Our choices and grounds

As stated in chapter 3, there are many tools to promote your business online such as Google Adwords, Facebook, Google +, LinkedIn etc.

Over 90% of Finnish people use Google.com as their search engine. After consideration, we came to the conclusion that we should use Google adwords to increase the visibility of our website online. There are two types of Google adwords for business owners, pay by click and pay by view. Your advertisement can be presented in different ways. The most common ways are only text, only pictures and texts with pictures.

We decide to use only texts advertising for the following reasons;

- Texts provide more information about the service and your company than a picture.

- When people search a particular phrase or word combination on Google.com, text advertisements have higher visibility than other forms of advertisement.
- We can more easily target our ads towards our target customers through modification of keywords by matching different combinations. This is not as possible with picture ads.

There are more than 1.2 million inhabitants living in the great Helsinki region. Due to the location of our business, we limited our online marketing to the location of our target group, mainly Helsinki, but also Vantaa and Espoo.

Pika-Apu Palvelu site offers services to different customer groups, Business to Consumer and Business to Business. Due to our research, we decided to focus on targeting individual consumers as our major potential customers for our cleaning service because the number of potential customers and future marketing possibilities through personal recommendation is higher. Also, not many small medium enterprises need cleaning services, and larger enterprises and organizations usually have set contracts with other larger, established cleaning companies.

To target individual homeowners in these cities, we chose the pay-by-click method and tried different keyword combinations to increase our visibility as much as possible. However, it did not go well as we planned. We learned that SEO (Search Engine Optimization) for a website is very important in online marketing. Pika-Apu Palvelu's site is relatively new in comparison to other existing sites. If we only focus on improving the SEO of our website, it will take plenty of time before we receive any businesses. Therefore, we decided to increase our bid on our keywords. After the consultation from Google customer support, we learned how to test our keywords competence among others.

We have chosen different keywords for our search engine optimization, the keywords list is in Appendix. (See Appendix 1)

All of the keywords in the list are commonly used words when Finnish people conducting searches on Google.com. We have used keywords suggestion from Google

analytic tools, but putting bid on different keyword or the combination of keywords, you can view the competence of chosen keywords among other advertisers.

4.3 Results and comparison of online marketing

In the early stage of Pika-Apu Palvelu, we were struggling on how to make effective marketing efforts for the exchange of revenue return. We have attempted to test out our ideas through different channels, and every now and then we have received customers. However, these results were quite disappointing in comparison to the work we were putting in. A well-designed website and Google ads did not bring us far enough. We needed more new customers.

In November 2012, we re-analyzed our customers and made several adjustments, which led to satisfying results. We decided to focus on gaining new customers. We analyzed the current competitors, the ones most commonly in the top Google search results, and decided to offer better value to the potential customer than our competitors. Our analysis consists of:

- **Pricing:** Despite the three major dominant companies, other companies do not very competitive brand image, and so before a customer makes a choice, he or she tends to compare prices between or among several companies.
- **Minimum Hours:** Based on our research, most of the home services companies have minimum hours to protect the best interest of the company. Generally, most competing companies have a 3,0 hour minimum.
- **Equipment use:** All of companies charge a higher hourly rate and bring their own equipment.

We made the following adjustments:

- **Hourly rate:** Our hourly contract rate and single-time rate is very competitive in comparison to other companies

- Minimum hours: We decreased our hourly minimum to 2.5 hours minimum in comparison to the competitors' 3 hours minimum to catch customer attention. Due to many potential customers in downtown areas with small apartments, it is easier to arrange back-to-back cleanings for employees.
- Equipment: We were able to provide a lower contract cleaning hourly rate by using customer equipment instead of our own. This also decreases the work of the employee when everything is prepared at the work location
- Marketing budget: We increased the marketing budget from 1.5 euro per one click to 2.5 euro per click.

Combining the above mentioned advantages with a professional looking website, we had a break through. We began to receive more phone calls than before.

4.4 Offline marketing

Pika-Apu Palvelu is in a relatively traditional business industry. Before we execute our online marketing plan, our first marketing attempt was done in traditional way, through flyer delivery. We believed offline marketing would be suitable for our business, because we can directly control the impressions of potential customers in pre-selected neighborhoods through a professional, appealing and well-organized flyer with discount information.

4.5 Our choices and grounds

As a young start-up, in the beginning, we did not have adequate capital to try out a wide variety of different marketing methods even we had various ideas. Because we had to aim for a target audience, mass marketing is not a cost effective option for us. So we defined our target audience and tried to market directly through them.

Chalara Oy is founded in Helsinki and the location of our company office is in Malmi. Since we decided to use target marketing, the most effective way for people to get to know our brand is to deliver our company brochure/flyer door to door. There are

many homes in this community, not only in this neighborhood but also nearby in Pukinmäki and Oulunkylä. We initially contacted the biggest Finnish logistics company-Itella. We sent an enquiry to Itella to ask for the prices of target marketing to selected areas. We discovered it may cost up to 500 euro to execute this limited marketing plan. At that point, we discussed whether it's worthy or not to invest this amount of money for single time marketing. After consideration, we decided not to use Itella's service but to deliver the flyers by ourselves.

