

Cultural challenges for Finnish SME's when breaking into the U.S. market

Tuukka Rinne

Heli Somerharju

Opinnäytetyö

Liiketalouden koulutusohjelma

7.5.2014



<p>Tekijä tai tekijät Tuukka Rinne & Heli Somerharju</p>	<p>Ryhmä tai aloitusvuosi 2010</p>
<p>Opinnäytetyön nimi Cultural challenges for Finnish SME's when breaking into the U.S. market</p>	<p>Sivu- ja liitesivumäärä 68+18</p>
<p>Ohjaaja tai ohjaajat Korttilalli, Leena</p>	
<p>Tämän opinnäytetyön aiheena ovat yhdysvaltalaisen ja suomalaisen liiketapakulttuurin erot sekä miten ne vaikuttavat suomalaisten pk-yritysten kansainvälistymiseen Yhdysvalloissa. Tutkimus keskittyy erityisesti markkinoille murtautumisen vaiheeseen. Tavoitteena on tuottaa arvokasta tietoa suomalaisille pk-yrityksille, jotka suunnittelevat vientiä Yhdysvaltain markkinoille, sekä pohtia mahdollisia ratkaisuja prosessissa esiintyviin ongelmatilanteisiin.</p> <p>Opinnäytetyön teoriapohjana käytettiin kulttuurin osalta Geert Hofsteden ja Fons Trompenaarsin kulttuuriteorioita ja näiden pohjalta vertailtiin Suomen ja Yhdysvaltojen yrityskulttuureja. Kansainvälistymisen teoriana käytettiin Uppsala-mallia sekä muita laaja-alaisia lähteitä jotka käsittelevät yritysten kansainvälistymistä.</p> <p>Kvalitatiivinen tutkimus tehtiin vuoden 2014 kevään aikana ja tutkimusta varten haastateltiin viittä liike-elämässä toimivaa ja Yhdysvaltain liiketapakulttuuria hyvin tuntevaa henkilöä. Haastateltavista henkilöistä kolme on toiminut suomalaisissa pk-yrityksissä jotka ovat toimineet Yhdysvaltojen markkinoilla. Kaksi haastateltavista toimii Suomen Yhdysvaltain suurlähetystön kaupallisella osastolla. Haastattelun tyyppinä oli teema-haastattelu, jonka rakennetta muokattiin kutakin tapausta varten sopivaksi. Neljä haastatteluista tehtiin kasvotusten ja yksi sähköpostitse.</p> <p>Tutkimustuloksista kävi ilmi, että suurimmat haasteet suomalaisille yrityksille Yhdysvalloissa liittyvät rohkeuteen, sosiaalisiin taitoihin ja markkinointiin. Tuloksista kävi myös ilmi, että segmentointi on Yhdysvaltain kaltaisessa valtavassa maassa ensiluokkaisen tärkeää. Henkilökohtaiset suhteet ja verkostot ovat erittäin tärkeitä Yhdysvalloissa ja ilman niitä on hyvin vaikeaa menestyä. Osavaltioiden välillä ilmenee suuria eroja liiketapakulttuurissa. Kaikki haastateltavat korostivat erityisesti positiivisen ”go for it” -asenteen ja yritteliäisyyden tärkeyttä. Tuloksista kävi ilmi, että Yhdysvallat on kokonaisuudessaan kulttuuriltaan lähellä Suomea ja suomalaisen yrityksen on helpompi menestyä siellä kuin esimerkiksi Kiinan tai Venäjän markkinoilla.</p>	
<p>Asiasanat Yhdysvallat, kansainvälistyminen, kulttuuri, ulkomaankauppa, vienti</p>	

<p>Authors Tuuka Rinne & Heli Somerharju</p>	<p>Group or year of entry 2010</p>
<p>The title of thesis Cultural challenges for Finnish SME's when breaking into the U.S. market</p>	<p>Number of pages and appendices 68+18</p>
<p>Supervisor or supervisors Korttilalli, Leena</p>	
<p>The topic of this thesis is the difference between Finnish and American business cultures and what challenges they bring to Finnish small-and medium sized enterprises that are trying to break into the U.S. market. The objective of this research is to produce valuable information for Finnish SMEs that are planning exporting to the U.S. and to discuss possible solutions to the problems that might occur during that process.</p> <p>The theoretical framework of the thesis was structured by using the cultural dimension theories of Geert Hofstede and Fons Trompenaars and using them as a basis for analyzing Finnish and American business cultures. The Uppsala-model was used to describe a SME's internationalization process in theory. In addition other extensive sources were used to discuss a company's internationalization process.</p> <p>The qualitative study was executed during the spring of 2014. For the study, several people that were operating in business and were familiar with American business culture were interviewed. Three of the interviewees had been working in a Finnish SME that had succeeded in breaking into the U.S. market. Two of the interviewees work at the U.S. Commercial Service at the Embassy of the United States of America in Helsinki. The interviews were theme interviews, which were adapted to fit each specific case. Four of the interviews were conducted face to face and one by e-mail.</p> <p>The study results showed that the biggest challenges for Finnish SMEs in the U.S. are lack of courage, social skills and marketing. The results also showed that in an enormous country like the U.S., segmenting is of vital importance. Without personal relationships and networks it is extremely difficult to succeed. One should also remember the cultural differences between different states. All interviewees highlighted the importance of a positive "go for it" –attitude and an entrepreneurial spirit. The results showed that in general, the American business culture is close to the Finnish business culture and that Finnish companies find it easier to succeed there than for example in the Russian or the Chinese market.</p>	
<p>Key words United States of America, internationalization, culture, trade, exporting</p>	

Table of Content

1	Introduction.....	1
1.1	Background of the thesis.....	1
1.2	Objectives of the Research	2
1.3	Research question.....	2
1.4	Key concepts.....	4
1.5	Trade relations between the U.S. and Finland	6
2	Internationalization of small and medium-sized enterprises.....	9
2.1	Internationalization theory of SME's	9
2.2	Market entry modes	12
3	The U.S. market and business culture	16
3.2	Business culture in the United States of America.....	21
3.3	Hofstede's cultural dimensions theory	24
3.4	Trompenaar's seven dimensions of culture theory.....	28
3.5	Overview of theory	30
4	Implementation of empirical research.....	33
4.1	Research question and objective	33
4.2	Research target.....	34
4.3	Research method.....	36
4.4	Collection of data	38
4.5	Interview framework	39
5	Results.....	42
5.1	Background variables.....	42
5.2	Interview results	42
6	Conclusions.....	53
6.1	Reliability and validity of the study	53
6.2	Proposals for action.....	54
6.3	Research limitations and future research	57
6.4	Self-evaluation.....	59
	List of Sources:.....	63

1 Introduction

In this chapter the subject and background of the thesis is introduced. The objectives of the research, the research question and key concepts are defined. Also there is a brief introduction to trade relations between Finland and the United States of America.

1.1 Background of the thesis

The subject of this thesis is "*Cultural challenges for Finnish SME Companies when breaking into the U.S. market*". The subject was chosen due to the attractiveness of the U.S. market to Finnish companies, the evident problems that Finnish companies face there and due to the contacts gained by Ms. Somerharju during her internship with the U.S. Embassy in Helsinki.

The thesis subject complements our studies in the field of international business and our personal interest in the selected country and its culture. The subject links to the broader problem of getting Finnish SME's to expand abroad and especially to enter the American market.

In the past year the amount of Finnish SME's trying to break into the U.S. market has increased rapidly as the U.S. market shows promising signs of recovery. The American Chamber of Commerce in Finland has noticeably increased its member count in the past year as Finnish companies yearn to get a piece of U.S.'s newly found success. However, penetrating the U.S. market is not an easy task due to the geographical and cultural diversity and as everyday tasks such as opening a bank account may turn out to be surprisingly complicated. (Niskakangas 2013.)

The study will be a qualitative interview -study. The approach was chosen so as to maximize the use of personal contacts and due to the relatively small amount of literature on Finnish-American cultural differences.

In this chapter the objectives of this study and the research question will be defined. Key concepts vital to this study, such as culture internationalization and SME, will also be explained.

1.2 Objectives of the Research

The main goal of this thesis is to identify the key challenges presented to Finnish SME companies when trying to break into the U.S. market and to present solutions to these challenges. Key findings will include major differences in American and Finnish business cultures and common obstacles for Finnish SME's when trying to break into the U.S. market. The strengths and weaknesses of Finnish SME's internationalization process will be discussed and the aim is to present practical solutions to overcome these obstacles.

This thesis will provide value to Finnish SME companies that are in the act of planning or entering the U.S. market by giving examples of why some companies have failed and others have succeeded. The ultimate goal would be to help and encourage Finnish SME companies to successfully enter the U.S. market and give them valuable information of the biggest economy in the world.

The value to the writers is that they will get to know the processes of extensive research and writing theses and also broaden their knowledge on the concepts of international business and the U.S. market.

1.3 Research question

The thesis is a study and the main research question is as follows:

What cultural challenges a Finnish SME company might face when breaking into the U.S. market?

Sub questions include the following issues:

What are the major differences in business culture?

What are the most common obstacles that Finnish SME companies face when trying to penetrate the U.S. market?

What are the strengths and weaknesses of Finnish companies from an American point of view?

What factors could help to overcome these obstacles?

The table 1 below presents the matrix overlay for the thesis. The matrix overlay is used to help to build the structure of the thesis. It also helps to delimit the theoretical framework and describes the connection between the theory and the empirical part. Overall it demonstrates the validity of the study.

Table 1. Matrix overlay

Research question	Framework	Results
What are the major differences in business culture?	3.2-3.4	5.2, 6.1-6.3
What are the most common obstacles that Finnish SME companies face when trying to penetrate the U.S. market?	1.5, 2.1-2.2, 3.1	5.2, 6.1-6.3
What are the strengths and weaknesses of Finnish companies from an American point of view?	2.1-2.2	5.2, 6.1-6.3
What factors could help to overcome these obstacles?	3.3-3.4	5.2, 6.1-6.3

1.4 Key concepts

In the following chapter, key concepts relating to this study are explained. The concepts are culture, internationalization strategy and SME.

Culture

Culture is a tricky world to define as it has many varied meanings and dimensions, and is not something that can be made evident by scientific methods. Most people associate culture with habits such as manners, food, clothing and appearance but it can also be understood as something much more complicated than that.

Culture can be described as a “shared system of meanings”. (Hoecklin 1995, 24.) Culture is a learned and collective experience where a group of people share the same values, norms of behavior, attitudes and meanings. Culture is not something that is inherited through birth, nor can it be categorized as right or wrong. According to one of the most well-known theories focusing on culture, Hofstede’s cultural dimensions theory, culture can be divided into four dimensions; power distance, uncertainty avoidance, masculinity/femininity, and individualism/collectivism. (Hoecklin 1995, 24-25; Boyacigiller, Goodman & Phillips 2003, 14.)

Table 2. Major cultural elements. (Czinkota, Ronkainen& Moffett 2005, 40)

Cultural elements	
Manners and customs	Aesthetics
Language	Religion
Material elements (nonverbal/verbal)	Education
Social institutions	Values and attitude

In the above table 2 are presented the eight major cultural element.

Internationalization

There is no official definition for the term internationalization but it is commonly described as “the growing tendency of corporations to operate across national boundaries.” (Business Dictionary, 2014.) Or as “an approach to designing products and services that are easily adaptable to different cultures and languages.” (Business Dictionary, 2014.)

Internationalization is not to be confused with globalization. Internationalization implies more cross-border transactions but not a fundamental shift in economic organization principles whereas globalization is interpreted as an economic space with no borders. (Johnson & Turner 2003, 9-10.)

Traditionally it has been thought that companies internationalize gradually and evolutionarily depending on their age, size, learning experience and innovative activity. However, in today’s international world more and more companies identify themselves as *born globals* that start exporting within a few years of their birth. (Eurofound 2012, 9.)

SME

The term SME refers to small and medium-sized enterprise. Companies are generally categorized into four groups based on their turnover and the size of staff; micro-enterprises, small enterprises, medium enterprises and large corporations/multinational enterprises. (European Commission 2013.)

The criteria for classifying the size of an enterprise differ depending on the country. According to the European Commission for a company to be labeled as an SME, the number of employees must not exceed 250 and the company’s turnover must be under 50 million euros. In the United States however, a company can employ up to 500 people and be labeled as an SME. (Daniels, Radebaugh & Sullivan 2011, 849.)

In Finland a staggering 99, 8 percent of all enterprises can be categorized as SME's and they accounted for 53 percent of total turnover of the Finnish industry. In 2012, there were 319 014 small enterprises and 2 548 medium-sized enterprises operating in Finland. According to the Confederation of Finnish Industries, Finland has significantly less international companies than most EU-countries and only 10 percent of Finnish SME's are planning to internationalize their operations in the future. (Findicator/Statistics Finland 2013; Confederation of Finnish Industries 2013.)

SMEs are often considered invaluable to the global economy due to a variety of factors. Their role as a seedbed for the development of entrepreneurship and contribution to employment due to their often work-intensive nature as well as their capacity for innovation, although the latter has been difficult to prove methodologically. (Johnson & Turner 2003, 127.)

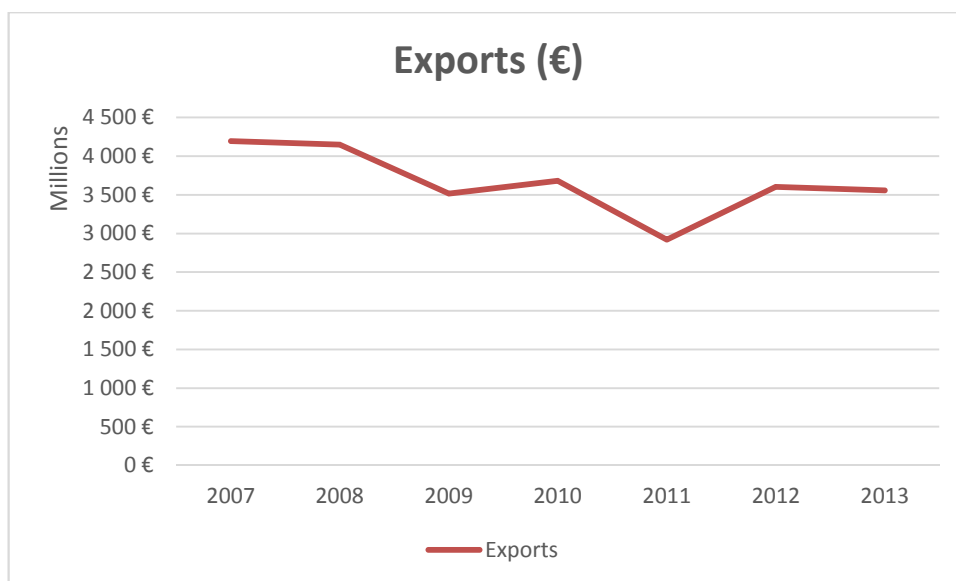
1.5 Trade relations between the U.S. and Finland

As Finland is a member of the EU, all trade agreements between Finland and the U.S. are, under the treaty system of the World Trade Organization, treaties between the EU and the U.S. This is due to the fact that the EU has uniform tariffs in relation to the rest of the world. It should also be noted that as two of the biggest and most advanced economic areas, the trade relations and treaties between the two entities have global ramifications. (Kotilainen, Kaitila, Nikula&Suni 2009, 70-71.)

Overall the American share of Finnish exports between 1964 and 2007 has fluctuated between 3% and 9, 5%. In 2007 the U.S. was the fourth most important export country for Finland with an overall value of exports of 4, 2 billion euro and the most important country outside the EU. In 2013 the U.S. was still the fourth most important export country for Finland, but the value of exports had dropped to 3, 5 billion euro. (Tilastokeskus 2014, Kauppa.)

In relation to the geographical distance between the countries, Finnish exports to the US are out of proportion. (Kotilainen et al. 2009, 76.)

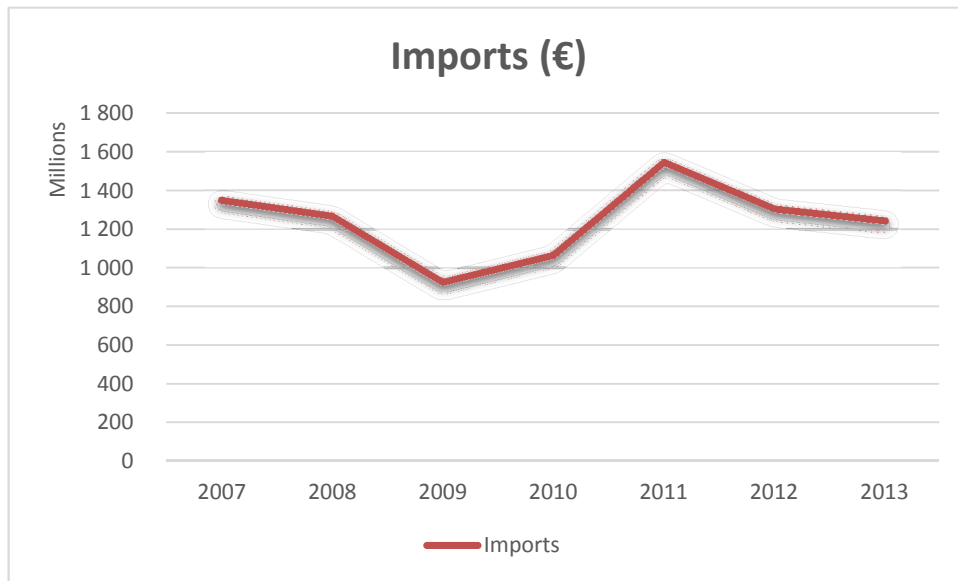
Table 3. Finnish exports to the U.S. from 2007 to 2013. (Tulli 2014.)



From the table 3 above it can be seen that Finnish exports to the U.S. have been declining since the advent of the financial crisis in 2008. Whereas other regions have been able to stop the decline and achieved rising exports, the euro crisis and struggling economy has prevented Finland from joining that rise.

The U.S. share of Finnish importing was in 2007 3, 4% with a value of 2 billion euro. There are eight countries that import more to Finland than the U.S. However this statistic does not reveal the complete picture, as many American companies export to Finland from countries other than the U.S. It is relatively safe to assume that this phenomenon is more pronounced in Finnish imports than exports. Ever since 1992 Finland has been a net exporter in its trading with the U.S. (Kotilainen et al. 2009 76.) In 2013, the U.S. share of Finnish importing came in at sixth, with 1, 9 billion euro.

