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GUIDELINE FOR FOREIGNERS ON HOW TO START UP
A COMPANY IN FINLAND

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Guideline For Foreigners On How To Start Up A Company In Finland

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The purpose of this study was to develop a guideline that would generate ideas for foreigners seeking to start up a company in Finland.

The research focused on challenges and opportunities for foreign entrepreneurs and how they have changed in the last decade. The author managed to make this study to communicate his findings to assist entrepreneurs in their market projections.

The thesis was supported by theoretical framework which was based on three-polar. The research data produced repeated themes that were used to interpret and analyze the material and triangulate the research. There were theoretical points found in the literature that control the empirical analysis and its main themes. The most important theories in immigrant entrepreneurship were in the background of the study.

The research design and methodology part of this research involved semi-structured interviews with representatives of foreign small medium enterprises operating in Finland. These interviews equally covered various foreign entrepreneurs from individuals and companies to analyzing their experiences, aspirations, and apprehensions in investing in the Finnish market.

The conclusions were drawn up in the Last Section. The opportunities in Finland for Foreign entrepreneurs were their supporting environment. As the study findings indicated, there exists a gap between actual starting of a company and potential entrepreneurship. There was high potential and possibilities in Finland.

Finally, it was suggested that foreign entrepreneurs to develop professional levels of skills in Finnish language, be active participants in business forums, and build strong business networks with the native Finnish entrepreneurs and business providers including Finnvera, municipality, and Finnish funding agency among others.

More research should be done on how foreign businesses in Finland perform. This will reflect on the potentiality of foreign entrepreneurs in Finland, and thus will work out as a reference for new entrepreneurs interested in making investments in Finland.

TABLE OF CONTENTS

1 INTRODUCTION	5
1.1 Background and Important Concepts.....	5
1.2 Motivation.....	6
1.3 Purpose of the study	6
1.4 Structure of the study	7
2 THEORETICAL FRAMEWORK	9
3 LITERATURE REVIEW.....	13
3.1 Entrepreneurship	13
3.2 Steps for Starting a Business.....	15
3.2.1 Practical Process of starting Up a Business in Finland.	17
3.2.2 Types of Entrepreneurship in Finland	18
3.3 Finland SMEs Start-up Programmes.....	19
3.4 Finnish Business Culture.....	24
3.5 Foreign Entrepreneurship in Finland	25
3.5.1 Patterns in Entrepreneurship among Ethnic Groups in Finland.....	26
3.5.2 Immigration and Entrepreneurship	27
3.5.3 Push and Pull Factors behind Foreign Entrepreneurship	29
3.5.4 Changes in Foreign Entrepreneurship in Finland over the Last Decade...	32
4 RESEARCH DESIGN AND METHODOLOGY	34
4.1 Quantitative Research	34
4.2 Qualitative Research	34
4.3 Data Collection Methods	36
4.3.1 Background of the Interviewee’s Enterprises	37
4.4 Data analysis	39
5 ANALYSES OF THE FINDINGS	40
5.1 Findings.....	40
5.2 Data Analysis	44
5.3 Discussion	46
6 ANALYSES OF THE VALIDATION AND RELIABILITY OF THE STUDY ..	49
6.1 Conclusion	49

6.2 Suggestions	50
REFERENCES.....	53
INTERNET SOURCES	55
APPENDICES 1	56

FIGURES

Figure 1: The Study Structure	8
Figure 2: Phases of conceptual framework for the study	11
Figure 3: Steps for starting a Business	16
Figure 4: Pull Factors to Entrepreneurship	30
Figure 5: Push Factors to Entrepreneurship	31

TABLES

Table 1: Background of Interviewee's Enterprise	38
Table 2: Theme	44
Table 3: Entrepreneur's educational background	45
Table 4: Entrepreneur's business locations	48

TERMS AND ABBREVIATIONS

EU:	European Union
Evira:	Finnish Food Safety Authority
Finn:	State-owned Financing Company
Finpro:	is a partner for Finnish companies abroad who helps Finnish SMEs international, encourages foreign direct investment in Finland, and promotes tourism and investment in Finland. (Internationalization)
JV:	Joint Venture
R&D:	Research and Development
SME:	Small and Medium-Size Enterprise
Sitra:	Finnish National Fund for Research and Development
TE Centres:	is an employment Foundation Finnish Labour Market and workplace which operate on equality and fairness on starting work and living in Finland.
Valvira:	National Supervisory Authority for Welfare and Health in Finland

1 INTRODUCTION

The purpose of this study is to develop a guideline that would generate ideas for foreigners seeking to start up a company in Finland. The author intends to deliberate on market focused strategies that would ensure the foreigners have an idea view of the economic situation in Finland to help them in making informed choices as they embark on their project. Several literatures that offered in-depth view of the Finish market have been reviewed. The author managed to make this study to communicate his findings to assist clients in their market projections. This thesis concentrates primarily on practical development project.

1.1 Background and Important Concepts

Finland is one of the most innovative-driven economies in the world, highly competitive markets and characterized by ease of doing business. The Global Entrepreneurship Monitor 2015 Report emphasizes on the level of government support for entrepreneurship. This is most aligned to social development goals and targeted among European countries. The level of institutional support, perception of entrepreneurial opportunity is higher than EU average despite certain level of structural rigidity and economic downturn. On the same note, the fear of failure in entrepreneurship has significantly decreased over the last years in Finland despite the overall European trends in this domain. (Prime's Minister Office 2015.)

Finland remains to be a more competitive and business-friendly economy with a targeted and well-functioning support system for entrepreneurship. It has favorable economic and business environment, and has an extremely positive perception among EU countries as a place to start business, despite worries entailed by the economic downturn. On the other side, Finnish entrepreneurs are still having moderate expectations in terms of growth and internationalization. This applies to both early stage entrepreneurs and nascent businesses. Finland is highly reliable on the export

of low expectations of the businesses in the international focus which is alarming. In addition, deterioration of the relations between the EU and Russia and following sanctions continues to affect Finnish exports. (Prime's Minister Office 2015.)

Entrepreneurship includes entrepreneurial employee activity within well-established organizations (intrapreneurship). In Finland, the entrepreneurial employee activity is higher than the average in the EU, and high as pertaining early stage entrepreneurship. Those involved in entrepreneurial employee activity have viable ideas about possibilities and their entrepreneurial skills. It remains a challenge to fully utilize this potential. (Enterprise Finland 2016.)

1.2 Motivation

The writer intends to start his own small entrepreneurship since he has been studying and working in Finland for the last 12 years. The author had gone through Finland SME Start-up Programme as part of his work experiences. The training the author went through includes Finnish Business Culture and Foreign Entrepreneurship in Finland. This training significantly increased my motivation and productivity. It also assisted me to develop and maintain a quality work life, which provided me with an opportunity for employee's job satisfaction and self actualization. This inspired me to study more on development of a Business Plan which is vital and important in Entrepreneurship.

1.3 Purpose of the study

The purpose of this study is to develop a guideline that would generate ideas for foreign entrepreneurs seeking to start up a company in Finland. The author intends to deliberate on market focused strategies that would ensure the foreigners have an idea view of the economic situation in Finland to help them in making informed choices as they embark on their project start up. The underlying objective is to explore flexibility of the legal system as to allow start up investments on initial stages of the project rollout

Research Question

This thesis focuses on finding responses to the following research problem:

- What are the challenges and opportunities for foreign entrepreneur?
- How has foreign entrepreneurship changed over the last decade?

It is important to cover different types of entrepreneurs, coming from different countries and regions of the world, and provide the study with a time dimension looking into the change in these perceptions over the last years. Furthermore, the study touches upon opportunities and challenges that are connected with different dimensions of entrepreneurship exploring those that are related to regulation environment, to corporate culture differences and institutional support. The broader goal of the research is to explore the changing profile of Finnish entrepreneurs.

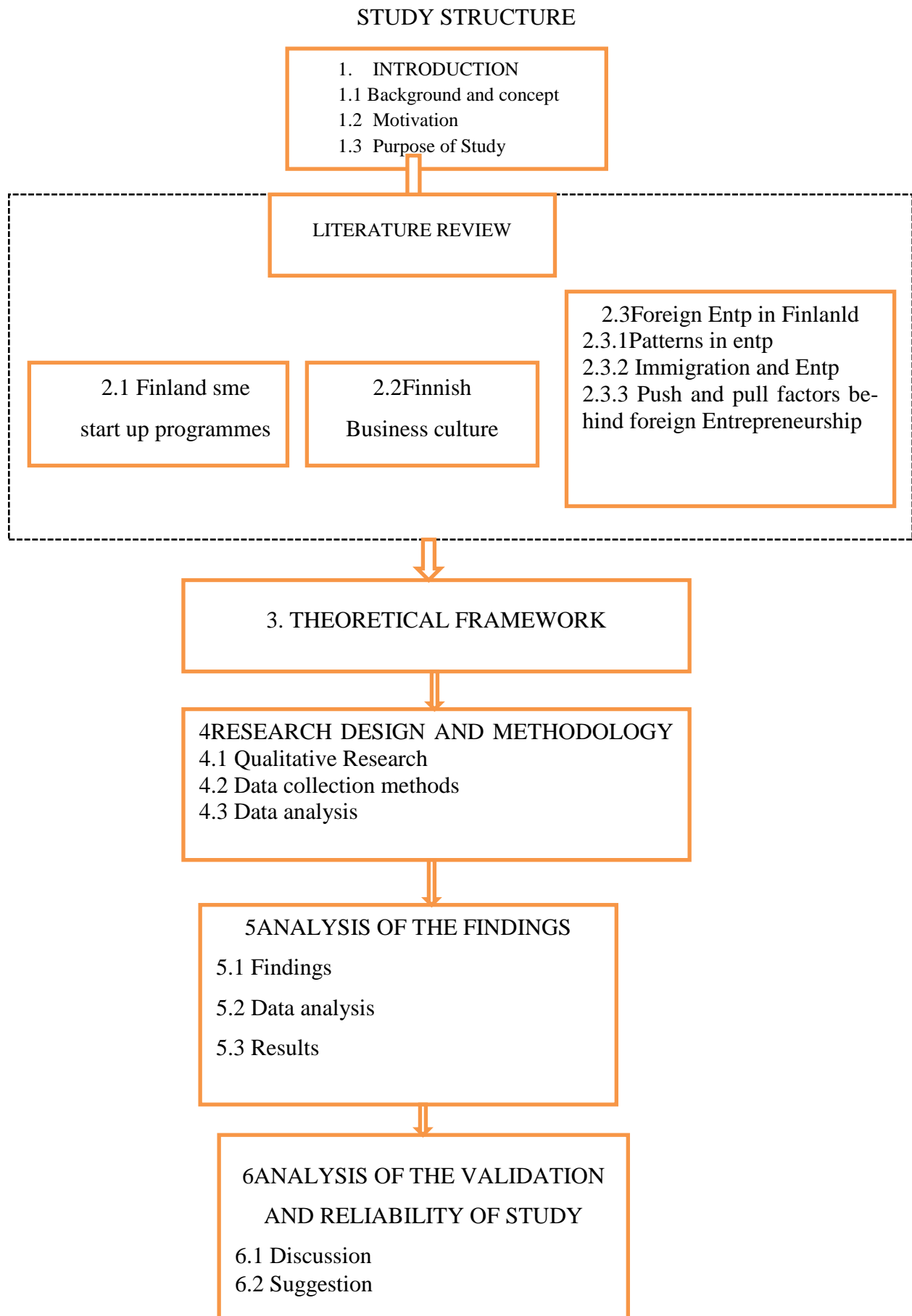
1.4 Structure of the study

The Study will start with Chapter one which will be the Introduction Part. This part will include Background and concept, Motivation and then the Purpose of the study. The Study structure will also be included in this part. Chapter two is the conceptual Framework which will have a brief analysis of how the study will be executed.

