Internationalization In Pirkanmaa Region
Providing Supporting Services For Businesses

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ABSTRACT

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Providing Supporting Services For Businesses

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The purpose of this study was to provide Tampere Chamber of Commerce concrete examples and themes for internationalization services. These include events and political influence. This thesis was also particularly meant to provide recommendations for future research about internationalization in the Pirkanmaa region.

The theoretical section introduced human resources as a success factor for internationalization. This supported the demand for the services arranged by the Tampere Chamber of Commerce. The study was carried out by a survey sent to a group of exporting companies in the Pirkanmaa region. Survey questions were quantitative with one qualitative open-ended question. To support additional findings researches by third parties were used as secondary data.

Compared to recent years' studies, the survey gathered the most replies. The results stated that internationalization was on the rise in the region and an increased amount of companies have implemented an internationalization strategy. It was discovered that respondents highly valued networking events for internationalization closely followed by seminars and trainings. The results also showed that the themes for events were: legislation and contracts, organizing sales, recruitment of knowledgeable workforce, and customs regulations. Popular target countries for internationalization were also recognized as Sweden, Germany, the United States of America, Russia, China, and Denmark. Political influencing points were derived from open answers: knowledge about financing export activities should be increased and Pirkkala airport connections should be developed. It was also discovered that immigrants should be utilized for internationalization.

The findings indicate that the Tampere Chamber of Commerce should organize free to attend events for the target countries whether it is ambassador delegations or seminars. Paid trainings should be done from a Finnish perspective and they should consider the aforementioned themes. The Tampere Chamber of Commerce should also persuade large export companies to utilize the Pirkkala airport to create more traffic, work towards bringing more export financing available and start to utilize predictive decision making to answer future needs of businesses.

Key words: internationalization, exporting, pirkanmaa
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1 INTRODUCTION

This thesis was commissioned by Tampere Chamber of Commerce which is a leading organization in protecting the interests of businesses in Pirkanmaa region. It represents over 2100 companies from the private sector, ranging from industry to services and companies of all sizes. Tampere Chamber of Commerce works as a network for its members and is involved heavily in the progress of the region.

Internationalization of Pirkanmaa region research is conducted biennially. The research is a tool for identifying the level and progress of internationalization in exporting companies in the region. The research investigates the ongoing internationalization operations, the orientation of exportation i.e. to which countries is the exportation happening, the know-how related to internationalization in businesses and the challenges businesses face in exportation and internationalization. One of the most important questions the research answers is what actions Tampere Chamber of Commerce should take to better service the internationalizing companies.

The results of the research are used to provide information to and influence local, national and international decision-makers along with Tampere Chamber of Commerce member companies. The information is spread through press releases and publications which take a stance in the current development of the region keeping Tampere Chamber of Commerce relevant in promoting the business interests.

The focus of this thesis is the human resource in the internationalizing companies and on what trainings and services could Tampere Chamber of Commerce provide them strengthening their knowledge of internationalization matters. This is done by identifying the core points in companies that need improvement and then providing solutions through the interest stated by the companies.

This thesis was also particularly interested in discovering new points of interest for additional future research to be done by Tampere Chamber of Commerce and possible alterations to the used research questionnaire.
2 THEORETICAL FRAMEWORK

2.1 Resource-based view

The need for this thesis is supported by the concept of resource-based view (RBV) approach to internationalization. Resource-based view is based on creating value and strategy from inside the company.

One of the most commonly used theoretical frameworks in the internationalization research is the resource-based view (RBV) (Peng, 2001). It has been recognized as one of the top three most useful theories helping to understand firm strategy in emerging economies (Hoskisson, Eden, Lau & Wright, 2000). Put succinctly, the resource-based view explores how firms can build, access, control, and leverage firm-specific resources for sustainable competitive advantage (Barney, 1991). (Autio, Gelbluda, Kazlauskaite, Sarapovas, 2015)

In Strategic Management: A Critical Introduction by Richard Godfrey in 2015 Godfrey summarizes key points in a resource-based approach to strategy. Godfrey states that every organization has specific assets, resources, and capabilities. The configurations of the aforementioned by the company itself creates the competitive edge needed to succeed in a competitive market. Godfrey also states that there is a belief that external factors are volatile which makes the resource-based view an internal tool to create a strategy from within the organization which also makes the organization able to withstand any changes in the future.

Dynamic capabilities are also introduced to the resource-based view by Godfrey (first noted by Augier and Teece, 2008). This notion states that resources will eventually diminish or depreciate – especially tangible resources such as machines and technology. Thus only using the depreciating resources is not sustainable. Mostly dynamic capabilities consist of intangibles in the workforce. Dynamic capability means the way an organization can modify and change its assets to respond to changes in their environment. (Teece 2009 87-8).
Godfrey explains the requirements for dynamic capabilities in the following way:

To build a strategy around dynamic and intangible resources requires a focus on knowledge, patent acquisition, technical expertise, and so on that can be leveraged to identify and capitalize on innovation and changes in industry landscapes proactively as they happen. For example, as applied to the production process, the capability to operationalize batch production, faster production cycles and quicker retooling of machines allows the firm to more rapidly respond to market change. (Godfrey 2015: 104)

As is resource-based view provides a baseline for this thesis to focus on the intangible resources of the companies. The theory is further investigated and defined for the thesis in the following chapters.

2.2 Identified resource bundles

Antoncic, Konecnik, Ruzzier, (2006) investigated hypotheses of resource bundles in internationalization companies and discovered three factors that represent three types of resources: financial resources, organizational resources, and human and social resources. All these bundles were discovered to be stronger in internationalized companies.