Table 4. Finnish imports from the U.S. from 2007 to 2013. (Tulli 2014)



The effects of financial crisis, the recovery boom and prolonging Euro crisis can be seen in the table 4 above. American imports first declined sharply, followed by a booming rise in 2011 as the American market recovered. However the prolonging financial crisis in the Euro zone has stifled the growth of imports to the region.

Among the most notable product groups in Finnish exporting to the U.S are the different products of the Finnish forestry industry; paper, cellulose and cardboard in their respective different forms. 30% of all Finnish petrochemical exports are directed at the American market and a whopping 60% of passenger ships are exported to the U.S. Mobile phones, a segment that has traditionally been dominant in Finnish exports is a notable absentee in the list of most exported products to the U.S. This is due to two things. Firstly Nokia's market share in the U.S has throughout history been drastically lower than in the rest of the world, including during Nokia's heyday. Another fact is that those products that were exported to the U.S by Nokia were exported from other countries. (Kotilainen et al. 2009, 77-81.)

2 Internationalization of small and medium-sized enterprises

In the first part of this chapter the most dominant theories for a company's internationalization process are explained. The focus is on internationalization theories that can be applied to small-and medium sized enterprises. In the second part, the different types of entry modes through which a company can enter a foreign market are introduced.

2.1 Internationalization theory of SME's

Until a few decades ago only large companies could be called multinational. Today however, the global marketplace is as viable place to operate as the local marketplace for small companies as well. Due to the accessibility of internet and the interdependency of world's economies, companies of all sizes can engage in trading on the international stage. A study on medium-sized companies found that 56% of CEOs see globalization as a possibility rather than a threat. Globalization can even be seen as being advantageous to SMEs as it creates more and more of niche markets that the SMEs can utilize faster than bigger competitors. (Scarborough 2012, 390; Scarborough 2012 395.)

In the below figure 1 we can see the different stages of a company's internationalization according to the Uppsala model. According to the Uppsala model companies start exporting with ad hoc arrangements. Later these arrangements would be formalized through deals with intermediaries. Later as sales grew, agents would be replaced by companies own sales organizations. Eventually this would lead to manufacturing in the export market. This process is called the establishment chain. Other factors that rise to the fore in the Uppsala model are psychic distance, which represents the factors that make it easy or difficult for companies to operate in their target areas. High psychic distance leads to high liability of foreignness which in turn means that it is more diffi-

cult to achieve success in the market in question. (Johanson & Vahlne 2009, 1411-1412.)

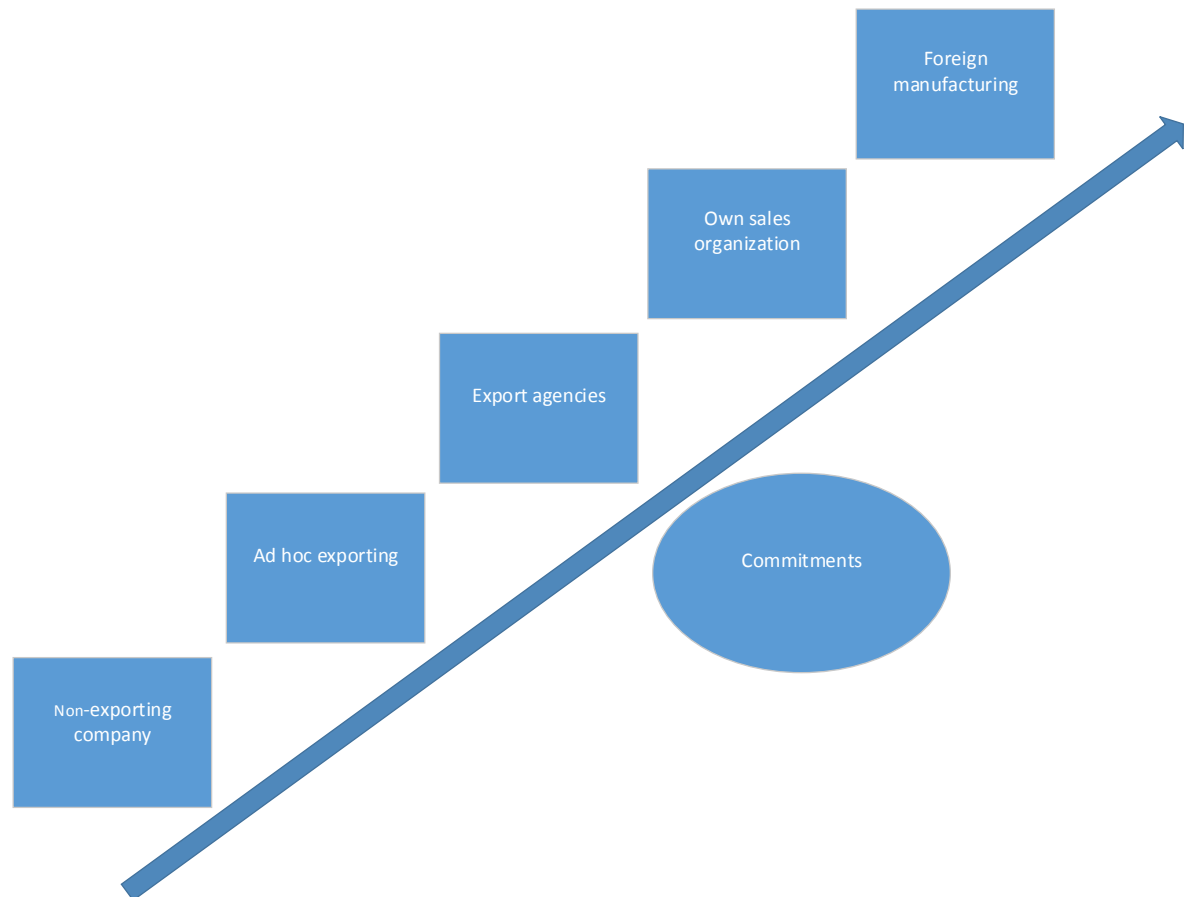


Figure 1. Stages of internationalization.

Psychic distance is formed by the similarities and differences between the exporter's home market and the export market. Language, culture, educational level, political system and level of development are just a few examples of the influencing factors. Psychic distance often correlates with physical distance, but this is not always the case. For example the UK and Australia are close when measured in psychic distance, but very far in physical distance. (Johnson & Turner 2003, 113-114.)

The Uppsala model also presented two change mechanisms. First that companies change through learning from their earlier experiences of operating in foreign markets.

Second that the companies change through commitments made to strengthen the company's position in the foreign market. The Uppsala model leaves the matter of the nature of the commitments open. Acquiring these commitments and knowledge needed to be successful takes time. This explains why companies rarely make quick and expensive ventures into previously unknown markets as successful moves into markets that are more distant in psychic terms require incremental approach. (Johanson & Vahlne 2009, 1412.)

However it must be noted that commitments do not always continue their rise. They can diminish or stall if the prognosis does not seem desirable for the company. Only in those cases that the next stage looks promising, does the company seek to add commitments and therefore approaches the next stage of internationalization. (Johanson & Vahlne, 2009, 1412.)

Cases where the Uppsala model may fail include situations where a company has already extensive knowledge of an export market. Thus follows that another market, with low psychic distance from the market that the company is already well established, is approachable without the gradual investments described by the Uppsala model. This does not mean that the model is useless, rather that it is not universal. The most important factors that can be learned from the Uppsala model are that companies are more likely to seek international business opportunities when they have some experience from them. Another is the matter that most companies engage in international trade in a way that compels them to invest more deeply in the trading. Lastly, the view that internationalization is a multiple-stage process. The exact number of stages and their exact nature are less important as they may vary from company to company. (Johnson & Turner, 2003. 114.)

Besides the traditional exporting companies, a new breed of companies, called *born globals*, have emerged within the last 20 years. For example Norwegian companies founded in the 1970s took approximately 27 years to start exporting activities, while companies found in the 1980s took on average two years to start exporting. In the 21st century up to 50 percent of Nordic start-ups were exporting within two years of their

birth. This substantial development was enabled by rapidly advanced information technology and globalization. The company sets from the beginning the whole world as its operating market place. The specific criteria for a born global vary, but usually exporting starts within five years from their inception. (Eurofound 2012, 9, 11, 13.)

2.2 Market entry modes

When planning to enter a foreign market, choosing the right entry mode is the key to success. The right entry mode should complement the company's competitive advantage and product line in the long run. When choosing an entry mode the company needs to determine how intense its presence will be and how much resources will be committed to the new target market. How to maintain control over the company's assets and decision making process? And what about targeted profits and expected expenditures? (Vahvaselkä 2009, 71.)

When choosing a market entry mode, the decision is affected by the company's internal factors and external factors. Internal factors such as products, strategy, vision, size, financing and human resources are all related to the company itself and its products. External factors affecting the decision are the size of the target market, business environment, risk factors, micro-and macro environment and the facility of entering the market. Market entry modes can be divided into three categories; export entry modes, investment entry modes and contractual entry modes. (Vahvaselkä 2009, 71-73.)

According to Scarborough (2010, 395) there are nine specific approaches available for SMEs when planning internationalization. These include creating a web presence, relying on trade intermediaries, establishing joint ventures, foreign licensing, international franchising, countertrading and bartering, exporting, establishing international locations and importing and outsourcing.

Earlier companies went international incrementally, after establishing strong positions in domestic markets. Nowadays companies can aim directly at global markets through internet. By creating a low-cost web presence a small company can reach customers all

over the world 24 hours a day, rendering time zones and opening hours meaningless. However it is not even necessary to have one's own website, as companies can achieve their international customers through services like eBay. (Scarborough 2010, 396-397.)

When a company decides to internationalize through an *export entry mode*, the product is manufactured domestically and is exported to the target market directly or by using a middleman. In *direct exporting* the company has a middle man in the target country such as an importer, retailer or an agent but they handle all the exporting procedures by themselves. The key to a successful strategy with a trade intermediary is first to choose the right kind of intermediary, and second to maintain close contact with chosen party in order to avoid problems. In direct exporting it's vital to have a sufficient amount of market data on the target market and have a reliable middle man. When using an *own export*, the company sells the products straight to its foreign customers, which requires high investments and travelling often to the target country. One rising area of *own exporting* is e-commerce. In *indirect exporting* the company has a limited role in the export process and is mainly involved in the manufacturing of the product. All exporting procedures are handled by an outside exporting organization, an agent or by an export group, formed by many different companies. (Vahvaselkä 2009, 73-74, Scarborough 2010, 397-400.)

Advantages of the *export entry mode* include relatively low financial risk and having the opportunity to acquire important market information and data. Restrictions on foreign investments can be avoided and entering the market can be done progressively thus avoiding the most prominent risks. Disadvantages can occur in problems with logistics and trade barriers such as tariffs and non-tariff barriers. Disagreements and misunderstandings can occur with the foreign distributors and local law may not protect the exporter. (Griffin &Pustay 2010, 365.)

Contractual entry mode includes licensing, franchising, contract manufacturing, turnkey projects and strategic alliances. In international *licensing* a company purchases rights to

another company's intellectual property such as a product, patent, technology, a brand or a trademark. In return the licensor receives a down payment, one-off payment or a royalty. In international *franchising* the franchisor sells an entire concept of business, allowing the franchisee to use their name, trademark and intellectual property for a certain fee and royalties. Franchising is a fast and efficient way especially for companies operating in the service sector, to quickly expand their businesses even with small resources. (Vahvaselkä 2009, 75-76.)

In *contract manufacturing* the company outsources their product manufacturing to other companies, in order to focus on other business operations such as marketing and sales. *Turnkey projects* usually involve demanding, long-term projects such as nuclear plants or airports, where the company designs and builds a facility and then returns the project to the original purchaser. (Griffin & Pustay 2010, 377, 379.)

Strategic alliances are long-term joint ventures formed by companies that have similar interests in the target market. They can co-operate to intensify for example marketing, research and development, investments and logistics. (Vahvaselkä 2009, 77.)

As Scarborough says (2010, 402), "A productive joint venture is much like a marriage, requiring commitment, trust, and understanding". As it follows, the most important factor in making a joint venture work is to choose a right partner. It is however important to make a plan in case the joint venture fails, as most ventures eventually do. Most often the failure is due to a bad selection of partners, conflicting business cultures and lack of trust between partners. (Scarborough 2010, 400-402.)

The advantages of both *licensing* and *franchising* include low financial risks and an economical way to acquire market information and to assess its future potential. These entry modes allow avoiding barriers to trade and investment. (Griffin & Pustay 2010, 365). According to Scarborough (2010, 403) foreign licensing is a good option when the company's strengths are in intellectual properties, and it requires next to none capital investment. Scarborough (2010, 403) also says that licensing can be done with phys-

ical products, but it has a very high potential when it comes to processes, copyrights, technology etc. A franchisee however, has access to more control of its business than a licensee. Disadvantages for both include limited profits and expanding opportunities. Both are also subject to conflict with the franchisor/owner and can be overly dependent on them. (Griffin & Pustay 2010, 365.)

Contract manufacturing also poses a low financial risk but again reduces control and has caused public image issues for many large corporations blamed for poor working conditions and other social problems. *Turnkey projects* allow the firm to focus on its key expertise and to avoid long term risks, but there are big financial and operational risks in this entry mode as it is common that costs are overrun and construction is delayed. (Griffin & Pustay 2010, 365.)

Foreign direct investment (FDI) is utilized when companies prefer to enter a new market by gaining ownership and control of new assets. FDI can occur as a green field strategy, acquisition or by setting up an international joint venture. FDI differs from a portfolio investment as it aims to gain decision power over the company. FDI is the most demanding, complex and high-risk entry mode, but it also has the highest profit potential and allows total control of the company's assets. ((Griffin & Pustay 2010, 380-382, 365.)

3 The U.S. market and business culture

This chapter will discuss the U.S. market and business culture. First there is a brief analysis on the political, economic, social, technological, legal and environmental environment of the United States. Then there is a look at American business culture and a comparison of Finnish and American business cultures, using the cultural dimension theories of Geert Hofstede and Fons Trompenaars. Lastly, there is an overview of the entire theory of the thesis.

3.1 PESTLE

PESTLE analysis is a tool used to form an overall picture of the target area or operating environment. PESTLE is a quick mnemonic for looking at a region from multiple angles. Depending on the reason and situation of the user, the details of PESTLE may vary, but the overall structure and idea remains universal. (PESTLE Analysis 2014.)

Political

The U.S. Parliament has a bi-cameral system. It consists of the House of Representatives and the Senate. The House of Representatives has 435 members, 200 democrats 233 republicans 2 vacant, and the Senate has 100 seats, with the democrats holding 53, republicans 45 and two unaffiliated. (Ministry for foreign affairs of Finland, 2013.)

The American political system is strongly based on the Presidents wielding executive powers. A person can be elected president maximum two times, with each term lasting four years. The Presidents power is enhanced by the fact that the U.S. lacks a cabinet in a way that Finns are used to, neither is there a prime minister. Instead of a cabinet formed by the leading party of the Congress, the President picks his own cabinet, which then must be approved by the Congress. (Nieminen & Väyrynen 1999, 267.)

The U.S. has two major political parties, the Democratic Party and the Republican Party. The Republican Party leans towards more conservative values, whereas the Democrats are considered as more liberal. From a Finnish point-of-view both parties are of similar mold. Both support free market economy, which is the foundation of the American politics and economy. To be elected in America, the candidate needs to have large economical input into commercials etc. This gives lobbyists, interest groups and companies' high leverage as they can choose to finance candidates that advance their interests. This in turn leads to a situation where many elected politicians have debts of gratitude to the companies and interest groups that got them elected. (Nieminen & Väyrynen 1999. 269-271.)

Economical

The United States is the single biggest economy in the world with a GDP per capita of \$49 800, compared to the Finnish equivalent of \$35 800. The United States is overall more market oriented and flexible environment to business than its counterparts in Western Europe through less oversight when it comes to e.g. cutbacks in workforce. This however works both ways; it is relatively easier for a foreign company to expand to the USA than for an American company to expand abroad. (Central Intelligence Agency 2014a, 2014b.)

By far the biggest contributing sector to the US economy is services with an estimated 79, 7% share of overall GDP. Industry comes second with a 19, 2% share with agriculture responsible for the remaining 1, 1%. Each of the three aforementioned sectors is highly diversified, with no one product or produce being pre-eminent over others. (Central Intelligence Agency 2014a.)

Main export is capital goods with an overall share of national exports of 49%. The three main export partners are Canada, Mexico and China with shares of 18, 9% 14 % and 7, 2% respectively. Main importers are the same three countries with China leading with a share of 19%, Canada second with 14, 1% and Mexico third with 12%. (Central Intelligence Agency 2014a.)

Corporate tax rates in the U.S are at 35 % the second highest in the world after Japan's 39, 5 %. However due to a range of tax breaks and loopholes in the tax legislation, unavailable in most other countries, most American companies pay on average almost similar taxes when compared to competitors in other industrial countries. Some companies however use the aforementioned breaks and loopholes so as to pay far less than their competitors, both inside and out of the United States. A Government Accountability Office study showed that up to 55 % of companies in the U.S paid no federal income taxes at all at least one year during a 7 year period. Some companies achieved an effective tax rate of 15 % (The New York Times 2011.)

Social

The three biggest ethnic groups in the U.S are Caucasian (77, 9%) Hispanic (16, 9%) and African American (13 %). Smaller ethnic groups include Asian and Native American to mention a few. The ethnic group with biggest growth is Hispanic, with a growth of 32 percentage points while the overall population growth was 4, 3 percentage points. (Ministry for foreign affairs of Finland, 2013.)

The U.S has a separation of church and state and there is no official state religion. However Christianity and its many forms is by far the biggest religion in the U.S, with 51, 3% Protestants and 23, 9% Roman Catholic of the general population. The biggest non-Christian affiliation are the Mormons and Jewish each having a 1, 7% share of the general population. (Ministry for foreign affairs of Finland, 2013.)

Technological

Globally the U.S ranks first in internet hosts, second in internet users and telephone main lines and third in mobile phones. (Central Intelligence Agency 2014a). The United States were able to reach this technological advantage during the latter part of the

20th century due to its competitive advantage of the most developed and largest domestic market. This led to a situation where if a company succeeded in the U.S., it could in effect succeed in almost any other country. (Kirkpatrick, D. 2007.)

