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The Support Possibilities of a Starting Entrepreneur

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Tiivistelmä <p>Opinnäytetyöni tarkoitus oli kartoittaa uusille yrittäjille suunnattuja tukimahdollisuuksia, sekä selvittää kuinka hyvin kyseisten tukimahdollisuuksien tarjoajat tunnetaan yrittäjien keskuudessa ja kuinka heidän palvelujaan on käytetty hyväksi. Keskityin lähinnä suurimpiin toimijoihin, sekä heidän tukimahdollisuuksiin, mitkä ovat saatavilla koko maassa.</p> <p>Opinnäytetyön teorian ensimmäinen osa käsittelee yrittäjän taustaa ja liiketoimintasuunnitelmaa, mitkä ovat avainelementtejä tukimahdollisuuksien kannalta. Toinen osio teoriasta keskittyy esittelemään tukien toimittajia, sekä heidän tarjoamia palveluita.</p> <p>Tutkimus toteutettiin kvalitatiivisena tutkimuksena, haastatteleamalla puhelimitse uusia yrittäjiä Päijät-Hämeen alueella. Haastattelussa käytettiin ennalta tehtyä kysymysrunkoa, johon oli määritetty teemoitettain kysymyksiä, joita haastattelija pystyi tarpeen mukaan täsmentämään lisäkysymyksillä. Haastatteluita tehtiin yhteensä 22 kappaletta.</p> <p>Tutkimuksen tuloksissa tarkasteltiin tukimahdollisuuksia hakevien yrittäjien taustoja, sekä palveluita tarjoavien organisaatioiden tunnettavuutta, sekä sitä kuinka näiden palveluja uudet yritykset ovat käyttäneet hyväksi. Johtopäätöksiä pyrittiin tekemään yritysten taustatietoja hyödyntämällä, sekä kokoamalla yhtäläisyyksiä yrittäjien kokemuksista.</p> <p>Kaiken kaikkiaan haastatelluilla yrittäjillä oli kattavat tiedot tarjottavista palveluista, mutta niiden hyväksikäyttö oli jäänyt melko vähäiseksi. Syinä nähtiin lähinnä hakuprosessien työläys, sekä informoinnin laatu.</p>		
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DESCRIPTION

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Abstract <p>The main objective of my bachelor's thesis was to get familiar with the support possibilities intended for new entrepreneurs and also to figure out how well the service providers and their services are known among the new entrepreneurs and how those services have been utilized. It was also important to study how the support possibilities have affected new entrepreneurs and how aware the entrepreneurs are of those possibilities. The focus of the research was on the largest support providers which operate nationwide.</p> <p>The first part of the thesis' theory focuses on entrepreneurial background and business plan, which are essential factors considering the support possibilities. The second part focuses on the service providers and their services.</p> <p>The research was implemented as a qualitative research by interviewing new entrepreneurs in the Päijät – Häme region by phone. The interviews were based on a question frame which was prepared beforehand. Additional questions were asked, if the interviewees answers needed clarifications. 22 interviews were made for the study</p> <p>The findings of the thesis were based on the information about backgrounds of the interviewed entrepreneurs and how well the entrepreneurs knew about the services that the organizations provide and also how the businesses had exploited these opportunities. The conclusions were made by utilizing the background information of the entrepreneurs and by assembling similarities among the experiences of the entrepreneurs.</p> <p>The knowledge about the service providers among the interviewed entrepreneurs was good, yet the extent how the possibilities were utilized was relatively small. The reasons for that were related to the application processes which were considered troublesome, and also the quality of the information about the service was considered volatile.</p>			
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1 INTRODUCTION

In the current economic state entrepreneurship is in a rising state, because many people have lost their jobs, and because of one's age or just the fact that there are no vacant jobs in the region, so they have not been able to employ themselves. Therefore many of them have decided to start a company of their own. Also students about to graduate have interest to employ themselves by starting up a business of their own and utilize the learned skills and knowledge.

When people talk about entrepreneurship, they often link it to working 24 hours a day, seven days a week. One might also start to think about what kind of attributes and characteristics an entrepreneur needs to possess if one wants to be successful. Everyone who has passed at least one course about entrepreneurship has to think about these questions, and it can be quite intimidating, because the amount of information that is covered and the list of entrepreneurial characteristics may create the impression that an entrepreneur needs to be an expert in various fields of business operations and besides that to be able to handle pressure from every direction. Therefore public funding and public counseling services as a support method play a large role in helping new entrepreneurs to start their business operations. Recently in some regions the most fundamental support tool, the start-up money, has ran out because the demand has been so high.

In my bachelor's thesis I focus on the most common support possibilities that are available for entrepreneurs among micro businesses and small & medium sized businesses in Finland. The idea for the thesis became relevant through my job, in which I work with entrepreneurs every day. Many of them need some funding in their operations to be able to develop their marketing or operations. I have some experience in getting funds from regional service providers, so I have been able to help them. Yet most of them are not aware that these kind of possibilities exists, and that they actually are able to benefit from them.

I also explain the basic requirements that need to be obtained in order to get the possible support, focusing on the content of a business plan. The Business plan should be the first step each entrepreneur should take after coming up with a proper business

idea. Besides the business plan one should do some inner evaluation about one's personal background suitability to become an entrepreneur. The empirical part of the thesis focuses on the awareness of support possibilities among entrepreneurs and how those support possibilities have been implemented among new businesses in Päijät-Häme region. It was also studied how the provided support possibilities had affected and how the applying process was perceived. The conclusions also focus on what kind of effect does the entrepreneur's background have towards the preconception about the support possibilities and to the process of utilizing them.

2 BUSINESS PLAN AS A FUNDAMENTAL TOOL FOR AN ENTREPRENEUR

There is no universally determined definition for the term entrepreneur or entrepreneurship, yet in the following I have assembled a few examples that cover the main themes of entrepreneurial behavior. According to the Federation of Finnish Enterprises (2009) entrepreneurship can be determined in a wider context as an attitude, as a way to think and act about work in general. Entrepreneurial behavior is needed when one works for him/herself as well as when one works for someone.

The Business Dictionary (2009) describes entrepreneurship as "Capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward. In economics, entrepreneurship is regarded as a factor of production together with land, labor, natural resources, and capital. Entrepreneurial spirit is characterized by innovation and risk-taking, and as an essential component of a nation's ability to succeed in an ever changing and more competitive global marketplace."

More Business (2009) determines entrepreneurship as a combination of hard work, ideas and flexibility according to the changing business market. It also entails meeting market demands and management. However the most important thing for entrepreneurship, as well as any other business, is innovation. Innovations can be in a form of processes or products. Innovation is the primary factor that governs the creation of entrepreneurship. An entrepreneur on the other hand as a person is someone who can

produce an idea into an innovation and are able to deliver it according to the demand of the markets.

Burns (2007, 9-11) emphasizes in his conclusions the amount of risk that the entrepreneurs need to be able to handle, and besides that the importance of innovativeness and how these two factors correlate. Therefore he describes an entrepreneur as a person who attempts to profit by risk and initiative. The essential tool for entrepreneurs is innovation and innovations are produced for example through changes in the field of technology, materials, prices or demographics. An entrepreneur creates demand or tries to find ways to exploit existing markets, and all this is focused on change. Change itself causes disequilibrium in the markets, which produces opportunities that entrepreneurs are looking for to exploit. The change can be produced with an innovation or it can be created by an external factor. The ability to manage and deal with change is characteristic for an entrepreneur, because most of the “ordinary people” find change threatening because of the amount of risk involved. Noticeable is that entrepreneurship is not defined by the size of the organization people work within, but by their actions. Entrepreneurs can equally exist in micro firms as well as within large firms, even in ones they did not set up themselves. Burns would use his own determination for entrepreneurship as follows: “Entrepreneurs use innovation to exploit or create change and opportunity for the purpose of making profit. They do this by shifting economic resources from an area of lower productivity into an area of higher productivity and greater yield, accepting a high degree of risk and uncertainty in doing so.”

Defining entrepreneurship is difficult because there are many types of entrepreneurial activities and it is a matter of individual perception whether one considers a certain activity entrepreneurial or not. For example a new concept or a new business idea is a classic entrepreneurial feature. One develops a new product or a new idea and concentrates one's business around the concept. This activity requires creativity and ability to foresee trends before the general public. (Burns 2007, 12.) There are also entrepreneurs who start new businesses based on old concepts. A classic example is that if one opens a convenience store, the idea itself is not innovative or new, but the business itself involves risk to the owner and it requires the owner to build something which previously did not exist. Some people do not consider this being entrepreneurial beha-

avior because it lacks innovation and creativity. However most of the people who base their business on old ideas and concepts, usually add something of their own to the business itself, so that it would stand out somehow and gain success by doing something old and familiar better than others. Even if someone would buy an existing company and would not change anything in its operations, it would still be considered as entrepreneurial behavior because of the risks that are involved. (Kuehl & Lambing 2000, 14.)

2.1 Individual Requirements of a Starting Entrepreneur

You shouldn't start a business impulsively, but you should consider it carefully and focus on self evaluation before doing the final decision. The most important thing in self evaluation is to be objective and to have a critical view about yourself. To help doing the self evaluation there are different kinds of evaluation tools which you can use to assess your motives and readiness to start up a business. Often one needs an outsider to give neutral feedback. This helps to get a better perspective, and usually that outsider is a professional or an expert of some sort and therefore can help by using one's own experience. (Holopainen & Levonen 2008, 19.)

Starting a new business, even a lifestyle business, is not easy and it requires hard work, tenacity and willingness to live in uncertainty. Economists, sociologists and psychologists have tried to study the characteristics of entrepreneurs, and try to answer the question whether entrepreneurs are born or made.

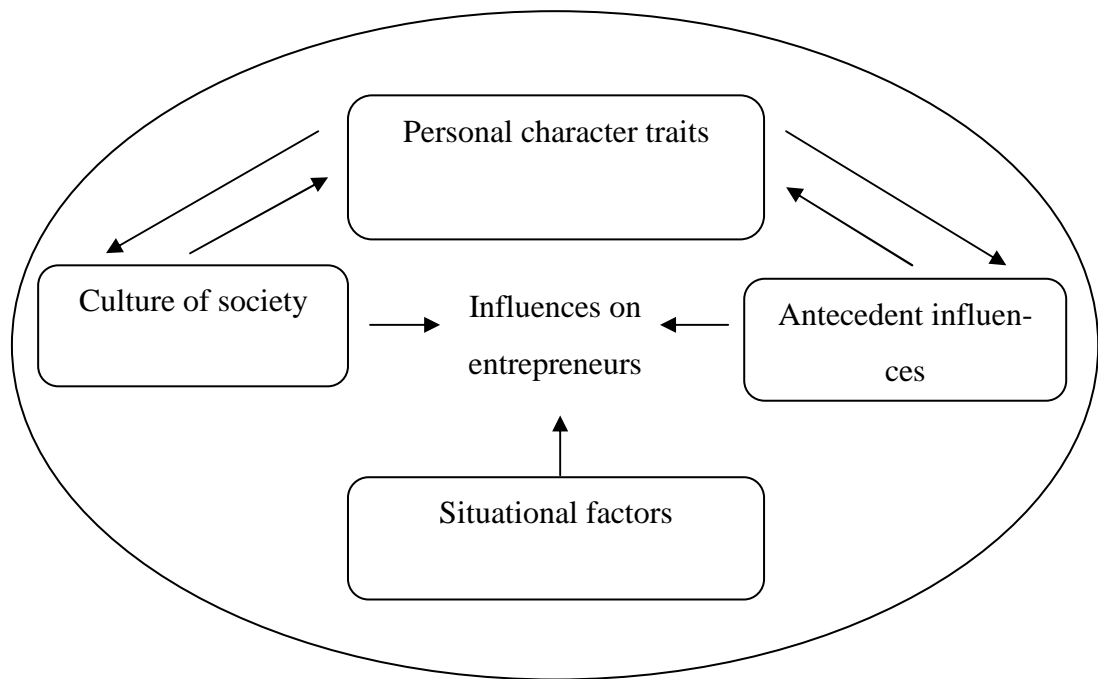


FIGURE 1. Influences on Entrepreneurs (Burns 2007, 30).

