

MARCH
2008

WTCTURKUBULLETIN

WORLD TRADE CENTER TURKU

Favourable Winds for Air Travel

Turku airport is doing well. Wingo has recently initiated a new flight route from Turku to Oulu via Tampere. The company functions virtually, in other words, it does not at the moment have its own equipment or crew and pays Air Åland for the use of these. The Turku-Tampere-Oulu route is designed purely for business travellers. There are two daily flights: one round-trip in the morning and another in the afternoon.

In April Wizz Air will introduce another new route to Gdansk - initially with two flights a week. Later, the company aims to six flights a week. The route might be of particular interest to the metal and shipbuilding industries in South-West Finland - both of which are suffering from labour shortage.

Getting the first low-cost airline in Turku could be the start of a new positive trend. There would definitely be interest in flying directly from Turku to the Western European

metropolises. Finavia's positive attitude towards the changes has been most beneficial. The airport now offers two levels of terminal services for everyone.

SAS's past troubles with equipment have in the end proved advantageous for South-West Finland since the flights to Copenhagen are now using bigger aircrafts than previously. Finnair offers five to six flights from Turku to Helsinki every day and Blue1 has four daily flights to Stockholm.

All in all, Turku Airport's situation has clearly improved from what it was a couple of years ago. Still, we would do well to remember that only by using these flights can we guarantee their survival and the introduction of possible new routes. The ball is in our court.

Jari Lähteenmäki
Chairman,
WTC Turku



At the WTC seminar H.E. Hannes Heimisson, Ambassador of Iceland reminds that in a relatively short time Icelandic export products have moved from fish products to e.g. tourism and logistic and financial services.

**Griippi Oy -
30 Years of High-Quality
Promotional Gifts**

Business Coaching – an Excellent Route to a Better Working Environment

More Benefits with Electronic Commerce

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Health Risks on a Business Trip Can Be Avoided!

Bribery or Hospitality?

MTV3 And the New Era of Commercial Television

The Icelandic Invasion

Major Breakthrough in Electronic Invoicing in 2007

NEW WTC MEMBERS

Asianajotoimisto Legistum Oy

Elcon Solutions Oy

Epomare Oy

Humanic Oy

Hype Productions Oy

SLP Innovations Ltd

Tapiola-ryhmä

Timeline Telemedia Oy

Vipster Oy

Websonic Oy

...Members' Corner.....

30 Years of High-Quality Promotional Gifts



The Management of Griippi Oy, Hilikka and Hannu Lekka.

During the last 30 years **Griippi Ltd** has grown into one of the most well-known and reliable providers of high-quality promotional and exhibition gifts.

- At first, we worked from home providing pens, lighters and small giveaway products, later introducing T-shirts and gradually other textile products, explains General Manager **Hannu Lekka** in Griippi's stylish office / exhibition space situated on Vuorikatu in Turku. The depression at the start of the 90s halved the sales for a few

years, but in 1993 the sales really took off and have been growing ever since.

- After we acquired the profiled clothing selections of the Swedish companies Clique, Harvest and New Wave the share of textile products has continued to grow, forming at the moment half of the revenue and showing no signs of stopping. The selections are completely different entities and complement each other beautifully. The trendy, high-quality clothes are a perfect match to a modern corporate image.

- Profiled clothes and promotional gifts are both simple and popular marketing solutions. Placing the company's name or logo on a pen, a shirt or, for instance, on a bag is a cost-effective, effortless way of spreading information and gaining attention.



Every year new product ideas are searched from European fairs. All leisure or household related products have proved to be the most sought-after items: kitchenware, picnic supplies, Nordic walking sticks, step counters – the supply for this type of products is counted in the thousands.

The heart and soul of Griippi and the manager's right hand is **Hilikka Lekka**, who loves what she does:

- The best moments are being able to plan a whole long-term campaign together with the client and an advertising agency. It gives you the chance to influence every detail at an early stage and get the clients approval for all ideas. Hilikka is also delighted that customers all around Finland have found their services without any special efforts in marketing, though of course there are three salespersons working for the company. Hannu Lekka sums up Griippi's mission statement simply: Quality and customer service are the key words.