We had to take several things into consideration to position ourselves in a clear and distinct place with our target customers in comparison with competitors. We can target one group at a time, or use a differentiated marketing strategy, where we decide to target several market segments and designs separate offers for each (Armstrong, Kotler, 2011, 215). We needed to define the location of our target audience and the needs and wants of our target audience. Geographic segmentation calls for dividing the market into different geographical units such as nations, regions, states, counties, cities or even neighborhoods. A company may decide to operate in one or a few geographical areas, or to operate in many areas but focus on the different needs of the customers. Buyers also differ enormously in their wants, resources, locations, buying attitudes, and buying practices. (Armstrong, Kotler, 2011, 203)

We chose to focus on a target group of customers in the Malmi area. Therefore, we downloaded a map of Malmi area. Since we focused on individual homeowners, we targeted areas with a high density of individual homes. This is because people who are living in individual houses usually have a higher income and would more likely to spend money on a cleaning service. The target area is marked on the map below in figure 4:

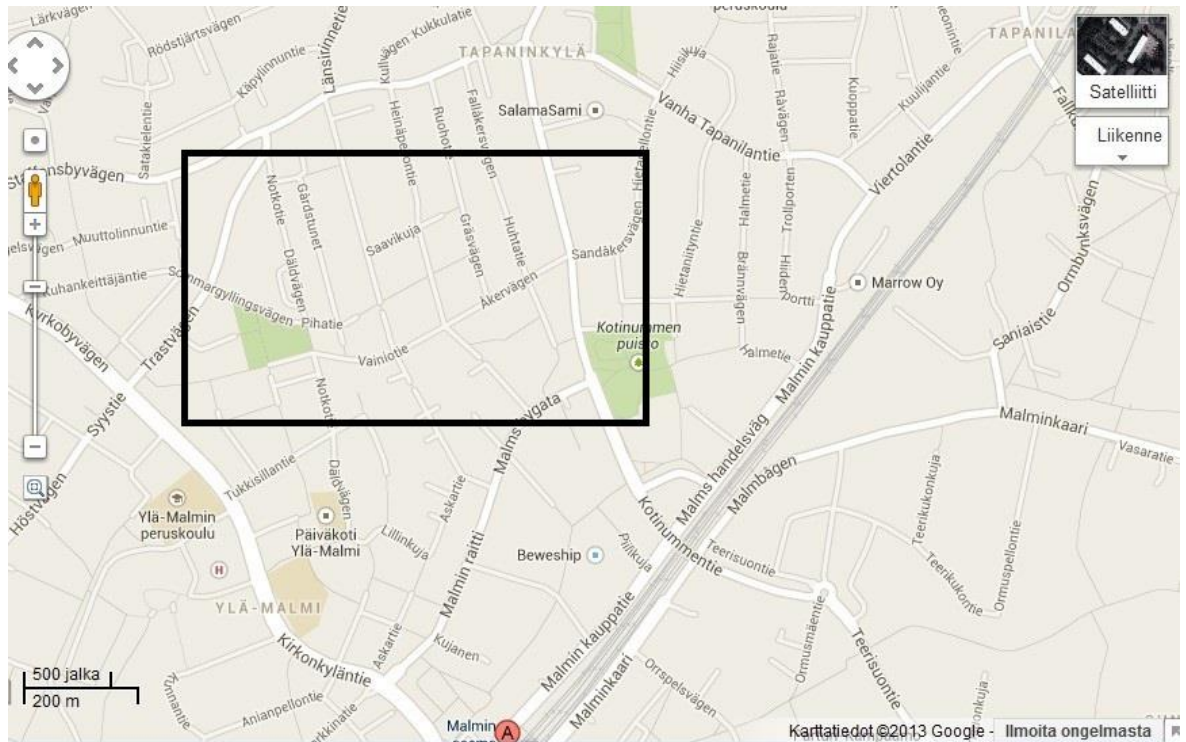


Figure 4. Google map of northern Helsinki area (Google maps)

At first, we designed a foldable flyer on A4 paper with our information, and printed out 300 copies. We carried out our first marketing attempt in a very traditional way by distributing flyers individually to different houses. Our flyer had a special promotion for new customers.

4.6 Results and comparison of offline marketing

During our first attempt at offline marketing in Malmi/ Suutarila areas, in total we distributed 350 copies of flyers to different houses. Afterwards, we did not receive any phone calls or emails or any form of enquires for our service. This was a failed attempt. This led us to try other, more cost and time efficient methods of marketing, ultimately leading to online marketing strategies. Even though the result seems to be disappointing, this is Pika-Apu Palvelu's first attempt. See in chapter 6- Own learnings.

4.7 Follow-up marketing

A well-designed service includes three stages pre, during and post.

- In the pre-service stage, we arranged very friendly personnel to deal with potential customers. This included email correspondence and phone conversation. It is very important to clarify what the service entails.
- During the service, we have completed our duties professionally so the customer is satisfied with the service purchased and customer service.
- In the post stage, we offer hidden commitment for a Re-do. If customer is not completely satisfied with our work, we will quickly respond to the customer and arrange a new day for a Re-do in order to enforce customer satisfaction.

Based on mentioned service stages above, we tried to pleasantly surprise the customer by exceeding their expectations. After each customer has experienced and payed for our service, we conducted the follow-up marketing strategy, which consisted of:

- Thank you card -A pre-designed thank you note template covered on refined paper card. In business psychology, everyone wishes to be appreciated and this is the foundation of a good customer relationship management. The card also provided the customer with our contact information for future jobs and recommendations.
- Lottery -As part of follow-up marketing, this is a creative marketing attempt. We attached the latest lottery to the Thank you card in the mail to the customer. In business psychology, everyone wants to get something extra, and this is a unique chance to win something big. This is a value added service for customers.
- Loyalty plan -It is 5 times harder to acquire a new customer than to maintain one. As part of the long tail theory, we wish to decrease our marketing expense by increasing sales in other manners. By aiming for customer recommendations, we give out vouchers to obtain more customers. Customers who have purchased our service sometimes are given a free voucher, which can be shared

with friends or family for a discount. If our customers are fully satisfied with our service, they would not mind sharing information and discount with their close friends or relatives.

4.8 Results and comparison of follow-up marketing

We started to conduct our follow-up marketing plan right after we had our first a few clients. As for the result, it turned out to be really positive. Not only our customers have signed contract with us, this certainly is a guarantee in the long term profits, but also our customers felt deeply appreciated by us for choosing our service. We have received several orders recommended from them.

Compare to regular home services companies, we have certainly won based on the quality of work, we rarely receive complaints but more complimentary. Most important thing is we have built up an excellent relationship with our customers by our follow-up marketing.