Figure 1 demonstrates the influences on individuals who start up a business. According to the model, the entrepreneurs are both born and made. Entrepreneurs use their characteristic traits in their favor of which they are born with. Yet they are also shaped by all the experiences they have had during their lives. This includes their antecedent influences i.e. the social environment they are in and the culture of the society they have grown up in. Situational factors are the ones that influence the person at the moment when one makes a decision to become an entrepreneur. The common situation is that one has lost one's job and has little choice but to start up a business. If all the factors described in Figure 1 are favorable, then the volume of starting new businesses should be high. Over time if the volume of entrepreneurs grows, the entrepreneurial behavior affects the society and influences everyone they are in contact with. Therefore all the factors are interrelated. (Burns 2007, 30.)

2.1.1 Character Traits

One of the most important characteristics, especially among entrepreneurs operating in micro and small businesses, is integrity and reliability. These are the key elements in building relations with investors, partners, customers and creditors. Integrity and reliability build and sustain trust and confidence. (Hodgetts & Kuratko 2007, 121.)

One of the biggest driving forces behind entrepreneurship is a desire for independence. They want the authority to make the important decisions about the business. Behind this desire is often frustration about not being able to affect enough to the decisions in the company one was working previously or the bureaucratic systems within the old company have been difficult to work with. (Hodgetts & Kuratko 2007, 124.)

Opportunistic and Innovative

As being stated before, entrepreneurs seek opportunities to make money. Because entrepreneurs don't mind uncertainty they are opportunistic to see possibilities in situations where others see problems. (Burns 2007, 35.) Therefore they are more focused on opportunity than on resources, structure or strategy (Hodgetts & Kuratko 2007, 120). Sometimes the enthusiasm to exploit opportunities backfires, because entrepreneurs tend to get distracted by other opportunities so that it distracts them of following their initial plans (Burns 2007, 35). That is why a good entrepreneur needs to be goal orientated and selective about opportunities. One needs to know which opportunities to follow and which to pass. Being goal orientated helps to define priorities and helps to measure how well they have performed. (Hodgetts & Kuratko 2007, 120.) If an entrepreneur gets distracted it can also turn out as an advantage if they are able to sell the older companies they are bored with and start up a new one.

Innovation is the prime tool that entrepreneurs use to create or exploit opportunities to do business. Even though it is hard to define innovation, because it can take many forms, entrepreneurs are always in some form innovative. Timing is everything for an entrepreneur to reach the goals that are set, because an innovation that is introduced before its time results in failure of the business. Also if the innovation is done late, it may result in many copycat products and services in the markets. (Burns 2007, 30, 36)

Self Confidence

To start up a business of your own, you need to be confident to make right judgments when facing uncertainty. Therefore many start-up courses focus on building the entrepreneur's self confidence, and the first step to this is to have a solid business plan. It

gives a comfort of certainty against the biggest fear, which is uncertainty about everything. Yet it is possible that people get delusional and exaggerate their competence and become even arrogant. High self confidence makes entrepreneurs to be in most occasions more proactive than reactive. Therefore they are more decisive than average people. They need to be decisive to be able to exploit opportunities before others do. Because of the striving mentality of finding new opportunities and working constantly, the entrepreneurs usually do not have that much patience. Making decisions quickly builds their learning curve to follow the term “learn by doing”. They act first and learn whatever the outcome of the action they made is. (Burns 2007, 37) Being reactive in a difficult situation builds up the self- confidence and so they are more active as problem solvers. Problem solving is in fact something that entrepreneurs face all the time, because there are different kinds of obstacles distracting one’s business and the entrepreneur needs to do the right actions that are needed fast. (Hodgetts & Kuratko 2007, 120.)

Motivation

Entrepreneurs have a strong inner need for an achievement, and therefore they are highly self- motivated. One needs to be self motivated, because usually entrepreneurs work long hours alone without anyone encouraging. Then the need for achievement is many times more important than money, and money is only a mark of success that comes within their achievement. (Burns 2007, 38.)

To be successful one needs a clear vision of one’s goals and what one needs to reach those goals. Yet in some cases an entrepreneur begins to realize just over time what the business could be and what it can become. (Hodgetts & Kuratko 2007, 123.) This is a core part of one’s motivation, and it also helps marketing oneself to both, inside and outside customers. (Burns 2007, 38)

Willingness to Take Risks

Entrepreneurs need to be willing to take great risks and to be able to live in uncertainty. Many of them are willing to put their own home as collateral, because they believe so strongly in their business idea. If an entrepreneur wants to build his business, he

must understand the risks involved. In growth business one needs much more capital to invest in the business, yet growth businesses face rapid changes, which create uncertainty to one's initial investment. (Burns 2007, 39) It is good to remember though that successful entrepreneurs are not gamblers, because if they participate in a business action they do it in a calculated, carefully thought out- manner. The goal is to get the odds in their favor for example by sharing the financial risk or by persuading others to get special terms in contracts. In a long run one must face setbacks at some point, and one must be realistic and even expect for the kind of possibility. The key is not to become frustrated or discouraged, but to look for an opportunity to learn from the setbacks. (Hodgetts & Kuratko 2007, 121, 123.)

Antecedent Influences

Entrepreneurs' personal traits are one way to define the traits that are needed to be successful. However people are also influenced by the social environment we live in i.e. our family, ethnic group, education and so on. The antecedent and cultural influences are the dominant factors, because they most certainly influence one's personal traits i.e. the values, personal attitudes, and the behavior in general. Cultural aspect is highly important, because some cultures encourage entrepreneurial behavior, and others actually discourage it. (Burns 2007, 30, 40.)

The educational background might provide an entrepreneur the basis for better learning through life, which enables them to cope better with business problems. It also can give them higher earning expectations that will lead one to expand the business. Education can give them the confidence that is needed to deal with customers and other business professionals. (Burns 2007, 40.)

Unemployment is a factor that pushes people into self- employment. Yet those who are driven to entrepreneurship by losing their job tend to be less motivated to expand their business than compared to the ones that leave their original jobs voluntarily to start a business of their own. Therefore it is fair to say that growth does not happen by chance, but the entrepreneur must want it. (Burns 2007, 40.)

2.2 Business Plan

The first step each entrepreneur needs to take to make their idea or vision to become reality is to write a proper business plan. The business plan in short evaluates the feasibility of the business idea. (Kinkki & Lehtisalo 2002, 71.) Business plan helps the entrepreneur to analyze the market and plan future actions accordingly. The plan is also an essential tool to obtain any kind of funding. A well written business plan proves that the entrepreneur has the required ability to plan and manage a company. (Kuehl & Lambing 2000, 131). The process of building a business plan enables the entrepreneur to clarify his/her business idea and to think through possible problems that he/she might needs to face and ways to avoid these problems. It might also contain aims and objectives for a certain period of time, which helps to monitor one's success. (Burns 2007, 373.) As you can see in the following chapters about support possibilities, one of the key requirements for an enterprise applying for the support, is to have a proper business plan before an application can be approved.

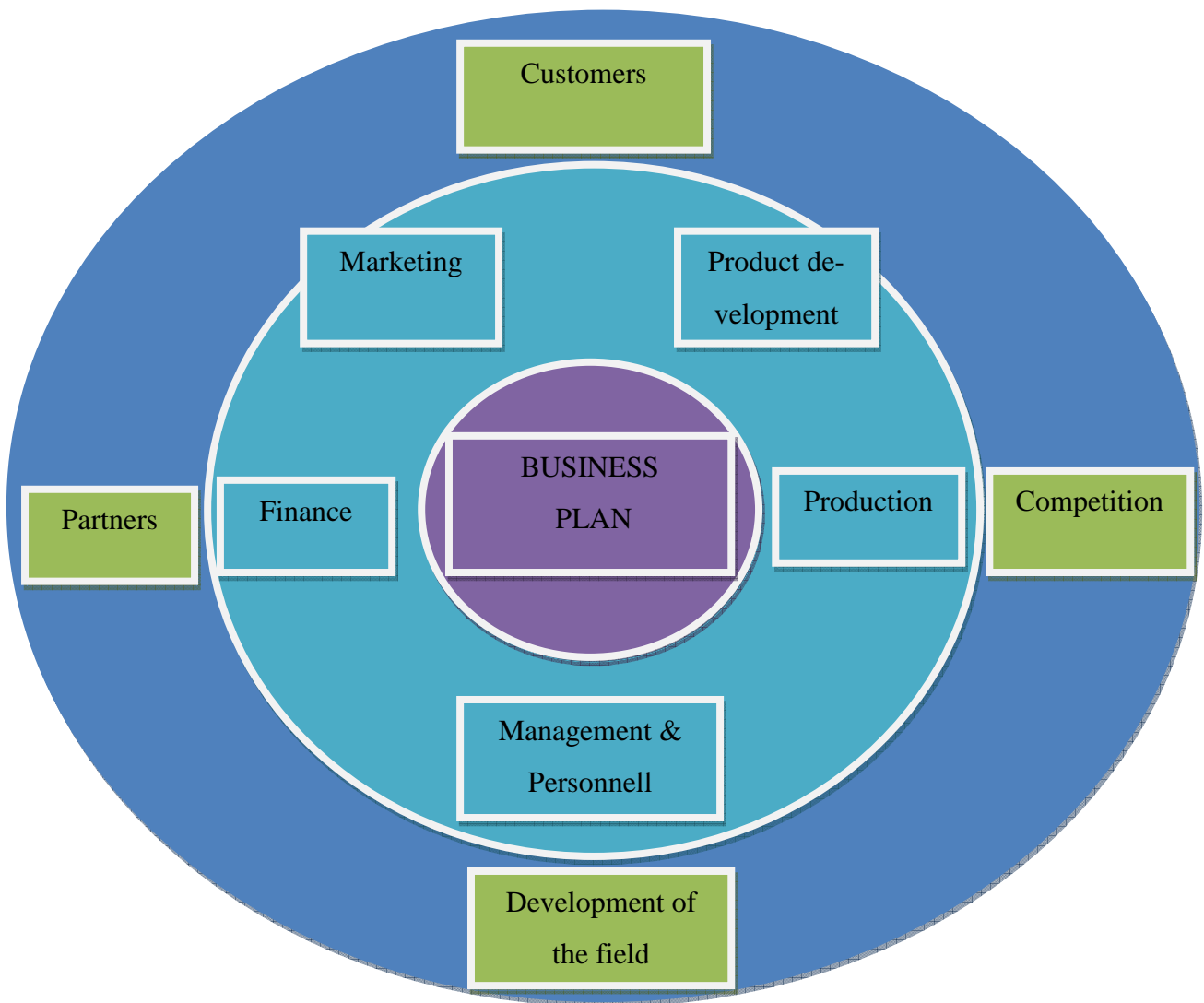


FIGURE 2. Content of a Business Plan (Johnsson, Karjalainen ym 2001, 5.)

A functional business is based on different sectors which support one another. The functions are illustrated in the Figure 2. The figure illustrates that to be successful one needs to concentrate on developing the functions at the inner circle. In short a good business plan basically explains how one is going to manage the internal operations in the business in a variable operational environment. (Johnsson, Karjalainen & Ruuska 2001, 5.)

2.2.1 Business Idea

A business idea may become in a form of entrepreneur's new discovery or insight i.e. a new invention, or it can be found with systematical research. A business idea can also be bought by buying patents or licenses. In most occasions a business idea is

based on the professional skills and abilities that one has acquired when working for someone else. Therefore the majority of new businesses are developed into the same business branch where the entrepreneur has operated before (Holopainen & Levonen 2008, 22.)