Business Coaching – an Excellent Route to a Better Working Environment

Business Coaching is a development method for the benefit of both the management as well as the employees and its popularity has been growing swiftly in recent years. The roots of coaching can be found in the world of top sports, more exactly tennis coaching, as we were told by **Anja Hyysalo**, Certified Business Coach, in the seminar held at the World Trade Center Turku. Coaching refers to a style of interaction where, instead of teaching a person what to do, the goal is to aid their own learning process. With the help of coaching people can use their hidden resources to reach their goals more efficiently.

Business coaching differs from e.g. mentoring in that while a mentor is an experienced senior expert of their field, a business coach is more a master of the process than the substance. Coaching is always agreed upon with a written contract, wherein the objectives of the process, the frequency of meetings, and the terms of possible discontinuation are determined. On average, the coaching process varies from six months to a year. Nordea and Microsoft, among others, have adopted coaching as a central part of their management training.



M.Sc. Anja Hyysalo presented Business Coaching as a method to develop both the management and employees.

More Benefits with Electronic Commerce



Attorney **Hannu Hakala** from **Astrea Attorneys at Law**.

Modern consumers use the Internet for shopping in the comfort of their own homes any time of the day. The unlimited opening hours are likewise a significant benefit for the E-shop itself. An electronic shop does not even necessarily need to be physically located anywhere. On the whole, E-commerce demands fewer resources than the traditional options and as modern way of making business can even be beneficial for the corporate image.

At the moment every fifth company in Finland has an e-shop available and the value gained by e-business in 2006 was 3.3 billion euros. It has been predicted that within the next 5 years e-commerce will grow 17 %. Professor **Reima Suomi** from the Turku School of Economics outlined some factors that influence the consumers' choices in e-shopping. Not only the prices but also the safety of the transactions is a factor - the consumers seem to go for reliable brands and methods of payment.

Lauri Tammenniemi from Turun Seudun Osuuspankki spoke on the subject of payment transactions in e-commerce. It is evident that most customers prefer paying through online banks. The popularity is explained by the fact that 3.9 million people have an online bank account, which is seen as a reliable method of

payment. Online-banks are also beneficial for the e-shop since the technology is fairly simple, the payments are received immediately and the whole process is safe and cost-effective.

When starting an E-shop in practice the seller should look into the legal questions in web-based shopping as presented to us by **Hannu Hakala** from **Astrea Oy**; e.g. how the orders need to be confirmed, when can the consumer cancel the transaction and what is the legislation concerning

under-aged shoppers. As a basic rule, the same regulations that concern regular commerce also apply for e-commerce.

Sales Manager **Juuso Anteroinen** from **Euronic Oy** gave advice on starting an E-shop in practice. The seller needs to decide what qualities are needed – for instance, different payment options, language options, logistical solutions etc. E-shops have proved to be profitable in either extending an existing business or creating a new one, as shown by for instance the success stories of **Punanaamio-Salure/Relusa Oy** and **Tampereen Ravintolalaite Oy**.



Moderator of the seminar, Professor **Reima Suomi** from the **Turku School of Economics**.



Turku Airport Faces Challenges



Olli Aaltonen, the Sales Manager of Blue1 Oy SAS Group Company was the keynote speaker of the WTC seminar held at Sokos Hotel Hamburger Börs.

In the year 2006 the number of passengers travelling through Turku airport was 340 000 making it the fifth biggest airport in the country. Regular flight destinations include Stockholm, Copenhagen, Helsinki and Mariehamn. In addition, charter flights take passengers to holiday destinations in the South and cargo is flown directly to Belgium and Estonia. But what can we say about the future of Turku airport? World Trade Center Turku invited Sales Manager **Olli Aaltonen** from Blue1 Oy and **Mats Rosin**, Turku Airport



Director of Tourism Anne-Marget Niemi from Turku Touring took part in the conversation.

Manager to present the future trends concerning air travel in Turku.

Finavia's statistics show that at the start of 2007 the number of passengers had decreased by 7 percent compared to the previous year and that in international flights the drop was 14 percent.

According to Olli Aaltonen, the flights to Stockholm and Copenhagen were only cut down for a short period of time during the summer holidays. By the end of August the normal schedule was again in force. Approximately 75 percent of the passengers on the Turku-Copenhagen route are business travellers and the Turku – Stockholm route is also mostly used by this group.

Aaltonen sees some potential for growth in leisure travelling. He believes that it would be possible to attract golf tourists to Turku from Stockholm. Cooperation with Turku Touring has been done in the past to reach similar goals. Rosin adds that an intensive marketing strategy is needed to make Turku an attractive location for foreign travellers.