2.3 Focus on human and social resources

As resource-based view focuses on the management of companies’ own resources to leverage advantage, this thesis will focus on the human resource. The human and social capital of organizations usually results from international business skills acquired through the entrepreneur’s and managers’ professional experience in foreign markets while, in terms of previous occupations and schooling, it has also been associated with internationalization and exporting. (Antoncic, Konecnik, Ruzzier, 2006)
Antoncic, Konecnik, and Ruzzier (2006) came to the conclusion that the SMEs planning internationalization or have already internationalized need a strong resource base. This leads to the deduction that providing internationalization services and trainings for companies are needed as companies can strengthen their own human resource base by getting more knowledgeable and trained workforce.

Thus the resource based-view as a theory for this thesis is delimited to consisting of intangible human and social resources i.e. dynamic capabilities. Dynamic capabilities – the intangibles – are more prominent in human resource bundle e.g. knowledge). These resources can only be built up with knowledge, know-how, and experience. (Godfrey 2015)
3 RESEARCH METHOD

3.1 Research approach

As the research is done biennially the form of it has been a survey model with minor tweaks depending on the year. Tampere Chamber of Commerce keeps a registry of its members and also tracks the exporting companies and to which countries they export to. The registry of exporting companies is used to determine the respondents for the survey. Tampere Chamber of Commerce has also bought Myyntioptimi service (Asiakastieto Oy, 2018) which also tracks exporting companies in the region to some extent. This way the respondent size is larger and covers most of the exporting companies in the region.

Factoring in the biennial strict form and the number of companies acquired from the registries the only feasible way of conducting the research is a survey sent by email to the exportation companies. The survey needs to be comparable to last years’ researches thus it needs to follow the form used.

The results to survey questions are cross-examined with each other.

3.2 Structure of the survey

The survey consists of 12 questions. Due to the respondent companies being Finnish the questionnaire was done in Finnish. The questions followed one path with the exception of the first question which separated the non-exporting companies from the actually wanted respondents.

1) Yrityksen viennin status tällä hetkellä
   a) Yrityksemme harjoittaa vientiä
   b) Yrityksemme suunnittelee tai on aloittamassa vientitoimintaa
   c) Yrityksemme toimii ainoastaan kotimarkkinoilla eikä suunnittele vientiä
   Context: Crucial question. Included to separate non-exporting companies from the actual wanted respondents.

2) Yrityksen henkilöstömäärä
a) 1-9  
b) 10-49  
c) 50-249  
d) 250 tai enemmän  
Context: Background question. Included to profile the responding companies by personnel size. Mandatory for Tampere Chamber of Commerce publications.

3) Yrityksen päätoimimala  
a) Teollisuus  
b) Kauppa  
c) Palvelut  
d) Jokin muu, mikä  
Context: Background question. Included to profile the responding companies by sector. Mandatory for Tampere Chamber of Commerce publications.

4) Yrityksen viennistä vastaa  
a) Toimitusjohtaja  
b) Vientipääällikkö  
c) Joku muu, kuka tai ketkä  
Context: One of the main questions in the survey stating who has the responsibility of exportation in the responding company. Used to compare to results of past researches.

5) Yrityksen vientihenkilöstön lukumäärä  
a) 0  
b) 1-5  
c) 6-9  
d) 10 henkilöä tai enemmän  
Context: One of the main questions in the survey stating the amount of export staff in the responding company. Used to see how much companies invest in human resource into exporting.

6) Onko yrityksellä vienti- tai kansainvälismisstrategia?  
a) Strategiaa harkitaan tai se on työn alla
b) Ei  
c) Kyllä, kirjallinen  
d) Kyllä, ei kirjallinen

Context: One of the main questions in the survey. Included to find out how many companies utilize an exportation or internationalization strategy. Used to compare to last researches.

7) Yrityksen kansainväliset toiminnat tällä hetkellä  
   a) Suora vienti  
   b) Epäsuora vienti  
   c) Ulkomainen myyntikonttori  
   d) Projektivienti  
   e) Ulkomainen yhteisyritys  
   f) Ulkomainen yhteistyöösopimus tai allianssi  
   g) Ulkomainen kokoonpano- tai valmistusyksikkö  
   h) Kansainvälinen verkkokauppa  
   i) Lisensointi  
   j) Ulkomainen sopimusvalmistus  
   k) Franchising  
   l) Ulkomainen liikkeenjohtosopimus  
   m) Muu kansainvälinen toiminta, mikä

Context: One of the main questions in the survey. It measures the amount of companies doing various international operations. Used to compare to last researches.

8) Arvio osaamisesta yrityksessä seuraavissa kansainvälistymiseen liittyvissä seikoissa:  

Vastausvaihtoehdot: Hyvä, Tyydyttävä, Välttävä, En osaa sanoa  
   a) Alihankinta ja tai yhteistyökumppaniverkoston löytäminen ja rakentaminen kohdemarkkinoille  
   b) Osaavan henkilöstön rekrytoiminen kohdemarkkinoilla  
   c) Tuotteiden ja palvelujen hinnoittelu kohdemarkkinoilla  
   d) Riskienhallinta (ml. henkilöstö, sopimuukset, markkinat, poliittinen tilanne, kassavirta)
e) Myynnin organisointi kohdemarkkinoilla
f) Kohdemarkkinoiden lainsäädäntö ja sopimusoikeus

Context: Crucial question for the thesis. Included to measure the know-how level of certain matters in internationalizing companies.

9) Onko yrityksessä työntekijöitä, joiden äidinksieli ei ole suomi
   a) Kyllä
   b) Ei

Context: Crucial question. Included to measure the investment in foreign workforce (human resource) as part of internationalizing company.

10) Maat, joissa tavoitellaan viennin kasvua (Nimeä viisi arvojärjestyksessä)
    a) 1. ______________
    b) 2. ______________
    c) 3. ______________
    d) 4. ______________
    e) 5. ______________

Context: Crucial question. Included to identify the desirable countries to export to. This helps in creating events.