Business idea is a concept which answers to the questions what, whom, and how? In the concept one must define what the needs of one's clients are. What is the main idea and image of the product or service that is offered? What are the strengths of the product or service and what are the competitive advantages compared to competitors who provide the same product or service. After explaining the idea behind the product or service, target customers need to be clarified i.e. what kind of people are most likely going to become customers of the company. When the target group is set an explanation is needed to clarify how the target group is reached and this explanation should include how the product or service is produced within the company and also how it is going to be offered to the customers. One should take into consideration what kind of physical, mental and financial resources are needed to put the idea into production. (Sutinen & Viklund 2004, 69.)

Business plan should also contain a mission statement which basically explains the overall business idea. A good mission statement should be max 50 words and it explains the purpose of the business and the management's philosophy. The mission statement's purpose is to provide direction for the company's actions. Therefore it should be the first step of the business plan, because it projects guidance for other sections of the business plan. (Kuehl & Lambing 2000, 133.)

2.2.2 Marketing & Competition

When the marketing sector in the business plan is written, one should keep in mind, especially if the plan is used to get financing elsewhere, that in the marketing segment one convinces the potential investor that a market exists for the business and that sales predictions can be reached (Hodgetts & Kuratko 2007,361).When you are describing your marketing plan, you need to describe in detail how you are going to compete in the markets. The marketing section should include a more detailed description of products and services than in the business idea section. If one is selling a product, one

should at least mention the size, weight, shape, packaging and quality of the product to be sold. If one is offering a service, one should describe the typical procedures that are going to be followed when providing the service. The detailed description will help the entrepreneur to develop a business concept as a whole and also to give a better understanding to the reader about the business plan itself. (Kuehl & Lambing 2000, 139.)

The most problematic part of the marketing section is to develop sales estimates which are based on the market research and analysis. The sales estimates on the other hand influence for example the size of the manufacturing operations and the amount of debt and equity capital that is required. (Hodgetts & Kuratko 2007, 361.)

One of the most important aspects of marketing is to identify your competitors, in order to develop a proper marketing strategy. One needs to identify direct competition as well as indirect competition, and to measure their strengths and weaknesses. Keeping that in mind you need to have a competitive advantage at some sector compared to your competitors. It can be related to pricing, quality, location, selection, speed or turnaround time. Of course the marketing has to be directed to someone, so market segmentation is needed. The first step is to identify potential customers by separating customers into groups with similar needs. Typical sectors for customer segmentation are geographic, demographic, usage rate and psychological. (Kuehl & Lambing 2000, 153- 154.) After mapping one's competition and target markets, a marketing strategy can be produced, which emphasizes on what kind of selling effort is directed to which market segment in what kind of intensity (Hodgetts & Kuratko 2007, 363).

2.2.3 Company's Profile and Management

Describing the profile of the company begins by telling the name of the company and what is significant about it, so that it is memorable and can be related for example to a branch of business, family name or something similar. The background for the business and how that background is going to suit today's trends should also be explained. The company's profile includes the operational aspects as well, which starts with the location of the business. When choosing a location you should keep in mind if the location is appropriate concerning labour availability, wage rate, location of possible

suppliers and customers. Also local taxes, transportation possibilities and zoning requirements need to be clarified. You need to explain where your business operations take place geographically, and also whether you need a plant, storage, offices and machines linked to them. After clarifying the operations that are going to be included, a cost estimation should be made. (Hodgetts & Kuratko 2007,363- 364.)

Considering the company's management, one should identify in the plan who are the key personnel within the company, their positions and responsibilities and also their background information should be clarified. It is important that in this section the entrepreneur's own role in the company is clearly outlined. Ownership structure and compensation agreement are also described in this section. (Hodgetts & Kuratko 2007, 364.)

2.2.4 Finance

Especially if the business plan is used for obtaining financing, the financial section is very important, because mistakes in this section could prevent you from obtaining a funding even if other sections in the plan would be in order. The financial section illustrates the potential viability of the whole undertaking. (Hodgetts & Kuratko 2007, 264.)

The finance part must explain the source of the estimated start-up funds, starting from estimating the start-up costs, which are the necessary costs to open the business. Usually the start up costs include at least furniture, machinery, equipment prepaid expended, purchase costs and working capital. In the explanation of sources for financing, one should clarify whether one is going to borrow money or use personal assets and what kind of amounts. If you borrow money, you should also have a plan how you are going to pay that debt back. To get help in financing a business you can turn to private investors, partners, or also ask funding from your friends and relatives. In each case you need to think of how they are going to get a compensation for their investment. Of course some investors are looking for financial return, while others want a remarkable role in the company. No matter how one is going to get the funding, the source needs to be presented. (Kuehl & Lambing 2000, 194.) The potential financial support possibilities and their effects can also be included in the description.

The first stage of the financial section is usually Pro Forma Balance Sheet. Pro Forma Balance Sheet projects what the financial condition of the business will be at particular point of time. The sheet is prepared in the start-up phase and semiannually for the first five years. The balance sheet shows the required assets to support the projected operations and how these assets are going to be financed. The second stage is income statement, where projected operating results based on profit and loss are illustrated. When the sales prediction is set, the production costs can be estimated into the income statement. The third stage is the cash-flow statement, which sets forth the amount and timing of expected cash inflows and outflows, by providing the break even chart. (Hodgetts & Kuratko 2007, 264- 265.)

2.2.5 Risk Analysis & Conclusion

Every business faces two types of risks; controllable and uncontrollable. Controllable risks can be insured against e.g. the risk of fire, vandalism, natural disasters and so forth. Uncontrollable are those that can not be insured. Therefore assumptions need to be made in the business plan about how situations like these are going to be handled. Situations that can not be insured may occur for example when a new competitor arrives to the same market, changes in the economy, new technology is developed, changes in consumer tastes and so forth. (Kuehl & Lambing 2000, 238.) Also suggestions for alternative solutions should be included in case the kinds of setbacks occur. It is important to include the risks in the business plan, because it shows to the reader that the entrepreneur understands and recognizes the risk involved in the business and is able to prepare against the pitfalls. (Hodgetts & Kuratko 2007, 265.)

The final section of the business plan draws conclusions and has a short summary about the business plan. In the summary both supportive aspects as well as the potential risks should be presented (Holopainen & Levonen 2008, 22). The final section determines whether the business is feasible or not. You also need to take into consideration in the conclusion what kind of assumptions were made in the plan, and which of those assumptions are critical and must occur for the business to be operational and successful. (Kuehl & Lambing 2000, 239.) One can also include future insights of the businesses strategies and about development and growth.

3 SUPPORT POSSIBILITIES

Starting up a new business requires always a certain amount of money. The expenses start to build up from the time when one makes the decision to start up a business, yet to get some income is going to take some time. Often new entrepreneurs do not have much of their own capital to invest in the business, so they have to take loans from a bank or somewhere else. Besides financial limitations, there might be a lot of commercial, technical and juridical questions about the start-up that the entrepreneurs can not answer and in many occasions it is impossible. As a solution there are lots of different kind of support possibilities and information services that entrepreneurs can take advantage of. In the following are a few of the most important ones presented in a larger scale, which can help a new entrepreneur to get started in Finland.

There are basically three main purposes, why an enterprise should get a contribution and those purposes are:

1. For starting businesses and entrepreneurs to avoid difficulties in the start up phase
2. For the regional political basis to maintain national economical balance
3. To support new innovations and product development

(Sutinen & Viklund 2004, 163.)

3.1 EU- membership and corporate contributions

EU's internal legislation forbids the kind of governmental contributions for enterprises which distort competition and which influence trade between member countries. EU's commission has the authority to supervise that the rules are followed and also to give more precise instructions concerning the rules. The commission allows quite extensively the support of investments and development of enterprises. The amount of investments can be at maximum 7, 5%-35% of the amount of the investment in question, yet depending on the location of the applying enterprise. Nationally the amount of the contribution can be maximum 50% of the costs of the project to the consultation and training services of small businesses.

In the EU a small business is classified as such:

- has fewer than 250 employees
- revenues maximum 40 million euros
- balance sheet is maximum 27 million euros
- fewer than 25% of shareholders or less than 25% of equity is in the ownership if a bigger company

(Sutinen & Viklund 2004, 163.)

In 2005, 190 million euros were granted in Finland for development projects for Finnish enterprises. 75 million euros of the amount came from the EU. The support was granted via TE- centres, Tekes and Finnvera for over 5000 different projects all over the country. The main focus was on the development of small businesses, which ended up being involved in 90% of the funded projects. Beside investments the grant included support for research and development, and also loans. (European Commission 2009.)

3.2 Employment and Economic Development Office & Start- Up Money

The purpose of the start- up money is to promote starting up new businesses and getting people employed. Start-up money focuses to ensure the livelihood of the entrepreneur during the start up phase of the new business until the business is stabilized, yet no longer than 18 months. (Ministry of Employment and the Economy 2009.)

Start-up money can be given to an unemployed jobseeker, employed jobseeker, student or home worker who is becoming a fulltime entrepreneur. If one is a unemployed jobseeker, the Employment and Economic Development Offices report before yielding the start- up money whether entrepreneurship is the most suitable choice to employ the applicant. (Ministry of Employment and the Economy 2009.)

There are also background attributes that an entrepreneur who is applying for the start-up money needs to qualify for. The first step is to have entrepreneurial experience or training. The training is usually done of an entrepreneurship course by Employment and Economic Development Office. If one has studied entrepreneurship already for

example in an university, attendance to the course is voluntary. The business idea, on which the application is based upon, should be feasible with potential to be successful. This can be proven by a proper business and financial plan. The start up of the business should also be important for the livelihood of the applicant. A new entrepreneur should keep in mind that, if one wants to get the start-up money, one should not start the actual business operations before the decision about the start-up money has been made, because otherwise the application is going to be declined. The Employment and Economic Development Office keeps in mind when providing the start-up money for an entrepreneur that it does not distort competition within the field of business where the entrepreneur operates in. The applicant is not allowed to get any additional governmental contribution to one's own salary expenses, if one wishes to get the start-up money. (Enterprise Helsinki 2009.)

Start-up money is built up of two parts, basic support and additional support. In 2009 the amount of the basic support was 25, 63 euro/ day. The amount of the additional support varies based on each applicant individually and the decision of the Employment and Economic Development office. At most the additional support can be 60% of the amount of the basic support. (Ministry of Employment and the Economy 2009.)

It is possible for a start-up money applicant to combine the entrepreneurial training course and getting the start-up money. For example one can start the entrepreneurial training course when one is provided with the start up money. The employment agency provides courses for new entrepreneurs for free. A new entrepreneur can apply for start-up money with a form by Employment and Economic Development Office from Ministry of Employment and the Economy. In this form one needs to clarify the business and financial plan for the new business. (Ministry of Employment and the Economy 2009.)

Noticeable is that for start-up money there are no restrictions related to the branch of business you are in, like some other support possibilities might have. Yet the application can be denied if there are regionally already many businesses providing the same service, which could lead in the worst case scenario the new business to be unsuccessful. (Sutinen & Viklund 2004, 165.)

3.3 The Confederation of Finnish Industries

The Confederation of Finnish Industries represents fairly all the business branches and businesses in every size. The federation represents its member companies' interests towards industry policies and policies about labor markets as well as general decision making in the society. It helps its member companies directly by producing information, statistics, studies, surveys and also counseling about issues concerning contract or legal questions. The confederation is divided into 35 different branches based on different business sectors. These branches offer their own services to their members as well. (Holopainen & Levonen 2008, 350.)

3.4 Employment and Economic Development Centre (T&E Centre)

There are 15 T&E centres combined in Finland. They are situated all over Finland and they grant different kinds of contributions to businesses. Considering financial contributes the amounts and forms vary among different T&E Centres. The situations and regulations about the contributions can be alternating, and therefore it is important to check the situation from T&E Centre website before you do an application. (Meretniemi & Ylönen 2008, 84.)