Health Risks on a Business Trip Can Be Avoided!

Sending an employee abroad is often a financially significant investment. Therefore, the company should also invest on the traveller's health before the trip, during it, as well as afterwards. Professor **Pentti Huovinen** from the National Public Health Institute lectured on the subject at the seminar of World Trade Center Turku.

When assessing the health risks, Huovinen states that the following factors are to be taken into account: travel location, mode of transport, age and health of the traveller as well as travel insurance. For instance, concerning the mode of transport, the route to the destination may pass through areas, where specific vaccinations are required, even if they are not needed in the

destination location. This might be the case with, for example, yellow fever vaccinations.

In addition to the physical illnesses, the business traveller can also suffer psychological negative effects. Employees working abroad for a longer period of time have often experienced depression.

According to Pentti Huovinen, the most significant health risks when travelling abroad are STDs (sexually transmitted diseases), dermatological conditions, tuberculosis, problems with mental health, diseases caused by insects or other animals, legionellosis and terrorism. The traveller himself or herself can deter many risks simply by watching what they eat. Even the simple advice "boil it, cook it, peel it or forget it" goes a long way.



Professor Pentti Huovinen from the National Public Health Institute.

Bribery or Hospitality?



Deputy Managing Director Pentti Mäkinen from the Central Chamber of Commerce.

Is the myth of Finland as the least corrupted country in the world really true? What kind of challenges do we face when doing business with other countries? Where can we draw the line between bribery and common hospitality? These were some of the questions discussed in WTC's seminar, where Deputy Managing Director of the Central Chamber of Commerce, **Pentti Mäkinen** and District Prosecutor **Antti Pihlajamäki** gave their views on corruption here and elsewhere.

In the most simplistic way corruption is defined as the abuse of public power for private interest. Corruption

clashes with the principle of free markets and free competition. According to Transparency International's statistics, Finland was on the shared first place with Denmark and New Zealand as the least corrupted country in the world. There are only a couple legal proceedings a year that involve acts of bribery. In fact the figures are so low that when presented aboard they often raise suspicions on whether Finland even truly invests on uncovering corruption. It is true that there are no police officers of prosecutors specialised in corruption like, for instance, in Sweden or Norway. So far this simply has not been seen as necessary, Pihlajamäki stated. The lack of corruption in Finland can be explained with the fact that the decision-making is nearly always public and differences in income relatively small, so there is less chance or need for bribery.

In the aforementioned statistic, where Finland shared first place, Russia was ranked as number 143. Thus, it would seem logical that the Russian market would propose the biggest challenge for Finnish companies in this respect. Sustainable relations cannot be based on bribery. Many international companies have invested on anti-bribery procedures. Mäkinen used Stockmann as a positive example of a strict policy against corruption. Maintaining this



District Prosecutor Antti Pihlajamäki.

kind of policy can, however, be harder for small companies, for it asks for resources. Still, it most wise to prevent corruption beforehand, since no company wishes to explain its proceedings in public. In fact, loss of reputation remains a far more severe sanction than any legal consequences. Even suspicions of bribery in public damage a company's reputation.

Pihlajamäki reminded us that even though bribery in itself is rare in Finland, the exclusive "old boy" –networks can be seen as a typically Finnish form of corruption. Even though these networks might not be bribery as such, they are still at least morally dubious.

It is difficult to draw the line between bribery and hospitality. Gifts are often exchanged when doing business, but there is no specific sum that cannot be exceeded. What is most important is the motive of the person giving the gift. Each individual case must be considered separately since there are no general rules in this respect.



MTV3 And the New Era of Commercial Television



Pekka Karhuvaara, General Manager of MTV Ltd was the keynote speaker at the World Trade Center Turku's seminar.

General Manager **Pekka Karhuvaara** enlightened the success story of MTV Ltd and how they have managed to become an international organisation providing modern, interactive services. MTV has worked in keen cooperation with Turku TV and TS-Group as a whole.

MTV Media has improved their result from last year by 20 percent. A large part of the success was due to the pay channels and SubTV. The time reserved for commercials has also been increased, but Karhuvaara promises that the



Managing Partner Jarkko Ruuhola from Laakso, Lukander & Ruuhola Attorneys at Law and Director Kirsti Helin from Princeps Oy.

What is going on in the world of media?