11) Valitse yritystä kiinnostavat tapahtumat kansainvälistymiseen liittyen
    a) Koulutukset
    b) Kohdemarkkinoihin keskittyvät seminaarit
    c) Vientiin kohdistuvat verkostoitumistapahtumat
    d) Viennin sparrausohjelmat ja mentorointi
    e) Jokin muu, mikä

Context: Crucial question. Included to identify the types of services and events wanted by the respondents.

12) Millaisia toimia pitäisi Pirkanmaalla harjoittaa viennin edistämisen ja yritysten kansainvälistymisen hyväksi?

Context: Open ended question. Included to get additional information on what subjects should Tampere Chamber of Commerce promote in the Pirkanmaa region and what possible themes should be considered for events.
4 RESEARCH RESULTS

The questionnaire was sent to 996 international companies. The recipients were collected from Tampere Chamber of Commerce member registry, Myyntioptimi (Suomen Asiakastieto Oy 2018) registry. Results of the questions were cross-examined to produce industry and company-specific information for publication purposes.

4.1 Respondents

The questionnaire got 145 replies from which there were 116 companies exporting or planning to start exporting.

The responding companies were asked to state their sector and personnel size. Sectors were divided into three main categories: industry, trade, and service. These three sectors construct 93% of the replying companies. Personnel size was divided into 4 categories: 1-9 employees, 10-49 employees, 50-259 employees and 250 or over employees.

The largest sector represented is the industry with 68 respondents, followed by the service sector with 24 respondents and trade sector with 16 respondents. The personnel groups are more evenly divided: companies with personnel of 1-9 had 42 responses, personnel of 10-49 had 44 responses, 50-249 had 20 responses and 250 or over personnel had 9 responses.

Dividing the personnel sizes between the sectors it can be seen that the industry sector has most responses out of every personnel category. Most notably the largest personnel category of 250+ personnel is mostly represented in the industry sector with 7 responses out of 9.

4.2 Export staff

The companies were asked to state their number of staff dedicated to exportation. 9,5% of the respondents have 0 staff dedicated to exportation. 74,1% have 1-5
staff dedicated to exportation, 9.5% have 6-9 staff dedicated to exportation and 6.9% have 10 or more staff members dedicated to exportation.

The largest respondent size having sector, industry, has 9 companies without any exportation staff. Trade and service sectors both have 1 company respectively. 1-5 exportation staff size is the leading category with 45 companies in the industry sector, 14 in the trade sector and 19 in the service sector. 6-9 exportation staff size has 6 companies in the industry sector, 1 in the trade sector and 4 in the service sector. The industry sector is the only one which has 10 or more exportation staff with 8 companies.

FIGURE 1. The amount of export staff by sector

The companies were also asked to mention if they employ any non-native Finnish speakers, 62 answered yes while 53 answered no. It can be seen that larger companies are more prone to employing non-native Finnish speakers.
4.3 Responsibility of exportation in the company

Companies were given two options to choose who has the main responsibility of exportation in the companies. The options given were an export director and a CEO. In 62.6% of the respondent companies, the responsibility lies with the CEO. 15% of the companies used export director. In 23% of the companies, the responsibility was not with the aforementioned but with other instances. Majority of the other instances the responsibility
was stated to be with sales directors along with companies’ sales organizations. Other mentions were agents, owners, office manager, marketing director, office employee and warehouse manager.

![Diagram](image)

**FIGURE 4. Responsibility of exportation by company size**

In the smallest company size category (1-9 staff) the CEO was the main responsible for exportation in 83% of the respondents. Export director 2% and others 14% respectively. In 10-49 personnel companies, the CEO was the main responsible for exportation in 64% of the companies. Export director 20% and others 16%. In 50-249 personnel companies, the CEO was the main responsible for exportation in 15% of the companies. Export director 30% and others 55%. In 250+ personnel companies, the CEO was the main responsible for exportation in 56% of the companies. Export director 11% and others 33%.
4.4 Export and internationalization strategy

The companies were asked about their export and internationalization strategy. 34% of the companies have a written strategy and 26% a non-written one. 23% of the companies are considering or working on it. 17% of companies do not have any export or internationalization strategy. Out of the industry sector companies, 40% have a written strategy and 26% a non-written strategy. The strategy is under consideration by 18% of the industry sector companies and 16% do not have a strategy.

53% of the companies employing 1-49 personnel have an export and internationalization strategy, 27% are considering a strategy and 20% do not have a strategy. 76% of the companies employing over 50 employees have a strategy, 14% are considering a strategy and 10% do not have a strategy.

FIGURE 5. Export and internationalization strategy by industry
The companies were given the possibility to choose out of multiple international operations that they are doing right now. Direct exportation gathered 77% of the companies. Indirect exportation was chosen by 38% of respondents. A foreign sales office was chosen by 19% of the companies. Overseas projects were chosen by 21% of the companies. A joint venture was chosen by 23% of the companies. Foreign cooperation agreement or alliance was chosen by 16% of the companies. Foreign assembly or production unit was chosen by 7% of the companies.
An international online store was chosen by 11% of the companies. Licensing was chosen by 5% of the companies. Foreign contract manufacturing was chosen by 5% of the companies. Franchising and management contracts were not chosen by any of the companies. Other operations were chosen by 5% of the companies. The respondents' mentions include a foreign subsidiary and importers in the exportation countries.