Chapter three will be the Literature Review which will have the definition of the Entrepreneur, Process of starting up an Entrepreneurship. It will also provide information about Finland SME Start-up programme, Finnish Business Culture and Foreign Entrepreneurship in Finland. Chapter four explains the Research Design and Methodology, which will include quantitative, qualitative research and Data collection methods and Data analysis. Chapter five will involve Analysis of the findings, Research analysis and the Results of the study.

Finally Analysis of the validation and reliability of study will briefly have the discussion and suggestions for improvements.

Figure 1: The Study Structure



2 THEORETICAL FRAMEWORK

Figure 2: explains the conceptual framework of the thesis.

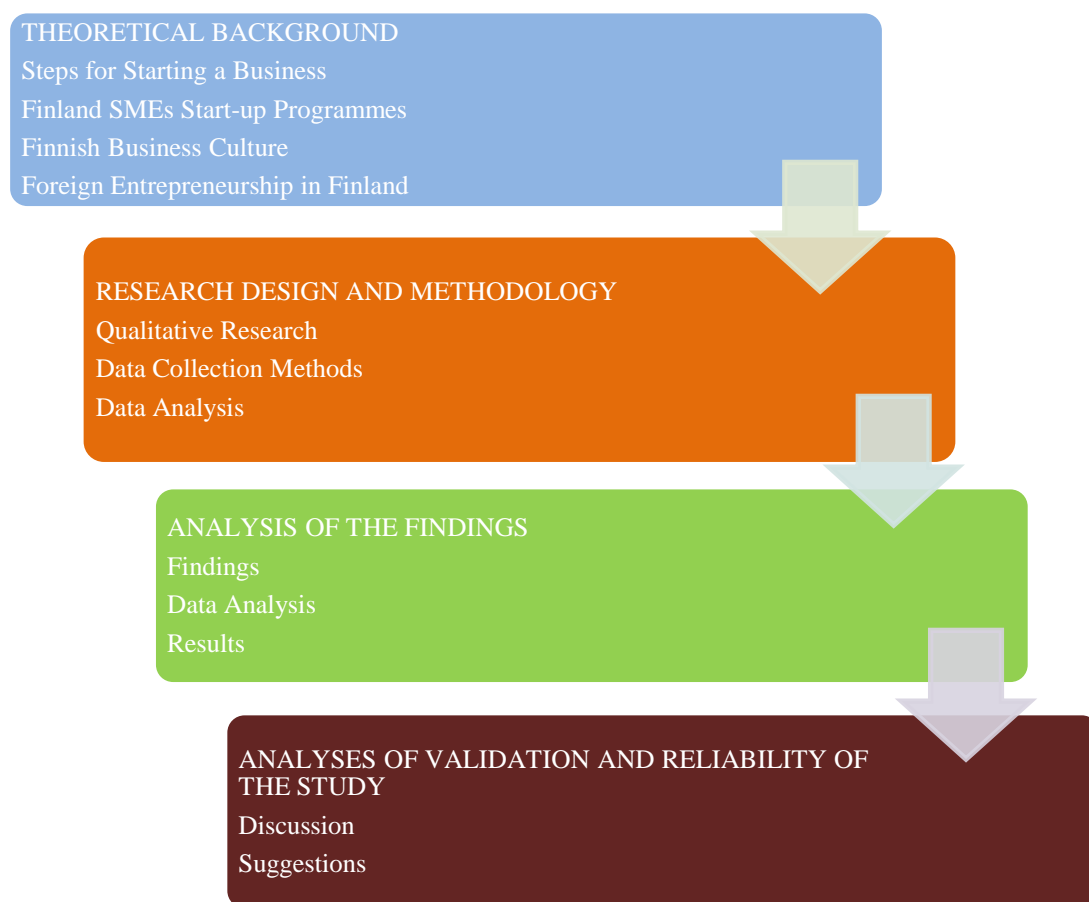


Figure 2: Conceptual framework of the thesis

The theoretical basis for this study is three-polar. The research data produced repeated themes that were used to interpret and analyze the material and triangulate research. There are theoretical points found in the literature that control the empirical analysis and its main themes. The most important theories in the area of immigrant entrepreneurship is in the background of the study and authentic but the chosen three methods to explain the story material, and analysis. The first of the three methods used to analyze the data narrative study is the cultural context of Hofstede (2010, 37). The changing Russian cultures of immigrant entrepreneurship were the first to

distinguish the interviews and to arouse curiosity. No other extensive research and a comparative framework Hofstede's could be detected in the literature.

The second performance of the material was business development and lifecycle view. In the following, the key life cycle theories presented in the context of immigrant entrepreneurship. One important source is Burns (2011, 87), which focuses on immigrant entrepreneurship, ethnicity, moves between markets and business development. The third completed model also comes from the context of immigrant entrepreneurship. It is based on Basu's research on the business aspirations of the immigrant self-employed in family businesses. Entrepreneurs believe that each family business has different business guidelines, backgrounds and motives. Somehow business behavior as expressed in culture or business development is connected to the aspiration orientation of the immigrant entrepreneurship.

Cultural values and standards reflect reaction against contractors. In a culture, where industrial development through structural change is preferable, social the status given to entrepreneurs is high. Similarly, in cultures where stability through formal powers is preferred, low social status and entrepreneur high status given to bureaucrats and politicians.

The cultural belief systems affects how the economic system is built, and how entrepreneurship is valued. Convictions also affect the distribution of ownership. If the system presumes equal opportunities, it affects entrepreneurs benefited from lower taxation and encourage risk taking; in contrast to a system where there are identification of equal incomes. Mostly an entrepreneur is more successful in a culture who believes in private enterprise. Class division also affects business in a culture.

Attitudes in the middle class are more open and supportive towards wealth accumulation, upward social mobility and competitiveness; while the so-called working class, consistency and solidarity between the other stakeholders are preferred.

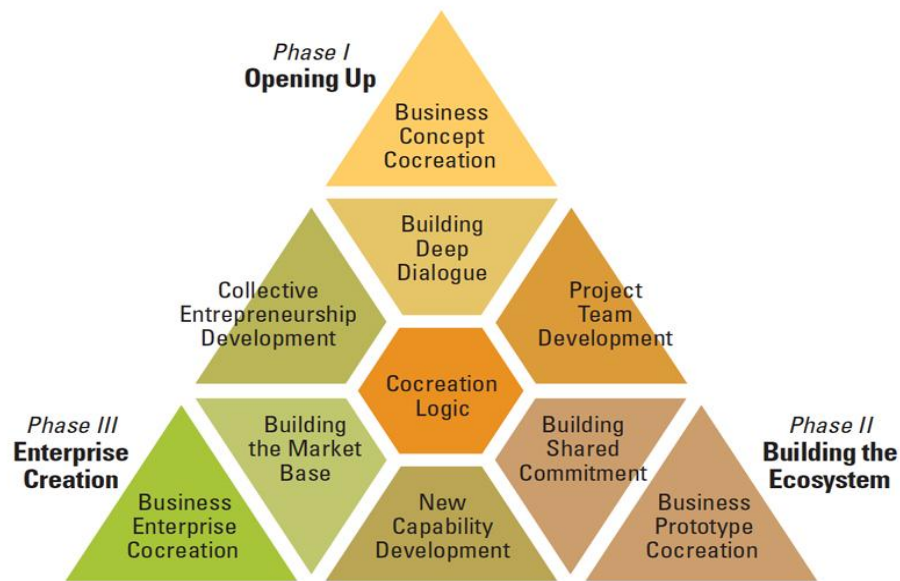


Figure 3: Phases of conceptual framework for the study
(Based on Ghauri and Gronhaug, 2005; Gummesson 2000).

Figure 2 illustrates conceptual phases that are considered as a part of the process of starting-up business in the international environment. This conceptual framework encompasses on 10 processes that form three main phases (concepts).

These Phases includes:

- Opening up
- Building the Ecosystem
- Enterprise Creation.

a) Opening up Phase

This is the first phase and it involves conceptual development of the business that is complementary with such processes as building collaboration and team development.

b) Building the Ecosystem

This is the second phase, which implies that research in the creation of the external environment for company to operate in through prototypes and shared commitment.

c) The Enterprise Creation

This is the third phase which implies that enterprise cocreation and building the market base processes.

Finally at the core of the conceptual framework, there lies the concept of cocreation logic that explains how the processes of new foreign enterprises create synchronization with domestic Finnish market.

3 LITERATURE REVIEW

In this part the main subject was to define Entrepreneurship and to elaborate briefly on Practical Process of Starting up a Business in Finland. Further, it reviews Finland SMEs Start-up Programmes, Finnish Business Culture and Foreign Entrepreneurship in Finland. The Process of starting a business and types of business are also discussed briefly.

Establishing a business in Finland often requires that foreigners notify the federal authorities and file a start-up notification form. According to Viitala (2005, 57), this is necessary in filing commercial entry in a suitable Tax Administration registry. From the available literature, Finland is a viable market to establish a business both for locals and foreign companies. USA International Business Publications (2015, 5) deliberates on foreign investment in Finland and observes that there are plenty of business opportunities in the region.