T&E Centre provides contributions, if the support has a significant role in realizing the project in a shorter amount of time or the project will finish with a higher quality, because of the contribution. Also if the project that the contribution is based on has the possibility to be completed in a wider context or the project could not be carried out without the support, is a proper reason for an application. The support is focused on projects which progress the birth of new businesses and development and introduction of new products, services and production methods. Also commercialization of the research results, and adaptation and introduction of new technology are topics that are well supported. In a wider context contributions' purpose is to progress collaboration among small and medium-sized businesses, and to diversify and intensify entrepreneurial activities in the region. (Työvoima- ja elinkeinokeskus 2007, 155.)

Small and medium sized companies may receive development support funding for significant development projects or for internationalization projects. Yet the funding

can not be granted for agriculture or fishery. A company may receive development support for its expenses, if the expenses are caused by expertise or training services due of the development project. If the project causes travelling expenses or wage expenses, which are caused because of hiring new personnel to be able to implement the development project, the application is applicable. Sometimes development projects require new facilities or machinery to be able to implement the new project, then one can apply for the development support too. The amount of the development support can be maximum 10%, and for consultant services even 50%. (Sutinen & Viklund 2004, 166- 167.)

EU's regional and structural policy's goal is to balance regional differences and structural problems within them. The goal is to progress financial and social activity as well as competitiveness in less developed areas. This activity is based on the contribution that is provided from the EU's structural fund, into which national contribution is always added as well. Therefore T&E Centre has a significant role as a developer of EU- collaboration as well as an organism, which grants EU funds. (Meretniemi & Ylönen 2008, 84.)

3.5 Finnvera

Finnvera is a special governmentally run funding corporation which develops Finnish businesses' operations domestically as well as abroad. The company gets its funds from the financial markets. European Investment Bank is one of the most important lenders. Finnvera may also get state's guarantees for its acquisition of funds, based on the act governing Finnvera's operations. The State of Finland covers some of Finnvera's credit and guarantee losses, and therefore Finnvera is able to take higher risks and to share risks with other financiers. Finnvera's guarantees and loans are included in this thesis, because of their entrepreneurial theme and because they are to inmost occasion funding on more suitable terms than other investors.

The experts at Finnvera take under consideration the local competition before granting the funds (Finnvera 2009a). Finnvera tries to offer funding possibilities for different stages of a company's life cycle, because a company needs a different kind of support depending on which stage it is at ie when comparing a business in a start- up phase

and a business in a internationalization phase, the companies in question require totally different kinds of support. The company targets its support for micro- and small businesses which employ fewer than 250 people and which turnover of is maximum 40 million euros. Bigger companies than that might get the funding only because of some special reasons. Finnvera's funds can be given to companies in any business branch, excluding agriculture. (Sutinen & Viklund 2004, 147.)

A business can get funding after a business investigation which evaluates the company's chances to be successful. (Meretniemi & Ylönen 2008, 80.) The business investigation also consists of additionally all the other funding needs of the applying company. The goal is to figure the funding needs as a whole in a long run and to offer suitable solutions for them. (Finnvera 2009.) Beside the investigation Finnvera also needs a financial plan and an initial insurance plan from the applying company. As a counter guarantee Finnvera accepts mortgage on the company's assets and they also require a certain amount of personal financial warranty from the business owners. (Finnvera 2009.)

The Finnvera Guarantee

A Finnvera Guarantee is ideal for small and medium sized enterprises and it is meant as security for all kinds of financing activities within a company. The guarantee is suitable as security for loans or bond guarantees granted by banks, finance companies or insurance companies. The lender and Finnvera can divide the financing risks, so that Finnvera's guarantee is maximum 80% of the amount of the guarantee or some other financial agreement. (Finnvera 2009 b.)

A Finnvera Guarantee can also be used for internationalization of a company by granting the guarantee for financing the marketing, investments or working capital of the company's subsidiary or associated enterprise abroad. (Työvoima- ja elinkeinokeskus. 2007, 168.) The guarantee can be used to finance enterprises in every other business field, but not the farming industry, forestry and building developer's business (Finnvera 2009 b).

Micro- Enterprise Guarantee

A Micro-enterprise Guarantee helps a business to obtain a loan and also speeds up the funding process (Työvoima- ja elinkeinokeskus. 2007, 167). The Guarantee is meant for businesses which are in their start up phase or have maximum 50 employees. A Micro-enterprise Guarantee is based on an agreement, arranged between Finnvera and banks, which enables funding of small businesses. (Meretniemi & Ylönen 2008, 80.) The agreement itself enables guaranteeing small credits by dividing the risk with a bank (Työvoima- ja elinkeinokeskus 2007, 167).

The Micro-Enterprise Guarantee is meant for businesses which are about to be started or functioning businesses employing fewer than 50 people. The amount of the guarantee can be maximum 50 000 euros and it can be at most 50 % of the yielded working capital. The Micro-Enterprise Guarantee is valid max for 10 years period of time and its provision is 2% of the amount of the guarantee (Työvoima- ja elinkeinokeskus 2007, 167.) An entrepreneur can get the Guarantee by presenting one's application to a bank which is in collaboration with Finnvera. To be able to get the Guarantee the business in question should have a profitable business idea, and also the entrepreneur's credit data should be in order. (Meretniemi & Ylönen 2008, 80.)

The Internationalization Guarantee

The internationalization guarantee is meant to serve as collateral for financing the business operations of Finnish small businesses abroad. The guarantee may be used for example as an asset to acquire or increase a holding, or to raise the share capital in a subsidiary or an affiliated company abroad. If a subsidiary or an affiliated company abroad needs funding for an investment, development or growth, the guarantee may be granted. Financing can only be granted if the business is assessed to be profitable and able to operate internationally. Enterprises with fewer than 250 employees that have an annual turnover not exceeding 40 million euros can apply for an internationalization guarantee, because then they are regarded as a small business. (Meretniemi & Ylönen 2008, 80.) The maximum amount of the guarantee can be 80% of the credit's or other financial agreement's amount, yet no more than 1,5 million euro (Työvoima- ja elinkeinokeskus 2007, 167).

Investments and Working Capital Loan

Investments and Working Capital Loan is intended for starting enterprises and existing enterprises to finance their investments in buildings, machinery and equipment, and also for working capital that is caused by the growth of the business (Työvoima- ja elinkeinokeskus 2007, 163). Finnvera provides financing for enterprises in almost every sector, except for farming, forestry and building developer's business. The applying enterprise may employ maximum 250 employees and have a maximum of 50 million euros in turnover or balance sheet total of 43 million euros. (Finnvera 2009c.)

Finnvera operates usually as a partial investor. Depending on the loan in question the loan period is something between two to seven years. The interest rate of the loan can be fixed or attached to the reference rate. (Työvoima- ja elinkeinokeskus 2007, 163.)

Microloan

Enterprises with a maximum of five employees may apply for a microloan to fund their activities. Microloan can be granted to all company forms and it can be supplemented with the start-up money which is granted by the Ministry of Labour (Työvoima- ja elinkeinokeskus 2007, 167). The loan may be used for machinery and equipment investments or other projects relating to an enterprise's start-up, expansion or development. The amount of the microloan can be something between 3 500-35 000 euros. The loan time is five years, of which the first year is installment free. (Meretniemi & Ylönen 2008, 81.) The government's interest subsidy, which is within the loan, enables a much cheaper interest rate. Partnership based companies guarantee the loan personally. In limited liability companies the shareholders provide a general guarantee, which is based on their own assets, yet the same amount as the loan itself. One can withdraw the loan all at once or with multiple installments and there is a handling fee for these operations. (Työvoima- ja elinkeinokeskus 2007, 165.) The financing can not be provided for farming, forestry nor for building developers (Finnvera 2009c).

Loans for Women Entrepreneurs

Loans for women entrepreneurs are intended for enterprises which are managed by a woman and in which women are majority shareholders. Enterprises applying for the loan can employ a maximum of five persons. Loan can be used for investments in machinery and equipment relating to an enterprise's business, for working capital requirements, other business start-up and expansion projects or company development. A loan for women entrepreneurs is available together with other funding from Finnvera. The amount of the loan is something between 3 500 and 35 000 euros. The loan time is five years, of which the first year is installment free. (Meretniemi & Ylönen 2008, 81.) A loan for women entrepreneurs can also be supplemented with the start-up money. The government's interest subsidy, which is within the loan, enables a much cheaper interest rate. Partnership based companies guarantees the loan personally. In limited liability companies the shareholders give a general guarantee, which is based on their own assets, yet the same amount as the loan itself. One can withdraw the loan all at once or with multiple installments and there is a handling fee for these operations. (Työvoima- ja elinkeinokeskus 2007, 164.) The financing can not be provided for farming, forestry nor for building developers (Finnvera.2009c).

Entrepreneur Loan

The entrepreneur loan is a personal loan to the entrepreneur, which is meant as a capital to start up a business or to purchase shares or holdings of a company which is already running (Meretniemi & Ylönen 2008, 81). The applicant for the loan must be a shareholder (who holds at least 20% of the share capital and voting rights and gets his/her livelihood from the company) or a partner in a partnership or an active partner in a limited partnership. The amount of the loan is maximum 100 000 euros and the applicant must invest at least 20% personally, so that the Entrepreneur Loan itself covers maximum 80% of the loan. The loan time is for maximum ten years period of time, of which the first three years are installment free. The interest rate for the Entrepreneur Loan is much lower than the general interest level. The applicant is personally responsible for the loan. In a limited liability company shares (share certificates) are also considered as security. (Työvoima- ja elinkeinokeskus 2007, 165.)

Development Loan

The development loan is meant for small and medium-sized enterprises to finance their development projects. The loan can be used for example for research and product development, development of quality and information systems, marketing efforts or for other development efforts improving the operating conditions of enterprises. (Työvoima- ja elinkeinokeskus 2007, 163.) A development loan can also be part of the financing that is used for investments, changes of ownership and enterprise growth. It is open for finance operations in all sectors, except farming, forestry and the building developer's business. (Finnvera 2009c.)

The project itself that the loan is intended for, needs to be something special compared to standard activity. It has to have clear goals, a schedule and an action plan. The amount of the loan can be maximum 75% of the expenses of the project. The loan time is for maximum five years and the interest rate for the loan is much lower because of the government's interest subsidy. (Työvoima- ja elinkeinokeskus 2007, 164.).

3.6 Tekes, Sitra and Foundation for Finnish Inventions

The Finnish Funding Agency for Technology and Innovation funds support projects, the main focus of which is in internationally competitive products services and production methods. For example the loans can be used for product development or for starting up a company. Tekes funds the preparations of the projects and supports them with their expert services. The funding is granted both as loans and contributions. Tekes focuses especially on the kind of projects that have a high technological and financial risk, and which could not be implemented without external funding. The experts at Tekes assess the business itself applying for the loan, profitability of the project and what kind of benefits it would generate to the Finnish economy. (Meretniemi & Ylönen 2008, 79.) The funding must have a significant impact on the project, and the results of the project must be significant considering the funding. Tekes selects the projects to be funded on the long-term basis according to the ones that generate the greatest benefits for the economy and society. Also other applications and the

project's impacts on other companies and society are taken into account in the final evaluation of applications. 50–60 per cent of funding for companies is directed to small and medium-sized companies. (Tekes 2009.)

Sitra, the Finnish Innovation Fund was set up already in 1967. Its activity is funded with its fixed assets and with profits from corporate funding, and it can invest in technology businesses which are in their start up and growth phases. The purpose of Sitra is to support the quantitative and qualitative growth of Finnish economy and also the international competitiveness. The activity in Sitra is divided into separate fixed period programs, which are involved with several other programs. (Meretniemi I. & Ylönen H. 2008, 79.) Acceptable applications are expenses that are caused for using different kinds of information services or outsider expertise. Usually these projects have something to do with marketing research and analyzing them, or technological reports, or financial calculations. The information that is required in advance is defined separately depending on each applicant. Only in rare occasions funding can be used for an applicant's own wages. The funding can not be used for research and development expenses, protecting copyrights, nor building prototypes. The maximum amount of funding is 40 000 euros. (Sutinen M. & Viklund E. 2004, 167.)