4.6 Internationalization know-how in the target market

<table>
<thead>
<tr>
<th>Area</th>
<th>Hyvä</th>
<th>Satisfactory</th>
<th>Mediocre</th>
<th>Unable to answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislation and contracts in the target market</td>
<td>11%</td>
<td>41%</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Organizing sales in the target market</td>
<td>14%</td>
<td>52%</td>
<td>27%</td>
<td>7%</td>
</tr>
<tr>
<td>Risk management (incl. employees, contracts, markets, politics, cash flow)</td>
<td>18%</td>
<td>54%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Pricing of goods and services in the target market</td>
<td>36%</td>
<td>52%</td>
<td>6%</td>
<td>95%</td>
</tr>
<tr>
<td>Recruitment of competent workforce in the target market</td>
<td>12%</td>
<td>39%</td>
<td>22%</td>
<td>27%</td>
</tr>
<tr>
<td>Subcontracting and/or finding and building an affiliate network</td>
<td>27%</td>
<td>43%</td>
<td>19%</td>
<td>11%</td>
</tr>
</tbody>
</table>

FIGURE 7. Level of internationalization know-how estimates in the target market by all respondents.
The companies were asked to estimate their know-how in the following internationalization matters in their target market: Legislation and contracts, organizing sales, pricing of goods and services, recruitment of competent workforce and subcontracting and/or finding and building an affiliate network. Also, the companies estimated the know-how in risk management including the aforementioned matters.

The companies were given 4 options: Good, satisfactory, mediocre and unable to answer.

In legislation and contracts, 11% of the companies estimated their know-how to be good, 41% to be satisfactory and 38% to be mediocre. 10% were unable to answer the question.

In organizing sales in the target market 14% of the companies estimated their know-how to be good, 52% to be satisfactory and 27% to be mediocre. 7% were unable to answer the question.

In the pricing of goods and services in the target market, 36% of the companies estimated their know-how to be good, 52% to be satisfactory, 6% to be mediocre. 5% were unable to answer the question.

In the recruitment of competent workforce in the target market, 12% of the companies estimated their know-how to be good, 39% to be satisfactory and 22% to be mediocre. 27% were unable to answer the question. Notably, the number of answers below satisfactory including unable answers amount to 49% which makes recruitment of competent workforce the least known subject to the exportation companies.

In subcontracting and/or finding and building an affiliate network 27% companies estimated their know-how to be good, 43% to be satisfactory and 19% to be mediocre. 11% were unable to answer the question.
In risk management 18% of the companies estimated their know-how to be good, 54% to be satisfactory and 20% to be mediocre. 8% were unable to answer the question.

4.7 Export countries

The companies were asked to update their export countries. The countries were rated by how many mentions they got from companies in a questionnaire sent by the chamber in March 2018.

<table>
<thead>
<tr>
<th>Export countries</th>
<th>2016 ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sweden</td>
<td>(1.)</td>
</tr>
<tr>
<td>2. Estonia</td>
<td>(2.)</td>
</tr>
<tr>
<td>3. Germany</td>
<td>(3.)</td>
</tr>
<tr>
<td>4. Norway</td>
<td>(5.)</td>
</tr>
<tr>
<td>5. Russia</td>
<td>(4.)</td>
</tr>
<tr>
<td>6. United States of America</td>
<td>(7.)</td>
</tr>
<tr>
<td>7. Denmark</td>
<td>(10.)</td>
</tr>
<tr>
<td>8. Italy</td>
<td></td>
</tr>
<tr>
<td>9. France</td>
<td></td>
</tr>
<tr>
<td>10. Great Britain</td>
<td>(6.)</td>
</tr>
</tbody>
</table>

TABLE 1. Most popular export countries.

The companies were asked to name 5 countries in which they are looking to expand export operations. Priority 1 countries got 5 points per mention, priority 2 4 points per mention, priority 3 3 points per mention, priority 4 2 points per mention and priority 5 1 point per mention. Points for countries were then calculated and top countries listed in order of most points.
<table>
<thead>
<tr>
<th>Countries to expand</th>
<th>2016 ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sweden</td>
<td>(1.)</td>
</tr>
<tr>
<td>2. Germany</td>
<td>(2.)</td>
</tr>
<tr>
<td>3. United States of America</td>
<td>(5.)</td>
</tr>
<tr>
<td>4. Russia</td>
<td>(6.)</td>
</tr>
<tr>
<td>5. Norway</td>
<td>(3.)</td>
</tr>
<tr>
<td>6. China</td>
<td>(7.)</td>
</tr>
<tr>
<td>7. Denmark</td>
<td>(9.)</td>
</tr>
<tr>
<td>8. Great Britain</td>
<td>(9.)</td>
</tr>
<tr>
<td>9. Estonia</td>
<td>(4.)</td>
</tr>
<tr>
<td>10. France</td>
<td>(9.)</td>
</tr>
</tbody>
</table>

TABLE 2. The most desirable countries to expand exportation in.

### 4.8 Internationalization events

![Desired internationalization events](chart)

FIGURE 8. Desired internationalization events to participate in.

The companies were asked to pick which internationalization events are they most interested in. Options to pick were trainings, seminars focused on the target market, networking events focused on exportation and sparring programs/mentoring. Out of 96 respondents, 36 were interested in trainings, 38 were interested
in the seminars, 44 were interested in the networking events and 37 were interested in sparring programs and mentoring.

Along with the options, the companies were also given an opportunity to mention other events that would be of interest to them. Fairs were the most common answer and also financing was mentioned.
5 ANALYSIS

5.1 Level of internationalization

Internationalization in Pirkanmaa Region companies is on a rise with more companies planning to export. There are more respondents who are exporting and are planning to export.

The responsibility of exportation is still with the companies’ CEO compared to last years’ researches. Export directors had a drastic decrease compared to 2016 and it can be seen that it returned to the levels of 2014. However, the responsibility of exportation has increased for sales directors. In other mentions, the sales organizations and departments were responsible for international trade as well.

The larger companies almost always employed non-native workforce with natives. Small to medium-sized companies were also utilizing non-native workforce but they also had a larger share of the native-only workforce. (Figure 2)

FIGURE 9. Responsibility of exportation biennial comparison
Companies have begun to be more active with having an internationalization strategy. 50% have a written and a non-written strategy. The amount of non-written strategies has risen but the companies who don’t have a strategy at all are at an all-time low.