- Services on the Internet are increasing
- Advertising in the media is growing
- The consumers use electronic media more than ever

highly popular Formula 1 transmissions will not be filled with commercials. Mainly the commercial breaks will be placed between the programmes. Furthermore, the prices of pay channels will not be raised in the near future.

Karhuvaara does not believe, at the moment, in introducing HDTV (High Definition Television) in Finland -mainly because of the excessive costs. Any new channels that MTV will introduce will also use either the cable network or satellite.



Pekka Karhuvaara, Jari Lähteenmäki from the Turku Chamber of Commerce and Markku Salomaa from Turun Sanomat.



Jaana Mäkikalli, Jari Rastas, Hannele Haapamäki and Kalle Euro.

The Icelandic Invasion

The media has certainly taken notice of the Icelandic invasion that has been going on in Finland lately. One might even ask whether the Icelanders are actually buying up Finland. Even Icelandic banks have landed in Finland, offering attractive interest rates.

At World Trade Center's event several representatives from Iceland attempted to shed light to the Icelandic economic wonder.

Finnur Oddson, Managing Director of Icelandic Chamber of Commerce, mentioned several Icelandic success stories in the fields of financial services, retail, pharmaceuticals and transport. Oddson tried to enlighten on the big question - the secret of the Icelandic economy. Iceland enjoys the benefits of globalisation much like other small countries in remote parts of the world. 15-20 years ago there were significant reforms in the finance system. For instance, Iceland gained access to the EU market. One of the Icelandic resources are the pension funds. It has been calculated that the Icelandic pension funds have grown so much that they have more money than Norwegian oil funds per capita.

Ingólfur Bender, Head of Glitnir Research also tried to explain the story behind Iceland's economic wonder. A significant number of Icelanders study abroad, but still the attraction of the home island seems great, since most people return to Iceland and there is very little brain drain.

In Iceland the employment participation of women is also great and the Icelandic working mentality is in a league of its own. Icelanders are used to long working days – working until the job gets done. The unemployment rate is as low as 2 %. The business culture is also dramatically different from other countries. Most major companies are run with the mentality of small businesses.

The Icelanders also have a culture of risk-taking. More new companies are formed per year than in any country in Europe. A small country has the necessity to expand. This explains the global open economy – growing abroad is an imperative to Icelandic companies.

The Icelandic economy showed its flexibility and stability in the short crisis in the year 2006. The stocks suddenly went down 25 % - there was discussion on whether the banks were over-extending. The reaction to the crisis was, however, swift and 1.5 years later the interest rates went up again.



Journalist Matti Toivonen, Kauppalehti Business News acts as Moderator of the seminar.



Ingólfur Bender, Head of Glitnir Research.

Major Breakthrough in Electronic Invoicing in 2007

In OP-Pohjola alone, 80 000 consumers had adopted an electronic invoicing service by the end of October 2007. Compared to the start of the year the number had already tripled and has continued to grow steadily. At present, most consumers already make their payments through online banks and would prefer to receive electronic invoices as well.

The main advantage of e-invoices is saving the time and resources that are used to produce and handle invoices on paper. Other benefits include reduced costs, increased security and an electronic archive for invoices. The European Commission has estimated that in transactions between companies alone it is possible to save up to 243 billion euros by moving to electronic invoicing. As **Aino Pennanen**, Development Manager from Osuuspankkikeskus, emphasised, e-invoicing opens up an electronic channel for customer service and marketing. The invoices may include links to product details and marketing material. The customer can also be linked to the company's e-shop.

SEPA unifies European payments

The Single Euro Payments Area (SEPA) intends to unify European payment transaction services so

the differences between foreign and domestic transactions will disappear. The goal is citizens and companies will be able to make payments in SEPA countries as easily and inexpensively as in their hometown. Adopting SEPA will mainly influence the following services: credit transfers, direct debit and payment cards. After the process is initiated, the transfer to SEPA will be swift and should be

completed by the end of 2010. As Product Manager **Hanna Äijälä** from Osuuspankkikeskus stated, SEPA will not force companies to changes immediately, but they should consider electronic invoicing as an alternative to direct debit. Transferring to e-invoicing now is a positive and customer-friendly way to be prepared for the future changes in payment transactions.



Juha Penttilä, Financial Manager from Turun Seudun Osuuspankki presented the OP-Pohjola Group as a pioneer in electronic services. On the left Product Manager **Hanna Äijälä** and Development Manager **Aino Pennanen** from Osuuspankkikeskus.

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