Foundation for Finnish Inventions' purpose is to progress the development and capitalization of Finnish inventions. The foundation serves by providing free consultation, valuation of innovations, and also funding for marketing, protecting and developing inventions. One can get the funding if the invention is high class technologically, valid for a patent and potential for marketing. Small businesses and private persons may apply for the fund to develop their inventions for open market. (Meretniemi I. & Ylönen H. 2008, 79.) One can also apply for funding, if the innovation is going to be capitalized with a partner company. (Sutinen M. & Viklund E. 2004, 168.) If one is applying funds for marketing, the goal is to arrange a license contract with the applicant. The foundation supports the applicant financially and if the applicant capitalizes the innovation in his/her business, the foundation gets 3% from the revenue. If the innovation has a license agreement, then the foundation is entitled to get 30% from the royalties. The amount that is needed to be paid back to the foundation is the same as the amount that was granted. The contract with the foundation is valid for 12 years. The reason why it is called a support funding is because you don't have to pay the

granted money back if your invention fails. (Sutinen M. & Viklund E. 2004, 168.) The Foundation also grants support for reports, surveys, investigations and researches through development teams, who do the work for the applicant. These kinds of supports don't need to be paid back. (Foundation for Finnish Inventions, 2009.)

4 CONSULTATION SERVICES

In the following chapter are presented the most common public consultation services for entrepreneurs in Finland. The focus is on the services that are provided for new entrepreneurs who have a micro, small or medium-sized enterprise.

4.1 Employment and Economic Development Offices

Employment and Economic Development Offices offer, besides the Start-up money, different kinds of support and counseling for individuals who are planning to start up a business. (Meretniemi & Ylönen 2008, 79.) The services cover counseling, training, consultation and internationalization services through the different stages of a small or medium sized company's life cycle. (Holopainen & Levonen 2008, 342).

Training

The offices organize different training opportunities and courses concerning entrepreneurship. During the courses one can learn about the principles and demands of entrepreneurship, and also about the personal traits of an entrepreneur. The key is that during these courses one can utilize the learned knowledge to assess and develop one's own business idea. Courses about establishing a business suit individuals who are planning to start up a business, as well as for those who have recently started their business. During the courses one gets practical knowledge about marketing, taxation, accounting, and about the risks involved in entrepreneurship. (Meretniemi & Ylönen 2008, 146.)

The Employment and Economic Development Offices may also help by training employees of the company. Usually it means that one or more employees attend the train-

ing, when it is suitable for the employer, and the same training course might attend people from other businesses as well as unemployed people. The offices usually pay half of the price of the training course and the employer pays the other half. The support can not be applied for an ordinary company's introduction seminar for new personnel or staff training purposes within the company. (Holopainen & Levonen 2008, 343.)

Acquiring workforce

The offices can help an entrepreneur to find suitable workforce. It may also help by employing unemployed workers economically. Wage support is intended for wage expenses of individuals who have difficulties getting employed, who have been unemployed for a long period of time, and also for people who are handicapped in some way. Information about wages support and its requirements are available at local Employment and Economic Development Offices. (Meretniemi & Ylönen 2008, 146.) The offices also help for free of charge entrepreneurs to recruit employees by letting the entrepreneur to announce vacant jobs and then the offices notify about the vacancies to the potential job seekers (Holopainen & Levonen 2008, 344).

4.2 Business Incubator Services

There are tens of business incubator service providers in Finland. They offer business premises, machinery, counselling, support and contacts for starting businesses, because with these support activities it is much easier for the new entrepreneur to enter the business world. The emphasis is on developing the entrepreneur's skills and attributes which are essential in business. By doing this it also creates the kind of condition for the business that it has a possibility to grow and develop. In the business incubator service the experts assess the entrepreneur's business idea and possibly counsel what attributes needs to be improved. To be able to be take part into the incubator services development projects, an entrepreneur needs to apply to be part of business incubator services, and the final decision is made together with the entrepreneur and the experts at the office. Also the possibility for the business to grow and innovativeness of the business idea may have an impact on the final decision. (Meretniemi &

Ylönen 2008, 147.) In some occasions the services have been divided in two separate sections: a preliminary incubator service and an official incubator service. The difference is that at the preliminary stage, the entrepreneur gets support for the development and evaluation of one's business idea, business plan and financial plan. At the preliminary stage the entrepreneur can make the final decision whether to start up a business or not. If the business is going to be started it can be moved to the second stage and start its business activities. (Holopainen & Levonen 2008, 348- 349)

4.3 The New Entrepreneur Agencies (Uusyrityskeskukset)

There are currently 31 New Entrepreneur Agencies in Finland (Ahti 2009). The agencies offer counselling to new businesses for free. For example one can get counselling for developing and evaluating a business idea including conducting an income statement and marketing plan. The agencies may also help in searching funding possibilities, and solving permit and announcement matters. Finding work premises and making plans concerning social security and pension might be tricky, but the center can help you to get started.

When one is seeking for counselling, a basic analysis about the business is made, so that the applicant can be directed to a suitable expert. All the information is handled confidentially in the agencies. One can also get a statement for the investors and for start-up money application. (Meretniemi & Ylönen 2008, 148.)

New Entrepreneur Agencies also offer the so called continuity service. The purpose of the service is to bring together individuals who are willing to become entrepreneurs by starting to run a business which is already operating. The service also gives a possibility for an entrepreneur, who is about to retire or quit one's business, to find a person who could take one's place. (Holopainen & Levonen 2008, 345.)

The Women's Enterprise Agency

The Women's Enterprise Agency works to promote women's entrepreneurship. It is one of the New Entrepreneur agencies, yet it operates nationwide. The Organization speaks out for law reforms, information and publications, organizes seminars and

training courses, and pursues to develop internationalization. The agency gets funding from the Ministry of Employment and the Economy, and the Finnish Ministry of Education as well as from private enterprises. The Women's Enterprise Agency also provides individual counseling, courses about entrepreneurship, entrepreneurial mentoring, networking events and training courses. (Meretniemi & Ylönen 2008, 155.)

4.4 Employment and Economic Development Centre (T&E Centre)

T&E Centres can help funding your business, but they also provide consultation services. T&E Centres were founded by the Ministry of Trade and Industry, the Ministry of Employment and the Economy, and the Ministry of Agriculture and Forestry. A starting entrepreneur may get counseling from T&E Centre concerning the development of the business idea, entrepreneurial coaching, financial guidance, guidance about internationalization, information about patent and registration agencies. (Meretniemi & Ylönen 2008, 149.)

T&E Centres have a special program for businesses, which have just been started up or have been operating for a while. The course is divided in five different sections, which are the following:

1. Starting up a new business
2. ProStart
3. Basic course on entrepreneurship
4. PostStart- analyze and development program
5. Development course for new businesses

Because each course section works as its own entity, an entrepreneur can join a course in the phase when it is suitable and expedient in the company's life cycle to join the course. (Holopainen & Levonen 2008, 342.)

ProStart- Program

ProStart is a business idea evaluation and development programme which was created by T&E Centre to evaluate the viability of the entrepreneurs' business ideas. It is suitable for all possible business ideas no matter what your branch of business is. The

programme includes two meetings with an external expert and during these meetings the project is assessed thoroughly. On the basis of the discussions at the meetings, the expert will prepare a report on the business idea's viability and an action plan for the project, including recommended measures to develop the project needed. The final report can be attached for example to the funding applications and for start-up money application. (Meretniemi & Ylönen 2008, 149.) If the business idea can not be made to be functional even after developing it, the expert will suggest abandoning the idea. ProStart costs 100 euros and if needed the program can be continued by additional consultation for 120 euros per day. (T&E- keskus 2009.)

4.5 Finpro

Finpro is an expert and service organization, which task is to promote the internationalization of Finnish enterprises, and also to diminish the risks involved in it. The organization is an association founded by Finnish companies and it has currently as members more than 560 enterprises, Confederation of Finnish Industries and The Federation of Finnish Enterprises. Finpro has a lot of experience in international markets, so that it is able to help its member businesses to develop their business strategies. Finpro also publishes free reports about different countries, which contain information from different business branches and market regions. All the Finnpro's services are focused individually depending on the enterprise which is seeking counseling. Finpro's services include for example counseling and market information services as well as information about networking services. Business development services, innovation programs, international marketing services, different kind of publications and communication programs are also part of Finpro's services. (Meretniemi I. & Ylönen 2008, 153.)

Finpro has over 50 export centers in over 40 countries all over the world and they employ over 300 experts, who know the local markets they are in. Therefore the experts at Finpro have up-to-date information always available. The main focus is on recognizing the essential requirements for the company's process to go abroad. Finpro also does collaboration with public investors such as TE- centres and Tekes. (FinPro 2009.)

4.6 Federation of Finnish Enterprises & the Finnish Chamber of Commerce

The Federation of Finnish Enterprises is the largest economic federation in Finland. It has 412 local unions, 21 regional organizations and 51 industry based organizations (Holopainen & Levonen 2008, 351). The federation has about 100 000 member businesses in different business branches. The organization tries to ensure that political decision makers act towards improving the operating environment of Finnish entrepreneurs. Therefore the organization influences and interacts with Finnish decision makers of different levels as well as with decision makers at the European Union. One applies for a membership by sending an application. The amount of the membership fee is in correlation with the number of employees in the business. The fee is also tax deductible. The Federation of Finnish Enterprises provides Information and counseling services (i.e. on business law, social security, international business) for entrepreneurs. Also training services, different kinds of membership benefits (i.e. lobbying, communication, events, the benefits that one get by showing a membership card) and occupational health services belong to the Federation of Finnish Enterprises repertoire. (Meretniemi & Ylönen 2008, 154.)

The Finnish Chambers of Commerce is a collaboration network for enterprises, which operates regionally, nationally and globally. Its goal is to promote progress, companies progressivity and growth by providing information and services about the availability of work force, training, and regional and transport policies. 96% of the enterprises which are part of the Chamber of Commerce are categorized as small businesses. (Meretniemi & Ylönen 2008, 151.) Chambers of Commerce provide for example the following services to their members: juridical consultation, verifying documents from international trade, and supervising and maintaining the HTM- auditing system. Most of the Chambers have their free of charge phone consultation service. Lawyers from Chambers of Commerce can consult about taxation, company jurisprudence, employment and company's establishing procedures. The main focus in the Chambers of Commerce's operation is based on training, information services and business counseling services. (Holopainen & Levonen 2008, 350.)

4.7 Educational Establishments

During the recent years, colleges, universities and other vocational schooling institutions have increased their cooperation with business life by offering research, training and information services, and also if possible research equipment, which can benefit a starting entrepreneur with his product development process. Marketing research is also a large part in the activity of these institutions for business life. Some of these schools also provide advanced training for entrepreneurs. Usually these courses are for vocational or specialization degrees. Considering the entrepreneur's apprenticeship training 20% of the training takes place at educational establishments and 80% in the company itself. Some schools also provide preliminary incubator services, which purpose is to produce business ideas into functional businesses. (Holopainen & Levonen 2008, 349).

5 IMPLEMENTATION OF THE RESEARCH

This chapter explains how the research section was implemented. The purpose of the interviews about entrepreneurs' support possibilities was to define how the support possibilities and consultation services are being used and what kind of experiences the entrepreneurs have had about the processes within them. The research target was the entrepreneurs in the Päijät-Häme region, whose businesses have not been operating for more than three years. To separate this group from other entrepreneurs in the region I used my own clientele that I had through my work and selected those that I knew had started their business activities recently. The answerers' startup year was checked before the interviews from the joint business information system to be sure about the year when the company had started its operations.

An interview was chosen to be the best tool to get more in depth answers for the questions. A background study was made to know if there were diversifying factors in them and also what had driven the entrepreneurs to start up a business of their own. The entrepreneur's perspective about the business plan process was also studied. The results are based on interviews which were done during one week in November 2009.