![FIGURE 10. Export and internationalization strategy biennial comparison](image)

### 5.2 The event types and themes for companies

As the goal of this thesis is to provide examples and ideas of events and key development points for Tampere Chamber of Commerce analysis of the results is done by using the mentioned internationalization event question and the open-ended answers to create a base to cross-examine the internationalization know-how with.

The respondents were stating that help in networking with companies and the target country officials is needed. Consequently, networking events for target markets were the most mentioned events for internationalization needs in the survey and also in the open-ended answers. Network in the target market is important to acquire to create business opportunities. The purpose of these networking events would be to connect the Finnish businesses with officials such as ambassadors and businesses in the same sector in the target countries. Net-
working events in Tampere Chamber of Commerce’s case would mean internationalization breakfasts with themes and connecting ambassador delegations with key businesses.

Seminars considering target markets were one of the main options given to the respondents to choose from and it was chosen by 38 respondents. This was supported by the open-ended answers. Businesses see that seminars considering the target market and their own sector are beneficial for networking and gathering practical knowledge from experienced operators. This does not necessarily mean that they get in contact with the key persons. Understanding the culture and habits of the target country helps the sales personnel and directors.

Alongside seminars, one of the options was trainings which got 36 answers. Trainings in this instance mean the events to specifically to better the internationalization know-how and knowledge in internationalization by providing lectures and personalized teaching. Open-ended answers provided multiple themes which will be discussed in the following chapter.

Sparring programs gathered 37 answers but they are not taken into consideration in this thesis as something Tampere Chamber of Commerce arranges.

Themes for the events are derived from the stated internationalization know-how levels of businesses, the current internationalization operations and the export countries targeted for growth.

The most challenging point for companies seems to be the legislation and contracts in the target market as it gathers the least amount of answers for good and the most amount of answers for mediocre. As legislation of the target market needs to be taken into account whenever exporting this becomes an important point in providing events.

Organizing international sales in the target market was the second to last knowledgeable subject by companies with 27% percent of the answers estimating their
know-how to be mediocre. It also had the second to the highest amount of estimates for being satisfactory. Sales were mentioned in the open-ended answers as a theme for events. Pricing of the goods is handled well by the companies with 36% of answers stating the know-how to be good and 52% to be satisfactory. Pricing will not be taken into account when giving suggestions for events as the respondent companies are from different sectors with varied goods and products subsequently requiring an event to be highly specific for said sector or product.

Recruitment of knowledgeable workforce from the target market is challenging for companies as only 12% estimate their know-how to be good. However, 27% of respondents said they cannot give an estimate so recruitment is a lesser focus point for companies in the target market. This is a potential theme for events but also a development point for influencing. The subject of recruitment of knowledgeable workforce will be investigated more in the following chapters.

Subcontracting and/or building an affiliate network in the target market is estimated to be good by 27% of the companies which makes it the second-largest group of good estimates. Consequently, the amount of mediocre estimates is the second-lowest with 19% of the companies. On its own, it seems that this theme is not required to be taken on by Tampere chamber of commerce however we see from the earlier analysis that networking events are the most important to the companies. In the open-ended answers, it was also stated that companies wanted knowledge in cooperation with and without subsidiaries

Risk management in internationalization covers the aforementioned matters and risk management should be always done in general business practice as well. As a theme on its own risk management is not enough for an event.

These event types and themes are combined in the following chapters to provide concrete ideas for events.
5.3 Open answers

The companies were asked to reply to an open-ended question about what they thought would be the actions to take to develop exporting and internationalization in the Pirkanmaa region. The question got 38 answers which were then further categorized. Longer answers were split up in their respective categories this way elevating the number of answers to 41. Identified categories were trainings & seminars for businesses, networking, airport development, financing, cooperation and other mentions.

Trainings and seminars gathered 6 answers, networking got 12 answers, airport development got 8 answers, financing got 5 answers, cooperation got 6 answers and other mentions got 4 answers.

The open answers for financing deemed that export financing should be invested to support start-ups. They also stated that there was a need for more instruments for export financing and that these instruments should be cleared and brought up more for exporting companies.

Also derived from the earlier chapter (Chapter 4.8, Figure 8) and the open-ended answers cooperation in exporting and trade fairs is desirable for companies. The open answers wanted to expand the cooperation to other Finnish regions as to not work with only companies from Pirkanmaa. Tampere Chamber of Commerce executives have joined delegations to target countries but organizing a stand at a trade fair has not been a focus. Cooperation will not be taken into account in this thesis as something Tampere Chamber of Commerce organizes.

Networking was clearly considered to be the most popular method of successful internationalization from the open answers. Some respondents stated that it is the most effective and almost the only way to successful internationalization. Foreign networks help the respondents to understand the culture in the target market along with legislation and bureaucracy. The respondents also stated that networking events should consider their industry sector’s companies and customers.
Trainings and seminars were specified in the open answers by the respondents. However, they were not considering the networking point of view, but the knowledge they can accumulate from target markets. Some also declared they wanted personalized training and a mentor.

Airport development was seen as one of the most important parts of regional development. The consensus among the respondents was that the connections from the Pirkkala airport are weak and firstly the surrounding areas should be reachable.

Open-ended answers provided additional themes for trainings: export logistics and directives, custom regulations, marketing in the target market and cooperation with and without a subsidiary and founding a business in the target country.
6 TRAININGS AND SERVICES FOR BUSINESSES TO SUPPORT INTERNATIONALIZATION

Tampere Chamber of Commerce arranges free as well as paid events for its members. Trainings with a heavy focus on in-depth knowledge on a certain subject are paid events. Services such as seminars on a target country and delegations are provided for free. This chapter will provide concrete ideas for trainings and services provided by Tampere Chamber of Commerce.