Accordingly, over 6000 businesses in Finland are currently run by foreigners and their market share in the region is tremendous. IBP, Inc. offers an in-depth study of the Finland market and notes that the business space is wide and individuals or companies may conduct their business in various ways including Limited Liability Company, Limited Partnership, General Partnership, Cooperative, and Entrepreneur. Literature postulates that foreign companies prefer conducting their businesses through limited liability market alignments. (USA International Business Publications, 2015.)

3.1 Entrepreneurship

Entrepreneurship can be an economic activity that is connected with creating or modifying economic and social value. From another perspective, entrepreneurship could be considered as a process of identifying opportunities for production processes combines with ability to adapt to market situation. Different concepts of entrepreneurship are formed in the frameworks of business administration, innovation economics and evolutionary economics. Thus, according to Schumpeterian understanding of entrepreneurship, it is considered as a collective process of recombining technologies (Carsrud & Brännback 2011, 8.) From this

concept of entrepreneurship, five basic goals of entrepreneurship could be indicated as;

- it can be engaged with production of new product/service;
- it can create a new quality of a product or service;
- it applies new processes for production;
- it can either create a new market niche or enter an established market;
- creating a new organization may be a goal in itself (Carsrud & Brännback 2011, 8.)

As for statistical purpose and in conformance to standards of statistical data analyses across the EU, in this research defines small enterprises organizations with less than 50 employees and a turnover under 5 million euro; medium businesses as those having less than 250 employees and 40 million euro turnover. (USA International Business Publications, 2015.)

In Finland, free trade system implies that the government can interfere with the activity in accordance with requirements for maintaining good practice without requiring a license from the authorities. However, for some industries, one needs a license for the sake of the community, environment and consumer safety. Within the second domain, the business must notify the authorities of their business, even if an official license is not required. Permission is granted by local authorities (municipalities and cities) and regional administration offices along with government departments, local environmental protection authorities and other licensing authorities. Before starting up a business, it is always important to check whether a particular authorization or declaration is needed for the business and what is required from a merchant in that sector. (USA International Business Publications, 2015.)

To obtain a license, the applicant must have credential profession in the field and should be qualified to enter into legal contracts with a good reputation. Although the business' economic situation will have an impact on whether it can be licensed. A license is generally issued for a fixed time, and it can be revoked if the entrepreneur does not comply with the provisions of the license. Applications for permits are usually subject to a fee. In some cases, a license is needed from different authorities. For

example, in the catering industry, hygiene certification and licenses to serve food and alcohol is required, and declarations must be made to the health inspector, emergency services, building regulatory departments, among others. (USA International Business Publications, 2015.)

National Supervisory Authority for Welfare and Health in Finland, Valvira, and the holder to carry out work in the health care profession in Finland to healthcare professions trained abroad, subject to the application. Such people include doctors, nurses, dentists, qualified chemists, midwives, speech therapists and psychologists. Import-related permits granted by the Authorization key Finnish Customs. The approval procedure defined by the Finnish Act of health concerns, among other things, barbers and hairdressers, beauty or foot-care premises and tattoo businesses. This protects local health authority responsible for approving these companies. (USA International Business Publications, 2015.)

Food establishments, such as restaurants, shops and kiosks must submit a written notification to the local food authority before the beginning of operations or any substantial change in the operation. Beginning of operations does not require an inspection of the premises. Establishments handling food facilities, such as slaughterhouses, are subject to an approval procedure. They must be approved by Evira, excluding slaughterhouses, the approval of which belongs to the Provincial Office. (USA International Business Publications, 2015.)

3.2 Steps for Starting a Business

Starting a business entails planning, making main financial decisions, and carrying out a series of legal activities. There are various steps through which an entrepreneur should follow in order to succeed in starting a business. One of the major steps that each entrepreneur planning to start a business should implement is having a business plan. The written business plan will aid in guiding the entrepreneur on how start and run a successful business. The next important step is to acquire training and knowledge on how to start and run a business and what will be required of you. The entrepreneur should take advantage of counseling and training sessions to learn how

to prepare the business plan affectively, secure finances, expand and even relocate a business. (Enterprise Finland 2016.)

Then choose a location for their business. A customer friendly location should be selected. This can be done by getting advice from successful business persons or someone with this kind of knowledge. One should then comply with the laws of that area. The next step is to finance the business adequately. This can be done by backed loans from the government, research grants, and venture capital to have a strong start. The next step is determining the legal structure of the business. To do this entrepreneurs have to decide which ownership form best suit them. The entrepreneur must decide whether the business will be a Limited Liability Company, sole Proprietorship, partnership, corporation, nonprofit, S corporation, or cooperative. (Enterprise Finland 2016.)

The next vital step is registering a business name with the state government. After registering the business name, one should then register for local and state taxes. This should be done so as to acquire a tax identification number, unemployment and disability insurance as well as workers; compensation. Obtaining all state, local and federal licenses and permits for the business is the next step. Then finally, the last step is to understand employer responsibilities so as to learn the legal steps needed in hiring employees, if they will be required. (Enterprise Finland 2016.)



Figure 4: Steps for starting a Business
(Enterprise Finland 2016.)

3.2.1 Practical Process of starting Up a Business in Finland.

While considering starting up an Entrepreneurship in Finland there are some websites which can be useful to know, for instance

- Ministry of Economic Affairs and Employment
- Enterprise Finland, Yritys Helsinki
- Finnish Tax Administration
- Finnish Patent and Registration office (PRH)

All the above offer manuals and instructions on which practical procedures to go through while starting up an Entrepreneurship. Entrepreneurship could be in form of a limited liability company, a general or limited partnership or as a private trader.

(Patentti ja rekisterihallitus 2016.)

The process of establishing for instance a Limited Liability Company consists briefly of:

- Signing of the Memorandum of Association by all the shareholders, where it includes their names, shares, and how they are going to pay for their subscription price
- The Names of the Members of the Board of Directors
- The Article of Association which has information such as the Company's Trade Name, Field of operation, and the Municipality of business operation. This is usually attached to the Memorandum of Association.
- After the signing then the owners notify the Registration to the National Board of Patents and Registration of Finland within three months.
- Every shareholder has a Right to one vote during the Company's General meetings and any exceptions should be stated in the Article of Association.
- An ownership of shareholder can be confirmed by a document known as Share Certificate. (Surakka 2012, 92-93.)

3.2.2 Types of Entrepreneurship in Finland

An Entrepreneur willing to start a business in Finland should check the Finnish company types first to make sure they choose the company that best suits the business type covering it. A private trader or Private Person Carrying on Trade (yksityinen elinkeinonharjoittaja), is an entrepreneur EEA member who establishes a company in Finland. It is in charge of paying taxes. Moreover, it is free to withhold profit. (Patentti ja rekisterihallitus 2016.)

A Partnership (avoin yhtiö- Oy) in Finland is comprised of at least two members, with one of them being a resident of EEA. The profits are shared among the partners depending on the share numbers they have. There lack originally share capital needed. The Limited Partnership (kommandiittiyhtiö- ky) in Finland requires to have at least two partners, with one being a general partner and the other a silent partner. The general partner has the right to make contributions to the decisions of the management and ask for profit unlike the silent partner. The silent partner lacks decisional power but does not absorb the losses. (Patentti ja rekisterihallitus 2016.)

The Limited Company (osakeyhtiö- Oy) in Finland bears the following attributes: the limited company must be recorded before beginning of activity at the Trade Register, the minimum capital of share is 2.5 euros (property or cash), a person is sufficient in setting up the company and the management board provides the management. (Patentti ja rekisterihallitus 2016.)

A Public Limited Company (julkinen osakeyhtiö –Oyj) in Finland is founded or started after registration in the Trade Register. It must have a minimum of 80.000 euros as share capital, the board of management must comprise of at least three members with more than 50 percent of them being residents of EEA, and a managing director. An Oyj is required to provide semi-annuals reports. It can be listed on the Helsinki Stock Exchange. (Patentti ja rekisterihallitus 2016.)

Although both the Limited and Public company are governed by the Companies Act (Osakeyhtiölaki), there exist some differences between them with the basic difference being that only the Public Limited Company can transfer or trade the shares.

A Branch of a Foreign Company (sivuliike) is a society operating in Finland even though its headquarters are found in another country. The representatives of the branch must possess a Finnish domicile. If the Representative is not a member of EAA s special permission by NBPR must be granted. (Patentti ja rekisterihallitus 2016.)

3.3 Finland SMEs Start-up Programmes

The most important government initiative introduced to foster the growth of small entrepreneurship was the Growth enterprise service, which was started in 2003 by the Finnish Ministry of Trade and Industry. The program aims to proactively identify companies and entrepreneurs with high growth potential and direct them to appropriate services offered by the various agencies that support small and Innovation. This successful program is conducted as collaboration between these bodies, and it is coordinated by the private SME Foundation PKT. (Ylä-Anttila & Palmber 2007, 170.)

The goal of the program is to serve as a one-touch shop for public services that are relevant to growth. There are four major public bodies that offer services to SMEs in Finland. By contacting a business consultant in one of these organs, a company can obtain information about and referred to the appropriate service offered by all agencies. (Ylä-Anttila & Palmber 2007, 170.)

These institutions are:

- Finpro (internationalization)
- Finn (state-owned financing company),
- Sitra (Finnish National Fund for Research and Development)
- TE Centres (employment and regional centers).

There are around 100 different support services that could be offered by the participating institutions to businesses. Most of these support measures concern funding,

because funding is the main activity for three of the four participating institutions, while the fourth department is focused on internationalization support. The target group is SMEs with high growth potential in all sectors. Nevertheless, most of the participating companies are technology companies, as these companies often can be more interested in the services offered. These companies are oftenly involved in the expansion stages of development because companies younger than this still could not be recognized on the radar screen of government consultants. The younger companies often have born Globals or the company with a strong technology focus.

(Ylä-Anttila & Palmber 2007, 172.)

The program started in 2003, and each consultant or service is funded by each institution. It is believed that about 300-400 people spend 10-15% of their time on providing growth services. Cooperation between institutions coordinated by the private foundation SME PKT and funded by the Finnish Ministry of Trade and Industry. The budget for the coordination and monitoring of the program is 0.5 million per year. Results and lessons Growth fixed service is distinctive because of its explicit and sole focus on the High companies. (Ylä-Anttila & Palmber 2007, 172.)