5 Quality control development

A successful business may be influenced by many different factors, but a real successful business needs to emphasize good quality control. No matter if you are providing a product or service to your customers, it is very important to control the quality of the user final experience. Quality control refers to the business practices which ensure that the product/service of the business meets, achieves or exceeds the expectations of the customer whether or not they are stated.

5.1 What is quality?

According to Knowles (2011, 11) the concept of quality is dynamic. This means that customer's acceptable levels of quality are not fixed, but change with customers' experiences and view of the world. Three importance aspects of quality should be considered.

- First, quality concerns creating customer value.
- Secondly, the customer defines quality and this definition can change unpredictably over time
- A high quality service or product meets or exceeds the whole range of official and unofficial customer expectations.

5.2 Strategic quality management

The manager and corporate are important in good strategic quality management. Quality management is the part of corporate's priorities that come along with marketing and operations. A good company must have clear vision and mission, alongside with strong values. Values need to be properly respected in an organization by all parties. If the expected values are not supported by the behaviors of the corporate, then they lose all relevance and value to the staff of the organization. (Knowles 2011, 82). The managers should play a role in the development of all objectives in quality management. This is helpful for two purposes: it provides a sense of participation and assists in the understanding of the overall goals of the business. (Knowles 2011, 83.) This

part will be achieved if managers have opportunities to think situations through beforehand and volunteer to work together with employees.

5.3 Pika-Apu Palvelu quality control

In the early stages of our service Pika-Apu Palvelu, we focused on managing the company but also worked directly with customers. As the number of total average customers increased, we considered expanding. Therefore, we hired our first two part-time student employees.

We follow a set of main principles when we initiated recruitment. These include:

1. High integrity. It is necessary to deal with different kinds of customers and we directly enter their personal places such as house, offices etc. It is very important that trust is maintained between the customers and company, and therefore the integrity of the employee is critical. It would be very unbeneficial to face any charges from the company.
2. Good working attitude. This line of work is very customer-service oriented, and so the employee should have a good working attitude. In the beginning, working hours were based on customer needs and often the schedule is not very fixed. As a “Fast Help Service” we often took jobs the same day a customer called. Thus, work can be very flexible for the employee, but the lack of clear schedule can also be stressful and exhausting.
3. Commitment. Important to customer satisfaction is the quality performance of the employees. This requires extra time and energy training new employees for Chalara Oy. In addition, contract customers prefer a familiar face, and so it is important the employee continues to work for us long term. As satisfaction increases among our current customers, business grows, and requires more workforce.

To ensure quality control, when we hired new employees, we strongly emphasised the importance of the quality of the work and positive attitude. During their first few jobs

at new locations, we come along to guarantee good work and reassure the customer that we personally care how well the employee works. On one hand, it is a great opportunity to train our employees by actually working with them together and teaching new methods, but it is also an important opportunity to bond with our employees emotionally. We believe it is crucial for small medium enterprises like us since we lack many of the resources of large enterprises. However, our presence can be somewhat stressful for the employees since they know we are supervising them to ensure the quality. However, this is a very good method because we have had a really high satisfactory rate among our initial single-time customers, who have later signed long-term contracts.

5.3.1 Occurrence of initial problems

When Pika-Apu Palvelu started to grow rapidly in November 2012, our sales and the workload grew rapidly in the beginning of year 2013. Because we started to run out of manpower with only two employees, we had to turn down business. While we have trained our employees, we received plenty of positive feedback from customers. Therefore we decided to assign our employees to work independently at previous locations. This is when a few problems occurred.

Without the presence of the employer, employees naturally form different attitudes during work, especially while working at familiar locations with familiar customers. They can mistakenly:

- Start to feel too relaxed
- Be overconfident of their work proficiency
- Underestimate customer expectation
- Decrease their feeling of responsibility

All of these factors above will directly lead to only result, the decrease in quality of work. Since the lack of our presence no longer can assure quality control, we started to receive complains from our customers.

Because the complaints may truthfully be the fault of the customer, we have to balance our relationship with the employee as well as the customer. We want the employee to feel trusted and preserve a positive relationship to increase their commitment and natural want to please their employers. However, in reality business derives from the customers, and so it is necessary to outwardly accept customer's criticism and focus on increasing their positive experience with our company.

5.3.2 Quality control decision and methods

After reviewing our work history, customer feedback and employee feedback, we decide to implement our thoughts into action with the principle of combining rewarding and punishment based on employee performance. We need to protect our company as well as the rights of the employees, and satisfy our customers as well.

First based on G& G cleaning's manual guideline, we have modified a clear and concise manual (See appendix 2) for our employees.

The purposes of manual are:

- **Guideline:** Setting out guidelines for employees to follow during their work.
- **Corporate culture:** Informing our employees the core responsibilities and commitments of the company.
- **Quality management:** Emphasize and ensure the quality of the work.

We designed a new employment contract, which is designed to protect both parties' interest. To help ensure quality work through reward, we developed the bonus plan and incorporated it into the employment contract (See appendix 3). Excellent performance of our employees is directly reflected by an increase in hourly wage. The basic salary is already higher than competitors, but positive feedback from customers increases the salary for each hour of work completed.

Along with these actions to increase good quality management, we decide to re-train our employees. In chapter 5.1.2, it says if the manager is able to participate in the work, it will give employees the sense of participation. Most importantly, it will give the man-

ager and employee a better understanding of the overall working process. In this case, while we retrained the employees, we were able to see more clearly what may have caused previous problems, what may cause future potential problems, and adjust to correct these mistakes.

Through our re-training sessions and the continuous feedback we received from our contract customers, we discovered that one employee was not motivated enough to protect the image of the company. Because the employee violated the working manual in several ways, we decided to take care of this issue permanently. It is necessary to make decisions for the company's benefit, and so we decided to terminate the employee's contract with us and look for a more responsible and reliable personnel to replace their work.

5.3.3 Results and comparison

The whole process of improving our quality control took about one week, and then during the following week, we arranged independent work for our employee as before. The direct feedbacks we receive from customers and employees improved. Currently, we receive very few complaints and much praise and recommendations.

Our employees were definitely influenced by this innovated improvement.

Firstly, the manual allowed the employees to clearly understand the process of their work, which led to better work performance. The most important thing is to develop their sense of responsibility and commitment to the company and the customers.

Secondly, the bonus plan drafted for our employees provided them an extra bonus and faster promotion in return for good work. This improved the level of motivation and in turn helped ensure quality.

In the end, we believe these improvements were a very positive change in our company. The assurance of quality certainly improved our brand image among our customers, and on the other hand, our employees show a high level of commitment to our company.

6 Discussion

In this chapter will describe the interpretation of results of our various marketing strategies. Following by exploring the reliability and validity of conducted researches. The author has offered his own suggestions for further business development and his own assessment and learnings.

6.1 Interpretation of results

Through our growth, we have tested different marketing methods to cause the increasing of sales. We have made bad choices and good choices. In this chapter, interpretation of results will be discussed separately.

6.1.1 Offline marketing didn't working

Initially, we did not conduct questionnaires or anything of this kind of qualitative research. Instead, we chose to use collect feedbacks online from consumers who have had the similar service before from forums and blogs. However, technically the commentators and bloggers online can be located anywhere in Finland. Based on our rough assumption and incomplete marketing research in selected area, we have used methods of target marketing to target the areas which we presume are nice neighborhood with customers interested in our services.

Even though we assumed customers will appreciate a nice designed flyer with beneficial information, this marketing approach was not successful, perhaps because hand-distributed fliers do not provide the most professional image of a company. In addition, most people do not have goodwill to receive advertising flyers from anywhere even if they are distributed by the biggest logistics company-Itella.

6.1.2 Online marketing

It was clever to make use of Google adwords functions. Here we were provided the opportunity to analyze customer behavior, since using search engine is common among Finnish people and Google has dominant market shares in Finland. According

to Alexa.com, Google.com is the No.1 most visited website in Finland. Metaphorically speaking, if customers want to buy product or service online, Google.com is a door that they will open first, and our advertisement is right in front of their eyes. Plus our name is very memorable, so even though customer may not click on our link, it certainly can leave an impression in the customer's mind. Creating brand familiarity will be a great advantage for our company. When analyzing the results based on our sales, google adwords was successful.

6.1.3 Follow-up marketing

Our follow-up marketing strategy was one crucial part of our marketing plan. In my personal opinion, this is one of the most important parts. If we do not have personalized follow-up marketing, we no longer differ from our competitors. In a service industry which is highly influenced by customer-oriented concepts, we place much value on our customer opinions. Due to our warm-hearted marketing, which goes well along with professional service, we have created many relationships of mutual trust with our customers.

6.2 Research reliability and validity

Mass marketing

As stated in chapter 3.1.3, mass marketing media is usually more expensive than direct marketing. Mass marketing, unlike targeting a particular customer group, mass marketing attempts are made to reach all of the audiences. Theoretically, it is a very good marketing approach to create brand recognition, increasing sales etc. However, in our case we have thought about using the mass marketing in the beginning by putting advertisements on the Metro newspaper, because it is potentially beneficial for our business. Besides the paper media industry, it is also reasonable to place advertisements on television. The question we however considered was "Is it a good investment for revenue return?" "Does it cost too much for such a risk?"

Based on research, the budget for these mass marketing is from 500 euro to 5000 euro. Theory states, that mass marketing is very effective for products that apply to a broad cross-section of consumers. Due to the limitation of our business service range, we decide to choose target marketing.

Target marketing

After consideration, we have made up our minds to use target marketing strategy to brand Pika-Apu Palvelu for economical reasons. We have first planned our offline marketing by targeting selected areas to distribute flyers. Even though we have implemented the right marketing strategy, we neglected one factor, which is marketing research for each targeted area was not done professionally. In fact, we did not conduct any quantitative marketing research in selected areas but only estimated the number of homes and average incomes of consumers ourselves. This led to the direct result of offline marketing strategy failure. We quickly made the change and transferred our focus to online marketing, which proved to be the correct way for our business.

Offline marketing

In our offline marketing case, we used “Segmented marketing strategy”, by approaching our potential clients with direct-mail marketing channel. Direct marketing includes sending an offer, accouchement, reminder, or other item to a person at a particular physical or virtual address (Armstrong, Kotler, 2011, 477). We have utilized this theory and implemented it into our marketing. However, the results did not turn out well. I personally think it is a very effective marketing approach, but at different time, the result can be much fluctuated. The areas we targeted were not in central Helsinki. Even though they have large houses in comparison to city center areas, consumers in the city center also want our services. Apparently, we received more orders from those areas.

Online marketing

Firstly, around 90% of orders we have received have come from the online marketing channel, so this is certainly the most effective way for our business. According to our

marketing analysis, we chose to use Google Adwords to promote our business. What we have noticed is the combination of mass marketing and target marketing.

Google.com has tremendous amount of users in Finland, and since we put out the advertisement on Google, we basically reached a large target audience that may see our advertisement through different channels. For example, in Google search results, in Google adsense alliances, in Youtube etc, this is certainly mass marketing based on the “impression” we got from Google feedback. As for the target marketing is for whose particular keywords search on Google match with our keywords setting. As stated in the theory, finding the right customers with right approach is important.

6.3 Suggestions for development and further research

Target marketing will definitely be used very often in our future marketing. No matter the channel will be approached by online or offline. Based on the sales we have generated so far, using online target marketing is the most effective way for our business. However, we can see the huge potential in offline target marketing, while we market online, we will receive enquires from customers, when we approach customer’s place, it is normally located in the blocks of apartment, we have access to certain amount of buildings and send out more flyers for possible potential orders in the same areas. Normally it will not take much time and marketing cost is very low compare to our online target marketing. It is another way that we may utilize in the further marketing research.

6.4 Assessment and own learning

The purpose of this thesis was to describe the development process for Chalara Oy’s Pika-Apu Palvelu, as a young Start-up without any practical experience background, and without any initial market recognition. I described what we did to make our business survive and develop by different marketing attempts. I also described our growth, how we measure our quality and the solutions used to fix problems.

Chalara Oy is my second company in Finland, and it is my and Tara Joensuu’s first company together. Due to the statistics in many resources, most start-ups claim bankruptcy in their first 3 years, but our business has existed for 1.5 years and it seems to be

developing well at the moment. Many young companies do not generate enough capital in their first year. Despite the fact our first project is in the relatively more traditional business field, it is relatively easier to ensure the cash flow of the company in comparison to other Start-ups. According to my personal business philosophy, I strongly believe cash flow is very important in the company's development, especially in early stage of the company. It is not only the evidence that proves your business is profitable but also it is a very important mental motivation, since anyone who is part of Start-up is eager to see the consequences of their significant efforts. All young entrepreneurs are very admirable, regardless of the industry, but many of entrepreneurs do not insist enough to push to the next level of their business, even though the next level is right there in the front of them. They did see the fruits of the market responses to support them mentally to motivate them to carry on with their projects. Therefore, entering this relatively traditional market was a wise first business attempt for us.

While creating this thesis for my business, I personally feel pleased. In the beginning of our business, we faced a mixture of uncertainties, opportunities, surprises, disappointments, challenges, hesitations, arguments, determinations etc. However, we have survived through the cold winter, and our company has been developing very healthily with Pika-Apu Palvelu and in other market sectors.

I realized that being an entrepreneur is very appealing yet challenging, but I really love the sense of accomplishment it provides.

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Appendix

Appendix 1

Google Adwords- Pika-Apu Palvelu Keywords

<input type="checkbox"/>	●	kotipalvelu helsinki
<input type="checkbox"/>	●	iss siivouspalvelut
<input type="checkbox"/>	●	rakennuksen loppusiivous
<input type="checkbox"/>	●	ikkunoiden pesu helsinki
<input type="checkbox"/>	●	yleissiivous
<input type="checkbox"/>	●	kotipalvelu espoo
<input type="checkbox"/>	●	siivouspalvelu Helsinki
<input type="checkbox"/>	●	siivous Helsinki
<input type="checkbox"/>	●	siskon siivous
<input type="checkbox"/>	●	kotiapu helsinki
<input type="checkbox"/>	●	rakennussiivous pääkaupunkiseutu
<input type="checkbox"/>	●	kotisiivouksen hinta
<input type="checkbox"/>	●	kodinsiivous helsinki
<input type="checkbox"/>		Joulu siivous
<input type="checkbox"/>	●	rakennuksenloppusiivous
<input type="checkbox"/>	●	Kotisiivous Espoo
<input type="checkbox"/>	●	remonttisiivous helsinki
<input type="checkbox"/>	●	kodin siivous helsinki

<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivous helsinki
<input type="checkbox"/>	<input checked="" type="radio"/>	loppusiivous
<input type="checkbox"/>	<input checked="" type="radio"/>	siivoussopimus
<input type="checkbox"/>	<input checked="" type="radio"/>	siivouspalveluita
<input type="checkbox"/>	<input checked="" type="radio"/>	remonttisiivous
<input type="checkbox"/>	<input checked="" type="radio"/>	sol siivouspalvelut
<input type="checkbox"/>	<input checked="" type="radio"/>	hyvä siivouspalvelu
<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivouspalvelu
<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivousta espoo
<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivous espoo
<input type="checkbox"/>	<input checked="" type="radio"/>	siivous vantaa
<input type="checkbox"/>	<input checked="" type="radio"/>	siivous hinnat
<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivousta helsinki
<input type="checkbox"/>	<input checked="" type="radio"/>	edullinen kotisiivous
<input type="checkbox"/>	<input checked="" type="radio"/>	kotisiivous vantaa
<input type="checkbox"/>	<input checked="" type="radio"/>	kotipalvelu vantaa
<input type="checkbox"/>	<input checked="" type="radio"/>	rakennussiivous helsinki
<input type="checkbox"/>	<input checked="" type="radio"/>	koti siivous helsinki
<input type="checkbox"/>	<input checked="" type="radio"/>	siivousliike helsinki

Appendix 2

Pika-Apu Palvelu Manual

Chalara Oy
Pika-Apu Pavelu
Manual
Tel: +358 4584 92229
Email:
Info@pikaapu.fi
Info@Chalara.fi

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SECTION 1: INTRODUCTION

This Staff manual has been produced for the benefit of Employees of Chalara Oy Pika-Apu Palvelu. And is provided as a source of information on all aspects of employment, as well as to provide answers to any questions or concerns that Employees may have whilst employed by Chalara Oy Pika-Apu Palvelu.

Managers of Chalara Oy Pika-Apu Palvelu are always available to answer any urgent or complex issues and Employees should not hesitate to speak to them should they feel it appropriate.

Managers on duty:

Charles Dong: +358 452 080808

Tara Joensuu: +358 458 492229

However this Staff Manual is intended to deal with any routine questions and queries that may arise.

The purpose of the Staff Manual is to try and be as broad and wide ranging as possible, covering all aspects of an Employee's employment that are not already covered in the contract of employment, from popular issues such as leave entitlements and general conduct in the work place, to the grievance and disciplinary procedures and protocol. Where an Employee has any questions that cannot be answered by this document, they should raise the matter with their manager.

This Manual supersedes any other manual, internal works rules or other documentation previously issued. The Company reserves the right to alter or amend this Manual at any time, and you will be informed of the changes. This Manual remains the property of the Company and should be returned in good condition upon your leaving our employ.

SECTION 2: GENERAL WORKPLACE POLICIES

2.1 Health and Safety

All Employees are provided with training in Chalara Oy Pika-Apu Palvelu health and safety policies and procedures at their induction. Employees must ensure that they are fully aware of these policies and procedures. Failure to comply with any of these policies and procedures will result in a disciplinary investigation and may be deemed to constitute gross misconduct.

All Employees are responsible for taking reasonable care to avoid hurting themselves and others by their work activities, and reporting anything untoward to the nearest available Manager.

A copy of the health and safety policies can be obtained from the Main Office.
Individual members of staff:

- ✓ Will take reasonable care for the health and safety of himself/herself and of other persons who may be affected by his/her acts or omissions at work;
- ✓ Will co-operate with the Company and their colleagues to achieve a safe and healthy environment by following adopted policies, procedures, codes of practice, guidelines and instructions;
- ✓ Will make themselves familiar with the health and safety policies, procedures codes of practice, guidelines and instructions, and observe these at all times;
- ✓ Will report all accidents, incidents, near misses or hazards found in the workplace by completing the appropriate incident form. If an urgent action is required the situation must be reported and the information forwarded to the appropriate department of the Company as soon as possible;
- ✓ Will make themselves aware of the provisions for First Aid treatment and emergency and major incident management procedures. (Only trained and qualified personnel may administer First Aid or manage emergency and major incidents.)
- ✓ Will not interfere with or misuse intentionally or recklessly anything provided in the interests of Health and Safety; who receive visitors and contractors, will ensure that they comply with the health and safety requirements of the Company whilst on site.

2.2 General Appearance and Conduct in the Workplace

Employees may be provided with polo shirts, sweatshirts during working hours.
The Company will issue employees with protective clothing should it be required.

All employees should behave with civility towards fellow employees and no rudeness will be permitted towards customers or members of the public. Objectionable or insulting behavior or bad language will render an employee liable to disciplinary action.

All employees shall use their best endeavors to promote the interest of the company and shall, during their normal working hours, devote the whole of their time, attention and abilities to its business and affairs.

Any involvement in activities which could be construed as being in competition with the company is forbidden

An employee shall not, during or after the termination of his/her employment, disclose to any person whomsoever any confidential information, including financial, regarding the company, its business or trade secrets.

All reasonable instructions from an employee's superior are to be obeyed.

2.3 Discrimination, Harassment and Bullying

Chalara Oy Pika-Apu Palvelu aims to be an Equal Opportunity Employer. We are fully committed to improving and furthering opportunities for all, irrespective of gender, race, color, nationality, ethnic or national origin, marital status, disability, age, religion or sexual orientation. All Employees and job applicants are assessed on their merits, capabilities and suitability only, to ensure that all are treated equally. Our recruitment, training, development and promotion policies are procedures are regularly reviewed to ensure that all Employees and potential employees are selected, promoted and treated in accordance with our policy.

Employees are required to give their full support to these principles and commitments. Any breaches will be considered very seriously and will result in disciplinary action.

2.4 Employer Property

Employees should take all reasonable steps to protect Employer property and to avoid waste of resources. Employer property may not be removed from the workplace without prior permission from a manager.

2.5 Personal Property

No liability is accepted for any loss of, or damage to, employees' property brought on to the premises.

Employees are requested not to bring personal items of value onto the premises and, in particular, not to leave any items overnight.

Any item of lost property which is recovered should be handed to your Manager, who will give it to a director so it can be retained while attempts are made to discover the owner.

If you find any goods or money on client's premises in the course of your normal cleaning duties this should be handed to your supervisor who will give you a receipt for it. In general, if the amount of money does not exceed 100 euro, employees do not have to report to manager but to keep the money at a very visible place for our clients. Employees must not take anything from client's premises without any orders from superiors or clients. Otherwise, it will be regarded as criminal behavior.

If you work alone and the lost property has significant value e.g. a watch, call the office to report the finding. Otherwise inform Charles Dong on site.

2.6 Smoking at Work

Chalara Oy Pika-Apu Palvelu encourages healthy practices and operates a non-smoking policy in the workplace. However, during break time, we respect everyman's right.

2.7 Use of Company Vehicles

Use of vehicles by employees requires express approval by a Director. The private use of a company vehicle may be allowed with the permission of a Director. On approval of use of a vehicle, the employee must ensure that vehicle inspections are carried out. In particular before any journey you should check:

- a Lights, horn, indicators and stop lights
- b Brakes
- c Windscreen Washers and wipers
- d. Tyre pressures and tyre condition
- e Reflectors
- f Vehicle body work for protrusions etc. likely to cause injury

You should report any defects to a Director. Note that in the event of a prosecution with respect to any of the items listed a - f above the driver would be held personally responsible and it would not be a sufficient defense to blame someone else for failure to carry out these checks.

Any type of driving conviction or summons which may lead to a conviction is to be reported immediately to a manager.

Unauthorized passengers are extremely prohibited carrying in vehicles, nor may vehicles be used for personal gain.

On the occasion of an incident involving a vehicle, the employee concerned must make a full, honest and written report of the incident, whether or not personal injury or vehicle damage occurs. In no circumstance should you admit liability for an accident, and it must be reported immediately to a manager.

All driving accidents will be investigated, and where an investigation shows an employee to be at fault, the employee concerned may be subject to disciplinary action. An excessive number of accidents for which the Company driver is responsible may result, at the Company's discretion, in a deduction from the employee's pay equal to the cost of the insurance excess which is currently the cost of repair whichever is the less. This is an express term allowing deductions

You may be asked to produce your driving license for inspection at any time during your employment.

2.8 Use of Private Vehicles

Employees that use their own vehicles for work-related business should ensure that these vehicles are insured for such use (Katsasutus). Private vehicles are not insured by Chalara Oy. Where an Employee has obtained permission from their Manager to use their vehicle for business purposes, they will be reimbursed by Chalara Oy Pika-Apu Palvelu at the following rate: 45 cent per km.

2.9 Use of Employer / Client Premises and Facilities

Employees are not to use Chalara Oy, or our client's premises, facilities, equipment

and services for personal use.

Use of the Company's property for any purpose other than normally defined duties is not permitted. Property of any type belonging to the Company is not to be taken away from the premises.

Employees must immediately notify a manager of any damage to property or premises. Company property must be looked after and respected.

2.10 Business Expenses

Employees will be reimbursed for any businesses related expenses that are reasonable and wholly necessary in the course of any approved Chalara Oy business. Employees must have prior approval for expenses incurred by them and must obtain a receipt. Payment will only be made on submission of the receipt. Employees are entitled to present receipt with actual business expenses.

2.11 Medical Appointments

Employees should arrange routine medical and dental appointments outside working hours and with minimum disruption to their work. Chalara Oy reserves the right to request that you make up any lost time as a result of such routine appointments.

2.12 Personal Details

Employees are requested to ensure that Chalara Oy Pika-Apu Palvelu has up-to-date personal details, such as Employee's address, telephone number, social security numbers, bank account and next-of-kin. Please note, this information will be strictly confidential.

2.13 Notices and Instructions

Employees should familiarize themselves with all Chalara Oy Pika-Apu Palvelu notices and instructions as displayed on notice boards or delivered by letter, memorandum, newsletter or email.

Particular attention should be paid where the content deals with aspects of health and safety, security and standards and procedure associated with the Employee's work.

Employee must be aware of dangerous situations at work. In no circumstances, any employee should carry out any dangerous move that may cause severe injury or damages.

2.14 Security

During working time all employees must follow the client's security rules.

Keys for clients premises must be kept safe and the alarm procedure must be ad-

hered to.

You should not in any circumstances divulge to any person whomsoever that:

- (a) you hold keys for a particular building
- (b) you are aware of the alarm codes.

Chalara Oy Pika-Apu Palvelu key handling agreement as below: This Key handling agreement will be signed by both employees, employer and clients.

Key Handling Agreement

Chalara Oy

Chalara Oy Pika-Apu Palvelu received home keys from the client: _____.

Address: _____.

For work purposes, Chalara Oy's Pika-Apu Palvelu has decided to assign the key to employee: _____ only to be used to enter the customer's home during work hours.

Main Keys:

The employee furthermore agrees to and understands the following conditions and terms:

Employee has no permission to make a copy of my key(s) for emergency / backup purposes at their discretion.

Employee agrees to place an identifying code on the keys. Client's keys will not be marked with their addresses. When not in use or prepared for use, the keys will be stored in a secure location by the employee until future service is requested.

Employee agrees not to access client's home other than during agreed working time.

Employee agrees to inform Chalara Oy Pika-Apu Palvelu immediately if the keys are missing.

Return of keys

The employee is obligated to return the keys immediately at the customer's or employer's request. If keys are requested by the customer, employee should inform the employer immediately by phone or email.

Compensation

During the time when employee keeps the keys: If any lose and damages occur in client's home (Only during the agreed working time), the employee shall notify the employer immediately. If the keys are lost, the employee is required to cover the cost of new keys and all damages possibly caused to the client's property.

Employee: _____ .Chalara Oy: _____ .
Place: : _____ . Date: _____ .

Key/keys Have Been Returned

Employee: _____ . Chalara Oy: _____ .
Place: _____ . Date: _____ .

2.15 Assistance

Where an Employee is concerned or worried about any aspect of their employment, they should speak to a manager, who will try and resolve the problem in a discreet and prompt manner.

2.16 Ordering of Materials

Cleaning materials should be ordered by telephone, email, all the other forms are not accepted. It is your responsibility for the materials on your site and to ensure that they are correctly and safely stored and in an adequate supply as to meet the cleaning specification needs for the forthcoming week

Employee may come to the company office for materials if they are arranged with one-time work. The further detail will be notified by then from Employer.

SECTION 3: GENERAL EMPLOYMENT POLICIES

3.1 Holiday Entitlement and Conditions

Some of the Finnish legal holidays, employees may be requested to work.

PUBLIC HOLIDAYS

The Statutory/Public Holidays recognized by the Chalara Oy each year are:-

New Year's Day 1 Jan
Epiphany 6 Jan
Good Friday Movable
Easter Sunday Movable
Easter Monday Movable
May day 1 May
Ascension day Movable
Pentecost Movable
Mid-Summer day 20-26 June
All Saints' day 31 Oct-6 Nov
Independence day 6 Dec
Christmas Day 24-25 Dec

3.2 Employee Conduct / Performance

Where a Manager is unhappy with either the conduct or the performance of an Employee, they will initially discuss their concerns with the Employee on an informal basis.

A meeting will be held with the Employee to guide and support the Employee, as well as to help them address the problem and perform to a standard acceptable to management. For this reason the Manager will take notes during the meeting and then decide what action should result from the meeting.

The Employee will be requested to sign the notes.

Only the Manager and Employee should attend this meeting. There will be no entitlement to be accompanied.

3.3 Working hours

Employee should always arrive at appointed client's premises at least 5 minutes before.

Employee must not leave working premises earlier unless acquired approval from a manager. Employee early absence may damage company image, employee are required to compensate based on deduction of working hour salary.

Leaving 15 minutes earlier will be accounted for 30 minutes working hour salary, 30minutes absence will be accounted for 45 minutes working hour salary and so on.

Employee shall understand bonus plan's relation with working hours.

3.4 Checking list

Checklist

Yleisesti

1. Pyyhi vapaat pöydät ja tasopinnat nihkeällä siivousliinalla
2. Tarkistaa ovet, kaapit ja ovenkahvat ja pyyhi sormenjäljet ja likaa
3. Pyyhi listat, patterit, ja valokatkaisimet.
4. Puhdista peilit.
- 5. Keittiö ja WC**
6. Imuroi matot, rulla ja laita pois tieltä.
7. Imuroi lattiat ja lattioiden nihkeäpyyhintä.
8. Kaikki roskat ulos

Keittiö

- Pese keittiön työtasoja ja altaat
- Pyyhi pölyt liesituulettimen päältä
- Pese mikroaaltouunia ja jääkaappi ulkopuolelta
- Pyyhi näkyvissä olevia sormenjäljet ja likaa kaapeista
- Pyyhi kaikki keittiön tuolien kosketuskohdat
- Pyyhi keittiöaltaan takana olevaa seinää

WC

- Pyyhi pölyt
- Pese vessanpönttöä ja allasta
- Pyyhi hopeaesineet
- WC-tilan lattian juuriharjapesu ja seinänpesu

Checklist

Entire home

1. Wipe all tabletops and flat surfaces with damp rag.
2. Wipe the tops of the floor boards, wall heaters, light switches, electric sockets
3. Look for dirty marks on the doors, cupboards and door handles. Wipe.
4. Clean all mirrors
5. **Kitchen and bathroom**
6. Vacuum all large rugs, roll them up and put them aside
7. Vacuum the floor and then mop the floor
8. Bring all the garbages out

Kitchen

- Wipe all kitchen surfaces, stovetop and wash the sink
- Wipe the outside of the microwave and refrigerator well
- Wipe any dirty marks from the kitchen cupboards
- Wipe the edges of the chairs where hands usually touch
- Wipe the wall behind the kitchen sink and any dirty marks on the wall behind the stovetop

WC

- Wipe the dust from all surfaces
- Wash the toilet and bathroom sink
- Wipe everything silver
- Clean the mirror
- Each time clean the bathroom floor and the wall well

Chalara Oy Pika-Apu Palvelu aims to provide terrific user experiences for our customers. And it is our efforts together to make this happen.

Chalara Oy

Appendix 3

Employment contract with bonus plan.

Employment Contract

Chalara Oy

Duration of contract

1.1 Your employment with the Employer commenced on _____ and shall continue until _____. Probationary period normally lasts 1 month. The length of your probationary period may be shortened or extended if the Employer in its absolute discretion deems it appropriate. During your probationary period, this contract can be terminated by either party giving to the other not less than one day's written notice. After the probationary period, this contract may be terminated by either party giving to the other not less than three week's (21 day's) written notice.

Job description

2.1 You are employed as a Siivooja (Cleaner) by Chalara Oy

2.2 You are expected to perform all duties, which may be required of you in this role and as set out in the task sheets given for each job location. You must comply with all reasonable directions given to you and observe all the policies, procedures and rules of the Employer as may introduced and/or amended from time to time.

Place of work

3.1 Your normal place of work is assigned by the employer. The Employer may require you however to work at other locations on a temporary basis. The Employer reserves the right to relocate you on reasonable notice to other locations as we may from time to time require.

3.2 You may be required to travel throughout the Helsinki region to fulfill the duties of your employment. Time spent traveling *between* different job locations on the same day are counted as working hours, calculated using the basic hourly wage. If using your own car to undertake work related travel, you are required to ensure that you have adequate insurance cover for business use. You are required report the total kilometers driven between specific addresses for work purposes to the Employer for a refund of 0.45€/km.

Working hours

4.1 Your working hours based on the arranged time provided by the clients and are mutually agreed on beforehand by Chalara Oy.

4.2 You are required to work such additional hours as may be necessary and appropriate from time to time. Additional hours wage will be counted according to the Finnish Labor Law standard.

4.3 The Employer reserves the right, if it reasonably requires, to increase and/or decrease and/or otherwise altering your hours of time of work. The employer, however, will do their best to provide the employee with the agreed weekly amount of work hours.

General obligation during employment

5.1 During your normal working hours and at such other times as may reasonably be required from you, you shall devote all of your time, attention, skills and abilities to the performance of your duties under this contract and shall act in the best interests of the Employer.

5.2 Save in proper performance of your duties and subject, you shall not, at any time, use, copy, disclose, communicate and/or publish or enable or cause any person to become aware of and/or use, copy, disclose, communicate and/or publish any confidential information which you receive or obtain during the course or as the result of your employment with the Employer.

5.3 You agree that you shall, whenever requested by the Employer and in any event on the termination of your employment, promptly return to the Employer all property belonging to the Employer in your possession, custody or control. You acknowledge and agree that, on termination of your employment, you shall not be entitled to retain and shall not retain any property.

Hourly Wage

6.1 You are entitled to be paid during your probationary period at the rate of:
Monday-Friday (7.00-17.00)
9.50 euro/h

Your salary will be paid in monthly, by the 5th day of the next month by bank transfer.

6.2 Your rate of pay will be reviewed regularly. Your basic rate of pay may increase as the result of total hours worked in Chalara Oy and customer feedback.

- After the probationary period, the basic hourly wage is increased to 10,50 euro/h.
- After 20 more hours of work for Chalara Oy, basic hourly wage is increased to 11.00 euro/h.
- After 60 more hours of work for Chalara Oy, basic hourly wage is increased to 11.50 euro/h.
- After 100 more hours of work for Chalara Oy, basic hourly wage is increased to 12.00 euro/h.
- If the employee has completed the arranged customer contract cleanings with no more than one pre-arranged absence (not including sick absences accompanied with a doctor's note), the employee will be paid for each hour of work for that customer (with no negative feedback) an additional 0,50€/hour.

6.3 During the weekend and holiday, your rate of pay will be necessarily increased in accordance to The Finnish Labor Law. The Employer reserves the right to modify the rate.

- Evening hours (17.00-21.00) hourly wage is increased 15%
- Saturday (7.00-17.00) hourly wage is increased 20%
- Sunday (7.00-17.00) hourly wage is increased 100%

Health and Safety

7.1 The Employer recognizes that safe working practice is a joint concern for the Employer and its employees. The Employer is responsible for ensuring that working conditions conform to statutory requirements. To comply with these requirements there must be acceptance on your part to act in a responsible manner and not to indulge in unsafe working practices. You are required at all times to observe and co-operate with safe procedures.

7.2 You are required to familiarize yourself with the Health and Safety regulations in force and to ensure that at all times you take care not to endanger yourself and to any other people.

Employee information

Name:

Finnish social security number:

Duration of contract:

Hours per week: Approximately ____ hours/week

Date _____ Place _____ Signed for and on behalf of Chalara Oy Signature of Authorized signatory _____ Name of Authorized Signatory _____
I accept employment on the terms outlined in this Contract Signature of Employee _____ Name of Employee _____