The U.S. has been promoting technological advancement since 1976 through the Office of Science and Technology Policy (OSTP). The OSTP's mission is to ensure that the policies of the Executive Branch are based on sound science and technology. Strategic goals for the OSTP include e.g. to ensure that Federal investments in science and technology make the greatest possible contribution to economic prosperity, public health, environmental quality, and national security and to keep up important professional and scientific relationships between government officials, academics, and industry professionals. (The White House 2014a.)

Legal

The American legal system is quite complicated when compared to the Finnish system. The U.S. Constitution gives certain powers to the federal government, and all remaining power remains with the states. This leads to a situation where each of the 50 states has their own legal codes, courts and constitutions (Federal Judicial Center 2005, 1). This can make it difficult for a company to make certain that all relevant legislation is followed.

The Federal Courts are structured in three tiers. Lowest is the Trial Courts. These include 94 judicial districts and the U.S Bankruptcy court. Included in the Trial Courts are two separate entities, the U.S Court of International Trade and the U.S Court of Federal Claims. Both of these have nationwide jurisdiction in their respective specialities. The U.S Court of International Trade is involved in cases related to international trade and customs issues. The U.S Court of Federal Claims on the other hand is responsible e.g. for disputes over federal contracts. (United States Courts 2014a.)

Above these Trial Courts are the Appellate Courts. These courts hear appeals from the district courts, including the Court of International Trade and the Court of Federal Claims, and also appeals from decisions of federal administrative agencies. The final level of federal courts is the Supreme Court of the United States. The Supreme Court hears cases that have already been subject to decisions in the lower levels of federal court system. Usually the cases the Supreme Court decides to hear are cases related to the Constitution or Federal law. The Supreme Courts' decisions are unappealable. (United States Courts 2014a.)

The State Court system varies from state to state but overall they usually have specialized courts that handle specific legal matters. Often the final level of courts in states are their respective supreme courts. Some states have a three level approach to courts, but not all. Most cases that begin in the state system remain there, but some cases can be appealed to the U.S. Supreme Court even after the state supreme court has ruled on it. (United States Courts 2014b.)

The Federal Court System handles e.g. cases involving bankruptcy and cases involving the laws and treaties of the U.S., whereas The State Court System is involved in criminal cases, most contract cases and tort cases. (Federal Judicial Center 2005, 1-2.)

Environmental

The U.S. Environmental Protection Agency's (EPA) Strategic plan for fiscal year 2014-2018 gives the following goals: (EPA 2014.)

- Climate change and improving air quality
- Protecting America's waters
- Cleaning up communities and advancing sustainable development
- Ensuring the safety of chemicals and preventing pollution
- Protecting human health and the environment by enforcing laws and assuring compliance.

Currently the Obama Administration has authorized nearly \$11 billion in funding for environment protection and technology (The White House 2014b.). The approach to

environmental policies is expected to harden with the appointment of a new White House counselor John Podesta, whose approach is seen by some to represent “a radicalized approach to environmental issues by the administration that will cost jobs.” The administration has made environmental issues one of the political cornerstones of policy in 2014. (The Washington Post 2014.)

3.2 Business culture in the United States of America

In the following subchapter aspects of American business culture will be discussed. Keeping in mind that U.S. is both geographically and culturally an extremely diverse country, only the most prominent aspects of business culture will be considered.

For most people, the term *American* raises strong images and stereotypes, both in business and in personal life. A stereotypical American is often described as competitive, energetic, optimistic, egoistic, risk taking and even vulgar or pushy (Frazier & Haigh 2004, 145). These characteristics are the almost exact opposite of what one might call a stereotypical Finn; modest, low-key and not keen on taking risks.

For Americans, winning is everything and they are willing to take risks to achieve their very own “American dream”. Hard work is one of the core American values and is valued regardless of gender, race or religion. The minimum work load per week is 40 hours, but work weeks can stretch up to 60 hours or more. A typical American enjoys only a week of paid holiday per year. Unlike the Finns, Americans value risk taking and the fear of failure is much smaller. People who try their best and fail are more valued than people who settle for a standard. Comebacks are also highly embraced in American culture and it’s not unlikely for an entrepreneur to start up a business even after several bankruptcies. (Frazier & Haigh 2004, 145-147; Nieminen & Väyrynen 1999, 177, 179-180.)

The concept of time is similar to Northern Europe, punctuality is valued and meetings usually start on time, with slight variations depending on corporate culture. Being late is generally not accepted, unless the person in question has been stuck in traffic. If running late, one should always call in advance and apologize. When doing business with Americans, it's typical that they are impatient and decisions are rushed in order to see fast results. As competition in the market is extremely high, new products must be launched as quickly as possible to gain market advantage over competitors and to bring fast profits. Americans live very much in the present and pursuing a long-time contract with them can sometimes be a challenge. (Nieminen & Väyrynen 1999, 177-178.)

Americans have a surprisingly strict hierarchical system at the work place, which might seem surprising as people are typically friendly, informal and direct. Chief Executives are greatly respected and information travels from top to bottom. Orders are usually given straight from the management and they also take on more responsibility than their Finnish equivalents. It is not common for employees to criticize or give improvement suggestions straight to management. Foreigners should remember to always bring out the positive aspects of the company instead of pointing out the flaws, even though it might be more beneficial for the company in the long run. ((Nieminen & Väyrynen 1999, 182-183.) It should be remembered however, that hierarchy and the relationship between management and employees varies greatly depending on corporate culture and geographical location.

The U.S. doesn't share the strict social etiquette of for example Japan or the Middle-Eastern countries, but some tips should be kept in mind when dealing with Americans. One of the most prominent aspects of American culture is the so called *small talk*, dreaded by many Finns. Small talk means light chatter about daily life and subjects such as weather, sports, news, family, hobbies and work. Subjects such as religion and U.S. foreign policy should be stayed clear off.

Negotiations and meeting should always start with small talk and it is also important to remember to smile, all the time. This might seem hypocritical or fake to some, as it doesn't necessarily mean that the person is smiling because they like you or what you

are doing. Instead smiling can often be used as a way to cover one's true feelings. (Frazier & Haigh 2004, 155-157.)

It is polite to start a conversation with the phrase "how are you?" When asked this question you should always reply with a simple "fine". Do not start to explain about your true feelings like your awful day trying to run errands as this is considered inappropriate. Also a firm handshake with direct eye contact is important to avoid being interpreted as untrustworthy or nervous. Americans are quite casual and quickly move to first name basis. Making remarks about small imperfections or lecturing is considered impolite. (Frazier & Haigh 2004, 155-157.)

Dress code varies depending on company, but typically a dark suit and a tie is preferred for men and a jacket and an over the knee-length skirt for women. Nowadays attitudes are changing and many companies, especially firms in the IT-sector, allow very casual dressing, such as jeans and a t-shirt. Also an eye-catching business card makes a good impression. (Frazier & Haigh 2004, 161.)

As stated before business culture can vary depending on geography or corporate culture. Generally in the East Coast people are considered to be more tough, cynical or even rude. They are also typically more liberal and less religious than their Southern and Western country men. A typical person from the West Coast is stereotyped as laid back, superficial and liberal. In particular Northern Europeans may face most cultural differences in the Southern parts of the U.S. People of the South are usually very conservative, patriotic and religious. The negative stereotypes linked to Americans such as prejudice, lack of knowledge on other cultures and their eagerness to start wars usually originates from the Southern states. However, the people of the South are also considered to be very friendly, generous and community orientated. (Frazier & Haigh 2004, 150-153.)

3.3 Hofstede's cultural dimensions theory

Geert Hofstede's cultural dimensions theory is perhaps the most well-known framework when observing how people's actions and behavior at the workplace are influenced by their national culture. Hofstede evolved his theory by analyzing data from a worldwide survey of employee values done by IBM between the 1960's and 1970's. In order to validate his study, he later went on to study the results of over 50 different countries and expanded his study target to airline pilots, students and civil service managers. (The Hofstede Center 2013, National cultural dimensions.)

In his original study, Hofstede argues that national culture can statistically be divided into four different categories; power distance (PDI), individualism versus collectivism (IDV), masculinity versus femininity (MAS) and Uncertainty Avoidance (UAI). Later on a fifth dimension, Long-Term Orientation (LTO), based on a study by Michael Bond and in 2010 a sixth dimension, Indulgence versus Restraint, based on the study of Michael Minkov were added to the cultural dimensions theory. (The Hofstede Center 2013, National cultural dimensions.)

Power distance describes the level of hierarchy in a certain country and the dependence relationships between bosses and their subordinates. Power distance is defined by looking at the perspective of a less-powerful individual in a society or workplace and determines how willing they are to accept the unequal distribution of power. (Hofstede, Hofstede & Minkov 2010, 60-31.) A society with small power distance aims for equality between individuals and prefers people with less power to be interdependent with people of high authority. In a society with large power distance however, inequality between people is expected or even desired. Less powerful people should be dependent on their superiors and high respect for authorities such as teachers and doctors exists. (Hofstede et al. 2010, 72.)

The dimension of individualism versus collectivism examines the level of group-orientation in a society. Simply put, in an individualistic society, people are from birth taught to think "I" versus the collective's "we". In an individualistic society it's "every

man for themselves”, meaning that individuals are expected to take care of themselves and their closest family only. In a collective society a strong group spirit exists and one is expected to take care of all relatives and particular in-groups. (The Hofstede Center 2013, Dimensions.)

A masculine society is similar to an individualistic one; achievement, competitiveness, success and material rewards are highly desired (The Hofstede Center 2013, Dimensions). Management style is often aggressive and decisive and people value money over leisure time. In a feminine society, softer values exist. At the workplace co-operation, relationships, security and equality are important and people also value leisure time over money. It is common for a feminine society to have a higher share of women employed at a professional level. (Hofstede et al. 2010, 139.)

Uncertainty avoidance describes a society’s ability to deal with the fact that the future cannot be predicted and that plans can change in a splinting second. In a society with strong uncertainty avoidance people work longer for the same employer, respect rules and regulations as well as punctuality. They are talented at implementing theories and have strong technical and scientific knowledge. However they come up with fewer inventions and lack in the research and development department. In a society with weak uncertainty avoidance people change workplaces more often and have a looser interpretation of rules. The concept of time is more flexible. Managers focus more on strategy and the decision process rather than the actual implementation. (Hofstede et al. 2013, 217.)

The dimension of long term orientation is based on the teachings of Confucius and observes how a society searches for virtue. Short-term societies are normative thinkers and are obsessed with discovering the absolute “truth”. (The Hofstede Center 2013, Dimensions.) They value traditions and are often religious and patriotic. Students in these countries show weak results in sciences and mathematics and success is associated with luck. Poor short-term countries often have weak economic growth.

Long-term orientated societies are pragmatic thinkers and value saving and education. Students are talented in concrete sciences. Poor long-term orientated countries have fast economic growth. (Hofstede et al. 2010, 275.)

Hofstede’s cultural dimensions theory has been criticized for assuming that cultures are homogenous, even though various ethnicities and religious groups can exist within a country’s borders. It has also been criticized for not having enough dimensions and not being relevant enough in today’s globalized world. (El-Azez Safi, A. 2010, 4-5.)

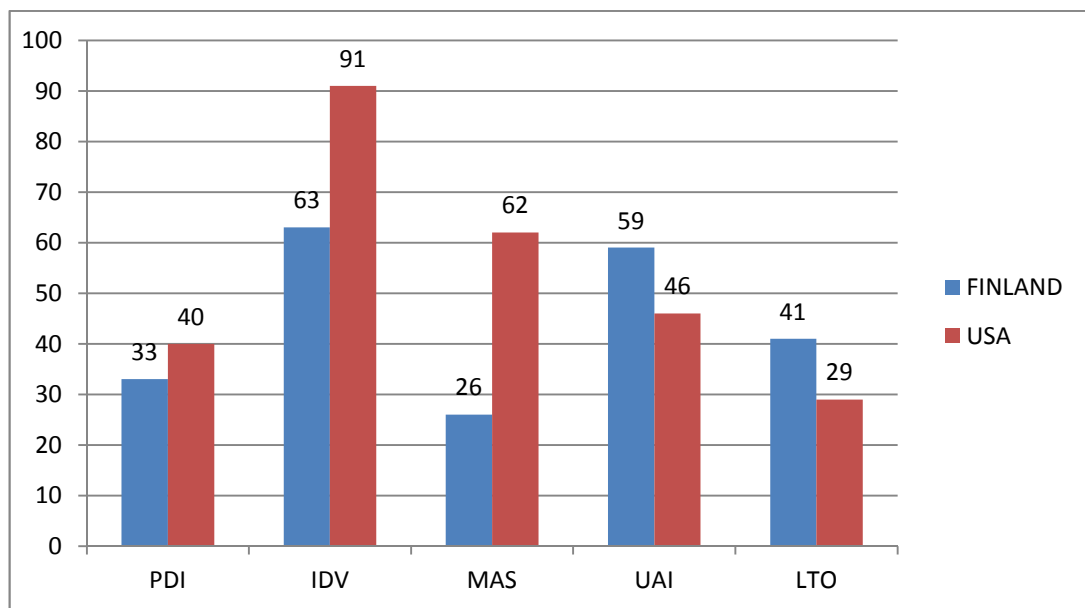


Figure 2. Comparison of national cultural dimensions of Finland and the U.S. (The Hofstede Center 2013, Countries: Finland versus United States.)

From the figure 2 above it can be concluded that the most significant differences between Finnish and American culture can be found in individuality and masculinity. On power distance, uncertainty avoidance and long term orientation, both countries score similar points.

Both Finland and the U.S. score low on power distance, which means they both prefer hierarchy for convenience only, equal rights for all and decentralized power. Communication between managers and employees is informal and information is shared openly. (The Hofstede Center 2013, Countries: Finland.)

Both countries can be categorized as individualistic societies, but with the U.S. scoring 91 points and Finland a much lower 63, the difference between the two is still staggering. The U.S. can be considered to be a highly individualistic culture, where “every man for himself” applies and people are expected to take care of themselves and immediate family only. People tend to think “I” rather than “We”. In the workplace, people are expected to show initiative and to be self-reliant. Recruiting and giving promotions is based on merits and experience, rather than personal relationships. (The Hofstede Center 2013, Countries: United States.)

The other clear difference between these two cultures can be found in the masculinity versus femininity dimension, with Finland scoring 26 points making it a feminine society and the U.S. scoring 62 points making it a masculine one. In Finland people prefer to have good quality of life and liking what they do, rather than money and success. One does not boast on status and it is not desirable to stand out from the crowd. In the masculine culture of the U.S., everyone wants to be the “best” and the “winner”, success is defined by accomplishments and money. It is said that Americans “live to work” and they will spend hours and hours of overtime at the office, if it means more money or a higher status. (The Hofstede Center 2013, Countries: United States; Finland.)

The U.S. is slightly more accepting of uncertainty, meaning that they are more accepting of innovations, new ideas and are more open to freedom of expression. They are also not as dependent on rules as the Finns. Thus they are usually better at innovation rather than implementation. Finns prefer strict codes for behavior and there is a need for rules and regulations. Security, punctuality and precision are highly valued in the Finnish society. (The Hofstede Center 2013, Countries: United States; Finland.)

Like the majority of Western societies, both Finns and Americans can be categorized as short-term orientated societies meaning that in the work place quick results are expected and employees work on short-term goals. Businesses measure their profits and losses on a quarterly basis and fast decisions are made based on this short period of time. (The Hofstede Center 2013, Countries: United States.)

3.4 Trompenaar's seven dimensions of culture theory

Fons Trompenaars released his seven dimensions of culture theory in 1998, after ten years of gathering data from a questionnaire sent to over 15 000 managers working in international organizations in 28 countries. The questionnaire consisted of different ethical dilemmas or contrasting tendencies with two alternative answers. Based on the answers he analyzed how national culture affects one's values and basic attitudes.

(ProvenModels 2013, seven dimensions of culture)

Based on the collected data, Trompenaars concluded with his partner Hampden-Turner that national culture can be divided into seven dimensions; universalism – particularism, individualism – communitarianism, neutral – affective, specific – diffuse, achievement – ascription, sequential – synchronic and internal – external control.

(Trompenaars & Woolliams 2003, 31.)

The dimension of universalism – particularism relates closely to Hofstede's uncertainty avoidance dimension. Universalists prefer to have a strict set of rules and obey them conscientiously in an organization, while particularism societies tend to consider the circumstances of the situation and personal relationships over law and rules. Both the U.S. and all the Nordic countries score high on universalism. (Trompenaars & Woolliams 2003, 33-35.)

Individualism versus communitarianism is also very similar to Hofstede's individualism versus collectivism dimension. It defines whether people prefer individual freedom and accomplishment over the interest of the group we belong to. Both the U.S. and Finland score high on individualism. (Trompenaars & Woolliams 2003, 47-48.)

Neutral versus affective explains the level of emotion which is accepted to show in a society, whether emotions should be controlled or expressed openly. Typically Western countries are categorized as neutral but the U.S. and the Nordics are actually placed in

the middle of these two extremes, with Asian countries such as China and Japan having the most reserved attitudes towards showing emotion. (Trompenaars & Woolliams 2003, 52-54.)

Specific versus diffuse investigates how much personal relationships affect doing business (high=diffuse, low=specific). Before starting a new project or sealing a new deal with a partner, does one require knowing their business partners beforehand or is the project itself more important than the personalities. Trompenaars points out that Americans tend to fall into the specific category. Although they are straightforward and very open, they still prefer to have their privacy. The English and Japanese for example prefer a more indirect and subtle approach. (Trompenaars & Woolliams 2003, 63-67.)

Achievement versus ascription ponders whether a person's status or power is based on achievement and performance (what you do) or is it related by one's gender, age and family background (who you are). The U.S. and the Nordics both strongly lean towards achievement over ascription. (Trompenaars & Woolliams 2003, 71-73.)

Sequential versus synchronic investigates how do individuals in an organization organize their time, do they keep several tasks active at the same time (synchronic) or do they perform one task at a time (sequential)? In the U.S. and the Nordics people tend to give their full attention to one project at a time so they can be categorized as sequential cultures. (Trompenaars & Woolliams 2003, 31.)

Internal versus external control examines to what level an individual believes that his life is controlled by an inner sense of control or is his life more subject to external events that are out of his control. Internal societies such as the U.S. and the Nordics tend to think that "everyman is the architect of his own future". (. (Trompenaars & Woolliams 2003, 31, 94.)