5.1 Research Method

Qualitative research method was chosen for the empirical part of the thesis because it enables to get more diversifying answers about the topic and therefore covers more different aspects around it. According to Muuranen (2008, 9) qualitative research means a group of different kinds of interpretative, in natural conditions produced research methods (Denzon & Lincoln 2005, 3). Qualitative research is any kind of study, says Kananen(2008, 24) , which emphasizes on “findings” without statistical methods or any other quantitative means (Strauss & Corbin 1990). Qualitative research focuses on describing a phenomenon, understanding it and giving an interpretation based on it. There is also no exact context around it how it should be executed, because the analysis is something which is carried along during the whole process. During the research one pursues to get as much information as possible from each unit of the research. (Kananen 2008, 24-25.) In the end qualitative research is based on the researcher’s intuition, interpretation, reasoning and capability to classify and see connections. There are many ways to make conclusions in this kind of research, and some of them might even be controversial.

I chose to do my interviews via telephone. The reason to do this was simply that the information can be gathered and processed relatively quickly. Yet one needs to focus during the interviews to speak a bit slower and clearly to make sure that the interviewee understands the questions (Hirsijärvi & Hurme 2008, 65), I did 22 interviews via phone during one week period of time. Each interview took 20-40 minutes period of time depending on the interviewee’s answers. I conducted the answers around a basic structure of questions (Appendix 1) that I had created beforehand and used it also in my analysis by comparing each section’s answers to the other answers and drew my conclusions. Because the structure’s purpose was only to guide the interview and provide hints and material for the interviewer, the appearance and the manner how questions were composed, did not matter.

I started the analyzing process by coding the material i.e. summarizing the material by finding the essential information and contextual layers. After coding the material it is much easier to handle and analyze it further. I coded the material into sections which were based on the entrepreneur’s own background, business plan process, and the last

part was about the support possibilities in general. Then I started to look for similarities in the answers and conducted the final conclusion. I assembled the parts where quantitative similarities could be found, and then I assembled that information into an excel sheet and produced a chart accordingly.

There are different ways to analyze the material. Inductive analysis is based on material, so that one produces theoretical concepts from the material at hand. Previous theories and information do not have anything to do with the inductive analysis. Deductive analysis on the other hand focuses on previous theories and information. Afterwards one produces the concepts for the analysis from theories that are already produced. For analyzing the material for the thesis I used the abductive method, which is a combination of deductive and inductive methods. By using this method I conducted the analysis based on the material at hand, yet theory was used to help in the analysis. The theory itself is not exactly tested. (Kananen 2008, 88-89, 91.)

5.2 Research Material and Themes of the Interview

Interview is one of the most used data collecting forms, because it is a very flexible method and it suits various research purposes. Especially the use of informal or less structured interview methods has been increased. During an interview the interviewer is in a straight verbal interaction with the examinee, making it possible to aim and lead the data collection during the actual interview. Also it enables to elicit the motives behind the answers. If it is needed, one can adjust the order of question topics during the interview. The researchers present different arguments when choosing a suitable method for the interview. The presented arguments differ from philosophical aspects to concrete concerns. The interview is often chosen for some of the following reasons.

- The interviewer wants to put emphasis on the fact that the person needs to be seen as subject in the research situation and that the person is given a possibility to address matters concerning him or her as freely as possible.
- The topic of the questionnaire is little known and it is difficult to know in advance where the answers of the interview direct the interview itself.
- The interviewer wants to place the interviewee's answers to a wider context.
- The interviewer wants to clarify the answers at the same moment one gets them.

. (Hirsijärvi & Hurme 2008, 34-35)

There are different ways to conduct an interview. According to Muuranen (2008, 40-41) the interviews can be divided to three different sections: structured, semistructured and open interviews. A structured interview is usually an interview done with a form, which has questions already and they are presented to the interviewees in the same order. One should prepare a structured questionnaire to avoid open answers, because its purpose is to provide speed when interviewing a large group with similar interests. The Semi-structured interview, also called theme interview, is most useful in situations where you are trying to study issues that are not clearly acknowledged. The interview is based on themes picked beforehand, yet the form of the questions or the order of the questions is not set as in a structured interview. The Open interview on the other hand can almost be described as conversation. The interviewer does not necessarily control the conversation, but the chance of direction depends on the interviewee. Open interview is optimal when the experiences among the interviewees vary a lot, or the interview handles issues that can be hard to remember, or there are only few people in the sample.

The interviews were done by using the semistructural method, where the themes and viewpoints of the questions were thought of beforehand, yet specifying questions could be asked depending on the answers and also the use of different phrasing about the same questions could be implemented if it was considered necessary. Because the interviews were the basic element for the empirical part of the thesis, the execution needed to be thought of carefully.

The themes of the interviews started from the background information of the entrepreneur, continuing to the questions about business plan process and finally to the questions about the support possibilities for a starting entrepreneur. It was hard to conduct the interview about the support possibilities, because there are so many possibilities to get support and counselling services. Therefore I gave the interviewee a possibility to tell with one's own words about the received support, if we did not already cover it. To help the respondent with one's answers, the question form about the most common support possibilities structured the answers. Then it was figured out in each case whether the respondent knows about the support provider's services or not, and has

one benefited from their services and how. In some cases the entrepreneurs did not know from where they had got the aid that they had received, because at times it was a case where a sub organization that delivered the support to the client, even though a bigger organization was behind it.

6 FINDINGS

This chapter explains the core findings of the interviews starting from the background information. After findings about background information the information about the company's background and business plan are presented. The third part focuses on the findings about the different support possibilities

6.1 Background Information

Considering the background information there was quite a versatile group of respondents considering for example the gender and age. Also a question about the entrepreneurial background was made.

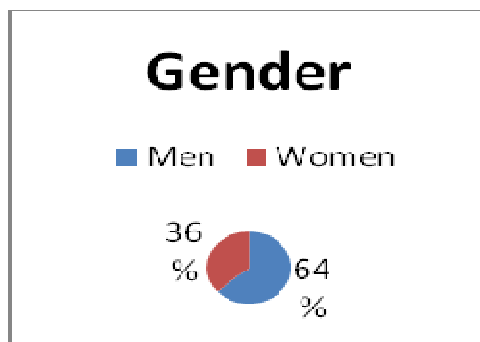


FIGURE 3. GENDER DISTRIBUTION

As Figure 3 shows both genders were fairly equally represented in the interview. Men were the majority among the respondents who gave the interview, when 14 out of 22 respondents were men.

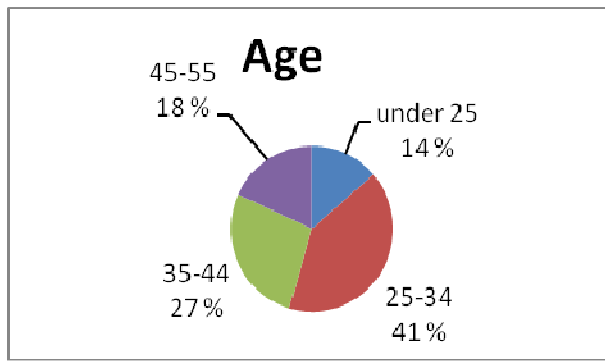


FIGURE 4. Age Distribution

Figure 4 represents the age distribution among the respondents. The relatively young entrepreneurs (25- 34) were the most represented (9). The second largest group was entrepreneurs whose age was between 35- 44 years (6). The extremes were quite equally represented yet entrepreneurs of the age 45- 55 (4) had one more respondent than the fourth age group.

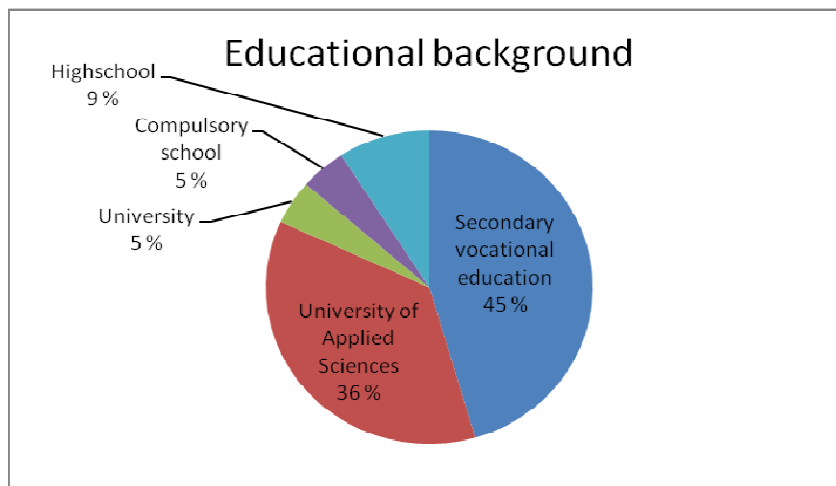


FIGURE 5. Educational background

Figure 5 shows the educational background of the respondents. The largest educational groups among the respondents were secondary vocational education (10) and university of applied sciences (8). Two of the respondents had only high school education, and the share among the entrepreneurs with university background and entrepreneurs with compulsory school background were even.

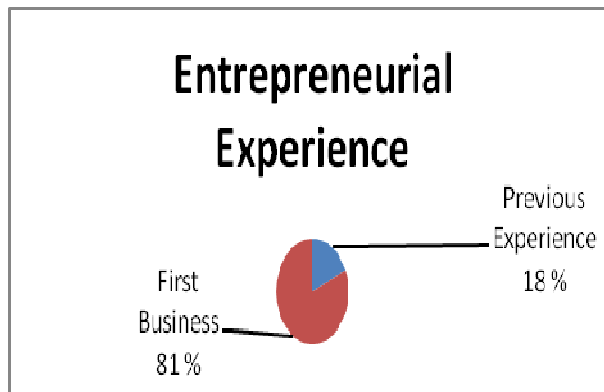


FIGURE 6. Entrepreneurial experience

Figure 6 shows the entrepreneurial experience of the respondents. For the majority of the respondents the established businesses were their first ones (18).

The major part of the interview about background information concentrated on the individual reasons behind entrepreneurship. For some, entrepreneurship had been the lifelong dream, for others the idea had developed through time, and it was also common that the idea about entrepreneurship developed during one's studies. The dream for a company of your own, according to the answers, had become from the respondent's origins, when a member or members of the family or close friend or friends have been highly entrepreneurial. In most parts the reason to become an entrepreneur was to be able to define yourself what you want to do for living and to be independent doing that. Occupational desires played also a huge part in the decision making. The factor that affected the most the decision was the desire to be able to get a job from the field that interests the entrepreneur personally and sometimes the only way to do it was to start up a business of your own. Also for some, entrepreneurship was the only way to occupy oneself in the first place. Some of the respondents had capitalized an opportunity when a chance had arisen, whether it was because the former owner retired or there was a niche in the market. Noticeable is that when a former owner had retired and an entrepreneurship was started based on an older business, the entrepreneur still wanted to improve the business to be more successful, and therefore the potential for improvement was an important factor behind the decision. Similar occasions were those when one had worked for someone else and noticed that had possessed a lot of responsibility in the company, in a sense that it would be same to work for oneself and so based on this notification had become an entrepreneur.

The biggest fears towards starting up a business were about insecurity whether to succeed in the business life or not. Also bureaucracy, paperwork and practical arrangements were thought to be intimidating.

6.2 Business Plan and Company's Background

This section represents the results based on the answers about the question of business plan and company's background information.