6.1 Trainings

Trainings provide knowledge for experts about certain subjects. Thus these trainings will not target a certain country’s market but provide the needed know-how for internationalization from the perspective of specified categories. Tampere Chamber of Commerce provides trainings in the following categories: financial management, leadership, human resources, sales & marketing, and internationalization. The themes for trainings derived from the results can all be naturally put into the internationalization category. However, per the nature of this thesis, the themes inside the internationalization category are taken into account. Noteworthy is that none of the trainings can be country-specific as the goal is to provide information to experts and turn a profit for the chamber. The training needs to be applicable to as many as possible. In this sense, the themes are precise but general e.g. mostly considering the Finnish perspective.

As legislation and contracts were the most challenging point for most businesses trainings for them should definitely be provided. Most noteworthy being the new Incoterms in 2020. (International Chamber of Commerce, 2019)

Customs regulations change due to political circumstances so there is a need to keep the knowledge for customs regulations current. For this, it is advised to keep one training slot open in the selection for customs annually or even bi-annually to be able to respond to a possible sudden need. This training is also preferable for companies starting exporting.
As organizing sales abroad was one of the least knowledgeable subjects for companies this should be provided as training. This sort of training should be provided for the sales organizations and their managers.

Recruitment of workforce in the target market was challenging for companies so it is one theme for trainings that should be provided. As a human resource themed training. Common practices for setting up a recruitment campaign in a target market, how to best find the appropriate recruits should be the themes.

### 6.2 Services

Delegations are facilitated events where Tampere Chamber of Commerce connects ambassadors and delegations with key business figures in the area. The meeting can be arranged by either accepting a request from a visiting delegation or requesting a possible meeting with ambassadors. Also arranging an own delegation to visit the target country should be done. Countries to be taken into account with delegations are derived from the most desired exportation countries and the change they have had in the interest of companies. (Chapter 4.7, Table 2) While Sweden and Germany have remained in the top spot for countries to expand in, the United States of America, Russia, China, and Denmark have risen up in ranks. This makes them desirable targets for these meetings.

Seminars work as a platform for businesses to network with each other and gain current knowledge. Thus like trainings mentioned before (Chapter 6.1), these events should include the same themes that were earlier stated but the difference from trainings is the fact that these seminars can take focus on the target market. Thus the desirable countries mentioned earlier should be the subject of these seminars.

Seminars can vary greatly about their subject. Unlike paid trainings their subjects can be specific to certain countries. Seminars can still have the same themes as earlier mentioned trainings but with the target country perspective.
Seminars can also bring together likeminded businesses and the representative of target countries like ambassadors.

Tampere Chamber of Commerce should provide seminars in a format which entails the theme and a target country. Themes include legislation and contracts, organizing sales, recruiting workforce and founding a business in the target country. The countries selected should be the ones mentioned earlier: Sweden, Germany, the United States of America, Russia, China, and Denmark.
7 REGIONAL DEVELOPMENT, POLITICAL INFLUENCING AND FUTURE RESEARCH

Tampere Chamber of Commerce annually publishes the “Vaikuttamissuunnitelma” influencing plan for each year. Its goal is to develop the Pirkanmaa region focusing on some key points that help the region in growing and competitiveness. This chapter provides three key points from internationalization point of view: export financing, airport development, and utilization of the existing workforce and provide possible solutions to develop these points. Further research is also recommended in this chapter.

7.1 Export financing

During analyzing the results to the questionnaire it was discovered that few companies were in need of more instruments for export financing and that these instruments should be cleared and brought up more for exporting companies. These statements are supported by the export finance barometer that was commissioned in 2018 by Finland Chamber of Commerce, Finnvera Oyj and International Chamber of Commerce. The study had 654 responses nationally and was conducted to confirm the theory that Finnish companies are not familiar with the export financing instruments thus losing trade deals and receiving credit loss. The results of the study supported this theory as a third of the respondents did not use any services. The study concluded that awareness of export financing services needs to be raised for small and medium-sized businesses to be able to secure deals and be encouraged to expand into exporting. (Vientikaupan rahoitusbarometri, 2018)

Tampere Chamber of Commerce naturally needs to raise awareness in the regional exporting companies about export financing. Due to the aforementioned research, a tour of events about export financing was held nationally in different cities through autumn 2018 – spring 2019. However, the number of events for raising awareness should be higher and if possible a bi-monthly newsletter about export financing should be sent to the export companies.
As of now, Tampere Chamber of Commerce has annually provided paid training about letter of credit for a few years which has been popular. It would be important for Tampere Chamber of Commerce to closely follow if any other export finance methods should rise in popularity. Paid training could then be organized to answer the demand.

7.2 Airport development

Airport development was dominating the open-ended answers. Companies saw that the connections and logistics from Tampere-Pirkkala airport needed to be enhanced. (Chapter 5.3) Airport development is already a key point in the development of the region for 2019. (Vaikuttamissuunnitelma 2019, Tampere Chamber of Commerce).

The goals in the influencing plan provide insight into what Tampere Chamber of Commerce focuses on in developing the airport. The plan makes a point to mention that the airport and the connections should be marketed towards nearby areas. The most notable point, however, is how the airport should provide a base for successful business for airlines and other partners. (Vaikuttamissuunnitelma 2019).

This shows that Tampere Chamber of Commerce is already committed to airport development and is working on the appropriate matters which lead to the success of the airport.

Tampere Chamber of Commerce in cooperation with the airport should provide needed connections to the large exportation companies and also provide a system where the companies would be committed to using the airport. These companies can be derived from the results of the research. The connections should be provided in the least to the top 5 destination countries for large companies (Table 3) analyzed from the results of the research.
Countries to expand in by large companies (+50 personnel)

1. Sweden
2. Germany
3. Russia
4. USA
5. China

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<tr>
<th>#</th>
<th>Country</th>
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<tbody>
<tr>
<td>1</td>
<td>Sweden</td>
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<tr>
<td>2</td>
<td>Germany</td>
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<td>3</td>
<td>Russia</td>
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<tr>
<td>4</td>
<td>USA</td>
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<tr>
<td>5</td>
<td>China</td>
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TABLE 3. Top five desired countries to export into by large companies over 50 personnel

This way the goal of providing successful business to airlines from the airport would be covered and the logistics and connections would be covered for exportation purposes.