The program is still being phased in, and it's been in operation. So far identified 300 growth companies and received a Growth Analysis by program. This represents about a fixed per consultant. It is thus clear that the number of companies supported by the program has room to grow strongly, but no target for the number of companies to be processed has been set. The total population of potential growth in Finland is expected to be in the range of 2000-30000, depending on the definition of growth. The growth rate of the companies involved has not been analyzed yet, but an analysis will be carried out when sufficient time series data are available. The program is generally considered to be successful. (Ylä-Anttila & Palmber 2007, 172.)

Participating companies have been very pleased with the service, especially with the aspect of the company that approached proactively and equipped with only one contact instead of one for each institution. Only a few companies have reduced growth analysis, arguing that they do not need any of the services provided by the four participating institutions have to offer. The evaluation is based on feedback from business consultants. (Ylä-Anttila & Palmber 2007, 173.)

One measure of success is that the five participating companies have risen over EUR 10 million in subsequent rounds of private financing. An example of these is the mobile game software enterprise Sumea Interactive. A success factor has been a relatively high degree of selectivity in the program. Only 40 companies are selected annually in the program. It is estimated that this number represents almost all of the new company that really have a high growth potential in Finland (Ylä-Anttila & Palmber 2007, 173.)

A more thorough qualitative evaluation will be carried out this year. A key lesson has been that the coordination of four powerful institutions was quite difficult. Each institution has different approaches, values, and they can have 42 different targets. It has also proved difficult to engage all regional institutions and business consultants in the program, and there is a wide distribution of the degree of activity. In addition, vary the capacity of consultants. This is important, because the success of the program depends on the quality of consultants used in approaching companies. The current focus on the development of the program is to further strengthen the commitment among the participating institutions, dissemination of good practices among participating institutions, thus reducing regional disparities. (Ylä-Anttila & Palmber 2007, 174.)

Efforts are also being invested in reaching out to companies that do not rank among the top customers of the four participating institutions; these include, for example, mature companies that have a renewed motivation to grow. In the future, the concept is further developed to include not only funding for R & D but also marketing and sales, and other financial needs for participating companies. All in all, the action is very original in that it acts as an interface to all the services of major public support institutions and is actively involved in locating high growth potential and directs them to appropriate services. (Ylä-Anttila & Palmber 2007, 174.)

INTRO program was started in 2002 by Sitra, the Finnish National Fund for Research and Development. This is a very successful program and the objective is to correct perceived market inefficiencies by working as an interface between entrepreneurs and private investors (business angels). The program offers an online market

and a trade-off show for business ideas, advice on business plans and courses and workshops in private equity investments for both entrepreneurs and investors. (Ylä-Anttila & Palmber 2007, 175.)

The program can also support the formation of syndicates of several private and public investors. The aim of the program is to promote investment readiness of an early stage and growth companies and facilitate access to early funding rounds. The program supports the development of a private venture capital and business angel market in Finland. A secondary goal is to reduce cyclical investment market financing. (Ylä-Anttila & Palmber 2007, 175.)

The INTRO program supports growth-oriented companies in knowledge-based sectors, such as services or technology. Participating companies are typically in the seed or start-up stage. Some early-growth companies also participated. A requirement for participation is that the companies should not have received external funding. The program started in 2002 and is run and financed by the National Fund for Research and Development (Sitra). (Ylä-Anttila & Palmberg 2007, 181.)

In 2015, 40 companies participated in the program, and 14 of them received funding. On average, companies raise 350,000 euros funded enterprises. This equity investment is typically supplemented with public capital loans and grants bring the typical total financing up to approximately EUR 1 million per company. A total of 300 business angels participate in the program. Among these, 60% actively participate in screenings deals. (Ylä-Anttila & Palmberg 2007, 182.) As a group, venture investors declared that they are prepared to invest up to EUR 40 million in young companies. The program is considered very successful.

One measure of success is that the five participating companies have risen over EUR 10 million in subsequent rounds of private financing. An example of these is the mobile game software enterprise Sumea Interactive. A success factor has been a relatively high degree of selectivity in the program. Only 40 companies are selected annually in the program. It is estimated that this number represents almost all of the new companies that really have a high growth potential in Finland. (Ylä-Anttila & Palmberg 2007, 184.)

The INTRO program has been recognized as the most promising entrepreneurs and the most promising business ideas tend to get access to venture financing directly without the help of the support program. Nonetheless, there is a need for a program of high growth potential that are just below the star enterprises, and these can be suitably financed by business angels. In addition, the program has recognized that it is not enough to just get any funding. (Ylä-Anttila & Palmberg 2007, 181.)

INTRO considers private investment by business angels as superior public financing of young companies. Business Angels has been recognized as more effective in screening and selecting the companies that have the greatest potential for growth. In addition to the invested capital, business angels often have much to contribute to start up companies in the form of industry knowledge. The program also thinks that there is no funding gap of start-ups as long as companies are of high enough quality. This is illustrated by the fact that in 80% of the deals that programs brokers, business agents contribute all of the capital. In only 20% of the deals needed a syndicate of Sitra in order to raise sufficient funding. (Ylä-Anttila & Palmberg 2007, 181.)

INTRO program has also realized the importance of being fast, flexible and relatively independent in its decision making. This is accentuated by the fact that the time-to-market is critical in many of the selected sectors and companies therefore need to find funding quickly to achieve success. In addition, all employees involved in the implementation of the program have been recruited from industry. As a result, they have a good understanding of what both companies and investors require in finding generally agreeable deals. Another issue that has been identified is the need for rain both entrepreneurs and angel investors in early stage finance and valuation.

(Ylä-Anttila & Palmberg 2007, 181.)

The INTRO program initially focused on educating entrepreneurs, but it was realized that due to the complexity of many private equity investments, business angels also require training in order to finance start-ups. In the program, entrepreneurs and investors participated in the same training session, which facilitates the formation of a common understanding and standards. Business angels also, contrary to conventional wisdom, proved not home-biased. Therefore, there has been no need to share markets

regionally. On the contrary, the program is a future of Nordic and Baltic cooperation and around the early financing. While the program is the consolidation of other support measures expected in the future. (Ylä-Anttila & Palmberg 2007, 181.)

3.4 Finnish Business Culture

This section will discuss briefly the Finnish Business Culture which is needed while doing business in a Finland especially as a foreigner. Finland has long been a culturally homogeneous country. Foreign customs and religions are known to Finns and this sometimes causes confusion or misunderstanding in multicultural dealings.

In a classic study of 116,000 patients from 50 countries or regions, Hofstede (2010, 61) identified four main dimensions of the national culture: uncertainty avoidance, power distance, individualism-collectivism, and masculinity-femininity. Uncertainty avoidance is the extent to which members in a culture feel threatened by uncertain or unknown situations. Power distance is the extent to which members of a culture expect and accept that power is distributed unequally. Individualism describes cultures in which the task takes precedence over the relationship, while collectivism describes cultures where the ratio is over the task. Masculinity describes cultures in which social gender roles are distinct, while femininity describes cultures in which social gender roles overlap. These four dimensions of national culture has been the basis for many empirical studies in a variety of disciplines. Several studies have confirmed the validity of these four dimensions of national culture. (Hofstede 2010, 63.)

At low power distance nationalities, such as Finland, are also dependent on the superior almost lean and dependency relationship is mutual. The relationship is open and the subordinates can easily approach a supervisor. . Finnish people are most reliable and they expect from others and from other nationalities as well. Some cultures need more time to get to know the person they are collaborating with and after he or she has gained confidence, they may even consider doing business with the other party. Many contracts have failed because the other party is rushing signatures while the other party must have more time to get to know the opposite person and then decide if he can trust. Finns are used to tight schedules and meet deadlines that differ from

Italian flexible time concept. Finnish businessmen live for the moment and they are keen to have the decision or as soon as possible to conduct the case. The second question that pops up at the meetings are interrupted. Especially break while someone is speaking. Finnish people are used to listen and express themselves after the other has finished his speech (Paakkala 2011, 51.)

According to Paakkala (2011, 53), the Italian interrupt others while he was still talking. This confuses and can scare the Finnish participants, and as a conclusion that they can remain silent during the meeting. Finns are brave yet gentle and shy. When they face a stronger party, they may not express their opinions and simply acquiesce and accept the other party's proposal. Therefore the Finnish attendants said to be the only witnesses to the meetings and they open their mouth after the meeting is over. The respondents from both parties agree that there is a problem when Finnish colleagues feel threatened and approve other idea. For Finnish employees to learn to be more encouraged the Italian colleagues need to learn to listen and not interrupt each time. These values are both adaptable and meeting process neutralizes automatically after few times.

3.5 Foreign Entrepreneurship in Finland

This part will elaborate on foreign entrepreneurship which has been further divided into three sections that is Patterns in Entrepreneurship among Ethnic Groups in Finland, Immigration and Entrepreneurship then lastly Push and Pull Factors behind Foreign Entrepreneurship.

As a foreign Entrepreneur in Finland, you need to either have a residence permit for a self-employed person or a residence permit for an employed person. This all depends upon the form of enterprise you will start. For a residence permit to be granted you must always work in your company which should be in Finland.

3.5.1 Patterns in Entrepreneurship among Ethnic Groups in Finland

Statistics shows that there is a huge share of foreign-based companies in Finland. According to Finpro statistics, 265 new foreign-owned companies to establish themselves in Finland in 2015, compared with 229 in 2014. In addition, foreign-owned companies already operating in Finland made more than 230 expansion or follow-on investment to its operations in Finland. The business activities of foreigners have increased since 2005. One reason for this is that in immigrant families, there is a strong background in entrepreneurship and risk-taking. In 2005, there were 6000 companies, approximately 2.5 percent of all companies in Finland, which was wholly or partly owned by immigrants, while in 2015, the share of foreign owned private organizations equaled to 17 per cent, according to Prime's Minister Office Report 2015 (Prime's Minister Office 2015.)

Most of the companies are small, and mostly the family is involved heavily in the industry as temporary help or employees there are differences between entrepreneurs and their nationalities. According to the research by Statistics Office of Finland, one third of businesses are owned by immigrants from EU countries; mainly Swedish, British, German and Danish immigrants. Immigrants from Estonia, Russia and other parts of Europe, are about 30 percent of companies. Asians, for example, Turkish, Vietnamese, Indian, Thai and Chinese, have less than a quarter of the company. Africans and Americans (North and South America) both have about 3 percent of the companies. And finally five percent of businesses owned by several nationalities, although most of them still Europeans. Further, there is high variability between sectors in terms of where the predominant non-native entrepreneurs groups come from. (Prime's Minister Office 2015.)