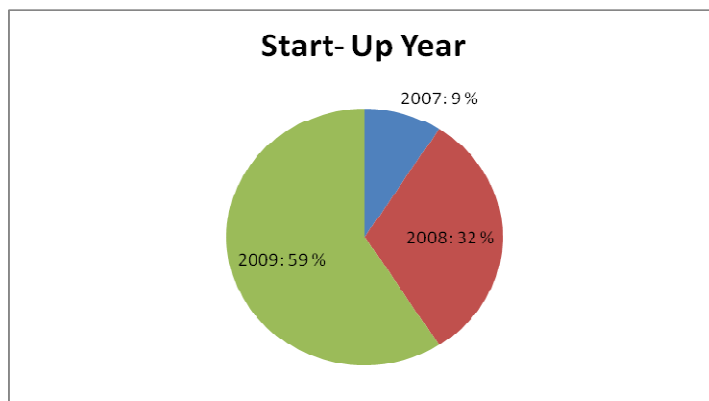


FIGURE 7. Year of the Start-up

None of the interviewed entrepreneurs had been operated more than three years. As Figure 7 shows most of the respondents, 13 out of 22 had started their businesses in 2009, and 7 out of 22 started in 2008 and only two enterprises were founded in 2007.

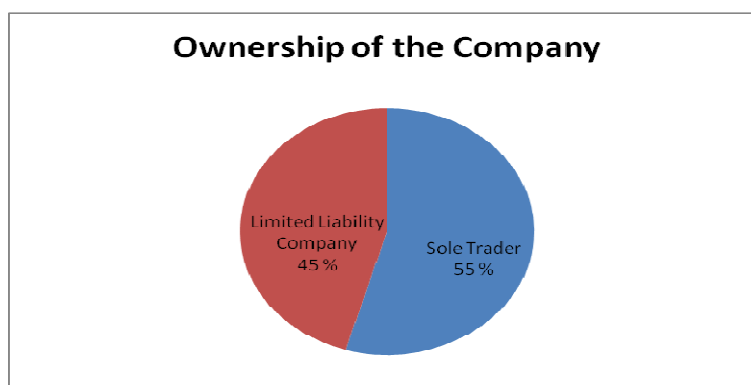


FIGURE 8. Ownership of the company

Considering the ownership of the respondents' businesses, there were almost equally interviews from entrepreneurs whose businesses' ownership was on the basis of sole

trader compared to the ones that were based on the limited liability company (Figure 8)

Most of the entrepreneurs, who attended the interviews, had conducted the business plan by themselves. Yet most of them had had some sort of counseling during the actual writing process. The biggest help came from New Entrepreneurship Center in Lahti, which had given general information and helped especially with all the calculations involved in the start-up phase or business plan. Other significant contributors were family and friends. Also Prostart- Program and T&E Centres gave valuable counselling. Many of the entrepreneurs conducted the final version of the business plan during the entrepreneurial training, where they get close and specific mentoring. In the group of the respondents there were few entrepreneurs, who had not made a proper business plan at all, yet it reflected in a way that they had not got nor applied for any kind of support for their businesses.

The additional questions in the interview about the business plan considered how the process of conducting a business plan affected in the end the initial vision of the business. In most parts the effects were minor, yet for almost everyone thought it was a good tool to clarify practical arrangements that were going to be needed. Also small improvements in all the sectors were made while conducting the plan. The most influential changes, which were the result of the business plan process, were to improve marketing and expand services after closer examination of competition. In the best case scenario the process improved the initial idea and in fact convinced the entrepreneur that the business idea was feasible. In most answers an entrepreneur had an initial vision about the business concept and during the entrepreneurship training and processing of the business plan, the vision was adjusted and reformed.

6.3 The Support Possibilities

The third part of the interview concerned the support possibilities, and how well the service providers were known and how their services had been utilized.

The first topic in the interview was about the services of Employment and Economic Development Offices and especially concerning the start- up money, which is the most known support method for new entrepreneurs.

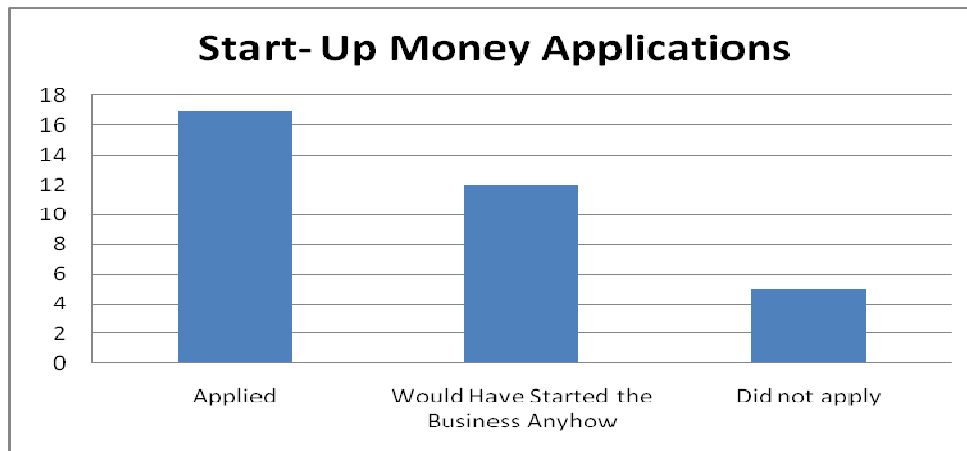


FIGURE 9. Start- Up money applications

Based on the interviews most of the entrepreneurs applied for the start- up money and also received it, as one can discover from Figure 9. The reason not to apply was in most occasions the branch of business the entrepreneur worked in, because there were few business branches of which start- up money was automatically declined in Päijät-Häme region. From the ones, who had applied for start- up money and received it, it was enquired how it had affected and would they have started their businesses anyhow, if the money application had been denied. Most of them would have started the business regardless as the Figure 9 shows.

Additional questions revealed that the ones who received the start- up money and also those who said that they would have started the business regardless, stated that if they had not received the money it would have affected a lot the start up phase of the business. Many would have been forced to struggle in the start- up phase of the business, or would not have been able to begin the business in the extent and intensity, compared to how one had started the entrepreneurial career with the start- up money. For those who received the money it was really substantial and important help, which lowered the bar to start up a business.

The Branch of business was not the only factor that caused difficulties regarding the start up money. Some found it pretty harsh that you have to quit your old job before

you can apply for the start- up money without any guarantees that you are going to get it. So “it might be a difficult situation, if you have quit your old job and then do not get the start- up money, which was essential for you to start up the business in the first place” was one of the answers. Some of the entrepreneurs felt that they did not receive enough information about additional start- up money applications.

In addition to the start- up money Employment and Economic Development Offices had helped the entrepreneurs with professional counselling services. Additional help was also provided for the entrepreneurs to get workforce, for example by helping with apprenticeship contracts.

The New Entrepreneur Agency’s service was regarded as professional, and overall good and flexible. The versatility of the counselling was one the biggest positive factors of the agency’s activities, ie the calculation for the business plan, or development of the business idea. The fact that one could get concrete advice about what to do and where to go next helped to get more confidence and build confidence around the initial idea. The respondents also appreciated advices on potential collaboration contacts i.e. different accounting companies and marketing companies, from which to choose the most suitable one for oneself. Some of the entrepreneurs had taken the so called godfather service, which meant that retired or an experienced entrepreneur gave personal counselling about practical issues concerning entrepreneurship.

Besides counselling services, the biggest attribute from the agency was statements for the financial investors i.e. for start- up money and Finnvera. Some of the respondents also got good tips regarding ongoing support possibilities about marketing the business.

Finnvera’s activities were known among the respondents considering loans and guarantees, and many of them had applied for a loan from Finnvera. The interviewees appreciated the service quality and especially the speed how fast the applications were handled.

Almost one half of the respondents did not have personal experiences of the services at all at T&E Centre. Positive feedback about the consultation services was received

concerning help with the application forms and some had assigned for entrepreneurial courses, which had been very informative. According to the answers the centre had quite a lot to improve in its services. The biggest problem concerning service quality was addressed to be inconsistency. The service quality had been a game of chance whether one is going to get service from the right people who can actually help. Also the quality of information was considered to be quite poor and access to it really hard. Considering actual support possibilities the application procedure had been made so hard that a good cause lost its meaning within. The ones who had received some funding for machinery said that the paperwork for it was intolerable.

T&E Centre is one of the key operators providing Elive project, which is a regional support project for marketing and IT- applications for small and medium- sized companies, to the entrepreneurs. From the respondents quite many had benefitted from this project, yet weren't able to link it to the T&E centre's activities before it was mentioned.

Sitra, Tekes, Foundation for Finnish Inventions and business incubator services were familiar for the respondents, yet they had no personal experience in their services. Half of the respondents are members of Federation of Finnish Enterprises. The benefits though were limited to the regular member benefits and to the participation in the occasional events that the organization provides few times a year.

Considering the overall preconception towards support possibilities in general and to the applying process linked to them, varied quite a lot according to the answers. Generally entrepreneurs found that there was an easy access to the information about support possibilities and usually there was a lot of information available too. The problems arose when entrepreneur did not necessarily know what they tried to look for, and in these occasions they found the amount of information too overwhelming. Yet there were also responds, which focused more in entrepreneur's own responsibility. These responds basically stated that you can find the right information, if you just put your mind to it. One respondent even stated that, "if the forms and getting information seem too hard, one should not be an entrepreneur in the first place".

Many times the entrepreneur's preconception about the work needed to get the wanted information diminished the willingness to apply for counseling or financing. As one of the interviewees told me that "during the entrepreneurship training I got the interpretation that it is very hard to get the possible support, because of the bureaucratic work, so that it felt intimidating in a sense that I did not even look for those possibilities".

7 CONCLUSIONS AND IMPROVEMENT SUGGESTIONS

It was important to ask the entrepreneurs' and company's background information for the viability of the thesis. Even though quantitative conclusions couldn't be made according to the findings about the background, it gives important information about the diversification of the respondents' backgrounds, so that the interviews did not just apply for the views of the preselected branches or age groups.

Entrepreneur's Background Information

I received equal amount of answers from both men and women, yet there were not any particular differences among genders' points of views in their answers. To be able to draw such a conclusion, a much bigger sample would be needed. The educational background gave some preliminary information about the entrepreneurs' personal stands in the interviews' answers. As stated before in the theoretical part the thesis, antecedent factors influence entrepreneurial behavior in various ways. It was noticeable that based on the results in the interview a higher education level prepares the entrepreneur to receive information more efficiently. The entrepreneurs with higher education found it easier to seek information about the support possibilities, because they had been used to handling complex information and forms. Also the business plan was conducted by oneself without any additional support among the entrepreneurs with higher education.

The entrepreneurs with secondary vocational background had thought of starting up a business of their own many times already during their studies. According to the interviews the educational background did not have an effect on the experiences about the support possibilities. Age had significance only when comparing extremities' answers.

Younger generation had more general information, while the older generation had grown through time to be entrepreneurial and it reflected in a way that they felt that they were not interested in support possibilities as long as they could manage somehow by themselves. Naturally the younger generation felt that the accessibility to the provided information was good, i.e. web- pages and so on, when the older generations had difficulties with handling the information tools. In addition the information was available from so many different sources, it did not help the entrepreneurs who had problems with using the basic search tools.

To the question whether entrepreneurs are born or made the interview gave answers to back up both theories. The older respondents had more or less grown to be entrepreneurs through time. Some of the respondents had entrepreneurial models in their personal life which inspired them to become entrepreneurial. Also some of the respondents stated that they would have never thought that they would become entrepreneurs, yet made the decision when an opportunity was provided. In these cases it is a case of becoming and producing oneself to be an entrepreneur, because an opportunity had risen. Of course there was the other segment on respondents, for whom a company of their own had been a lifelong dream and their actions had been based on that dream concerning school and so on. Also the ones who did not find it comfortable to work for someone else could be considered as entrepreneurs from birth.

Business Plan and Company Background

It was no surprise that the businesses that had been operating longer had exploited more the support possibilities than those that were started this year. The entrepreneurs who started their businesses in 2009 had more recent information about the possibilities and remembered what kind of opportunities they could utilize. Ownership of the company did not have significant effect on the answers, and the answers among the two different types of ownership types varied quite a lot. Therefore a more quantitative research should be made to give more general results.