7.3 Utilizing the existing supply of workforce for internationalization

Recruitment of capable workforce in the target market was the least known subject for exportation companies (Chapter 4.6, Figure 7) as 49% of the respondents consider themselves not to be knowledgeable about it. During the research it was discovered that out of these companies there was a considerable drop in the ones who employed non-natives when comparing to the answers of the total group (Figure 11): 40% of the non-native employing companies had poor know-how in recruitment and respectively 62% of the companies who didn’t employ non-natives also had poor know-how in recruitment.

FIGURE 11. Employment of non-native Finnish speakers in the companies that have poor experience or no knowledge of recruitment compared to the totals
As cultural knowledge was stated to be important in penetrating a new market by the responding companies this problem of recruiting knowledgeable workforce should be solved with local operators. According to the Talent Boost Cookbook Finland (Business Finland, 2019), companies need international talent and the talent needs to be retained. Additionally, the new government programme published on 6th of June, 2019 states that talent attraction will be developed and supported. Furthermore, the most notable point of interest in this subject in this thesis is:

A working life programme will be created to improve the recruitment and diversity skills of employers, and to recognise the skills of immigrants and their development at workplaces. (Programme of Prime Minister Antti Rinne’s Government, 2019)

The government policy is to activate immigrants and integrate them and their skills into work life.

The aforementioned Talent Boost Cookbook Finland highlights a project TOITA - Talents of Immigrants into Activity done by Tampere University of Applied Sciences. The project offered international business education to immigrants and connected them with companies seeking growth in internationalization. This way the internationalizing companies acquired dynamic capabilities through the cultural knowledge of the immigrant’s home country and at best new leads and customers from the target market. Consequently, the employment of immigrants is in line with the government program of 2019. The project boasts a high success rate with just 1 immigrant dropping out in 2017 and 2 in 2018. (TOITA, 2018)

Discovering this it seems that the export companies in Pirkanmaa region are not utilizing the immigrants to the full capacity they could be utilized. As part of the Talent Tampere network, Tampere Chamber of Commerce should be the hub for the exportation companies that consider themselves poor in recruiting workforce.
Nevertheless, the subject of immigrant utilization should be researched more either as a part of the biennial internationalization research or as individual research by Tampere Chamber of Commerce.

7.4 Changes to the questionnaire

During the research, it was discovered that Finnish companies are not utilizing enough references for exporting which creates difficulties to penetrate new markets. (Lappalainen, 2017; Rautiainen, 2018)

For future internationalization researches, Tampere Chamber of Commerce should put more focus on investigating if companies are using references when trying to break into a new market. This question essentially should be asked from the companies who are starting or planning to start exporting.

As was seen from the results 11 companies of the respondents did not have export staff (Chapter 4.2, Figure 1). Out of 116 respondents, 9,5% not having export staff may not seem high but it raises a question whether these companies are committed to exporting like others. Out of the 11 companies, 7 estimated none of their internationalization know-how to be good (Chapter 4.6, Figure 7). It could be considered that lack of commitment to exporting results in poor know-how which instead means the company lacks in that specific dynamic capability as a resource. The management is supposed to already be committed to exporting but the questionnaire does not take into account the staff and their personal level of commitment to the internationalization of the company. Investigating this matter should be done by incorporating new questions to the next questionnaire and interpret from the answers if whole new research of the matter should be conducted.
8 SUMMARY

This thesis set out to discover new trainings and services to be provided by Tampere Chamber of Commerce for internationalizing companies and to find out what possibly could be done to help to benefit the level of internationalization in the operational region of Pirkanmaa. This thesis used resource-based view in determining that the dynamic capabilities state the competitiveness of an organization i.e. how flexible a company is to changing surroundings by using the knowledge of its human resource. Thus creating the need for educational services.

The research method was a survey sent to a list of exporting companies compiled from the member registry of Tampere Chamber of Commerce and Myyntioptimi service by Suomen Asiakastieto Oy. The survey is done biennially and was mandated to keep a certain level of continuity and comparability in the questions thus deviation was not allowed. The segmentation of respondents was done to retain the accuracy of the survey – the companies involved had reported that they had international operations at some point. The survey gathered a sufficient amount of responses to get a clear representation of the internationalization level in the Pirkanmaa region.

Results of the survey were analyzed and cross-examined to produce industry and company-size specific information for publication purposes for Tampere Chamber of Commerce and a presentation was compiled. Companies’ estimations of their internationalization know-how in the target market and the countries listed to be the most appealing for exporting along with open-ended answers were the main results in discovering the needed trainings and services for companies. The trainings and services needed were identified and provided in the analysis.

Open-ended answers provided ideas for further analysis to be conducted from the results acquired. This way subjects of development for Pirkanmaa region were discovered. Secondary data of publications were also used to support the data from the questionnaire. Discovered matters were export financing, airport development and utilization of immigrants in internationalization. Additionally, two subjects for changing the form of the questionnaire were provided.
The thesis achieved what it set out to do. It provides themes and target countries to be used in free and paid internationalization events. This thesis also discovered and suggests solutions for additional research on matters that require development in the region.