3.5 Overview of theory

In the figure 3 below is an abbreviation of the key points of the theory of the thesis.

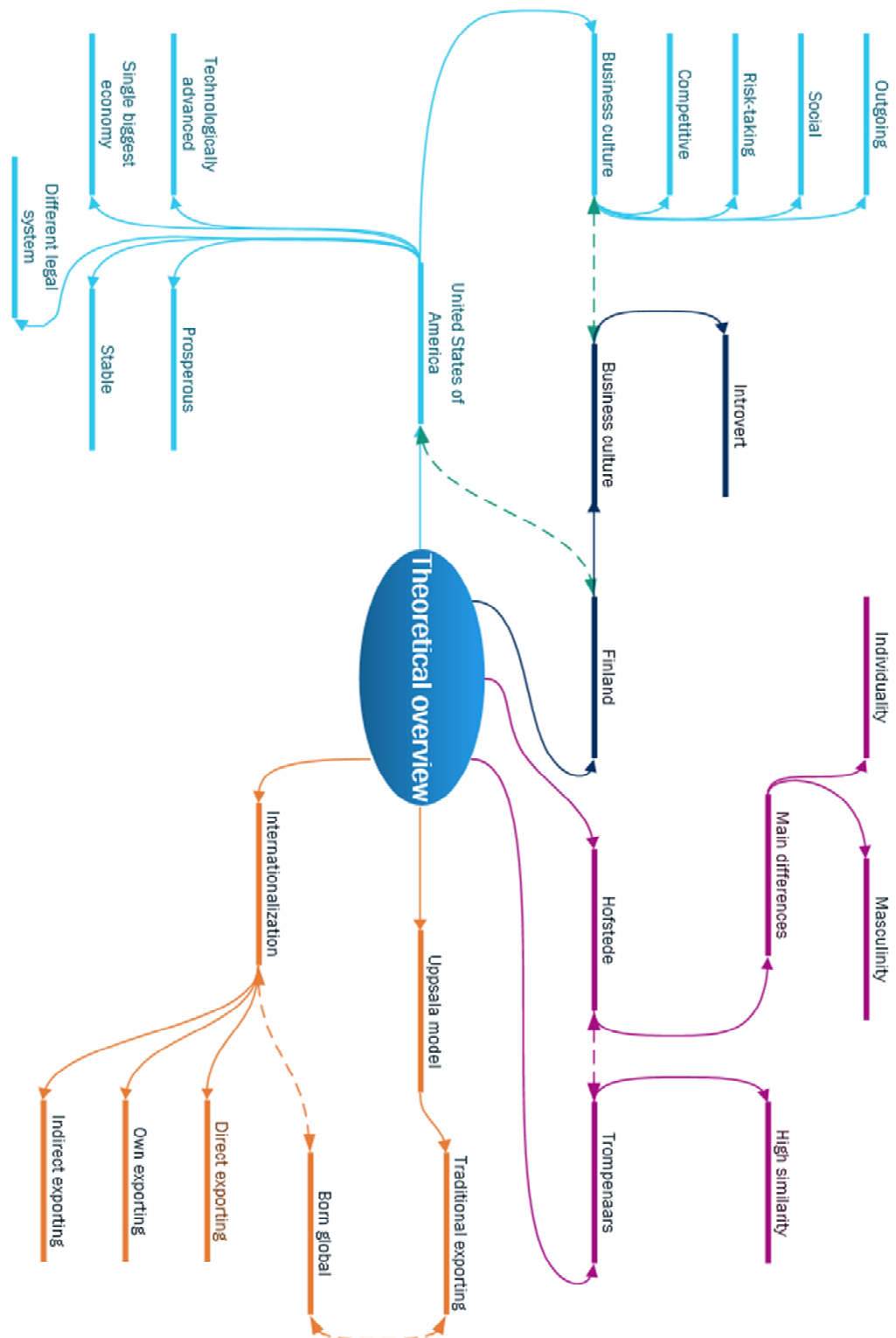


Figure 3. Overview of the theory.

The Uppsala model builds a standard framework that companies have traditionally followed in their evolution. The path has led gradually from domestic markets to exporting and eventually to foreign manufacturing. Often the target markets are regions that have low psychic distance to the markets that the company already operates in. Psychic distance can correlate with physical distance, but this is not always the case, e.g. United Kingdom and Australia.

Recently a new kind of company has emerged that defies the Uppsala model. Born globals start exporting almost straight from their inception. According to a Norwegian study, time from founding to exporting has diminished to less than a tenth of what it used to be.

There are several routes that a SME can take when choosing to internationalize and choosing the right entry mode is the key to the success of the project. Entry modes include direct exporting, own exporting and indirect exporting.

The United States is a stable, prosperous and technologically advanced western democracy. It is also the single biggest economy in the world. American legal system differs significantly from Finland. It can also vary extensively from state to state, although federal law and legal system is the same in all states.

In the business world Americans can seem the opposite of a typical Finn; outgoing, social, risk-taking, competitive or even pushy. This can seem threatening to the average more introverted Finn. Unlike the Finns, Americans value risk taking and the fear of failure is much smaller.

According to Hofstede's study the biggest differences in business culture occur in the dimension of individuality, where the U.S. scores 91 points and Finland a much lower 63. The U.S. can be considered to be a highly individualistic culture, where "every man for himself" applies and where self-importance is even desirable. The U.S. can also be

categorized as a more masculine country, where values like money and success are valued over free time and quality of life. According to the “seven dimensions” study by Trompenaars however, both countries score very similar points in all dimensions.

4 Implementation of empirical research

In this chapter the implementation of the empirical research will be discussed. The target group of the research are Finnish small and medium size enterprises that have experience of exporting to the U.S. and commercial experts from the U.S. Embassy Helsinki. The research method chosen was qualitative research and the type of interview used was a theme interview also known as a half-structured interview.

4.1 Research question and objective

The research question is as follows:

What cultural challenges a Finnish SME company might face when breaking into the U.S. market?

Sub questions include the following issues:

What are the major differences in business culture?

What are the most common obstacles that Finnish SME companies face when trying to penetrate the U.S. market?

What are the strengths and weaknesses of Finnish companies from an American point of view?

What factors could help to overcome these obstacles?

The objective of the study is to learn the key factors to successful market entry to the U.S. and also to determine the most common obstacles that the companies face. The goal is to discover a common obstacle that could occur in for example different business cultures between these two countries and to provide a possible solution for this problem. The ultimate goal would be to help and encourage Finnish SME companies to successfully enter the U.S. market and give them valuable information about the biggest economy in the world.

4.2 Research target

The first target group of this research are Finnish SME companies who have succeeded in or tried to penetrate the U.S. market. The reason for choosing this target group is to benefit from their first-hand experience and to learn from their triumphs and failures. They also possess valuable information and advice to future hopefuls. The targeted companies all operate in different industries, ranging from fish products to industrial air ventilation. Due to this diversity, the results are comprehensive and can be generally applied to the needs of most Finnish SME's that are interested in the U.S. market.

The second target group are experts from the Embassy of the United States of America in Helsinki and from the American Chamber of Commerce in Finland. This group was chosen due to personal contacts and valuable information of the U.S. market that these individuals possess. Many of the interviewed people have been deeply involved in business operations occurring between the U.S. and Finland and have greatly benefited trade relations between the two countries.

Table 5. Persons interviewed

Industry/Sector	Current title	Title at the company	Relationship with the U.S.	Language and date of the interview
Diagnostics (Medical)	Professor of Nano-technology	Founder and Business Partner	Lived and worked in California for over 20 years.	Finnish 13.1.2014
Foodstuff	Senior Lecturer	Operations Manager and Founder	Lived and worked in Florida and Texas for three years.	Finnish 31.3.2014
Governmental organization	Senior Commercial Specialist	Not applicable, not in business sector.	Lived and worked in New York for three years. Has worked at an American Embassy for 15 years.	Finnish 16.4.2014
Governmental organization	Commercial Clerk	Not applicable, not in business sector.	Has worked at an American Embassy for three years. National of Canada.	English and Finnish 16.4.2014
Industrial cooling and ventilation	C.E.O	C.E.O	Lived and worked in the U.S. for 25 years.	Finnish 17.4.2014

The above table 5 holds the basic information of all the persons interviewed for the study. It reveals the industry in which the SME in question operated in and the title that the person possessed in the company when it started its operations to the U.S. The table also shows their current working title and their relationship with the U.S. Lastly it holds the language and the date of the interview.

4.3 Research method

The research method used is a qualitative research method and a comprehensive study. Theme interviews were conducted with two different experts who are familiar with the U.S. market and culture and three Finnish SME's that have succeeded in, or tried to penetrate the U.S. market.

The qualitative research method was chosen due to the study's case specific nature and due to the lack of quantitative factors. The study revolves around cultural differences that are highly subjective and depend on the personal viewpoint and experiences of the interviewees. Also the backgrounds of the interviewees varied highly which would make it impossible to measure their experience by numbers. Theme interview was chosen because of its ability to adapt to every specific case and to give interviewees the opportunity to bring out their viewpoints easily without limitations or strict structure. Although there is a thorough interview framework, the questions and their order was changed or adapted to fit each interview and case.

Two of the most common research methods are quantitative and qualitative research methods. Qualitative research is a branch of scientific research which focuses on understanding the quality, meaning and characteristics of the research target in its entirety. Qualitative research is traditionally viewed as the counter part for quantitative research which uses numbers and statistics in describing the target. Many claim however that the most effective way to conduct a research is to use both methods. (Jyväskylän Yliopisto 2014, Laadullinentutkimus.) In practice it is difficult to determine strict guidelines that separate these two methods and in modern days they are seen as more as complementary to each other, rather than opposites. (Hirsjärvi, Remes&Sajavaara 2009, 136.)

When choosing a research method it is important to discover the true meaning or purpose of the study. One should consider three factors; Firstly in which aspect should the research question be approached? Does it call for a survey type of method or is the purpose to describe a single event or phenomenon. Or perhaps it aims to describe a

large scale social phenomenon. Secondly, does the study require controlling the research target or does it aim to describe a naturally occurring phenomenon? And finally, is the research target based in the present day or is it historical? (Hirsjärvi et al. 2009, 137-138.)

The basis of qualitative research is to describe real life situations and is strongly based on the idea that reality is diverse and cannot be explained simply by numbers. The goal is to study the target comprehensively and avoid chopping it to smaller pieces. (Hirsjärvi et al. 2009, 161.)

In qualitative research the objective is to get as close as possible to the target and his viewpoints on the research question. Typical methods are theme- and open question interviews and observation. In qualitative research the target is chosen discretionary instead of random sampling. Individuals are chosen due to their suitable experience and expertise on the area. When analyzing the results, only the most relevant factors concerning the research are brought to light instead of having predetermined variables. The results are open to interpretation as the collection of the data is performed by the researcher himself, a human instrument. Unlike a computer, the researcher is impacted through his own viewpoints, attitudes and interpretations throughout the entire research process. The researcher must be aware of these factors and must not let these factors affect the validity of the results. (Aaltola&Valli 2001, 68-69.) Other typical characteristics for qualitative research include using inductive analysis, where the researcher aims to discover new unexpected factor and does not mean to test a theory or a hypothesis. Rather the goal is to go into detail and have complexity when analyzing the results. Each case is viewed as unique and interpreted having that fact in mind. (Hirsjärvi et al. 2009, 164.)

In qualitative research, the most common interview types are theme interview, survey and unstructured interview. Theme interview or half-structured interview is a type of interview that is an intermediate between a survey and an unstructured interview. In a theme interview the questions are usually the same for every target but the researcher can change their order and leave out or add questions depending on the background

and role of the target. The main characteristics of a theme interview include knowing that the interviewees have experienced a certain situation or phenomenon. Also the researcher is aware of the underlying processes, parts and structures of the phenomenon and has made certain assumptions of the main factors of the case. Lastly the researcher produces an interview framework and starts interviewing the targets to discover their subjective experiences on the phenomenon. (Hirsjärvi&Hurme 2009, 208.)

4.4 Collection of data

In qualitative research the data collected can be just a single event or an interview or it can consist of several individual interviews. When collecting data for a qualitative research, the term *saturation* is used to describe the adequacy and volume of the material. This means that there is no predetermined number of research targets or interviews conducted and the researcher will keep on going until he gets a satisfactory result. The material is typically sufficient when the same themes start to occur in the interviews. (Hirsjärvi et al. 2003, 170-171.)

The research data was collected from four different theme interviews with five people. The interviews were implemented during the spring of 2014. The framework of the interview varied slightly depending on the background of the interviewees and whether their experience on the matter was based on working in a company or in a governmental organization. The interviews were recorded and later transcribed into text. The interviews were treated anonymously. The basic information and background of the interviewees are presented in the table below.

4.5 Interview framework

Basic Information

Name and nationality:

Title:

Industry:

Size of the company:

1. How long have you been doing business with Americans?
2. What was the chosen market entry mode? Direct exporting/Indirect exporting/strategic alliance.
3. Did your company utilize the services of any Finnish organizations supporting foreign trade? (Finpro, Finnvera etc.)
4. Did your company benefit from any other internationalization services? Which and how?
5. Americans are often described in business life as having as winners, energetic, extroverted or even pushy. Do you find these stereotypes to be truthful and how does it affect doing business with the more introverted Finns?
6. Have you noticed any difference in the concept of time between Finns and Americans?
7. Have you noticed any difference in management style or hierarchy?
8. If your company did business in several states, did you notice any difference in business culture between different states, east coast vs. west coast etc.?
9. Does American negotiation style differ from Finnish? Are agreements solid and how do Americans see a foreign negotiator?
10. Recently there have been comments such as “the Finns have great innovations but they do not know how to market them or themselves.” Do you find this statement and could this be a factor to why Finnish companies have trouble penetrating the U.S. market?
11. What was a success in the company’s internationalization process into the United States?
12. What failed or could have been done better in the process?

13. What factors would you highlight for Finnish SME's who are trying to break into the U.S. market?

In the table 6 below the interview questions are grouped under four different categories. The questions are grouped under each research question in order to demonstrate which questions are designed to give answers to each research question or problem. However, as the research questions are quite broad many of the interview questions appear under several research questions.

Table 6. Question Matrix

<p>What are the major differences in business culture?</p>	<p>What are the most common obstacles that Finnish SME companies face when trying to penetrate the U.S. market?</p>
<p>Americans are often described in business life as having as winners, energetic, extroverted or even pushy. Do you find these stereotypes to be truthful and how does it affect doing business with the more introverted Finns?</p> <p>Have you noticed any difference in the concept of time between Finns and Americans?</p> <p>Have you noticed any difference in management style or hierarchy?</p> <p>If your company did business in several states, did you notice any difference in business culture between different states, east coast vs. west coast etc.?</p> <p>Does American negotiation style differ from Finnish? Are agreements solid and how do Americans see a foreign negotiator?</p>	<p>Americans are often described in business life as having as winners, energetic, extroverted or even pushy. Do you find these stereotypes to be truthful and how does it affect doing business with the more introverted Finns?</p> <p>Recently there have been comments such as “the Finns have great innovations but they do not know how to market them or themselves.” Do you find this statement and could this be a factor to why Finnish companies have trouble penetrating the U.S. market?</p> <p>What failed or could have been done better in the process?</p> <p>What factors would you highlight for Finnish SME's who are trying to break into the U.S. market?</p>

<p>What are the strengths and weaknesses of Finnish companies from an American point of view?</p>	<p>What factors could help to overcome these obstacles?</p>
<p>Americans are often described in business life as having as winners, energetic, extroverted or even pushy. Do you find these stereotypes to be truthful and how does it affect doing business with the more introverted Finns?</p> <p>Does American negotiation style differ from Finnish? Are agreements solid and how do Americans see a foreign negotiator.</p> <p>Recently there have been comments such as “the Finns have great innovations but they do not know how to market them or themselves.” Do you find this statement and could this be a factor to why Finnish companies have trouble penetrating the U.S. market?</p> <p>What was a success in the company’s internationalization process into the United States?</p> <p>What failed or could have been done better in the process?</p> <p>What factors would you highlight for Finnish SME’s who are trying to break into the U.S. market?</p>	<p>Did your company utilize the services of any Finnish organizations supporting foreign trade? (Finpro, Finnvera etc.)</p> <p>Did your company benefit from any other internationalization services? Which and how?</p> <p>What was a success in the company’s internationalization process into the United States?</p> <p>What failed or could have been done better in the process?</p> <p>What factors would you highlight for Finnish SME’s who are trying to break into the U.S. market?</p>

5 Results

This chapter will present the results of the study. The chapter begins by defining the background variables of the study and continues by presenting the interview results. For clarity, the results are divided under each research question. At the end the reliability and validity of the study are analyzed.

5.1 Background variables

Background variables are variables that can be categorized, grouped, controlled or randomized. These typically include age, sex, level of education, level of intelligence, socioeconomic position etc. (Virtuaaliammattikorkeakoulu 2014.)

Major background variables that could influence the results of the study were the working backgrounds of the study targets. The interviewees that had been working in a Finnish SME presented somewhat more critical thoughts on American business culture and they naturally had more perspective on what it is like for small foreign companies to operate there. The other group interviewed, employees of the American Embassy, were more familiar and comfortable with American culture to begin with. All of the targets were Finnish, except for one of the interviewees, who was Canadian.

5.2 Interview results

Differences in business culture

“In Finland we say “I live 6km from here”, Americans say they live “30 minutes away.””

Interview results showed that business culture has large variance according to region. In southern states time for example is much more relative, whereas in northeastern U.S. business culture requires punctuality. A delay from 5 minutes to “academic quarter” is often permissible but bigger delays are often considered a sign of disrespect. When

people are late they always have a reason for it. According to the interviewees, similarities can be found on the North-South and East-West axes. North and East are considered punctual regions with stricter business cultures and South and West have on average more relaxed cultures.

“If you miss a deadline you will without a doubt be left behind without explanations or understanding”

American business culture places more emphasis on the individual, as indicated by Hofstede’s work and confirmed in interviews, achieving his goal or deadline and it is the employees own responsibility to meet these. Power distance was also confirmed to be large when compared to Finland, but the interviews showed that there is more variance to this. Big companies have large power distance, but smaller companies often have more flat hierarchy. The interviewees pointed out that this is often a matter of personality – some people don’t care about the hierarchy and instead go straight to the person in charge if they consider it necessary.