The results about composing the business plan were surprising, because so many conducted their business plans by themselves. This brings up a question whether more planning would have made the business more successful. For many of the respondents

the business plan was only something that needed to be created to get the funding for the business. Yet most of the respondents admitted, as it was stated in the theoretical part, that the business plan process clarified the practical arrangements that were going to be needed. So the ones, who had put effort on the process itself benefitted from it remarkably. The interviews about the business plan process were also surprising in a sense that I felt after a business plan course that it is very essential to do it before starting the actual business operations. Before composing the plan the business idea is just a vision. Therefore the plan should be conducted carefully concerning also the possible pitfalls of the business to be able to prepare oneself. Based on the interviews I got the interpretation that a few of them just wrote it to get the start up money and then “test” whether the plan works or not.

Support Possibilities

Considering the start- up money it was evident that the start- up money is very important and without providing it to the new entrepreneurs a lot of businesses would not be able to start their operations, which would have a direct influence on the economy, because micro businesses’ share of the Finnish businesses was 90% share of the annual turnover 16% and the share of employment 25% in 2005 (Tilastokeskus 2006). Few of the respondents replied that their applications were declined because of the business branch they worked in, and that they were really surprised. Yet as it was explained earlier in the theoretical part, the application can be denied, if there are already many businesses providing the same service regionally, which would lead in worst case scenario to the new business to be unsuccessful. So if the research had have been made carefully and perhaps by changing the location of the enterprise, it could have opened more possibilities to get additional funding.

Besides the actual application process discussion was brought up about how the competition is arranged around the support projects. In some cases the respondents found that the possibilities to exploit a support possibility through a partner company were not possible, because the support was directed only through a few particular companies, which distorted competition in their opinion. In some occasions the service at the offices was shifty and it basically depended on chance what kind of advices you were

going to get, because one part of the personnel gave proper counseling, while others did not deliver the required service level.

According to the answers I would recommend a new entrepreneur to apply for a start-up money before starting the business operation (if the business branch in question, could get it) and then go first to the local New Entrepreneurship Center which received very good feedback from the entrepreneurs in general. The reason for it could be the extent of services that the Center provides. Afterwards one should ask for more information about support possibilities at least from T&E centre to get current information and to demand for it as well, if it is not properly provided. I would also recommend to do research about support possibilities before doing large investments, because during the interviews many of the respondents commented that they might have been able to get some support for their recent investments, but just didn't thought of it at the time.

Overall Impression about the Support Possibilities

In general the entrepreneurs were informative about the service providers and knew the basic services that each of them offers. Despite the fact that almost each of them knew about the possibilities, in my opinion they had not exploited them in the anticipated extent. The lack of knowledge about concrete, current and viable support possibilities became evident when the respondents started to ask from me about the possibilities they could exploit at the moment. Information about the most common support- possibilities, which many had received, was thought to be easy accessible, which could be because of the preconception that everyone gets it and therefore the amount of work behind the applications is acceptable.

The paperwork behind the application was a general complaint. The bureaucracy behind the support application may cause problems, if the reply for the support application takes a long time, which causes delays in the company's projects. If one has bad experiences during one application process, it causes prejudices against other possibilities too. Also the amount of information was considered to be a major burden in the application process, because it is time consuming to find any relevant information.

Despite the difficulties in application projects, the support possibilities were thought to be very beneficial, and they have enabled businesses to grow more effectively and in a larger scale. The overall interpretation was that many of the expansions within the company, especially considering marketing aspects, would not have been made without additional support. Therefore the demand for support possibilities is consistent and it would be in a wider extent if entrepreneurs would be informed about them more efficiently.

It was also asked whether one is going to expand the business in the near future and if they are going to use some support for the possible expansion. The ones who were thinking of an expansion were the ones who had planned for their businesses more carefully and were therefore entrepreneurs by choice, which back up the Burns' conclusion about the statement that the ones who develop their businesses from scratch by themselves are more keen on growing the business in the future.

Improvement Suggestions

According to the interviews the mandatory entrepreneurial training course is very important and efficient. A second stage of training could also be developed, because many of the interviewed entrepreneurs thought that there was plenty of valuable information delivered in a very limited time during the course, which was in the end impossible to be digested entirely.

Because the distortion in service quality is mostly due of the amount and level of information delivered, the distortion could be diminished by personnel training at the offices where counselling is provided. The purpose of additional training would be able to deliver the same level of service despite who receives the application or a customer.

I believe that there should be more sources that combine different kinds of support possibilities in a more compact package that the entrepreneur should not have to look for information from various sources and spend valuable time on gathering background information, which diminishes the value of the support that one is trying to seek. One way to make starting entrepreneurs aware of the available support possibili-

ties could be by giving more information at the entrepreneurial training course, which is participated by most of the starting entrepreneurs. The problem about the focused support possibilities is that they are often seasonal or part time like campaigns, and so many of these possibilities are not being used, because the entrepreneurs do not know about them. Therefore during the courses contemporary up-to-date information about the support possibilities available at that time should be presented. The information should be concrete and tell exactly what an entrepreneur may benefit from the particular support.

One improvement topic that arose during the research process itself was about language barriers. As an international business student I automatically paid attention to the language options in the service providers' web- pages. The option of getting information in English was quite limited. Therefore the organizations should think of how many of their clients or partners might not be able to understand Finnish fluently and according to that do the required improvements.

7.1 Reliability of the Research

The reliability of the research can be assessed with various criteria. Reliability is a criteria which proves the research and its results credible. During the research the emphasis has been on observing and understanding the views of the respondents, which is the basis for the qualitative research method. Therefore the most significant reliability factor is that the research results are corresponding with the respondents' views about the topic that is studied. (Kylmä & Juvakka 2007, 128.) So it was important for me to interview only companies which have started their business in the recent years and so have been more potential to get some support for their businesses than entrepreneurs 20 years ago. Additional and specifying questions also gave inner depth to the reasons behind the answers. There aren't clear specifications how many observation units one should have for qualitative research. The quantity depends mostly on the situation what is needed to be studied. Usually there is enough material when the cases do not provide any additional information. (Kananen 2008, 34.) That was the case when data was collected for the thesis. Yet some particular information was not received, but to get information about those topics would have required a study on a particular branch of business, which was not the purpose of this thesis.

What needs to be noticed is that most of the experiences of the interviewed entrepreneurs are based on experiences at the Lahti offices of each support provider, and therefore the findings are applicable mostly regionally in Päijät- Häme.

In my bachelor's thesis I have focused on using as truthful methods as possible to clarify issues concerning support possibilities of a starting entrepreneur. The interview itself enabled the interviewees to answer as freely as possible, so that additional aspects would be covered. There were no major distractions during the interviews, and if there was an interruption, a new schedule was set up immediately for another interview.

7.2 Additional Research Possibilities

I think the material is sufficient to get preliminary answers to the research topic. To clarify the answers in a larger scale an additional questionnaire could be made based on the results by using a quantitative method. Especially service providers should investigate their own service quality and find out where the major pitfalls are, so that they could improve their services. Because the research material was quite limited quantitatively and entrepreneurs who attended the interview represented various business branches, a study could be made based on particular branches, especially among entrepreneurs who use higher technology, so that results about Sitra, Tekes and Foundation of Finnish Inventions could be researched. The interest towards a secondary course about entrepreneurship was enough in a sense that quantitative research should be made to determine whether to provide such service for the entrepreneurs who have already started their business operations. Because the major support services are usually provided nationally, the additional researches should be done regionally, because the results would most probably vary depending on each geographical location.

8 LEARNING REMARKS

One of the reasons why I chose this topic for my thesis about the support possibilities, was because I can use that knowledge in my daily job by suggesting support possibili-

ties for my own customers to be implemented to the company's services to whom I work for. Of course, if I decide to start up a business myself, I have already gathered and learned a lot of valuable information which can help me in the start-up process.

The process itself started to develop slowly. The reason for this was that I thought I had plenty of time and was not entirely pleased with my topic. Therefore if I had to do the kind of study again I would start to do the preliminary work even if the topic itself would not be entirely clear. By doing so the start up process itself forces the mind to focus on the project more intensively and the frame around the project begins to build quite automatically. The second problems arose when my mind was set that I had no time to concentrate on the project and I postponed the project more. It is ironic that the pitfalls in the starting to write the thesis, i.e. lack of time, pushing the deadline further and uncertainty of what I am going to do next, are the same pitfalls I face with my clients everyday about their business development projects and my strongest advice is exactly the same as I described above how I would start the project, if I had to do it again.

The interview part was quite easily done, because I called the entrepreneurs I had already dealt with before, so that we could talk business first and handle the interview during the same phone call. The ones that I had not talked with before were also very open minded about participating in the interview and those who were interested in marketing support possibilities in the future, I was able to give an answer to right away, which ended up in new customer relations.

Concerning the support possibilities, I faced the same problems that the entrepreneurs face considering the amount of information that is available, and then understanding it and selecting which of the possibilities matter to me. I can easily relate to the entrepreneurs who have just started their companies and need to think of a massive amount of practical matters that need to be taken care of, and at the same time try to find some sort of support possibilities to help with the expenses. So I understand the frustration if those possibilities are not easy to find in the first place, but the access to get them is behind a giant wall of bureaucracy.

When the deadline became closer than I had anticipated, I was able to work very intensively. Therefore I can say with confidence that I am able to work under pressure with a tight schedule, which is important for many employers.

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Yrityskysely

Tausta:

1. Sukupuoli: _ Nainen _ Mies
2. Ikä _ Alle 25 vuotta _ 25–34 vuotta _ 35–44 vuotta _ 45–54 vuotta _ Yli 55 vuotta
3. Koulutus: _
4. Yrittäjähenkisyys:
 - Miksi yittäjyys?_
 - Mikä vaikuttanut eniten:
5. Aiempi yrittäjäkokemus_Ei aiempaa yrittäjäkokemusta_
6. Yrittäjyyskoulutukseen osallistuminen
Kyllä_ Ei ole osallistunut_
 - Koulutuksen tärkeys ja laatu

Yritystausta:

7. Business plan:
8. Ssaitko neuvontaa:
9. Prosessin toteutus:
 - vaikuttiko prosessi lopullisen yrityksen ilmeeseen:_
 - aiheutuneet muutokset?
10. Toiminnan alkamisvuosi: 2007 _ 2008_2009_
11. Yritysmuoto:_ Toiminimi _ Kommandiittiyhtiö_ Avoin yhtiö _ Osakeyhtiö_Osuuskunta
12. Yritystoimiala:
13. Yrityksen työllistävyys:

Tukimahdollisuuksien käyttö:

- Hyödynnetty/tuntee asian/ei tunne toimintaa
 - Millä tavalla hyödynnetty:
 - millaista neuvontaa
 - miten vaikutti
 - prosessin kulku (helppoa/vaikeaa,miksi?)
14. Työvoimatoimisto:
 - Starttiraha:
 15. Uusyrityskeskus:
 - neuvonta
 - lausunnot
 16. Finnvera:
 - takuut
 - lainat
 17. T&E-keskus:

- neuvonta
 - tuet
18. Tekes(tekniologian kehittämiskeskus):
19. Keksintösäätiö:
- neuvonta arviointi,rahoitus
20. Yrityshautomotoiminta:
21. Kauppakamari:
22. Finpro:
- kansainvälistymishankkeet
23. Suomen yrittäjät (onko jäsen):
- Neuvontaa, muita hyötyjä
24. Yleisiä huomioita tukimahdollisuuksista (tiedon kulku, informaation saaminen):

25. Yrityksen tulevat investoinnit:

Suunnitteletko yritystoiminnan kehittämistä / laajentamista?

- Onko ko investointeihin suunniteltua tukea:
 - Uusia tuotteita ?
 - Markkinointia tehostamalla ?
 - Uusille liiketoiminta-alueille ?
 - Kansainvälistymällä?
 - Kustannustehokkuutta parantamalla ?
 - Liiketoimintastrategian terävöittämisellä ?
 - Jokin muu keino?

26. Suurimmat esteet yrityksen kehittymiselle tulevaisuudessa: