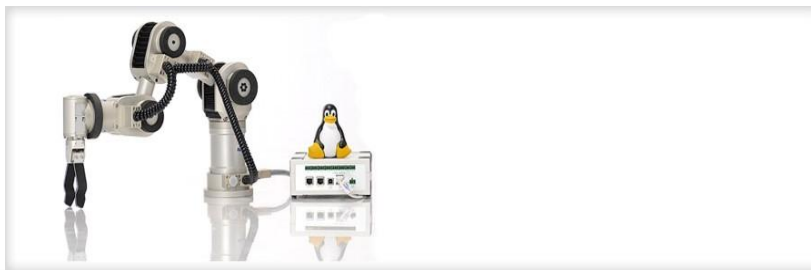
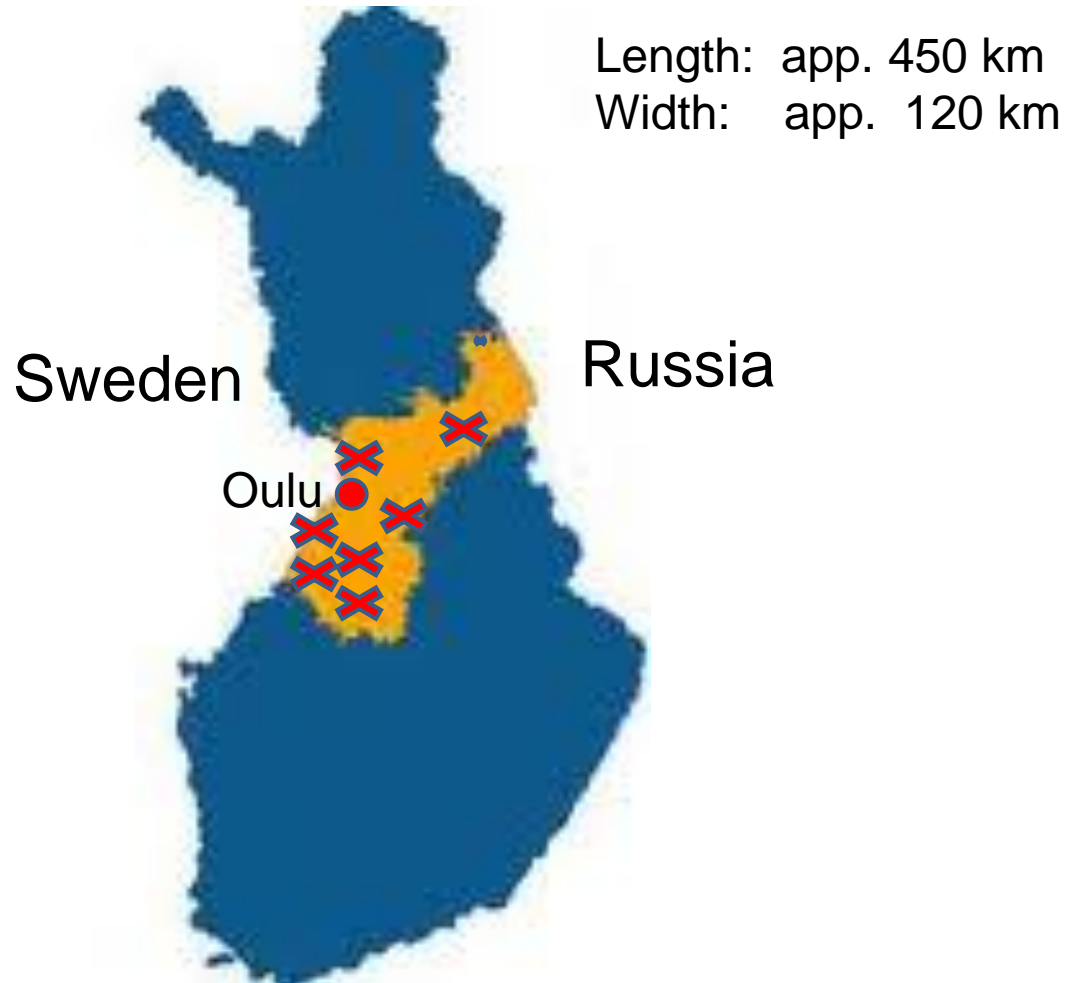


# Preliminary results of Oulu Region Finland Iceland 20. – 23.9.2011

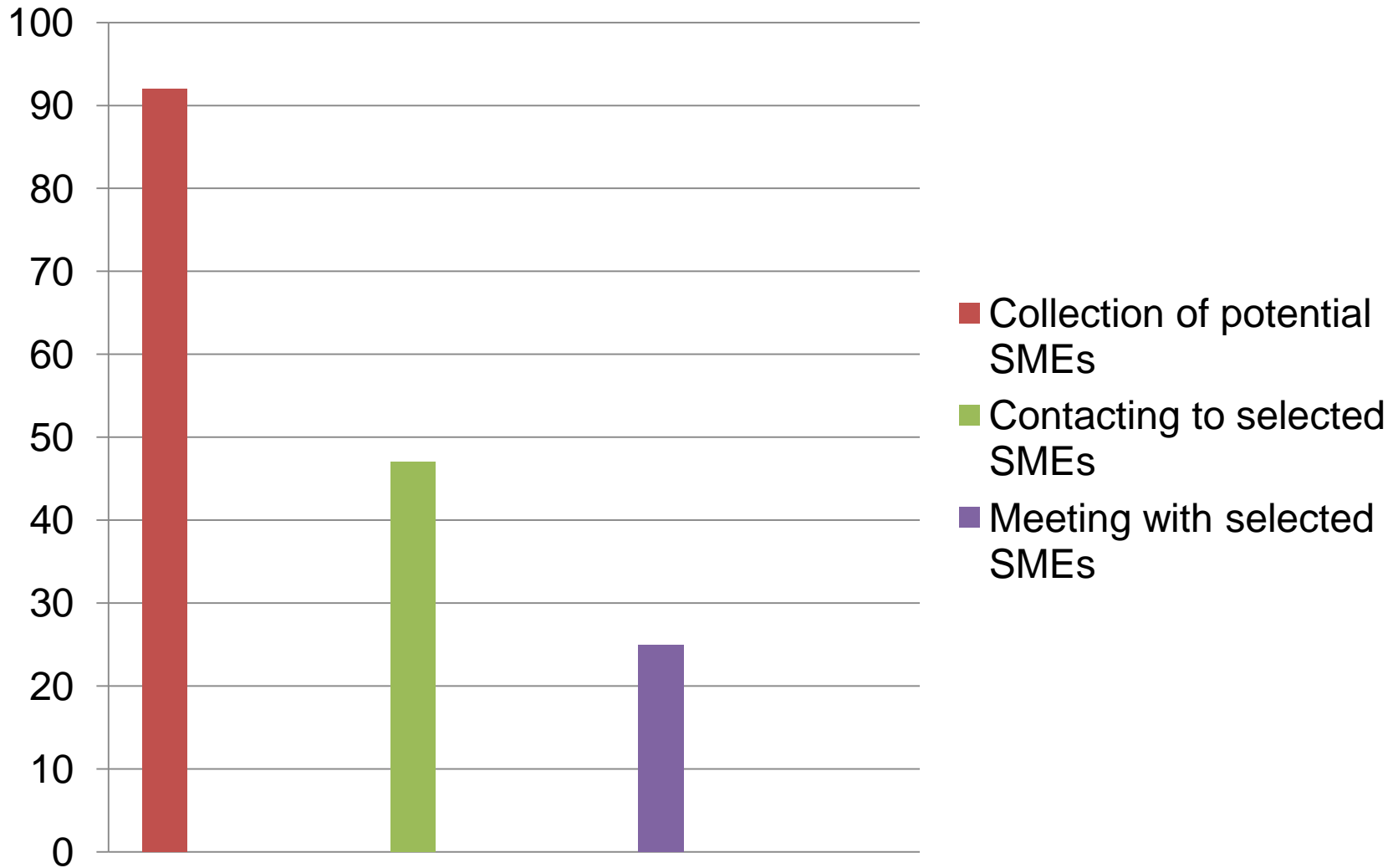


Preliminary results of Oulu Region Finland  
Iceland 20. – 23.9.2011

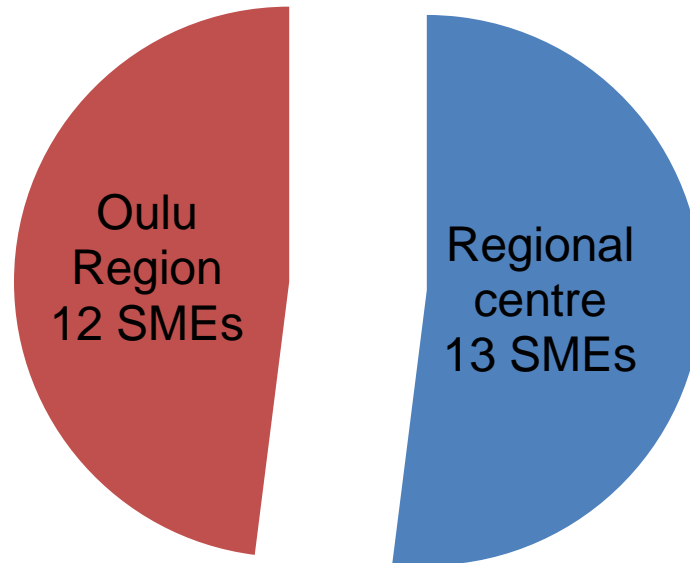
## Oulu Region



# How SMEs were selected ?



# Location of interviewed SMEs



## How interviewing was done ?

- Programme Manager had meetings with all representatives of 25 SMEs
- One meeting take time normally 2 – 2,5 hours
- Video projector was used to fill The Business and Innovation Compass forms according to answers of SMEs representatives
- Navigation Tool forms were mainly done in Finnish and Programme Manager translated later answers to English.

# How interviewing was done ?

Interviewed persons were top managers:

- 19 CEOs,
- one CSO ( Chief Science Officer)
- one vice president
- two directors