“Everybody thinks Californians are crazy, they have everything from tuxedos to shorts. I’ve worked with extremely wealthy people who dress like ragamuffins”

West Coast has a more relaxed business culture but it was pointed out that e.g. in California one can find regions with East Coast -like business culture, for example in Silicon Valley. East Coast has a stricter dress code, especially in the northern regions like New York, Boston, or Washington. Southeast, like Florida, has a more casual dress code.

“Every once in a while some manager promoted himself to director”

In the U.S. people show it when they don’t like something, whereas in Finland if something is decided, everyone accepts it. Running an organization was said to be much harder in the U.S. American were seen to have less loyalty towards employer than

Finns. One example was given of an employee occupying their superior's office while they were on a business trip.

"In Texas, if you don't do things the American way you can "get lost""

In some regions of the U.S, mainly in the southern states e.g. Texas, Oklahoma, Arizona, Americans expect their counterparts to do business according to the American business culture. Foreign businessmen usually don't get leeway in this matter. If you don't do business their way, you don't do business at all. On the other hand, in other regions with more international connections, the expectations are much lower. It was stated that with the current political situation, republican-leaning states can have a very conservative approach to foreigners and democrat-leaning states have a more liberal view.

"Americans don't understand Finnish Christianity of not going to church. And church tax is almost socialism"

Small talk is an integral part of American culture and also in business life. Americans often like to talk about their personal life and background, and are often very proud of their hometown. Much more so than in Finland. The interviews indicated that good subjects for small talk include weather and sports. Once the relationship advances religion might also be a good subject. It was pointed out that if you are a Christian, it might be beneficial to express it, but not go too deeply into the matter as Americans might have a hard time understanding Finnish "not churchgoing" Christianity.

"In small talk –phase it is useful to promote western ideals and recognize the leading status of the United States"

Politics is a matter that was recommended to leave aside until proper forming of friendships. If you show even slightly critical view of the United States in the initial phase of negotiations, it might end there and then. It was said that one must be extremely careful with this, even to the point of being glib. Examples of political mis-

takes or penalties on a larger scale included the Norwegians who were said to have been thrown out of American business due to the fact that Norway permits whaling. Another was that the Swedish Prime Minister Olof Palme had strongly criticized the Vietnam War. This was regardless of the fact that there was widespread opposition to the war inside the U.S. The Americans should not be criticized by foreigners if they want to be in business in the U.S.

Americans often work much longer hours than in Finland, although in this as well there are regional differences. In the West people don't usually work overtime, but in the East it is very commonplace. In the U.S. it is also common that there are no specific working hours and that people work during weekends and holidays, e.g. coming to work on Christmas Day.

Common obstacles for Finnish SME's when trying to break into the U.S. market

"If you step on too big toes you will be crushed"

Some potential risks or obstacles were raised in the interviews. Big companies were one of these. A relevant example is the attempt to export xylitol to the U.S. by Hellas. Wrigley launched a campaign saying that xylitol causes cancer. Once Hellas' patent on xylitol chewing gum expired, Wrigley stopped its campaign and started selling xylitol-products in the U.S. Another case was given of a midsize company facing a multinational. The multinational stated that "we can go to court with this thing and you might win it, but it will cost you so and so and it will take a long time." According to the interview, the midsize company backed down without a fight. Overall, one might get into deep trouble if one has conflicting interests with a powerful organization.

"Big growth centers are not necessarily the best places to start. If you are from a small town, you might want to start from a smaller town in the U.S. It's still bigger than Finnish cities."

Another potential obstacle is the problem of finding the proper segment or market area within the United States. The United States is a huge country with a wide variety of segments and market areas, each of which is still very large when compared to Finnish market areas and segments. There is bound to be one suitable for exporting, but choosing the right one can be difficult.

“Americans don’t take credit risk, they buy and sell in dollars.”

A potential obstacle for a Finnish company is the tendency of Americans to push risk to the other side of a deal whenever possible. Deals are more often than not made in dollars, and INCOTERMS are applied so that Americans don’t carry risk. This can lead to deals becoming less profitable than thought or even collapsing due to changing currency rates, as happened in one case to one of the interviewees.

“Selling is difficult as Americans don’t value salespeople”

One difficulty factor can arise from the American perception of sales. Americans don’t necessarily see meetings arranged with vendors with ironclad meetings, and may bump them from schedule if found to overlap with other business. In American business culture this might not require informing the vendor that the meeting has been cancelled. This is why it is important to make sure meetings that are arranged earlier are checked prior to travelling to the meeting location. Failure to verify meetings can lead to, especially for a Finnish company, long, expensive and fruitless trips that could have been avoided by a simple phone call or email to the other party of the meeting.

Strengths and weaknesses of Finnish SME's when trying to break into the U.S. market

The main strengths of Finnish SME's mentioned in the results were great products and innovations, Finland's good reputation as a country in the U.S. and similarities in business culture. Also the fact that Finns speak fluent English is a positive factor.

"Believe it or not, Finland is still the only country that paid their debt (to the U.S.)"

Although one could think that no one in the U.S. even knows where Finland is, surprisingly according to the interviews, Finland has good reputation in the States and Finns are considered trustworthy. Older generations even remember that Finland was the only country that paid their debts to the U.S. the Second World War. Finland has also never openly criticized or sized against any U.S. military action, which especially in the Southern states is an important factor. Europeans in general usually get a warm welcome.

"If you got good English skills and drive, you'll be fine"

Many similarities can be found between Finnish and American business cultures and Finns generally have a good understanding of American culture and its people. Both appreciate Western culture and values. Concept of time, hierarchy and negotiations are quite similar to each other, so a culture clash is unlikely. Finns typically speak fluent English so there is no language barrier and the risk of misunderstandings is less likely. In general, the American market should be easier to penetrate than for example Russian or Chinese markets.

The Finns have good innovations and high quality products. Americans are very open to new innovations and products, and are eager to test them out. The most important thing is to be a convincing and an enthusiastic sales man. Americans are keener on taking risks than the Finns, and they're not afraid to try new things. Exotic products like

the sauna and Scandinavian cuisine are on high demand especially in the bigger cities. Finns could take more advantage of these unexpected niche markets. However, there are Finnish success stories from various different sectors and industries.

Weaknesses mentioned for Finnish SME's were the lack of courage and drive, the fear of failure and not having sufficient networks in the country. Also the introverted and timid Finns might have trouble building a trustful relationship with the Americans in the beginning.

“Finnish approach is aim aim aim whereas the American approach is shoot, shoot, aim.”

In the interviews Finns are described as almost too perfectionist. They have great innovations and products which they keep endlessly improving before taking it to the market and starting selling it. Finns are too afraid of failure and taking risks. If an American comes up with a good product, they start marketing it almost right away and correct mistakes as they go. Americans value trying and a *go-for-it* attitude.

“You should have a trusted person on site through whom you get started. If you start without contacts, you will be eaten alive.”

One should remember that the U.S. is a huge country with geographical and cultural variety, and immediate success without networks or personal contacts is almost impossible or as one interviewee stated “you will be eaten alive”. It is extremely important to have an American reference or agent in order to build trustworthy business relationships.

Finns are often viewed as quiet and introverted, which might at first perplex the more extrovert Americans. Small talk and smiling are considered important even in business negotiations, as personal relationships are considered important in the U.S. It can be helpful in the beginning to state out these differences. Americans appreciate this as they are usually understanding of cultural differences.

Factors that could help the internationalization process into the U.S.

The interview results presented several factors and tips that could help a SME's internationalization process to the U.S.

"It is hard to build trust without local references."

A common theme that occurs in all the interviews is the importance of acquiring personal contacts. The contact should be American or someone who has sufficient first-hand experience of the American market, such as an agent or a business partner. It is extremely important to have an American reference and someone who has networks in the country. Just having someone American with networks introduce you or mentioning them in an email, helps a great deal and can open many doors. If acquiring local contacts turns out to be impossible, one should at least in the beginning, utilize the services of different trade development organizations such as Finpro or a Chamber of Commerce.

It is also necessary to know a lawyer who is familiar with the local juridical system and who can advise on practical matters such as setting up a new business and contractual matters. All contracts should be made in writing and be checked by a lawyer before accepting them. In case of any dispute, legal cost can go through the roof. In case of one of the interviewees a legal feud with his business partner led up to 1, 8 million dollars of legal costs.

One of the interviewees points out that the safest way is to make the contract under another country's jurisdiction. Safe bets for seat of arbitration include Sweden and the United Kingdom. The ideal scenario would be to use Finnish law due to its simplicity, but this might not be easily accepted by the American counterparts. However, another of the interviewees points out that Americans follow laws and regulations strictly and that it's a stable country where the system can be trusted, unlike for example in China and Russia.

“There are certain criteria you must meet in order to progress there”

One should also be aware of all the practical matters that go into starting a business in the U.S. You must officially register the company in order to set up a bank account and get an EIN. Matters such as visas, green card applications and tax matters should be handled before entering U.S. soil as they can be hard to arrange afterwards.

“In the U.S. it is convenient to start from one specific market area, instead of the whole country. One should remember that for example in Houston there are over five million people.”

As the American market is so huge, it is extremely important to find the right segment to which target your products or services. The U.S. is such a geographically, economically and socially varied country, that target markets can be found in the most surprising segments. For example one of the interviewees had been selling Finnish food products to a supermarket chain which targeted mainly customers of Hispanic origin. Also for example in California people are very excited about health care and beauty products. So branding is extremely important in the U.S.

It is desirable to start from just one state, or even just one city as most of them are the size of or even bigger than the whole of Finland. In the interviews it was also mentioned that starting from a small town can be somewhat easier than from a big metropolitan.

“Americans say “When in Rome, do what the Romans do”.”

It is stated in three of the interviews that in the West Coast, especially in California, people are more open minded and willing to test out new products. Especially the health care and health care product sectors could prosper there. The East Coast can be somewhat easier to adapt culture wise, as they are more international and it resembles Northern Europe more. In the Southern States such as Texas, Oklahoma, New Mexico

and Arizona, it is important to remember that the people are very patriotic and proud of being American, and they expect outsiders to do things their way.

“One (small) company received 50 million dollars of funding and still owns 70% of the company.”

In the U.S. funding is on a totally different level than in Finland. The government has several funding projects that support SME's such as the “Small Business Innovation Research. Small businesses can also receive considerable amounts of funding from venture capitalists, the U.S. Army or state based economic development agencies. The difference to similar Finnish agencies and funders is that the company can receive funding with only having a great innovation or product. There does not necessarily need to be proof of successful sales. Also American companies are willing to offer substantial royalties to researchers who come up with innovations and new products.

“The worst thing you can do is go there without a plan or background information. All papers and partners should be in line. You have to do your homework.”

All the interviewees emphasized the fact that it is extremely important to do thorough market research and partner search before even trying to enter the U.S. market. One should especially research the culture and habits of the particular state or city they are starting from as there are so many regional differences. Also it is vital to be able to tell extensively about your product as Americans love to ask questions and like to know all the details before buying it.

“The most important thing is to remember courage and to have a “go for it” attitude.”

All the interviewees agree that the biggest obstacle for Finns when entering the U.S. market is the lack of courage. The product does not have to be perfect, you just have to have drive and the ability to market your product to the right target groups in right place and at the right time.

“Trade fairs are a good opportunity to acquire business partners, with relatively small input.”

One easy and relatively low-cost possibility to find business contacts in the U.S. is to attend different trade shows. In the U.S. trade fairs are attended by tens of thousands of customers, businesses and investors and it's usually cheaper to set up a table than in at a Finnish equivalent.

6 Conclusions

This chapter presents the conclusions and summarizes the thesis. Firstly the reliability and validity of the study will be discussed. Then the writers present their plan of action for Finnish SME's that are planning to export to the American market. Lastly the possibilities of future research will be discussed and the writers will give a self-evaluation on the entire thesis process.

6.1 Reliability and validity of the study

A study is considered reliable if the results can be repeated by another researcher, in another words the results are non-random. The analysis should also be consistent throughout the research. The study can be proven reliable if two different researchers present the same results or if the same researcher comes up with the same result after repeating his study. (Hirsjärvi et al. 2009, 231.)

The concept of reliability is originally developed for the needs of quantitative study methods, but it can also be partially applied to qualitative study methods. In qualitative studies, it should be evaluated whether the results are credible and whether they can be generalized and applied to another case. (Jyväskylän Yliopisto 2014, Tutkimuksen-toteuttaminen.)

The fact that the targeted Finnish SME's were operating in such different fields, makes the study comprehensive and diverse. The viewpoints of U.S. Embassy employees also brought more of an American point of view to the table. If the study had concentrated on one specific sector, the results could not have been interpreted to reflect the American business culture as a whole. The fact that many similarities were found in the replies and that it was easy to find common viewpoints to the research questions, makes the study reliable.

The validity of the research can be analyzed by how competent the study method is in measuring the exact results that it's supposed to measure. Meters and methods do not

always present the results that the researcher was planning to present. (Hirsjärvi et al. 2009, 231.)

The interview framework was carefully planned and made as clear as possible to avoid misunderstandings and to avoid leading questions. In addition, as most of the interviews were done in person, the interviewers were able to inquire further and reach more specific information on the subject when compared to an e-mail interview or survey. Also the interviews were treated anonymously so the study targets could express their opinion as freely as possible. The interviewers remained objective and neutral and did not try to affect the study results. Therefore the study results can be concluded as valid.

6.2 Proposals for action

Some key points that Finnish companies must do in order to be successful were repeatedly pointed out in several interviews. These were matters related to many aspects of the study, ranging from practical matters to business culture. In this chapter are highlighted the points that are the most important to apply in all attempts to enter the U.S. market.

Utilizing institutions in Finland that support companies attempting to enter the U.S. market, e.g. Finpro and American Chamber of Commerce. One shouldn't limit the search for support in capital and expertise to just Finland. The United States has a wide range of different institutions and investors that are there to be of service. Often the operators, e.g. economic development offices, offer instructions in their respective regions free of charge.

The American scene of angel investors is vastly broader than in Finland. Finnish companies should seek opportunities in the U.S. prior to their actual entry into to the market. In addition to the private sector investors, the U.S. government is actively involved in investing in companies. Many other government agencies operate in this field. For example the U.S. Army is a major investor in ideas and companies that might have ap-

plications useful to the Army. The American investment market is also more prone to invest in ideas rather than companies when compared to Finland.

All interviews highlighted the importance of local contacts. A Finnish company exporting to the U.S. should always have a contact who is a specialist in the region that business is conducted in. The local contact can be an agency or a single person, but local presence is required to run the business in initial phases and to open doors into negotiations. Americans value personal contacts and without these it is nigh impossible to gain entry into negotiations. The value of local contacts is indeed vital to the first phase of entering a market. One way to find contacts and achieve maximal exposure with minimal expenditure showed to be trade fairs. American fairs are several orders of magnitude bigger than their Finnish counterparts and should be explored by companies that have the drive necessary to succeed in the U.S.

Finnish companies should try to find contacts that can help investing and exporting to a specific region. The U.S. is such a wide country that any attempt to conquer the whole market “at a stroke” is doomed to fail. This is why companies must do their research and find a niche, be it regional, cultural or ethnic. Even a small niche market in the U.S. is easily bigger than an entire Finnish city. Choosing a market area can be tricky, but very important. While studying a specific market area, one should get familiar with the local business culture as American business culture varies much according to the region. Finns should be aware of the kind of culture they are trying to break into.

Entering the U.S. market requires many official documents and other practical matters. These needs must be catered to minutely in order to avoid legal and other troubles that can lead in the worst case to expulsion from the marketplace or the whole country. The minutiae of practices, such as visas and taxes become more difficult to follow due to the variance of requirements in different states. Some documents are required in some states, but not in others. This again highlights the need to do research on the specific region that the company plans to operate in.

Although some most interviews indicated that the U.S. legal system is one that can be relied upon, one interview suggested that one should try to set the seat of arbitration in business contracts as somewhere else than the United States of America. Preferable examples were given as the United Kingdom, Sweden or if possible, even Finland. This can be seen as beneficial for a Finnish company as, even though the American law system is fair and dependable, it is vastly different when compared to Finnish or European law. This means that in setting the seat of arbitration in Europe, a Finnish company can achieve a home advantage in cases of disagreement that require arbitration.

Finally the courage to try to break into the U.S. market even with a product that is not perfect was often highlighted as extremely important. Americans are quick to buy products if someone is offering them. If it sells on, business continues. If not, business ends. This should not mean that only those Finnish companies that have a perfect product so sell should enter the market. Product can and should be improved even after the initial launch, rather than looking to perfect the product in a lab prior to sales. Finnish companies might have a lot to learn from the Americans in respect to this.

To summarize this chapter, below there is a SWOT-table, which analyses the strengths, weaknesses, opportunities and threats of the U.S. market for Finnish SME's.

Table 7. SWOT-analysis of the U.S. market for Finnish SME's.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Land of opportunity • Big market size • Relatively low psychic distance • Language • Financial resources • Politically stable • Economically stable • Diversity 	<ul style="list-style-type: none"> • Fierce competition • Difficulty of segmentation • Currency risk • Legal expenses • Tendency to push risk to foreign partner • Cultural differences between states
Opportunities	Threats
<ul style="list-style-type: none"> • Economy growing faster than in Europe • Niche markets • Consumers open to new innovations and products • Finns' good reputation in the U.S. 	<ul style="list-style-type: none"> • Lack of networks and personal contacts • Lack of social skills (small talk, smiling) • Big companies' domination • Lack of market information and knowledge

6.3 Research limitations and future research

All studies have limitations which should always be acknowledged by the researcher. Study limitations are factors in the study's research method or implication that might affect the study results and reduce generalizability of the findings. Possible study limitations include; sample size, lack of data, lack of prior research on the subject, the study method or measure and self-reported data. Also biased opinions of the researcher and

cultural and language barriers can make the results unreliable. (University of Southern California, Limitations of the Study.)

In this study sample size can be seen as the main limitation. The research question is subject to personal experience and each case is different so broader sample of interviewees could have given a wider perspective on the matter. Also the fact that two of the interviewees did not have experience of working in a Finnish SME that had been exporting to the U.S., somewhat limited the results.

Limitations in data collections appeared in the last interview that was done by e-mail as the replies from that particular interview were quite concise. Also due to technical difficulties, the first interview was not recorded.

Future research suggestions could be implementing the research with a bigger sample size and focusing only on Finnish SME's that had experience of breaking into the U.S. market. Then a different study could be done of consulting different experts from economic development agencies and embassies.