Immigrants from the Nordic countries, EU countries in Western Europe, Russia and the Baltic countries are mostly concentrated on the business of the services industry and sales. Especially companies that trade abroad have a lot of Russian background entrepreneurs. Immigrants from Turkey, the Middle East, North Africa and other parts of Asia are mainly concentrated in the restaurant business. In the construction industry there are a large group of Estonian entrepreneurs and carrier industry has a large group of Russian entrepreneurs. Native Africans and Asians are concentrated in

the capital region; while Russians entrepreneurs and immigrants from EU countries have established a lot of business activities mostly in rural parts. (Prime's Minister Office 2015.)

Studies have shown differing views on immigration entrepreneurs. Marusel et al. introduce a culturist approach, pointing out that because of their cultural characteristics; immigrant groups are more prone to self-employment. But there is also structuralist approach that claims that the external factors that are in the host environment, such as discrimination or obstacles to certain industries because of language or education, push migrants towards self-employment (Aaltonen & Akola 2012, 17.) But because there are so many different groups of immigrants and their cultures vary greatly, no straight answer is given on the causes of high tendency of immigrants' self-employment. Traditionally, immigration companies concentrated on industries that are readily available. These can be retail, restaurants, small shops, clothing and low technology. But there have been changes, and now a lot of Asian immigrants in particular has to do with high-tech and online companies. Immigrant businesses also become more internationalized than before (Joronen 2005, 126-129.)

3.5.2 Immigration and Entrepreneurship

According to Burns (2011, 67), immigration is often seemed to have a positive effect on the propensity to start up businesses. In the UK for example, there are a lot more self-employed immigrants than locals. Although, there are differences between different ethnic groups. Asians, as Indian, Pakistani, etc., have higher rates than the British in self-employment, but Caribbeans and Africans have had lower rates than the British. Asians are generally recognized to be the most ethnic minority groups to become entrepreneurs. One reason for this is claimed to be the high expectations that come from the family. Asians are also to have better networks, as networks of investors. Asians have a lot more informal sources of funding that comes through the wide network of friends, family and ethnic community (Burns 2011, 67). So Asians have social capital coupled with financial capital, while people from other groups only have the opportunity to seek a formal investment as a loan from a bank (Aaltonen & Akola 2012, 27-30). Burns (2011, 70) also claims that since immigrants do not nec-

essarily have any other options, they are more inclined to take the risk to start a business and also commit to it and work long hours.

Joronen (2005, 79) found that in general, immigration groups seem to have stronger networks and they are good at building and maintaining them; and most importantly, that use them. This has to do with the fact that in much of the immigrant cultures are very strong family and friend support system and the network will through it. Everyone helps everyone and there is mutual solidarity in the group. Joronen regards this as ethnic resources that help a person get from other members of his or her ethnic group. According to Joronen (2005, 79), ethnic resources have seen very important for the immigrants who are not as successful in other sources, such as education, skills and capital. These factors are often related to the backgrounds that many of the migrants do not represent. Network not only helps to raise capital, expertise and business contacts, but also cheap labor, which is important for the growth of business. Many Finnish employees refuse to work on lower salary but again, the immigrants do not have other options. (Joronen 2005, 123-124.)

Networks can also be divided into two groups: the network of weak ties and networks with strong ties. The networks of weak ties formed from acquaintances from previous positions, different compounds or hobbies. The strong ties network refers to intimate relationships that a person has, such as family, siblings, cousins and husband. Joronen states that mostly the weak network ties are more critical to the success of the immigrant business than the strong ties network. This is logical, because the familiar can be members of other ethnic groups and can help with the integration of business and society, and provide contacts outside the immigrants' own ethnic group and help businesses grow. Then again, the strong band network is important in the beginning, especially since this phase of the business can be the most challenging and covers most setbacks, as having support around will help. Still, as Joronen points out, it must be remembered that the solidarity of an ethnic group can not be used in the operation, and that the ethnic group is not the only factor that defines the immigrant and his or her business (Joronen 2005, 123-125.)

3.5.3 Push and Pull Factors behind Foreign Entrepreneurship

In a study conducted in Sweden in the late 1990s, by the Migration Committee of the Swedish Government, it was investigated what factors the migrants themselves considered essential for the success of starting a business. The study showed that providing information was one of the key success factors according to recipients. To get information about customers, sectors, types of businesses, markets, how the system services work and how the different customer groups are and which ones to focus on. Meaning the competitors, and identify their strengths and weaknesses, and know the rules and laws were also very important. Most of the information immigrants received was by their own ethnic networks and acquaintances, who works in the same industry. Other important factors under study, the entrepreneurial spirit, good business, tolerate setbacks, enough contacts and networks, language skills and cultural competence and marketing (Joronen 2005, 174.)

Pull Factors

These are the opportunities or motivational factors provided by the market as indicated in the figure below:

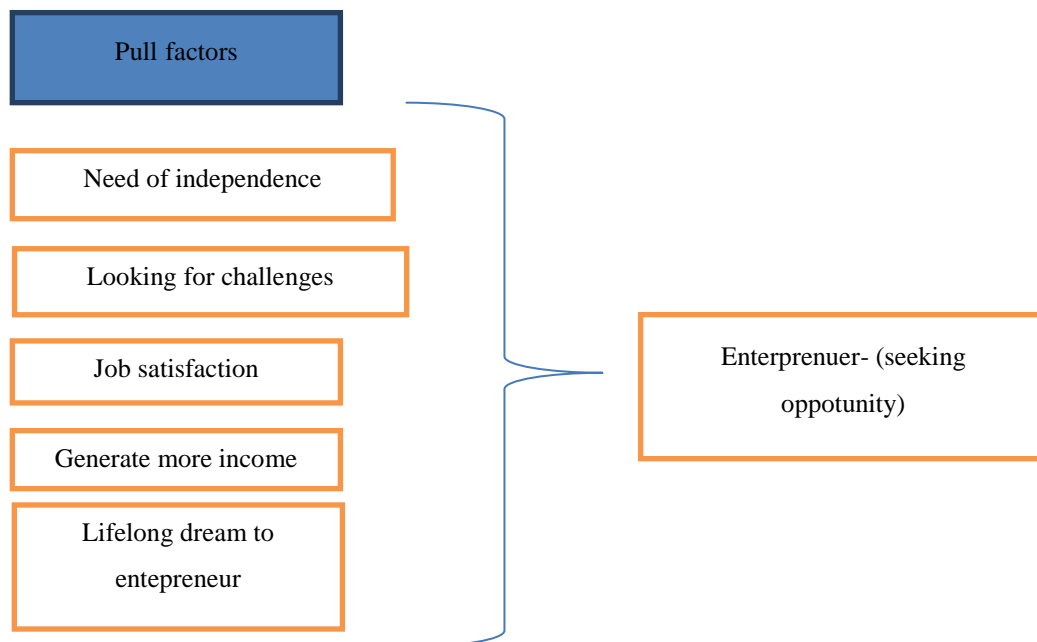


Figure 5: Pull Factors to Entrepreneurship

Adapted from GEM 2005 report (Humbert & Drew, 2010, according to Asfaw et al 2011)

Joronen has listed various factors that influence the decision of an immigrant becoming an entrepreneur. These are push and pull factors. The driving factors are usually the reasons that force the immigrant to become entrepreneurs: lack of the language skills and appropriate training, adequate work experience or other factor that makes it difficult to get a job in the new environment. Discrimination and overall job market stagnation are also major problems in the labor market, and it has been studied most often unemployment is higher among immigrants than among the large population of a country.

Pull factors refer to the opportunities that the entrepreneur can discover in the surrounding environment, but also to the individual characteristics and life situations play significant role. Individual characteristics may include, for example, the longing for economic freedom, want to be independent, to be achieved or will to realize it.

Tolerance for uncertainty is important that is, if the environment is going through a boom or circumstances are very favorable for small business, this may influence the decision to start up a business. (Joronen 2005, 128.) Both the push and pull factors can be seen fluctuation due to the economic situation. During recessions and economic downturns, the drivers be more than pull factors. Similarly, during booms and booms, pull factors override the driving factors.

Push Factors

These are the external or the negative environment impacts e.g unemployment, lack of career prospects or dissatisfaction in the current job.

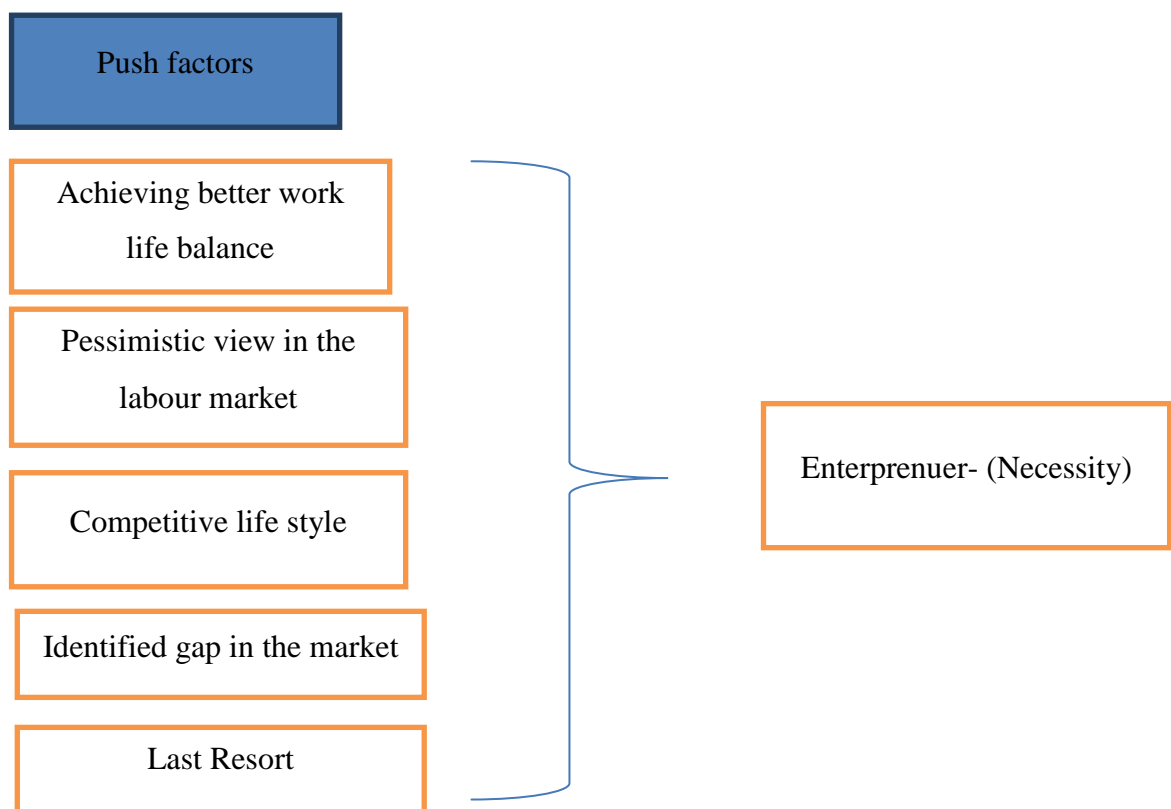


Figure 6 Push Factors to Entrepreneurship

Adapted from GEM 2005 report (Humbert & Drew, 2010, according to Asfaw et al 2011)