- one chairman of board
- one board member

## Basic information of interviewed SMEs

- 9 SMEs were both manufacturing products and offering services
- 10 SMEs were manufacturing products
- 6 SMEs were offering services
- Branch of business varied from wood and stone processing to software and mobile solutions.
- Typically ICT companies were located in city of Oulu and manufacturing companies in other parts of Oulu Region.

## Basic information of interviewed SMEs

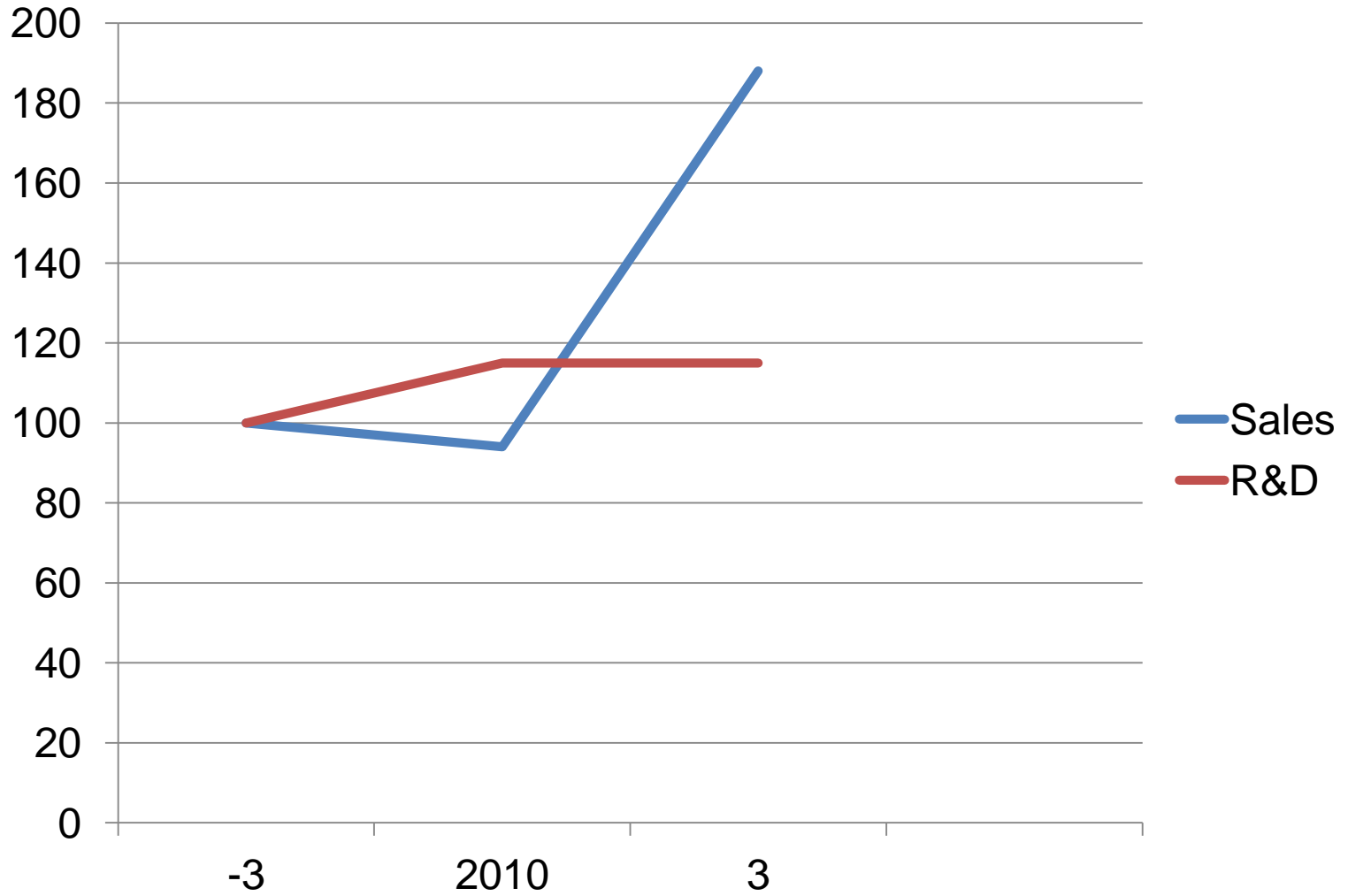
- normally 10 – 15 employees, largest nearly 50 employees
- revenue from under 100 000 Euros up to 6.0 million Euros.
- business is knowledge based and SMEs are using more to R&D work than companies average in Oulu Region
- 80 % of SMEs informed to be frontrunner at least on regional level and some on global level



## Preliminary results of The Business and Innovation Compass

- The strong knowledge based business was general trend for over 80 % of SMEs interviewed
- Average input to R & D work was 27 % from sales which much higher than generally in SMEs in Oulu Region.
- As a results of strong R & D work was sales of SMEs decreased average only 6 % from 2008 numbers. SMEs believed that their sales will increase in 3 years average 88 % from 2008 numbers
- Outside investors were in 40 % of SMEs which is extremely high figure in Oulu Region. From these SMEs located 70% in city of Oulu and it's surroundings

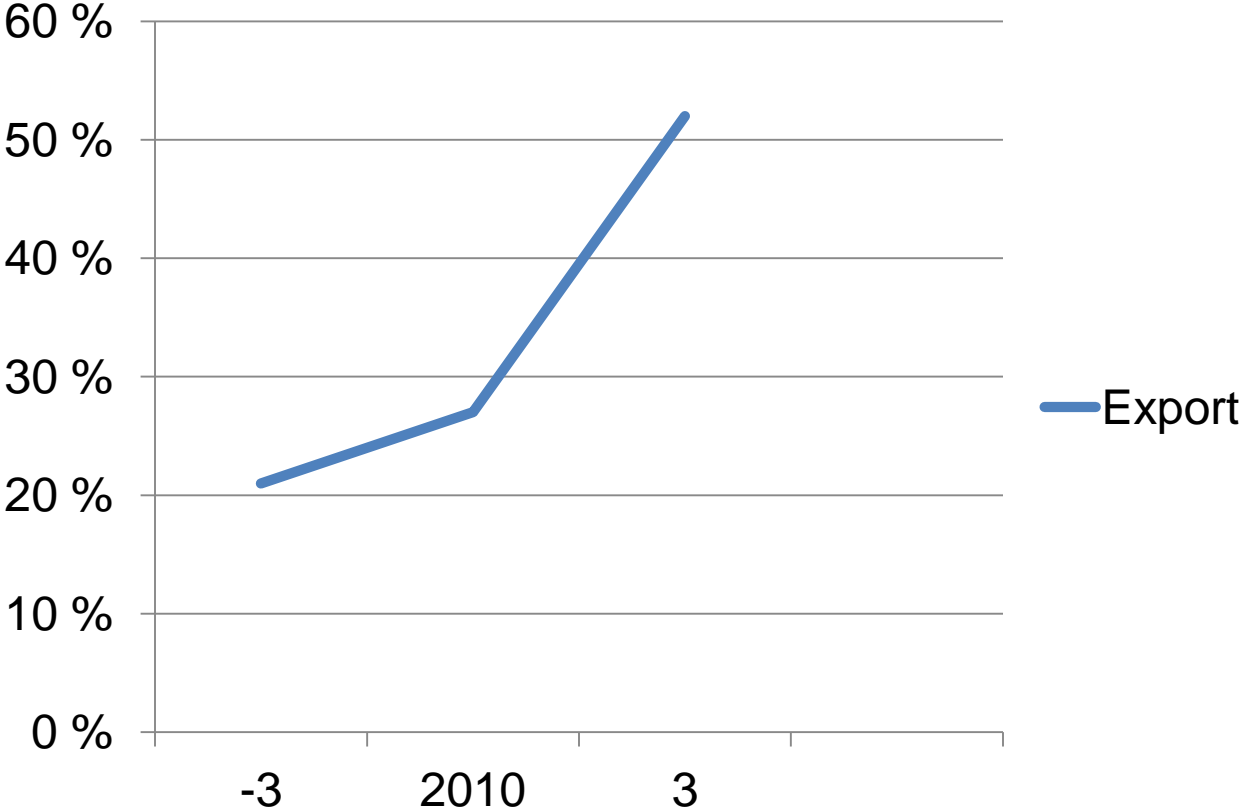
# Sales and R&D



## Preliminary results of The Business and Innovation Compass

- 19 SMEs (76 %) have export at the moment. In Oulu Region is 6500 companies but only 150 companies have export!!
- Export was average 27 % from their sales and SMEs expect it to be average 52 % after three years.
- At the moment SMEs were concentrated to R&D work and to develop their production processes
- In the future most SMEs will concentrate to international marketing, to administration and to creative work environment.

# Share of sales on an international market (%)



## **Preliminary results of The Business and Innovation Navigation Tool**

Founders were shareholders of the most SMEs and acting to daily business of company:

- 44 % founders
- 16 % founders and employees
- 24 % founders and investors
- 8 % employees and investors
- 4 % innovator and investors
- 4 % investors

# Preliminary results of The Business and Innovation Navigation Tool

- Clients of SMEs were mainly on the national market, 60 %. Clients were both on public and private sector. Some of them participate to R&D work of SMEs.
- On the international market were 25 % of clients. Some SMEs had one main clients like OEM( Original Equipment Manufacturer)
- 15 % of SMEs had clients both on national and international market
- In Oulu Region is a lot well educated people to response SMEs future needs but people with international marketing experience is needed.
- In the future SMEs have to find balance between their local work and work which can be done in “low cost” countries.

# Preliminary results of The Business and Innovation Navigation Tool

- 75 % of SMEs did co-operation mainly with Finnish universities in developing new products, processes or services
- Governmental bodies were used 75 % of SMEs. They got funding to business planning, R&D work, business development, training, investments, capital and etc.
- 50 % of SMEs were done co-operation with local communities. They were involved regional development programmes. They got advising to business planning, to fill applications and etc. Some communities were pilot clients for local SMEs.

## Remarks of the developed tool

- For some SMEs it took long time to fill the forms even some basic information was filled beforehand
- Some questions concerning main competitors were difficult for small SMEs. They didn't know their position on the market; *In comparison with our main competitors we have had a higher gross profit margin from new products during the last year ?*
- SMEs understand graphical figure formed according their answers and agreed with future actions which they have to take.
- Some cases figures were so well in balance in all dimensions that it was almost impossible say anything about the future's acts.



## Remarks of the developed tool

- If possible software should be more sensitive for answers so that there will be clear differences in three figures.( history, present and future).
- If possible some questions about R & D work should be added to the Business and Innovation Compass
- The Business and Innovation Navigation Tool was much harder to understand than the Business and Innovation Compass
- In the Business and Innovation Navigation Tool is at the moment too many questions for small SMEs. Maybe something like 10 questions would be suitable number.
- From The Business and Innovation Navigation Tool should be developed also graphical figure if it is possible. That will be more informative to SMEs.

# Personally opinion

- The Business and Innovation Compass will be usable tool for SMEs after some changes suggested
- To promote networking basic information of all interviewed SMEs(over 100 SMEs) should be sent to all SMEs taken part into RIBS.
- According to my experience SMEs will need support like;
  - ✓ consultancy/education to get outside investors to the company for rapid growth and internationalization
  - ✓ education/consultancy in international marketing
  - ✓ some help in networking nationally and intrernationally (production and marketing)

# Personally opinion

- ✓ education/consultancy how to improve the creativity work environment
- ✓ advising to utilize different funds, especially EU – funds

That's all! Thank You