A key finding that appeared in the study results, was the lack of marketing and sales skills or experience of Finnish SME's trying to penetrate the U.S. market. Future research could be done on how to improve marketing and sales of Finnish SME's that are planning on internationalizing. Also companies could utilize the work of business students and commission thorough international marketing plans on specific countries of interest.

The research question of the study was on purpose meant to cover only the breaking into phase of the SME's to the U.S. market. There for future research could be implemented on the how they succeeded in establishing their business in the U.S. after they had successfully penetrated the market and what factors influenced this success.

As each industry and company has their own characteristics and challenges when trying to internationalize, future research could focus on a specific industry and their challenges when trying to conquer the U.S. market.

6.4 Self-evaluation

In this chapter both writers of this thesis reflect on the process of writing of the thesis and give their individual views of what was learned, what went well and what could have been done better. The writers sum up their learning experience while writing this thesis and reflect on their personal and professional growth.

Tuukka Rinne

Initially I was struggling badly with my motivation in the search for a suitable subject for a thesis. We had had several courses together with Heli earlier and while doing projects for those courses, we had jokingly talked about doing the thesis together. In the autumn of 2013 Heli contacted me in earnest with a subject in mind and I immediately thought that this is a subject I would gladly do my thesis on.

Considering my problems of motivating myself to do the thesis, or even search for a suitable subject, doing the thesis with a pair was great news for me. This meant that I had to work on it in spite of my own, sometimes lackluster interest in schoolwork, as failure to work on the thesis would not only be counted against me, but against my pair as well. This external pressure was exactly what I needed to get myself working.

I already knew that we work well together as we had done several projects together in earlier courses, so there was not a factor of unknown in doing the thesis as a pair. I knew that we both had good English skills so, considering the subject of the thesis, writing in English felt natural.

We began the project in November 2013, although for me the proper writing started as late as March 2014. During late 2013 and early 2014 I again struggled to motivate myself to work for the thesis, but in the end the external pressure of having a pair who would suffer from my inactivity was enough to motivate me with this work. Not counting the lull around and after the turn of the year, work has progressed splendidly. Text has been relatively easy to generate and sources easy to find. The only thing that I see that can be counted as some kind of failure is the number of interviews. We started with an idea of doing something in the region of ten interviews, but failed to do the work necessary to acquire enough interviewees.

Main points learned revolve more around doing research and writing, rather than around results and conclusions. Most of the theory and results were issues that I was already aware of or at least suspecting to be so. Of course my knowledge of international business theories and American business culture and its differences with Finnish business has expounded, but I don't consider myself to have learned anything downright new. On the other hand, I have never before done a project even close to this wide. Writing and planning other projects has always been more of a matter of hours or at the most days, rather than weeks and months as has been the case with this thesis. I believe this thesis and the depth of knowledge I have received doing it has the capacity to help numerous Finnish businesses that are planning entry into the U.S. market.

Although my English skills overall have not improved markedly during this interview, I believe that my capacity to produce text, be it in English or Finnish has seen dramatic improvement. Of course the relevant vocabulary has also improved during the work for this thesis. I might even go as far as to say that doing this thesis has been one of my most enjoyable and most profitable exercises during my time with HAAGA-HELIA.

Heli Somerharju

The topic of this thesis was found through my internship at the U.S. Embassy in Helsinki. I worked at the Foreign Commercial Service, where our task was to promote trade between the U.S. and Finland. At first I thought about doing something solely

about the Embassy, but due to security reasons this was not possible. As I found American culture very interesting and as my specialization at Haaga-Helia is international business, I ended up with the topic “Cultural challenges for Finnish SME’s when breaking into the U.S. market”.

Then I heard that a fellow student of mine was looking for a thesis topic and as I knew his interest in the U.S., so I suggested that we do the thesis as a pair. I think doing the thesis as a pair motivates you and pushes you to do things better. It is also very useful to have another perspective on things and to have someone critique your work.

The choice of English as the language of the thesis was quite natural, as we are both fluent and it fit the theme and topic of the thesis. While writing the thesis in English my business vocabulary definitely improved and now I’m confident in using English at any situation.

We started the thesis in November of 2013, and the process has been quite seamless. It was easy to find both literature and web material for the theoretical part and from the start we had a clear view of the structure and the chapter topics. Time wise, I am quite satisfied with the process, although in the beginning I had hoped that the thesis would be ready already in March or April. Due to the problems that appeared in scheduling the interviews and due to the fact that we were both working during the whole time, it was simply not possible. But I think that getting the thesis ready in six months is still a pretty good achievement.

The only setbacks happened in the collection of the data as in the first interview were not able to get an recording of the interview and the last one was done by e-mail, so the reply was quite brief.

Key learnings from the process were in general the whole experience of writing a comprehensive study and doing extensive research. Most of the theory was familiar to me from before, but of course I learned many new things about international business and about the United States market. I feel like I could have valuable input for a company

that is planning on exporting to the U.S. and I also hope this thesis will provide some help for such companies.

Overall, writing the thesis has been a great learning experience and I feel confident now that I'm about to graduate and enter working life. I would like to thank all the teachers and our thesis supervisor at Haaga-Helia for all their help and valuable input on this thesis.

List of Sources:

Aaltola, J., Valli, R. 2001. Ikkunoita tutkimusmetodeihin II. PS-kustannus. Jyväskylä.

Boyacigiller, N., Goodman, R., Phillips, M. 2003. Crossing Cultures; Insights from Master Teachers. Routledge. New York.

Business Dictionary. 2014. Internationalization. URL:

<http://www.businessdictionary.com/definition/internationalization.html>. Accessed: 26.3.2014.

Buckley, P., Burton, F., Mirza, H. 1998. The Strategy and organization of International Business. Macmillan Press Ltd, United Kingdom.

Central Intelligence Agency. 2014a. The World Factbook: USA. URL:

<https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>

Central Intelligence Agency. 2014b. The World Factbook: Finland URL:

<https://www.cia.gov/library/publications/the-world-factbook/geos/fi.html>

Collison, S., Rugman, A. 2008. International Business. 5th Edition. Financial Times/Prentice Hall.

Chinkota, M., Ronkainen, I., Moffett, M. 2005. International Business. 7th Edition. South-Western. Ohio.

Confederation of Finnish Industries. 2013. Lisää paukkuja pk-yritysten kansainvälistymiseen. URL:

http://www.ek.fi/ek/fi/ajankohtaista/lisaa_paukkuja_pkyritysten_kansainvalistymiseen-10858. Accessed: 3 December 2013.

Daniels, J., Radebaugh, L., Sullivan, D. 2011. International Business. Thirteenth Edition. Pearson. Essex.

El-Azez Safi, A. 2010. Argument in Support and Against of Hofstede Work. University of Trento. Italy. URL:
[http://www.academia.edu/1375094/Argument in Support and Against of Hofstede Work](http://www.academia.edu/1375094/Argument_in_Support_and_Against_of_Hofstede_Work). Accessed: 26 December 2013.

EPA. 2014. EPA Strategic Plan Charts Direction for Next Four Years. URL:
<http://yosemite.epa.gov/opa/admpress.nsf/7912065bae3d5856852573590040443c/75143c6974e6b05f85257cb60051d435!OpenDocument> Accessed: 24.4.2014

Eurofound. 2012. Born global: The potential of job creation in new international businesses. URL: <http://www.eurofound.europa.eu/publications/htmlfiles/ef1265.htm>. Accessed: 15.4.2014.

European Commission. 2013. What is an SME? URL:
<http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition>. Accessed: 3 December 2013.

Federal Judicial Center. 2005. The U.S Legal System: A Short Description. URL:
[http://www.fjc.gov/public/pdf.nsf/lookup/U.S. Legal System English07.pdf/\\$file/U.S. Legal System English07.pdf](http://www.fjc.gov/public/pdf.nsf/lookup/U.S._Legal_System_English07.pdf/$file/U.S._Legal_System_English07.pdf). Accessed: 25.3.2014

Findicator. 2013. Small and medium size enterprises. URL:
<http://www.findikaattori.fi/en/86>. Accessed: 3 December 2013.

Frazier, K., Haigh, R. 2004. Business Brief: USA. 1st Edition. Multikustannus Oy. Helsinki

Griffin, R., Pustay, M. 2010. International Business. Sixth Edition. Pearson Education Inc. New Jersey, U.S.

Hoecklin, L. 1995. Managing Cultural Differences; Strategies for Competitive Advantage. Addison-Wesley Publishers Ltd and the Economist Intelligence Unit. England.

Hofstede, G., Hofstede, G., Minkov, M. 2010. Cultures and Organizations, Software of the Mind. McGraw-Hill. New York.

Hirsjärvi, S., Remes, P., Sajavaara, P. 2009. Tutki ja kirjoita. Tammi. Helsinki

Hirsjärvi, S., Hurme, H. 2009. Tutkimushaastattelu. Gaudeamus. Helsinki.

Holmlund, M. Relationships and the Internationalisation of Finnish Small and Medium-Sized Companies (article has to be purchased)?

Johnson, D., Turner, C. 2003. International Business. Themes and issues in the modern global economy. Routledge. London.

Johanson, J., Vahlne J. 2009. The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. Journal of International Business Studies. URL: <http://www.palgrave-journals.com/jibs/journal/v40/n9/pdf/jibs200924a.pdf> Accessed: 27.3.2014

Jyväskylän Yliopisto. 2014. Laadullinen tutkimus. URL: <https://koppa.jyu.fi/avoimet/hum/menetelmapolkuja/menetelmapolku/tutkimusstrategiat/laadullinen-tutkimus> .Accessed: 3 March 2014.

Jyväskylän Yliopisto. 2014. Tutkimuksen toteuttaminen. URL: <https://koppa.jyu.fi/avoimet/hum/menetelmapolkuja/tutkimusprosessi/tutkimuksen-toteuttaminen> .Accessed: 23.4.2014.

Kirkpatrick, D. 2007. The United States of Technology². Fortune. URL:
http://money.cnn.com/2007/07/05/technology/fastforward_us.fortune/index.htm

Accessed: 24.4.2014

Kotilainen, M., Kaitila, V., Nikula, N., Suni, P. 2009. Suomen ja Yhdysvaltojen väliset taloussuhteet. Taloustieto Oy. Helsinki.

Ministry for foreign affairs of Finland. 2013. Yhdysvallat. URL:

<http://formin.finland.fi/public/default.aspx?nodeid=17252&contentlan=1&culture=fi-FI>. Accessed: 13.3.2014

Nieminen, M., Väyrynen, R. 1999. Amerikan Aakkoset. Edita. Helsinki.

Niskakangas, T. 2013. Suomalaiset yritykset rynnistävät Yhdysvaltojen markkinoille. Helsingin Sanomat. Helsinki. URL: <http://www.hs.fi/talous/a1383293652917>. Accessed: 28 November 2013.

PESTLE Analysis. 2014. What is PESTLE Analysis? URL: <http://pestleanalysis.com/>
Accessed: 13.3.2014.

ProvenModels. 2013. Seven dimensions of culture. URL:

<http://www.provenmodels.com/580/seven-dimensions-of-culture/charles-hampden-turner--fons-trompenaars/>. Accessed: 30.12.2013

Statistics Finland. 2013. Liitetaulukko 1. PK- ja suurten yritysten määrä, henkilöstö ja liikevaihto 2012 (henkilöstön määrään perustuva kokoluokitus). URL:

http://www.stat.fi/til/syr/2012/syr_2012_2013-11-28_tau_001_fi.html. Accessed: 3 December 2013.

Scarborough, N. 2012. Effective Small Business Management. 10th Edition. Pearson, New Jersey, USA

The Hofstede Center. 2013. National cultural dimensions. URL: <http://geert-hofstede.com/national-culture.html>. Accessed: 23 December 2013.

The Hofstede Center. 2013. National cultural dimensions; Countries; Finland versus USA. URL: <http://geert-hofstede.com/finland.html>. URL: <http://geert-hofstede.com/united-states.html>
Accessed: 26 December 2013.

The Hofstede Center. 2013. National cultural dimensions. URL: <http://geert-hofstede.com/national-culture.html>. Accessed: 26 December 2013.

The New York Times. 2011. U.S. Business Has High Tax Rates but Pays Less. URL: http://www.nytimes.com/2011/05/03/business/economy/03rates.html?_r=0 Accessed: 20.3.2014

The U.S. Department of State. 2013. Foreign Businesses doing Business in the United States. URL: <http://www.usa.gov/Business/Foreign-Business.shtml>

The White House. 2014a. Office of Science and Technology Policy. URL: <http://www.whitehouse.gov/administration/eop/ostp/about> Accessed: 24.4.2014

The White House. 2014b. Our Environment. URL: <http://www.whitehouse.gov/energy/our-environment#energy-menu> Accessed: 24.4.2014

The Washington Post. 2014. John Podesta: The man behind President Obama's new environmental push. URL: <http://www.washingtonpost.com/politics/john-podesta->

the-man-behind-president-obamas-new-environmental-push/2014/03/03/fa6ba57e-9f5a-11e3-b8d8-94577ff66b28_story.html Accessed: 24.4.2014

Tilastokeskus. 2014. Kauppa.; Ulkomaankauppa. URL:
http://www.tilastokeskus.fi/tup/suoluk/suoluk_kotimaankauppa.html#ulkomaankauppa. Accessed: 2.5.2014.

Trompenaars, F., Woolliams, P. 2004. Business across cultures. Capstone Publishing. Sussex, UK.

United States Courts. 2014a. Federal Courts' Structure. URL:
<http://www.uscourts.gov/FederalCourts/UnderstandingtheFederalCourts/FederalCourtsStructure.aspx>. Accessed: 25.3.2014

United States Courts. 2014b. The Difference between Federal and State Courts. URL:
<http://www.uscourts.gov/FederalCourts/UnderstandingtheFederalCourts/Jurisdiction/DifferencebetweenFederalAndStateCourts.aspx>. Accessed: 25.3.2014

University of Southern California. 2014. Limitations of the study. URL:
<http://libguides.usc.edu/content.php?pid=83009&sid=616083>. Accessed: 2.5.2014.

Vahvaselkä, I. 2009. Kansainvälinen liiketoiminta ja markkinointi. Edita. Helsinki.

Virtuaali Ammattikorkeakoulu. 2014. Muuttajat tutkittavina ilmiöinä. URL:
<http://www2.amk.fi/digma.fi/www.amk.fi/opintojaksot/0709019/1193463890749/1193464131489/1194289328583/1194289841995.html>. Accessed: 27.3.2014.

Appendixes

Appendix 1. Interview Framework

Perustiedot

Nimi, kansalaisuus:

Tehtävä yrityksessä:

Yrityksen toimiala:

Yrityksen koko:

1. Kuinka kauan olette tehneet kauppaa Yhdysvaltalaisien kanssa:
2. (Mikä oli operaatiomuotonne viennissä? Oma välitön vienti/Suora vienti/Epäsuora vienti(agentti/vientiyhtiö)/strateginen liittouma?)
3. (Hyödynsikö yrityksenne suomalaisia kv-liiketoimintaa tukevia yrityksiä (esim. Finpro, Finnvera). Jos hyödynsi, miten?)
4. (Hyödynsikö yritys muita vientiä/tuontia tukevia tahoja (lähetystöjä/kauppakamareita jne.)? Jos hyödynsi, miten?)
5. Yhdysvaltalaisia kuvataan usein liike-elämässä adjektiiveilla ”voitonhaluinen, energinen, ulospäinsuuntautunut ja jopa päällekkäyvä”. Koetko stereotypiat todenperäisiksi, ja miten se vaikuttaa liiketoimintaan pidättyväisten suomalaisten kanssa?
6. Huomasitko eroja yhdysvaltalaisien aikakäsityksessä?
7. Huomasitko eroja yhdysvaltalaisessa johtamistyyliä tai hierarkiassa?

8. Jos yrityksenne harjoitti liiketoimintaa useissa osavaltioissa, koitko, että liikekulttuureissa oli merkittäviä eroja osavaltioiden välillä?
9. Eroaako amerikkalainen neuvottelukulttuuri merkittävästi suomalaisesta? Ovatko sopimukset pitäviä ja miten amerikkalaiset suhtautuvat ulkomaalaiseen neuvottelukumppaniin?
10. Viime aikoina on kuultu paljon väittämää ”Suomalaisilla on loistavia innovaatioita, mutta he eivät osaa markkinoida niitä, eivätkä itseään”. Mitä mieltä olet tästä väitteestä ja voisiko tämä olla osatekijä siihen, miksi suomalaisilla yrityksillä on vaikeuksia menestyä USA:n markkinoilla?
11. Mitkä asiat yrityksen menossa USAn: markkinoille onnistuivat?
12. Mitkä asiat yrityksen menossa USA:n markkinoille epäonnistuivat/olisi pitänyt tehdä toisin?
13. Mitä suomalaisten pk-yritysten tulisi erityisesti muistaa aloittaessaan liiketoiminnan Yhdysvalloissa?

Appendix 2. Transcript of interviews

Haastattelu 31.3.2014

Senior Lecturer SL

Heli Somerharju HS

Tuukka Rinne TR

TR: Aiheena on suomalaisten PK yritysten murto Yhdysvaltojen markkinoille.

TR: Sinulla oli kokemusta Yhdysvaltojen markkinoista ainakin lohien viennistä Texasiin? Jos on ollut muita projekteja niin kuulemme niihinkin liittyen mielellämme.

HS: Ja amerikkalaisesta kulttuurista yleisesti

SL: Kyllä, Houstoniin. Kyseessä oli lohien viennistä supermarket-ketjuun alueelle jolla pääosin latino-taustaisia asukkaita.

TR: Kuinka pitkä kauppasuhte ja projekti oli?

SL: Kokonaisuena vähän vajaa vuosi.

TR: Miten tämä aika jakaantui?

SL: Ensin etsimme amerikkalaisen ystäväni kanssa sopivia asiakkaita ja siitä melko nopeasti muutama sopiva yhteistyökumppani löytyi. Muun muassa Wal-Mart joka lopulta selvisi liian isoksi kumppaniksi. Wal-Martiin saimme kontaktin tutun henkilön suhteilla ylimmälle tasolle saakka. Toisen tutun kautta pääsimme muistaakseni Fiesta-nimisen, Texasin alueella toimivan ja pääosin latinalaistaustaisille kuluttajille suunnatun supermarketketjun kanssa kontaktiin ja toimitimme näytteitä. Kävin siellä muutaman kerran ennen koetilausta jonka jälkeen tuli varsinainen isompi tilaus. Tässä vaiheessa jouduimme kuitenkin lopettamaan toiminnan sillä he olivat ostaneet dollarimääräisenä ja valuuttakurssit romahtivat emmekä voineet lähteä viemään.

TR: Eli tässäkin tapauksessa henkilökohtaiset kontaktit olivat ratkaisevia?

SL: Kyllä, esittelyssä. Otin yhteyttä ja sanoin "terveisiä tältä ja tältä henkilöltä". Ja sitä kautta sitten ovet avautuivat.

TR: Eli kolmannen osapuolen ei tarvinnut aktiivisesti tehdä mitään?

SL: Kyllä. Kerran hän sattui olemaan paikalla kun olin Houstonissa, mutta hän vain esitteli minut "this is my Finnish friend". Sen jälkeen hoidin koko homman.

TR: Mikä oli operaatiomuoto? Suora vienti / Agentti?

SL: Se oli suora vienti. Tuttuni oli agentti mutta hän ei halunnut siihen sotkeutua, meillä oli muita kuvioita meneillään.

TR: Eli teillä oli suomalainen yritys joka lähti viemään lohta Yhdysvaltoihin?

SL: Kyllä, lisäksi perustimme ystäväni kanssa Yhdysvaltoihin myös yrityksen jota olimme käyttäneet mutta dollari romahti joten projekti ei ollut enää kannattava.

TR: Vientiä suunnitellessa, hyödynsittekö suomalaisia instansseja kuten FinPro ja Finnvera?

SL: Lohisavustamo käytti muistaakseni FinPron rahoja, jotain vienninedistämistukia.

Itsehän olin tilanteessa tavallaan agenttina. Yritykseni osti savustamon tuotteen ja myin omissa nimissäni Yhdysvaltoihin. Savustamo sai omaa tukea jolla he myös osittain kompensoivat minun yritykseni kustannuksia.

TR: Käytittekö muita tahoja; kauppakamarit, lähetystöt?

SL: Ei.

TR: Minä vuonna projekti oli?

SL: Lohet olivat varmaan 1995. Sitten lopetin sen leikin ja palasin opiskelemaan.

TR: Miten arvioisit sekä amerikkalaisia kollegoja että vastapuolia? Amerikkalaisen stereotypianahan pidetään "KUVAUS". Olivatko nämä paikkansapitäviä?

SL: Kyllä he ulospäin suuntautuneita ovat ja voitto on aina mielessä. En kokenut heitä päällekkäyviksi. Toisaalta sikäläinen kulttuuri on minulle suhteellisen tuttu. Olen tyyppillinen suomalainen luonteeltani mutta niin paljon aikaa yhdysvalloissa viettänyt ja tunnen sen mentaliteetin ja osan antaa sille oman arvon. Sen voisi sanoa amerikkalaisista että he ovat kokeilunhaluisia. Valmiita ostamaan jotain ja jos homma ei toimi heitä ei hetkauta pätkeäkään dumpata se. Amerikkalaiset osaavat riskinhallinnan hyvin. He eivät ota valuuttariskiä, ostavat dollareina. Samaten kuljetusriski. Ostavat aina, vanhoilla mentiin toimituslausekkeilla, tämän päivän versio ehkä DDU, he voivat hoitaa ehkä tullauksen. Ja myyvät EXW. Aina lykkäävät kuljetusvastuun ja järjestämisen toiselle osapuolelle.

TR: Jatkokysymyksenä sinulla oli jo kokemusta amerikkalaisista eikä siten tullut ongelmia, mutta miten arvioisit stereotyyppisen suomalaisen pärjäävän amerikkalaisten kanssa ilman kokemusta?

SL: Kyllä siinä aika paljon pitää oppia ja oppirahat maksaa. Siellä pitäisi olla joku luotettu tuttu jonka kautta lähtee tekemään. Jos ihan kylmiltään lähtee niin kyllä ne syö sinut elävältä.

TR: Miten koit amerikkalaisen aikakäsityksen?

HS: Ovatko he yhtä täsmällisiä?

SL: Eivät ole. Olen tehnyt heidän kanssaan niin paljon ja asunut ja pyörittänyt organisaatioita. Se riippuu paljon osavaltioittain. Etelässä aika on suhteellinen käsite, NY ollaan paljon täsmällisempiä. Myöhästymiseen on aina syy, liikenne tökkii. Suomessa sanotaan että asun "6km päässä", siellä sanotaan että asun "30 min päässä".

TR: Miltä alueelta aiempi kokemuksesi oli?

SL: Olen asunut El Pasossa, Orlandossa ja siellä eniten tehnyt bisnestä. Lisäksi olen paljon kiertänyt maata, noin 30 osavaltiossa. Jonkin verran tuntumaa siitä miten ihmiset eroavat jotka ovat joskus isojakin.

HS: Mitkä ovat liikekulttuurissa suurimmat erot osavaltioiden välillä? Itä vs. länsi? Aikakäsitys ehkä yksi?

SL: Ehkä länsirannikon ihmisen ovat rennompia, itärannikolla pukukoodi on tiukempi, varsinkin NY ja Washington. Herättäisin pahennusta nykyisessä asussani. Floridassa taas pukeutuminen on sellainen että kauluksellinen t-paita ja puuvilla housut, ei ehkä farkkuja, mutta farkutkin on ihan ok. Kaikki pitävät Kalifornialaisia hulluina. Siellä on kaikkea maan ja taivaan väleillä, smokista shortseihin. Olen ollut äärimmäisen varakkaiden ihmisten kanssa tekemisissä jotka pukeutuvat kuin resupekat.

Myyjänä toimiminen on haastavaa sillä amerikkalaiset eivät usein arvosta myyjiä. Orlandossa asuessani ihmettelin kun kollegat soittivat ed päivänä ennen reissuun lähtöä ja varmistivat tapaamiset. Koska joskus käy niin että matkustaa Orlandosta LAhan ja selviää että ihminen joka piti tavata on itärannikolla, ei vaivauduta ilmoittamaan. On hirveän tärkeää että varmistaa tapaamisen.

TR: Miten tuosta sitten neuvottelukulttuuri ja sopimusten pitävyys. Ovatko nämä verrattuna suomalaiseen pitävyyteen millaisia?

SL: TV on luonut illuusion että kaikesta pitää sopia hirveällä sopimusnipulla. Joissain tapauksissa näin onkin. Usein kuitenkin liikesuhteet aloitetaan epämuodollisemmin kokemuksen mukaan. Vasta suuremmissa sitoumuksissa otetaan juristit käyttöön. Sopimusneuvottelut ovat yleensä, paljon small talkia, sitä pitää ostata, mutta aika nopeasti päästään asiaan. Olen sen kokenut suht suoraviivaiseksi. Itse olen suoraviivaisempi kuin amerikkalaiset mutta ihan miellyttävästi olemme tulleet toimeen. En muista suuria eroja eri alueiden välillä tässä asiassa. Amerikkalainen on periaatteessa suomalaisella mittapuulla luotettava kumppani.

TR: Miten sitten suhtautuminen ulkomaalaiseen/suomalaiseen kumppaniin?

SL: Uskokaa tai älkää, vieläkin olemme ainoa maa joka maksoi velkansa. Hämmästyttävää, meitä pidetään luotettavana kumppanina. Kun lohia kaupattiin niin norjalaiset olivat puoliksi lentäneet ulos sikäläisiltä markkinoilta sillä he pyytävät valaita. Suomi ja suomalaiset eivät ole koskaan tehneet mitään pahaa tai mikä loukkaisiin Yhdysvaltoja. Ruotsalaiset kun Olof Palme tuomitsi USAn Vietnamin sodan, vaikka sitä sielläkin vastustettiin vaikka kuinka paljon. Heitähän ei saa kritisoida. Suomi ei ole tätä tehnyt ja Suomella on hyvä maine. Meitä pidetään hieman hiljaisina. Suomalaiset Jimmy Kimmel Showssa. Juurikin velkojen maksaminen. Jopa sodan aikana maksettiin. Varsinkin vanhempi polvi mutta myös nuorempi.

Meidän paikallistetaan jonnekin Sveitsin viereen. Mutta VELAT.

HS: Tuntevatko he Suomen?

SL: Suomi yhdistetään Keski-Eurooppaan. Tiedetään olemassaolo mutta ei Suomituntemus kummoista USAssa ole.

HS: Miten hierarkisuus Suomeen verrattuna? Suomessahan hyvin matala ja rento.

SL: Silloin kun asuin USAssa olin operatiivinen johtaja. Hierarkia on siellä selvempi kuin Suomessa. Mutta siellä käydään jatkuvaa valtataistoa organisaatiossa. Meillä oli kolme johtajaa, muutama päällikkö ja toimistotyöntekijöitä. Aina silloin tällöin joku päällikkö itse nosti itsensä johtajaksi. TJ ei ollut täyspäiväisesti organisaatiossa. Me kaksistaan ystäväni kanssa pyöritimme sitä ja matkustimme paljon yhdessä. Kun kissa oli poissa niin hiiret hyppi pöydällä. Sananmukaisesti valloitti jomman kumman meistä työhuoneen, "im in charge". Ehkä suomalaiset ovat lojaalimpia. Jos jotain päätetään niin se hyväksytään. Siellä jos jokin ei miellytä niin se osoitetaan. Palkkasimme admini-

strative assistant, ensimmäinen työt aloitettuaan ilmoitti että ei hän halua tätä tehdä, hän haluaa olla markkinointisihteeri. Ystäväni siirsi, ja palkattiin toinen. Tällekin tehtävä ei kelvannut. Organisaation pyörittäminen siellä on paljon hankalampaan kuin Suomessa.

HS: Olen käsittänyt että Amerikkalaiset eivät ole niin muodollisia kuin britit - mr. mrs. /niata...

SL: Kyllä siellä jonkin verran, riippuu organisaatiosta. Meillä oli pieni, epämuodollinen organisaatio. He ovat usein kuitenkin hyvin muodollisia toisille puhuessaan. Varsinkin lapset. Kun asuimme Orlandossa, tyttäreemme ei saanut julkisesti koskaan sanoa X vaan mrs. Y. Kun hänen lapsensa eivät olleet paikalla sai tyttäreemme sanoa X. Opettaja on Mrs . Y. Puhuttelu on virallisempaa kuin täällä. Vaihto-opiskelijat ihmettelevät täällä kun sanon että "just call me jari"

TR: Onko koskaan tullut tunnetta että suomalaisuudessa on saanut erivapauksia amerikkalaiseen etikettiin, katsovatko he sitä sormien läpi vai onko oletus että amerikkassa toimitaan amerikkalaisella tavalla?

SL: Amerikkassa toimitaan amerikkalaisittain. Minulla oli organisaatiossa asema että pystyin sanelemaan sääntöjä. Meillä toimittiin suomalais-amerikkalaisittain.

SL: Amerikkalaiset sanovat "when in Rome, do as the Romans do". Floridalaiset ovat ehkä hieman liberaalimpia suhtautumisessa ulkomaalaisiin mutta esim. Texasissa jos et toimi heidän tavallaan niin "suksi kuuseen" -linjalla. Siinä on havaittavissa alueellisia eroja. Itärannikko on vähän kansainvälisempiä muutenkin joten siellä hyväksytään käytös. Texas, Oklahoma, New Mexico, Arizona, näissä ollaan joko amerikkalaisittain tai sitten olet syrjässä

HS: Nyt on ollut paljon puhetta että suomalaiset ovat hyviä innovoimaan mutta eivät osaa markkinoida. Onko tämä ehkä yksi syy suomalaisten vaikeuksiin amerikkalaisille menossa?

SL: Sanoisin että suurin syy on rohkeuden puute. Myös markkinoinnilla on syy, mutta kuten sanoin, amerikkalaiset ostavat melkein mitä vain kunhan sitä heille myydään. Jos se ei sitten mene eteenpäin kaupaksi niin he sen ostamisen lopettavat. Ja USAn markkinat ovat niin isot että segmentointi on hirveän tarkkaa. Esim. kylmäsavulohien kanssa selvisi erilaisten kanavien kautta että latino-taustaiset pitävät kylmäsavulohesta joka oli hyvä segmentti. Löysimme vielä hyvän instanssin segmenttiä palvelemaan. USAssa

kannattaa mennä markkina-alue kerrallaan eikä koko maa kerralla. Täytyy muistaa että esim. Houstonin alueella on 5 milj ihmistä.

TR: Jokainen suurkaupunki on Suomen kokoinen markkina-alue.

SL: Kyllä.

HS: Onko Itärannikko helpompi markkina-alue jos sikäläiset ovat vastaanottavaisempia ulkomaalaisille?

SL: Itärannikko on helppo, mutta länsirannikkokin, jos on jotain terveydellistä aspektia niin Kalifornia on luvattu maa. Ehkä etenkin eteläinen Kalifornia. Pohjoisessa ovat vähän rajoittuneisempia. San Franciscosta pohjoiseen. Floridassa on paljon kansainvälistä ilmapiiriä, mutta taas Orlandon ja Tampan välillä on valtavia eroja. Tampa on huomattavasti konservatiivisempi. Orlandossa paljon turisteja ja sitä perspektiiviä.

Itärannikko, jostain Bostonista Washingtoniin ollaan vastaanottavaisia, mutta etelämpänä ollaan taas ihan eri maailmassa.

TR: Onko poliittisilla jakolinjoilla ja perinteisillä kannatusalueilla merkitystä?

SL: Sanotaan että ehkä demokraattiset osavaltiot ovat usein liberaalimpia suhtautumisessa ulkomaalaisiin. Nyt varsinkin kun republikaaninen puolue on tullut konservatiivisemmaksi ja asenne on koventunut. Tea party sählää oikein kunnolla. Esim. Uusi Englanti on perinteistä demokraattialuetta ja suhtautuminen vieraisiin vaikutteisiin on avoimempaa.

HS: Poliitikasta ei varmaan hirveästi kannata puhua?

TR: Tai muita "tabuja"?

SL: Liiketapaamisessa ei kannata puhua uskonnosta, on hyvä olla kristitty mutta siitä ei kannata sen enempää keskustella. Amerikkalainen ei ymmärrä suomalaista kristillisyyttä että ei käydä kirkossa. Ja kirkollisvero on melkein sosialismia.

Kun ystäväystyy kunnolla amerikkalaisen kanssa voi keskustella politiikasta enemmänkin mutta small talk vaiheessa länsimaisten arvojen korostaminen ja Yhdysvaltain johtavan aseman tunnustaminen on hyödyllistä ja edistää asioita ja kannattaa tuoda esiin muutenkin myönteinen suhtautuminen USA:ta kohtaan. Koska siinä vaiheessa jos herättää pikkusenkin kritiikin siemenen niin kauppa menee poikki. Jopa lapsen mielipide saate-

taan tulkita epäisänmaalliseksi. Näissä asioissa kannattaa olla hirveän varovainen ja ehkä vähän sellainen lipevä, mielitelevä. Ei kannata millään tavalla kritisoida USA:ta.

HS: Jos palataan yrityksen toimintaan niin mitkä asiat erityisesti onnistuivat USAn markkinoille menossa? Sinullahan oli kontakteja?

SL: Kyllä, oli kontakteja ja sanotaan että päätöksenteko oli suhteellisen jouheaa. Ensin vein näytteet, sitten toimitettiin pieni koe-erä joka meni laajemmalle levitykseen että tuotetta olisi voitu markkinoida koko ketjussa. Kauppa on amerikkalaisten perusbisnes, kyllä he sen osaavat. He ei ainakaan, minun tapauksessani ja olen kuitenkin useampia juttuja heidän kanssaan tehnyt, missään vaiheessa olleet hankalia. He ostaa mitä tahansa jos he saavat sen myytyä eteenpäin ja saavat siitä katetta.

TR: Ja jos eivät saa myytyä eteenpäin se kauppa loppuu siihen?

SL: Se loppuu kuin seinään. Ensimmäinen tilaus jos ei mene aiotussa ajassa niin ei kannata yrittää uudestaan.

HS: Mitä olisi pitänyt tehdä toisin? Valuuttakurssiin ei paljoa pysty vaikuttamaan.

SL: Olisi siihen voinut vaikuttaa, minun oli tarkoitus suojautua mutta odotin varsinaista tilausta. Enhän minä rupea suojaamaan valuuttaa ennen kuin minulla on tilaus. Kun tilaus tuli niin muutamaa päivää aikaisemmin dollarin kurssi oli lähtenyt voimakkaaseen laskuun. Ei vain voinut, olisi pitänyt olla jo kauppaa jolloin suojauksen olisi voinut tehdä. En lähtisi suojaamaan ennen kuin minulla on kauppaa.

TR: Oliko mahdollisuutta lähteä neuvottelemaan uutta hintaa kurssimuutoksen seurauksena?

SL: Amerikkalaisia ei kiinnosta muiden valuuttakurssit, se ei ole heidän ongelma. He saa ostettua kalaa mistä tahansa. Se meni ihan hyvässä hengessä, sieltä ei tullut mitään tylytyskommenttia. He eivät halua ottaa riskejä että tavara jäisi heille käsiin enkä minä voinut myydä millekään myyntilille että tavarat olisivat minun kunnes he myisivät sen

HS: Mitä suomalaisen pienyrityksen pitäisi erityisesti ottaa huomioon/muistaa/hyödyntää USAn markkinoille menossa?

SL: On hyvä olla joku tukiverkosto, joko Suomessa, vienninedistämisorganisaation hyödyntäminen tai riittävän luotetun kumppanin kanssa toimiminen. Sen verran täytyy olla turvaverkkoja. Täytyy vähintään tietää joku juristi joka ymmärtää sikäläistä juridiikkaa että tarvittaessa voi niitä asioita lähteä kysymään. Ja kaikkeen on hyvä olla riittävää

asiantuntemusta jossain varalla. Kaupanteko siellä on ihan helppoa ja olen ajatellut että voisi vielä jotain sinnepäin tehdä.

Jo pelkästään se että uhataan juristilla, tiedän tapauksia missä keskisuuri yritys ei uskaltanut jättää vastaan taistelemaan vaikka olivat absoluuttisen oikeassa. Jätti sanoi että "meillä on x juristia ja laitetaan prosessi käyntiin. Teillä menee juridiikkakuluja y dollaria. Lähtekää vaan tappelemaan, voitte voittaa mutta siinä menee aikaa ja maksaa paljon."