3.5.4 Changes in Foreign Entrepreneurship in Finland over the Last Decade

Presently, there are a lot of foreign based firms and companies in Finland. The foreigner's business activities have been growing since the year 2000. This is because in immigrant families there exist a strong background for entrepreneurship as well as risk taking. In 2006 there were 6000 companies. This number represents around 2.5 percent of all the companies in Finland that were partly or completely owned by immigrants. This statistical information is not very accurate since it does not include the immigrants that have acquired the nationality of Finnish already. (Prime's Minister Office 2015.)

According to statistics, the number of new companies that are owned by foreigners increased to 265 in 2015 with nearly 200 of this choosing Helsinki area as their location. In 2014, 229 companies were started by foreigners. Additionally, the companies owned by foreigners already in operation in Finland made more than follow-on investment or expansion decisions to their businesses in this country. Since 2006 the business ventures of foreign entrepreneurs have been rapidly on the rise. In 2006 there were 5500 foreign ventures, in 2010 the number increased to 6400, in 2013 there were more than 7000 ventures. The overall number of immigrant entrepreneurs by 2012 was over 9000. By 2015, the countries with most investments in Finland were USA, Sweden, Denmark, Britain, and Germany. The largest numbers of new companies owned by foreigners are found in sectors such as ICT, business services and health care and well being. (Prime's Minister Office 2015.)

Finland has a mixed and highly industrialized economy with a per capita output that is equal to other western economies such as Germany, France, United Kingdom and Sweden. As mentioned earlier, the largest economy sector is services at 72.7 percent. Services sector is followed by manufacturing and refining at 42.4 percent, and primary production is 2.9 percent. The key economic sector, however, with respect to foreign trade, is manufacturing. The largest industries include electronics at 21.6 percent, vehicles, machinery and other engineered metal products at 21.1 percent, forest industry at 13.1 percent, and chemicals at 10.9 percent. (Prime's Minister Office 2015.)

In OECD comparison in 2008, high technology manufacturing was ranked second largest. Knowledge intensive services have ranked the smallest and sectors of slow growth, especially low technology manufacturing and agriculture. Investment was below the expected. (Prime's Minister Office 2015.)

4 RESEARCH DESIGN AND METHODOLOGY

The research will first justify both qualitative and quantitative research methods to achieve a blend of both before choosing a reasonable method choice for this study.

While both the qualitative and quantitative research methods were given into consideration. Priority was given to qualitative research due to its efficiency and the capacity to yield rapid market projections through modules such as interviewing the foreigners with businesses in Finland. These interviews equally cover various foreign enterprises from individuals and companies to analyse their experiences, aspirations, and apprehensions in investing in the Finnish market.

4.1 Quantitative Research

The quantitative research deals with circumstances that can be observed and measured in some way. The observations and measurements are made objectively and can be repeated by other researchers. Quantitative research is a deductive method meaning it tests theories that have already been proposed. (Hancock 2008, 1-2.)

Quantitative research involves a large number of respondents where options given have been predetermined. The measurements in quantitative research are objective, quantitative and statistically valid. (Anderson 2006, 1.) The quantitative data analysis involves counting frequencies of variables and differences between variables. The analysis also involves making statistical estimates of the importance of the results and the probabilities that they did not occur by chance by comparing one measurement with others. (Hancock 2008, 16.)

4.2 Qualitative Research

The current research employs qualitative methodology, as mentioned in the introduction. In particular, semi-structured interviews were used for data collection so that what the perception of starting-up business was and for foreign entrepreneurs in Finland, corporate culture differences and business regulations would be explored. Additionally, the interviews would help to directly identify problems and opportunities

entrepreneurs have faced in Finland. Qualitative research provides a deeper understanding of the subject and meanings in the data. Since the terms and meaning is what the study is to focus on, it can be inferred that choosing qualitative research is more reliable.

Semi-structured interview type can also be termed as a theme interview, although semi-structured interview is a little different from the theme interview. In the theme interview, the interviewer selects some themes before the interview with the aim of addressing all the issues during the interview. However, the interviewer can make up questions about the interview as the interview progresses. Therefore, how the interview progresses defines how the interview will react, and what kind of questions the next interview suggests. Semi-structured interview preset subjects and themes interview; sample sizes and the questions that will be addressed. So in that it differs from unstructured interview, or in-depth interview. But it also differs from the structured interview in the sense that, in the semi-structured interview there is room for the interviewees' own answers. Although there are issues determined in advance, the question 41 solutions are open and not strict yes / no questions that can be answered in one way, which is used in structured interviews.

The author had to plan and prepare for the interview prior to its conduction. He decided to use the semi-structured interview, thereby identifying the topics and themes that would be covered in the interview. Based on my research topic and my research literature, some themes and issues were first tested before deciding to use them. According to Ghauri and Grønhaug (2005, 157), there are certain steps that must be taken before the interview. The interviewer must analyze the research problem, really understand what information is needed from the interviewee and then evaluate who will be able to provide this information as needed (Ghauri and Grønhaug 2005, 157.)

After selecting the interviewees interviewer should also be sure that they are willing to answer the questions truthfully. The interview questions are then drawn by the interviewer. Even before the interview, the interviewer must decide how much time will be appropriate and used for the interview. In this research, the target population sample was individuals with direct experience in entrepreneurship. The sample comprised of entrepreneurs who had set up an enterprise/company in Finland. 13 en-

trepreneurs were interviewed within a time limit of 20 to 30 minutes each. The author made sure the time limit was clearly understood by the interviewees before the interview started. Then he also reminded each interviewee that the interview was voluntary and therefore urged those who agreed to take the interview to give sincere responses to aid in the present research.

As the interviewer, the author had a list of questions ranging from the background of the interviewees enterprise, challenges, and culture. The author asked each interviewee the same set of questions, supplementing some questions as appropriate. The interviewees responded appropriately to questions how they preferred. As the questions were asked and responses obtained, he used a tape recorder to make audio recordings of the interview process, and no correspondent was uncomfortable by the recordings. The author however, assured each respondent of the confidentiality of the information at the same time the interviewees responded, he also took notes where necessary. He chose to use audio recordings as a way of handling the research materials so as to improve the data validity and for reference purposes later during data analysis.

4.3 Data Collection Methods

Data collection stage will involve qualitative research methodology. Semi-structured interview is preferred over structured for the research that require obtaining as much information from respondents as possible. The information obtained then will be analyzed according to themes and subjects of interest identified prior to interview conduction. To obtain contact information of respondents, the open data was used, including business catalogues, open contact databases and information from specialized conferences related to entrepreneurship in Finland. Descriptive analysis was also conducted as a means of analysing data related to foreign entrepreneurship indicators, and observations output.

During the research, qualitative research methodology was applied in collection of data. A Semi-structured type of interview was preferred over structured interview so that as much information from respondents as possible would be gathered. The in-

formation obtained was then analyzed according to themes and subjects of interest as identified prior to interview conduction. To obtain contact information of respondents, the open data was used, including business catalogues, open contact databases and information from specialized conferences related to entrepreneurship in Finland. Descriptive analysis was also conducted as means of analysis of data related to foreign entrepreneurship indicators, and observations output.

4.3.1 Background of the Interviewee's Enterprises

There were 13 interviewees; four had Master's Degrees and nine had Bachelors Degree. Five of the business owners were female while eight were men. Three could speak Finnish fluently while the others were intermediate or advanced level. The enterprises had between 1-8 employees and the businesses had existed between 2.5 years to 6 years. The youngest entrepreneur was 27 years and the eldest was 56 years old. This has been illustrated in the Table 1 below.

Business enterprise type	Sex F/M	Age	Business existence (yrs)	Number of employees	Education	Location
Photograph studio	M	33	2	2	Degree	Helsinki
Movie	M	50	2	3	Degree	Turku
Business consultant	M	38	1	1	Kauppaopisto masters degree	Tampere
IT service / products	M	27	1	1	Masters degree	Helsinki
Retail Business	M	49	4	3	Degree	Turku
Decorating store	F	29	2.5		Degree (tradenomi)	Helsinki
Hotel and restaurant	F	44	3	8	Degree (tradenomi)	Helsinki
Translation and interpreting	F	32	2	1	Masters Degree	Lahti
Transportation	M	38	6	3	Degree	Lahti
Garage	M	56	6	2	degree (tradenomi)	Helsinki
Transportation and logistic	M	47	5	4	Degree	Helsinki
Restaurant	F	30	3	6	Masters Degree	Turku

Table 1: Background of Interviewee's Enterprise

4.4 Data analysis

After the data was collected from the interviewees, analysis of the data followed. Since all the interviews were transcribed as he was taking notes as the interview continued, it was more feasible to analyze them because they were in written form. Moreover, there was an audio recording of each response of the respondents and therefore validity in the data as well as the analysis was improved. Analysis of data began by sharing the respondent's responses in different themes. For this, the same themes utilized in the interview were applied despite the fact that this still required to identify aspects related to the particular theme that occurred in different answers.