This research, however, doesn’t take into account the future needs of customers or if Tampere Chamber of Commerce is equipped to meet these possible needs. The trends that are forming in major markets need to be recognized and investigated. For example, during this thesis process, the Finnish chambers of commerce joined the ICC Certificate of Origin accreditation chain as the last northern country. (International Chamber of Commerce, 2019)

Tampere Chamber of Commerce should start by interviewing the region’s exporting companies about emerging trends and then contact fellow chambers of commerce abroad in major markets to acquire current information. This way Tampere Chamber of Commerce could prepare solutions for the future by predictive decision making and not by answering to current problems of businesses.
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APPENDICES

APPENDIX 1 Sources of companies for survey

Member registry, Tampere Chamber of Commerce, 2018.
Myyntioptimi registry, Suomen Asiakastieto Oy 2018
APPENDIX 2 Answers to open ended question:

Financing

"Viennin ja kansainvälistymisen rahoitukseen olisi myös hyvä panostaa ja tukea startup-vaiheessa olevia yrityksiä."
"Pitäisi selventää rahoitustähteitä ja niiden käyttöä tukemassa toimia."
"Rahoitusinstrumenttien lisääminen, osaavan henkilöstön helpompi löytäminen"
"Ulkomailaisia osaajia pitäisi saada Pirkanmaalle helpottamaan pulaa koke- neista ohjelmistokehittäjistä. Jotta tänne saadaan kokeneita osaajia, kaupungin olisi hyvä tekeä heidän kotouttamistaan ja tukea mm. asuntojen ja koulupaikkojen etsimisessä."
"Vientitoiminnan rahoituspohjan turvaaminen."

Cooperation

"Matkailuviennissä yhteinen tuotanto, paketointi myös muualta Suomesta kuin Pirkanmaalta olevien yritysten kanssa, samoin paketointia Pohjoismaisittain, näin saadaan entistä vetovoimaisempia tuotteita."
"Voisi yrittää yhteisosastoa kansainvälisille messuille. Suomella on hyvä brandi."
"Yhteiset vientistäntit Vrt Turku, Oulu"
"Vientijohtajien aamiainen tms - aihe esim Aasia, USA, Afrika, Lähi-Itä - joku ""FinPro"" pohjustaa, mut sitten voivat kertoa omista kokemuksista kohdemaisissa."
"Yhteistyötä eri yritysten kesken."
"Pieniä ja kustannustehokkaita vientimatkoja"
"Yhteistoiminta."

Networking

"Kumppanian löytäminen ulkomailta sekä paikallisena lainsäädännön (rekiste- röönti, sertifiointi) kysymykset ovat keskeisiä ongelmia."
"Verkostautuminen oman toimialan yrityksiin ja asiakkaisiin."
"verkostoapua kohdemaihin"
“Verkostoituminen”
“Verkostoitumista kohdemaan henkilöiden kanssa (Business Finland, suurlähettilää, lähetystöt, kaupalliset toimijat)”
“Verkostoitumista.”
“Verkostoitumistapahtumat ovat tehokkain tapa ja asiakkaiden tuonti esimerkiksi Tampereelle. Omalla kohdallamme Muumit, Tampereen historia ja arkkitehtuuri kiinnostavat asiakkaita ja niihin on helppo linkittää kauppasuhteiden rakentamista.”
“Verkottumisen edistäminen.”
“Apua verkoston luomiseen. Yllä olevat tapahtumat kaiken kaikkiaan.”
“Erilaiset kansainvälistymistä verkostoitumista helpottavat tapahtumat tai seminaarit olisivat yksi tapa.”
“Koulutuksista ja seminaareista ei hyötyä ainakaan yrityksille. Suora toiminta, eli markkinoinaan ja myymään parhaiden markkinointihenkilöiden avustuksella ja suhteilla!”

Trainings and seminars

“Kohdemaittain järjestettyä tapahtumia, joissa saisi tietoa ja mahdollisuuden kysyä kyseisen maan huomioitavat asiat vientiin liittyen.”
“Henkilökohtainen neuvoja ja koulutus. ”

“Koulutusta vientiä aloittaville tai suunnitteleville”
“Lisaamällä tarjontaa viennin logistiikkaan, vientimääryyksiin, tullimuodollisuuksiin ja myynnin riskeihin liittyvää koulutusta.”
"Kohdemaan toimintakutuurista kertovat seminaarit. ovat osoittautuneet hyväksi meillä ainakin viron ja Puolan tapauksissa. Eli kohdemaan toiminnan ja historian ymmärtäminen auttaa merkittävästi myyntihenkilöitä ja esimieskuntaa."
"Tuoda esille enemmän onnistumisia ja rohkaista pienempiäkin kasvuyrityksiä kansainvälistymään.”

Airport development

"Lentokentän aktivointi,”
"Lentokentän reittitoimintaa voisi laajentaa.
"Lentoliikenne kuntoon Pirkkalasta. Yhteinen logistiikkakeskus Ruotsin.”
"Liikenneyhteyksien, lentoreittien, edelleen kehitäminen.”
"Olisi hyvä päästää lentokoneella maailmalle Treelta, 50-luvulla oli vielä yhteys Kööpenhaminaan”
"Lentoreitti suoraan Kööpenhaminaan , Tukholmaan aito yhteys ja jonnekin Sak-san isoon kylään”
"Turvata hyvät lentoyhteytten Tampere-Pirkkala lentoasemalta sekä sujuva junayhteys Helsingin lentoasemalle.”
"Kulkuyhteyksien kehittäminen. Saavutettavuus on tärkeää sekä asiakkaiden, että toimittajien näkökulmasta.”

Miscellaneous

"Kartoittaa onko Pirkanmaalla TUOTTEITA/PALVELUITA SUUNNITTELEVIA JA VALMISTAVIA yrityksiä. Kartoittaa ko. tuotteiden/palveluiden kilpailukyky / erilaisuus ja kysyntä.”
"Käsitellä myös palveluiden vientiä, jossa työ tehdään kotimaassa mutta asiakkaat saattavat olla ulkomaalaisia."

"Verkkomyyynnin kehittäminen. Incoming-toimistojen sitouttaminen alueen myyntiin."