Ja jos amerikkalaisen kanssa menee sukset ristiin niin juridiikkatykistöä tulee. Sopimuksen oikeuspaikaksi kannattaa yrittä valita joku toinen kuin USA. Jos mahdollista niin välitysklausuuli ja toimipaikaksi, aika usein tehdään lontoossa tai tukholmassa. Suomesakin yritetään välimiesmenettelyä kansainvälistä. Sitä kannattaa harkita, mitä lakia käyttää. Jos vain mahdollista niin Suomen lakia koska tämä on aika yksinkertainen.

HS: Yrityksen perustaminenhan on siellä aika yksinkertaista.

SL: Se ei maksa hirveästi ja on suhteellisen nopeaa. Kaverin kanssa kun yritys perustettiin niin parissa päivässä se tuli.

TR: Entä negatiiviset tekijät, onko tekijöitä miksi et suosittelisi Yhdysvaltoja vientikohteeksi?

SL: Jos USAssa lähtee tallomaan liian isoille varpaille niin tulee aika kovaa jyrätyksi. Hellas kun yritti purukumia myydä niin Wrigley lähti laskemaan liikkeelle moneksi vuodeksi että xylitol aiheuttaa syöpää. Kun patenttisuoja lakkasi niin se ei enää aiheuttanutkaan syöpää. Jos tuote jollain tapaa loukkaa riittävän voimakkaan organisaation intressejä, instituutioteoria, sitten voi tulla vaikeuksia.

HS: Mikä oli kokonaisaika minkä asuit USAssa?

SL: Kaikenkaikkiaan vähän yli 3 vuotta.

Haastattelu 16.4.2014

CS = Commercial Specialist

CK = Commercial Clerk

HS = Heli Somerharju

Tehtävä organisaatiossa: Viennin edistäminen USA:n ja Suomen välillä.

HS: Voisitteko aluksi kertoa lyhyesti taustastanne ja suhteestanne Yhdysvaltoihin?

CS: Minulla on taustana se, että olen opiskellut Yhdysvalloissa ja sen jälkeen suorittanut työharjoittelun New Yorkissa ja sen jälkeen jäin vielä muutamaksi vuodeksi töihin erääseen suomalaiseen organisaatioon. Sen jälkeen palasin Suomeen ja olen työskennellyt 15 vuotta USA:n suurlähetystössä.

CK: Minun suhde USA:han on erilainen. Olen Kanadasta kotoisin, en ole varsinaisesti työskennellyt USA:ssa, mutta kulttuuritaustani on hyvin amerikkalainen. Olen kasvanut ja matkustanut koko elämän amerikkassa. Olen työskennellyt nyt USA:n lähetystössä kolme vuotta.

HS: Yhdysvaltalaisia kuvataan usein liike-elämässä adjektiiveilla ”voitonhaluinen, energinen, ulospäinsuuntautunut ja jopa päällekkävyä”. Koetteko nämä stereotypiat todennäköisiksi, ja miten se vaikuttaa liiketoimintaan pidättyväisten suomalaisten kanssa?

CK: En koe, että he olisivat päällekkäviä, he ovat selvästi kyllä enemmän ”driven” eli määrätietoisempia. Se saattaa tuntua suomalaisista päällekkävältä, koska he eivät ole niin ”outgoing”.

CS: Suomalaisille voi olla myös vierasta, että amerikkalaisille liike-elämässä on tärkeää henkilökohtaiset suhteet ja pyritään tutustumaan heti lähemmin liikekumppaniin. Suomalaiset eivät ole ehkä heti valmiita avautumaan, he haluavat olla pidättyväisempiä ennen kuin loikataan pidemmälle. Siinä saattaa tulla eroja, koska peruslounheet eroavat.

CK: He (suomalaiset) eivät ole keskittyneet pitkäaikaiseen suhteen luomiseen kunhan he saavat sen mitä tulivat hakemaan.

HS: Aikaisemmilta haastateltavilta olen kuullut myös, että suhteet ja verkostot ovat to-della tärkeitä kun tehdään liiketoimintaa amerikkalaisten kanssa.

CS: Kyllä, ”References” on hyvin tärkeätä olla, muuten on vaikea saada luottamusta.

CK: Amerikkalaiset luottavat amerikkalaisiin ehkä enemmän kuin joku ulkomaalainen, ainakiin alkuun ennen kuin suhde on luoto. Paikalliset referenssit ovat siis tosi tärkeitä.

HS: Suomikaan ei varmasti ole siellä tunnetuin maa.

CS: Sekin riippuu hieman alasta ja missä päin USA:ta olet. Tietyillä aloilla kaikki tuntee kaiken, mutta laajemmalla skaalalla on tietysti vaikeampaa. Talvisota ja sauna tunnetaan Eurooppalaisiin yleisesti suhtaudutaan positiivisesti.

CK: Jos aloitat aivan pohjalta, ei voi tietenkään olla suuria verkostoja, mutta sitten kun se löytyy ei ole väliä mistä olet tai mitä teet. Olet jo ansainnut luottamuksen.

HS: Huomasitteko eroja yhdysvaltalaisten aikakäsityksessä? Ollaanko yhtä ”punctual”?

CK: Riippuu, deadline on deadline, mutta sitä ei aina anneta tarkasti. Siellä on paljon enemmän painetta saada asiat tehtyä ja tuottaa tulosta. Amerikassa on paljon enemmän kilpailuhenkeä työpaikoilla eikä aikaa jää paljon miettimiseen. Jos missaat deadlineen niin jäät auttamatta jälkeen, eikä ymmärrystä heru.

CS: Samanlainen kulttuuri on siinä mielessä, että kunnioitetaan toisen aikaa ja tullaan tapaamiseen ajoissa ja hyvin valmistautuneena.

CK: Varsinkin kun kaikilla on aina kiire, joten aika on tosi tärkeää. Huomaa kun itse käy jenkeissä messuilla, nin esimerkiksi etelä-amerikkalaiset tulevat aina myöhässä, mutta amerikkalaisilla ja pohjoismaalaisilla on melko samanlainen aikakäsitys. Myöhästyminen on ”sign of disrespect”.

CS: 5 minuuttia on ok, tai akateeminen vartti.

HS: Huomasitko eroja yhdysvaltalaisessa johtamistyyllissä tai hierakiassa? Voidaanko pomon kanssa mennä juttusille yhtä helposti kuin suomessa?

CS: Rippuu paljon yrityksen business kulttuurista ja organisaatiosta. Isoimmissa firmoissa power distance on yleensä suuri ja pomoa kunnioitetaan tosi paljon. Pienemmissä firmoissa se väli ei taas ole niin iso.

CK: Se on myös kiinni persoonasta, jotkut eivät välitä asemastaan ja menevät suoraan pomon puheille.

CS: Yrityskulttuuri on ratkaiseva.

HS: Miten paljon liikekulttuureissa on eroja osavaltioiden välillä?

CK: Ihmiset ylipäätään on erilaisia..

CS: Itärannikolla pädetään sillä, että aina on kiire ja aina on tekemistä. Länsirannikolla arvostetaan vapaa-aikaa eri tavalla ja he ovat valmiita panostamaan siihen. Ajatusmaailma on erilainen. Etelän ja Pohjoisen välillä on aika sama jako.

CK: Länsirannikolla ei jäädä ylitöihin, itärannikolla pidempää päiviä.

CS: Eroa voi olla myös siinä onko iso vai pieni kaupunki, isoissa kaupungeissa erot korostuvat vielä enemmän.

CK: Toisaalta poikkeuksiakin on, esim. Silicon Valley Californiassa, jossa on taas täysin itärannikon meininki. ”Hardworking” –kulttuuri.

CS: Meillä oli yksi yritys, joka löysi Californiasta ensikontaktin, he olivat avoimimpia uusille ajatuksille. Olemme huomanneet myös, että isot kasvukeskukset eivät ole välttämättä paras paikka lähteä liikkeelle, kannattaisi löytää yhteisiä tekijöitä. Jos on pienestä kaupungista, kannattaa ehkä aloittaa myös pienemmästä paikasta USA:ssa. Se on joka tapauksessa isompi kuin Suomen kaupungit.

HS: Eroaako mielestänne amerikkalainen neuvottelukulttuuri merkittävästi suomalaisesta? Ovatko sopimukset pitäviä ja miten amerikkalaiset suhtautuvat ulkomaalaiseen neuvottelukumppaniin?

CS: He ovat enemmän valmiita liikkeen tekoon, suomalaiset ovat varovaisemmin liikkeellä. He ovat ”straight down to business” ja vastaus halutaan saman tien. Ei jäädä miettimään turhia.

HS: Ovatko sopimukset pitäviä?

CK: Ei välttämättä. Kaikki kannattaa tehdä kirjallisesti, ei suullisia sopimuksia. Juristi kannattaa tuntea ehdottomasti. Sopimuksen menevät yleensä lakifirman kautta, on tosi tarkat suojat sopimukset. Kannattaa vahvistaa sopimukset asianajalla.

HS: Mitkä ovat hyviä small talk aiheita amerikkalaisten kanssa?

CK: Sää tietysti ja uhrheilu! Poliitikkaa kannattaa tietysti välttää. Uskontoa hyväksytään enemmän kuin suomessa, mutta ei siitäkään kannata ensitapaamisella lähteä puhumaan.

CS: Amerikkalaiset tykkäävät puhua paljon perheestään ja taustastaan. He ovat avoimempia kertomaan henkilökohtaisista asioistaan. Jotkut vähän liiankin. He ovat todella ylpeitä kotipaikastaan, paljon enemmän kuin suomalaiset.

HS: Meilläkin täällä lähetystöllä on puhuttu paljon siitä, että ”Suomalaisilla on loistavia innovaatioita, mutta he eivät osaa markkinoida niitä, eivätkä itseään”. Mitä mieltä olet

tästä väitteestä ja voisiko tämä olla osatekijä siihen, miksi suomalaisilla yrityksillä on vaikeuksia menestyä USA:n markkinoilla?

CS: Tänä keväänä meillä on ollut ”Connect USA” hanke, ja Lähettiläs (Bruce Oreck) on tuonut esiin tätä samaa ajatusta, että suomalaiset ovat hyvin innovatiivisia, mutta myös tuotekehityslähtöisiä. Parannetaan sitä hyvää tuotetta jatkuvasti ja jatkuvasti ennen kuin se tuodaan markkinoille ja aletaan markkinoimaan sitä. Suomalaisten pitäisi rohkeammin olla kuten amerikkalaiset. Suomalaiset ovat kuten ”aim, aim, aim”, kun taas amerikkalaiset ovat ”shoot, shoot, aim”. Amerikkalaiset lähtevät heti liikkeelle ja jos tulee virheitä niin ne korjataan matkan varrella. Suomalaiset yrittää lähteä täydellisyydestä liikkelle.

CK: Suomalaiset pelkäävät liikaa epäonnistumista. Pitäisi olla täydellistä, ennen kuin edes yrittää.

CS: Kynnys lähteä ulkomaille on liian kova, pelätään epäonnistumista. Ei olla edes valmiita yrittämään vaikka tuote on todella hyvä.

HS: Mitä mielestänne ei kannata tehdä kun lähtee USA:n markkinoille.

CK: Mennä ilman suunnitelmaa ja taustatietoa. Kaikki paperit ja partnerit tulisi olla kunnossa. Pitää tehdä sun ”homework”.

CS: Kannattaa käyttää asiantuntijoita, eikä luottaa vaan omaan tuntemukseen. Verkoistoituminen ei välttämättä edes olla maksullista. USA:ssa on myös paljon kauppakamareita ja klustereita. Economic development offices jne. avustavat firmoja eri osavaltioissa.

HS: Mitä suomalaisten pk-yritysten tulisi erityisesti muistaa aloittaessaan liiketoiminnan Yhdysvalloissa?

CS: Voin omasta kokemuksesta jakaa, että tulen perheestä, jossa eräs on lähtenyt yrittämään USA:han, ja tulee mielen se, että yritys pitää rekisteröitä, että pankkitilit yms. saadaan avattua. AIM-tunnus. On tiettyjä kriteerejä, jotta siellä pääsee etenemään.

Näistä on hyvä ottaa selville ja veroista. Miten rekisteröidään yritys ja missä. Käytännön asiat on hyvä olla hallussa.

CK: Suomalaiset ymmärtää kuitenkin hyvin USA:n kulttuuria, joten suuria kulttuurieroja ei ole, vähän vain pieniä. Englannilla ja draivilla pärjää hyvin. Huomattavasti helpompi lähteä sinne kuin esim. Kiina ja Venäjä.

CS: Yhdysvalloissa ja Suomessa noudatetaan myös tarkasti lakeja ja määräyksiä, joka tuo turvaa. Se on tuki ja turva. Joe koet, että olet väärin kohdeltu, voit aina tukeutua paikalliseen lakiin. Järjestelmään voi luottaa, se on vakaa.

CS: Tuotteen brändäys ja mielikuvien luominen on hyvin tärkeää amerikkassa. Sunnitelmaa pitää myös pystyä muuttamaan tarpeen mukaan ja nopeasti. Ole myös valmis vastaamaan kysymyksiin ja taustatiedon esittämiseen, koska amerikkalaiset kyselevät todella paljon.

CK: Tärkeintä on muistaa rohkeus ja ”go for it”. Amerikkalaisille voi tuoda esiin myös omaa kulttuuria ja tuoda alussa esiin se, että suomalaiset ovat eivät välttämättä hallitse small talkkia.

HS: Tuleeko mieleen suomalaista osaamista joka voisi erityisesti menestyä USA:n markkinoilla?

CK: IT-alalla on todella hyvää osaamista. Sauna voisi myös olla kova juttu! Menestyneitä yrityksiä on laidasta laitaan, ajoituksen ja paikan tulee olla oikea.

Haastattelu 13.1.2014

Professor of Nano-technology

Yritys USA:ssa: diagnostiikan ala/ Business partner

Toiminut yrittäjänä ja vierailevana professorina USA:ssa yli 20 vuotta. Kaliforniassa pääasiassa. Nykyään Utahissa.

-Amerikkalaiset todella puheliaita ja kommunikoiivat erittäin paljon ja sujuvasti, Verkot todella tärkeitä.

-Amerikkalainen Business kumppani hoiti suhteet ja verkostoitumisen

- Suomalaisen yrityksen todella vaikea mennä markkinoille, ilman paikallista yrityskumppania tai agenttia → yrityksen perustaminen tosin hyvin halpaa.

-vähäinen hierarkia, kanssakäyminen hyvin epämuodollista ja rentoa (vertaa esim. britit)

-Itärannikolla muodollisempaa – lähempänä Eurooppaa

-Virallisista työajoista ei ole kuultukaan, on hyvin yleistä, että töitä tehdään myös viikonloppuisin ja juhlapyhinä (esim. joulupäivänä töihin) -> työmoraali aivan eri kuin suomessa

- USA:han pyrkivällä yrityksellä tulee olla todella vahvat perusteet ja markkinatuntemus. Parasta on tehdä yhteistyötä paikallisen tahon kanssa.
- Trade show:t hyvä mahdollisuus saada potentiaalisia liikekontakteja, suhteellisen pienellä panoksella.
- Voi myös palkata asianajajan hoitamaan yrityksen perustusvaiheen asioita, mutta asianajajien palkkiot usa:ssa todella kovia.
- Ministeriöt tukevat pienyrityksiä.
- USA:ssa Small Business innovative research” hanke
- Rahoitus aivan eri luokkaa kuin suomessa, pelkällä idealla voi saada miljoonia. Venture capitalists, armeijan rahoitus, osavaltion ja hallituksen rahoitus. Eräs pieni yritys sai 50 milj sijoituksen ja omistaa silti 70% yrityksestä.
- Markkinoilla paljon enemmän mahdollisuuksia.
- Suomalaiset yritykset eivät palkitse innovaatioita tai tutkijoita. USA:ssa valtavat royaltit
- oikeuden käynnit riitatilanteessa erittäin kalliita, haastateltavalla oikeudenkäyntikulut 1,8 miljoonaa, riita yrityskumppanin kanssa.
- Lakijärjestelmä on ”pienen ihmisen puolella” kuka tahansa voi olla juryssä, lakien soveltaminen paljon vapaampaa
- Sopimukset voidaan muuttaa täysin ,

Industry: Industrial cooling and ventilation/ C.E.O.

Size of the company: Medium

1. How long have you been doing business with Americans?

25 years

2. What was the chosen market entry mode? Direct exporting/Indirect exporting/strategic alliance.

Own manufacturing and operations

3. Did your company utilize the services of any Finnish organizations supporting foreign trade? (Finpro, Finnvera etc.)

Yes – Then kaupallinen sihteeri (later Finpro)

4. Did your company benefit from any other internationalization services? Which and how?

Yes definitely. Finding places and personnel. (In fact the current CEO came then through this organization)

5. Americans are often described in business life as having as winners, energetic, extroverted or even pushy. Do you find these stereotypes to be truthful and how does it affect doing business with the more introverted Finns.

Certainly cultures are different, but we have never experienced this to be a hindrance in our business

6. Have you noticed any difference in the concept of time between Finns and Americans?

Not anything significant. Except that in our operations in America people are much earlier to work, and of course working weeks are significantly longer.

7. Have you noticed any difference in management style or hierarchy?

America is clearly a more hierarchical than Finland in management style.

8. If your company did business in several states, did you notice any difference in business culture between different states, east coast vs. west coast etc.?

Yes. East coast is more “business like” whereas the South, Midwest and West tends to be more casual in style

9. Does American negotiation style differ from Finnish? Are agreements solid and how do Americans see a foreign negotiator.

Negotiations tend to be tougher and often more difficult. But at least we have always been treated with respect. In America we always use locals to do the negotiating whenever possible.

10. Recently there have been comments such as “the Finns have great innovations but they do not know how to market them or themselves.” Do you find this statement and could this be a factor to why Finnish companies have trouble penetrating the U.S. market?

We have been very successful in America, so I have a difficult time answering this. In our case our marketing quality is worse in the States – even though it is run by Americans – than it is in Europe. But we have been always successful in America in spite of this.

11. What was a success in the company’s internationalization process into the United States?

Finding right local management and letting them develop their independent business without too much interference.

12. What failed or could have been done better in the process?

Nothing so far. We have been very happy with our success.

13. What factors would you highlight for Finnish SME's who are trying to break into the U.S. market?

Have good products to offer to the market. Find local people to run the company. Be willing to take a long term view. Be patient. Appreciate the culture and enjoy it.