Thus, the process of identification of patterns from the data was the second stage of data analysis. In the process, irrelevant information was left out. In the third process, there was a direct analysis of the themes, important answers and conclusions by going through and categorizing data. After compiling results based on the analysis and notes, they were presented into interpretable way to draw corresponding conclusions. The research thus combined elements from the inductive and deductive approaches. This is because it encompassed the findings of existing research as available in the literature section, deductive method, and also the findings as per the results derived from the data we obtained, which is an inductive method.

5 ANALYSES OF THE FINDINGS

The findings from study was analyzed and presented in a way that it can be easily understood by the Entrepreneurs. This will enable them to apply the various recommendations to their business models with an aim of improved productivity. According to Spark (2007, 26), foreign individuals or companies willing to invest in the globalized marketplace need to be acquainted them with the intended market to enable them make informed decisions to guide their choice or scope of business.

5.1 Findings

The first theme from the interview was about the general information of respondents. Most of them came from different countries except two who were from Finland. Those from different countries had come to Finland for different reasons including studies and work opportunities. All the respondents had graduated from their studies, with 4 having Master's Degrees and 9 Bachelor's Degrees.

The respondent's reasons for being entrepreneurs were varied. Some explained they became entrepreneurs by accident, some wanted to fulfill their goals, some were convinced by parents or developed a sense for entrepreneurship through their parents' accomplishments, and some developed the sense from their studies.

The other theme was about the business information of the respondents. They all share one characteristic; they all had small businesses comprised of 1-8 employees. However, their type of businesses varied from internet companies to home decorating stores to business consultant, and movie and photograph studio. Their businesses had been existence for 3-6years. Most of the businesses' important stakeholders were the domestic public.

Another theme was about the challenges the respondents faced in their entrepreneurial life. The responses were diversified. Some respondents described their main challenge as turning the theoretical knowledge into reality. Language barrier was also a challenge to most respondents since they hardly understood Finnish. Other challeng-

es were the difficulties in obtaining a visa to stay in Finland, creating connections that are trustworthy, funding problems, negative attitude towards foreigners in Finland by civil servants, and economic recession.

Although the two Finnish entrepreneurs interviewed did not experience as many challenges as the foreign entrepreneurs did such as language barrier and difficulties in obtaining a visa among others, they also faced some challenges. One of them experienced lack of financial support from either the government or family and even had his business fail for the first time but later he was able to revive it by securing a loan. The other Finnish entrepreneur found it challenging that in their country education is a key to securing a business opportunity. He argued that one may have a business mind but lack the papers to prove it. Competition from other Finnish entrepreneurs was the main concern of the Finnish entrepreneurs.

The theme on opportunities that the respondents had experienced in Finland was also interviewed. Some respondents said they had been offered help through some helpful information on how to start a business by organizations set aside to help starting-up entrepreneurs. Some, however, said they never received full information they had requested because of language barrier. One respondent told of how he collaborated with these organizations to have a name and credibility. The organizations also helped him to build a network. Some expressed the benefits they have experienced in terms of the start-up money offered by Finland to start-up entrepreneurs. Some also told of how not paying full Value Added Tax due to their low income levels as a benefit. Conclusively, most respondents saw Finland as an opportunity for businesses in technology and related fields.

The other theme was about culture. Most respondents felt the Finland culture differed completely from that in their native countries. Some felt that in their countries people started their own businesses because they had no other income option while in Finland people start businesses because of the opportunities they see. Some felt the Finland culture was easier than in their culture and people are more responsible, paperwork done fast and setting up a country is easier in Finland.

Other respondents found Government Support Systems in Finland being good and having good possibilities and opportunities for starting entrepreneurs unlike in their own countries. Other respondents found the Finnish people to be not easily forgiving if one betrays their trust. According to one respondent, prejudice is generalized to every foreigner and that it's fundamental to have a network to make a business in Finland. Building the network becomes difficult when one has issues with the attitudes of people towards foreign entrepreneurs.

The figure below briefly illustrates the theme:-

THEME	INTERVIEW	RESPONSES
1. General Information	I. Place of origin	2 were from Finland, 3 from Asia, 1 from Africa, 6 from Britain and 1 from America
	II. Level of education	All were graduates, with 4 having Masters and 9 Bachelor's Degrees.
	III. Reason for entrepreneurship	6 wanted to fulfill their goals, 2 were convinced by their parents, 4 developed the interest from their studies, and 1 became an entrepreneurship accidentally.
2. Business Information	I. Size of business	All had small businesses with a maximum of 8 employees
	II. Type of business	7 had technology related businesses, 1 a home decorating store, 2 business consultants and 3 had a studio.
	III. Age of business	All were start-up businesses of 3-6 years
3. Challenges in entrepreneurship	I. Idea implementation	All faced challenges in turning their business ideas into reality
	II. Language barrier	Only 2 respondents who originated from Finland did not experience language barrier
	III. Lack of capital	9 of the respondents experienced financial problems when starting and running the business. 2 had received adequate start-up capital from their parents and 2 were supported by the Finland government

4. Opportunities	I. Access to information	6 received helpful information from organizations set aside for that purpose and were satisfied with what they got, 4 received information but were partially satisfied, and 3 did not know of the existence of these organizations
	II. collaboration	1 respondent collaborated with the organizations to get a business name and credibility
	Financial aid	6 requested for financial assistance from the government but only 3 received
5. Culture	I. Business as priority	8 respondents observed that in Finland business was of priority unlike in their countries
	II. Government support system	All agreed paper work was fast in Finland than in their countries and more assistance was offered by the Finland government
	III. Finnish People	6 observed that Finnish people were not Forgiving, they were stereotypic to foreigners

Table 2: Theme

5.2 Data Analysis

Education as a factor that contributes to becoming an entrepreneur in Finland is clear. According to respondents, businesses related to technology and interconnected fields are opportunities in this country. However, without education and knowledge it can prove difficult to start such a business. In addition, developing new and innovative products is extremely difficult without the know-how. In the study

conducted, it was found that there are some factors that correlate with the success of a foreign entrepreneur in Finland. Such factors considered to have a positive impact on success include: access to start-up capital, network, trust by Finland people, sales and marketing, and knowing Finnish. When the factors that had a significant impact on the success or failure was, among others, spent time in Finland and the type of education. Legal issues, business location, business size, state aid, access to information, age and gender, and work experience then again not have an effect on success. It also may indicate that the personality traits of an entrepreneur and the determination to win external issues such as taxation. Yet, according to my observations, to be able to access information through or at least reduces the time the contractor has to use in the initial phase.

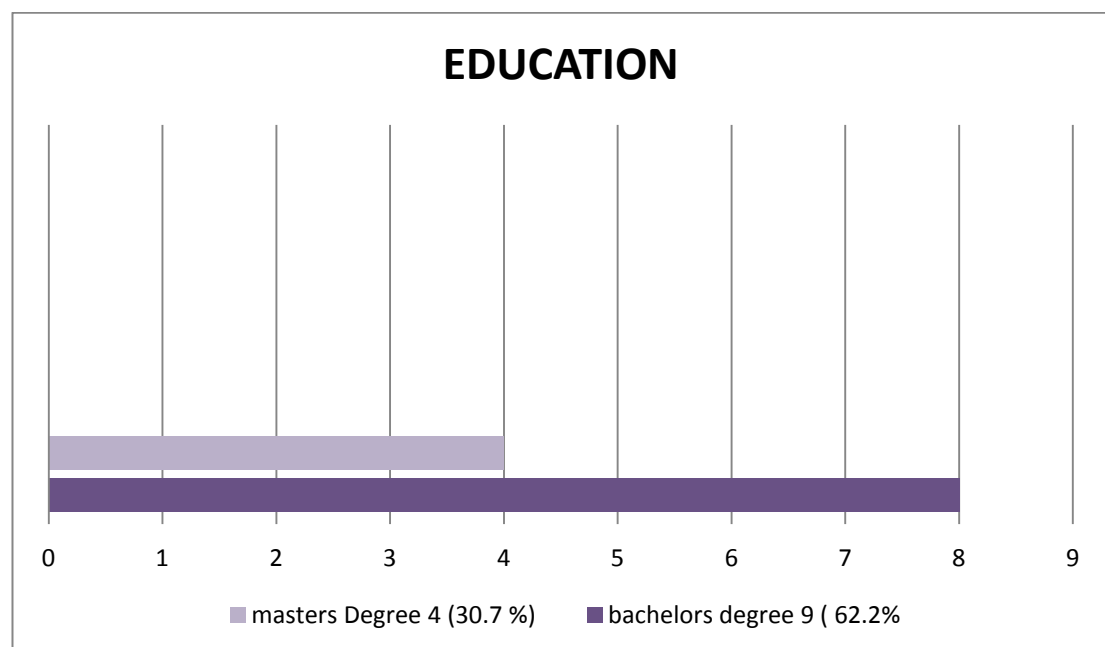


Table 3: Entrepreneur's educational background

The fact that no personal relationships should be overlooked when it comes to network, network, came out in the results data. The importance of communication in business and how it can be difficult when the parties come from different culture is stressed. In my study results hardest barrier to foreign entrepreneurs was the language itself; According to them there are services and support in English, but Finland is still the dominant language, and sometimes face difficulty getting service in English. And then again Finnish is a very hard language to learn.

Startup problems can be seen as common to all starting entrepreneurs. But funding is hard for everyone, the foreign contractors struggled because they were either unaware of the support money, or cannot make it because of visa problems, but the Finnish contractor facing problems because of the unfinished study degree. Still, the Finnish entrepreneurs seek help from her support group or network, which the foreigners have not, at least not clear in the initial phase. The interviewees described the start the company, as registration, be quite easy in Finland.

Getting funds appeared to be a major problem for all contractors. The recipients had tried and also managed to get help from certain organizations. Yet there should be more help for foreign entrepreneurs, especially since some of the organizations that do not offer the same services in English. Some of the contractors used, and used only the internet, but this says they are looking for information. So services could be promoted more they would attract more foreign entrepreneurs who seek help and also they should be made more internationally.

5.3 Discussion

Based on the interviews, the range of improvements could be proposed to be made to the educational system structure and incentives and probably at the government level. Specifically, studies that include entrepreneurial studies should have more integrated and practical cooperation with companies and universities should be encouraged. The situation is that Finland requires more entrepreneurs, and in the near future years their contribution to society will be needed considering population aging problems. Encouraging foreign enterprise would be important, since the level of Finnish people who actually prospective employment is quite low. By adding foreign entrepreneurial culture can also be turned toward more open atmosphere and innovations can arise when more expertise from abroad could be used and collaborated with the Finnish. The internal market in Finland should be made more open. Foreigners should let stay in Finland and try easier than now, the law visas can use some detachment when it comes to entrepreneurs.

Entrepreneurship requires inspiration, passion, creativity, order, intuition, good interpersonal skills, patience, strong will and strong vision, talent and solid planning when it comes to marketing, business and finance. Presentation skills and communicate is important because otherwise the contractor cannot acquire customers or deal with business partners and suppliers. Education was considered important, especially in IT-related activities. It was clear that the entrepreneur's situation is always changing; any fluctuations in the economic situation and flows affect it, so there is no safe situation, work needs to be done continuously. And the finding is the positive impact of technological expertise, the actual products or services are technology-related or not.

IT also proved to be a solution to the language barrier, since IT services and products the dominant language is English. Courage to expand and internationalize was also important for entrepreneurs to success. So working with IT-related products with an online company offers better options for foreigners. Traditional shops located somewhere need more networks and support, and even the language, and start costs are higher in this type of business. Surprisingly, the site of the activity seemed to be not so important for foreign contractors, which can be explained by the fact that all their companies mainly operating online. With an online business makes it possible for business owners to get more diverse clientele, and do business outside Finland. One of the interviewees believed Helsinki is best for international business but others thought Turku is good because of less competition. It is noted that in Finland the big southern cities offer the most opportunities for foreign and also the Finnish entrepreneurs.

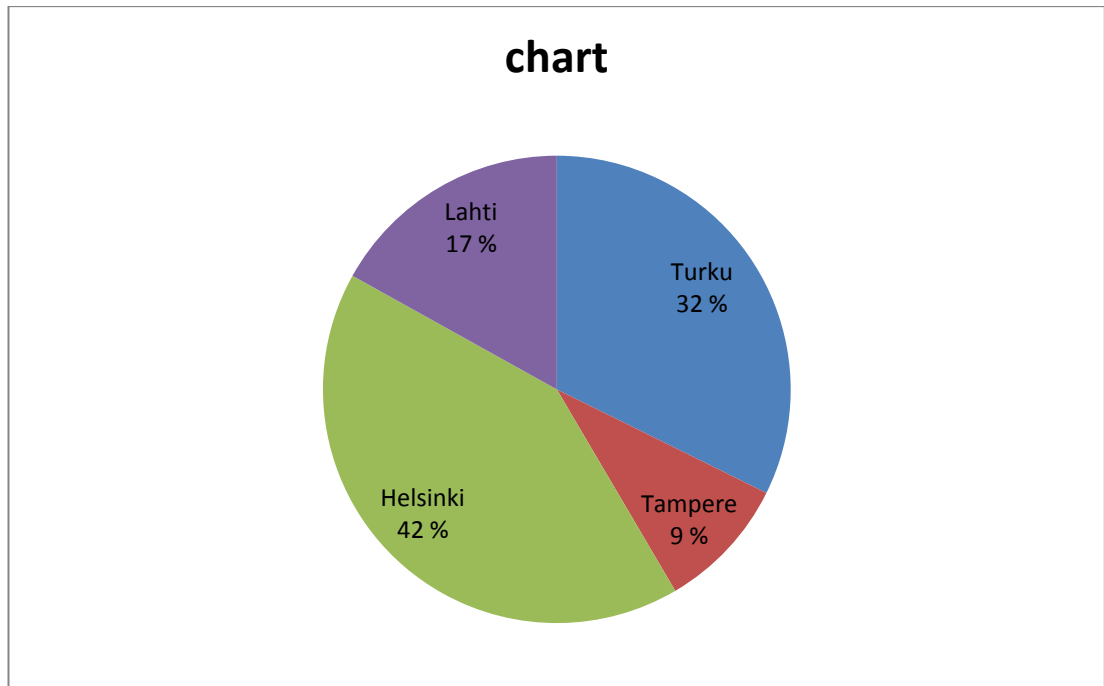


Table 4: Entrepreneur's business locations

6 ANALYSES OF THE VALIDATION AND RELIABILITY OF THE STUDY

6.1 Conclusion

The research was carried out in the field of foreign entrepreneurs that are self employed. The case used in this research is immigrant minority entrepreneurs in Finland. The main research question that the study aimed to answer was on the challenges that were faced by foreign investors or business owners in Finland. The question also sought to know the opportunities that a foreign investor encounters. Based on the study findings, being able to network and thus find enough contacts is a challenge in Finland for foreign investors, and especially the start-up individuals. Another potential challenge that investors encounter is language barrier as most of them do not understand Finnish, the national language in Finland. In addition, some other problems that the foreign entrepreneurs faced were difficulties in getting visas, negative attitudes from the people in Finland and lacking support from this people both socially and business wise.

The language barrier made it difficult to communicate with the Finnish people over business matters and often the foreign entrepreneurs did not have to complete access to important information that would aid in their business development. The negative attitudes, on the other hand, made it difficult or the foreign investors to build trust with the Finnish people and create a network. As a result of the failed network establishment the foreign entrepreneurs failed to acquire Finnish customers. Another challenge was difficulties in funding of the business. However, the cost can be decreased with creation of an online company and concentrating on product and services that are technology related.

In general, the challenges seem to include facing the mentioned difficulties and being capable of taking risk and living in an uncertain circumstance while working hard. In Finland the challenge is harder since there lack close support for foreign investors. Additionally, getting customers in Finland relies on network contacts heavily. Foreign entrepreneurs tend to seek actively and use the offered information by different services since they lack the support and network contacts from friends and family.

The opportunities in Finland for Foreign entrepreneurs are their supporting environment. As the study findings indicate, there exist a gap between actual starting of a company and potential entrepreneurship. This may be attributed to lack of the ability of an individual to believe in their own self. Moreover, there was an emphasis on the importance of network. The lack of sufficient network as well as support group may result the interest of becoming a foreign entrepreneur in this country unattractive choice of career for many.

The possibility that Finland has favourable opportunities to offer foreign entrepreneurs is tied to technology, innovation and respect. The country has a positive environment for technology development and the related products and services. There are many services that offer instructions and help to foreign entrepreneurs. There is also appreciation of entrepreneurship, thereby bringing social richness for the life of the entrepreneur.

In Finland, legislation and other procedures that have to be dealt with by foreign entrepreneurs are well instructed and quite clear. The actual registration and other business' start up procedures are done easily. This is a possibility of an opportunity.

6.2 Suggestions

The research study findings indicate that there is an improvement room with respect to foreign entrepreneurs in Finland. In the country, the cultural environment lacks tolerance and entrepreneurs from other countries suffer from lack of trust, making it difficult to have Finnish people as customers. Foreign entrepreneurship ought to be supported more.

Some improvements in the level of education as well as in the governmental level can also be suggested. Studies consisting of entrepreneurial studies should have vast practicality integrated, and universities and company's collaboration should be encouraged.

The situation now is that in Finland more entrepreneurs are needed and in the near future their input for the society will be required. This can be attributed to the large number of older individuals expected to retire. Encouraging foreign entrepreneurship in the country could therefore prove important since the levels of people from Finland who aspire to becoming entrepreneurs are quite low. By addition of foreign entrepreneurs, the culture may also be turned towards an atmosphere that is more open-minded and innovations may occur more when abroad expertise are utilized and collaborated with the Finnish people.

The internal Finnish markets should be made more open. Foreign entrepreneurs should be allowed to stay in Finland and the acquisition of visas by these entrepreneurs made easier. A more conducive environment for the investors should be provided in terms of promoting their businesses and educating the public against discrimination of foreigners. The government should promote foreign entrepreneurship in all ways including helping foreigners obtain trust and network from Finnish people.

There is high potential and possibilities in Finland. However, the potential and possibility is not maximally utilized but stays hidden. If all the repressed potential could be utilized, the challenges faced by foreign entrepreneurs would be overcome with possibilities. Further research to identify practical ways of bridging the gap between foreign entrepreneurs in Finland and the Finnish people should be carried out as this gap and lack of conducive environment in terms of the foreigners and Finnish people interactions may act as factors that reduce the morale and interest of investment in Finland.

More research should be done on how foreign businesses in Finland have been performing. This will reflect on the potentiality of foreign entrepreneurs in Finland, and thus will work out to be a reference for new entrepreneurs interested in making investments in Finland. The research should give a clear view of the possibility of businesses to stabilize and become successful depending on external factors in the Finland.

The rate of failure or success of businesses by foreigners in Finland should be researched. The reasons behind the success or failures of these businesses should be

researched too. From the reasons, the strategies of survival in the new country by foreigners can be formulated.

Finally, it is suggested that foreign entrepreneurs to develop professional levels of skills in Finnish language, be active participants of business forums, and build strong business networks with the native Finnish entrepreneurs and business providers including Finnvera, municipality, and Finnish funding agency among others.

The author was inspired to start his own small entrepreneurship as he can speak and write fluent Finnish in addition to 12 years living and working in Finland experiences. The study enabled the writer to develop professional skills on how to start a business, how to survive in the business market in Finland. The author was also motivated with the fact that he has made networking contacts while he was working and studying which is also essential while starting business. He also learnt where to get funds among other necessities for starting a business. The author will maximize on the high potential, possibilities and utilize on the challenges faced by foreign entrepreneurs. The author has gone through Finland SME Start-up Programme as part of his work experiences. The training the author went through includes Finnish Business Culture and Foreign Entrepreneurship in Finland. This training significantly increased the writer's motivation and productivity to starting an entrepreneurship.

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APPENDICES 1

INTERVIEW GUIDE

ENTREPRISE BACKGROUND

1. For how long and in which field the enterprise is operating in Finland?
2. What is the type of operation setup in Finland for the enterprise?

TARGET GROUPS

3. Which sector is the enterprise based on?
4. What were the demands behind the rationale to enter the Finnish market?
5. The interaction with which Form of entrepreneur in Finland could be improved and is desirable to develop new opportunities for the enterprise?

REGULATIONS AND SUPPORT

6. How long did it take to start up the business operations in Finland?
7. What would you identify as a main challenge on *registering* enterprise for a foreign national?
8. What can be improved in terms of transparency of accountability or regulation framework clarity?
9. What is the main information source for you to regulate on-the-spot matters related to business setting-up? How can the information support be improved?

CULTURE

10. Have you encountered cases of divergence in corporate culture principles while working in Finland?
11. In your opinion, how can Finnish corporate culture be adaptable to the multinational business environment?