

21.03.2024



Report on the reform of the operations and management of the Team Finland network

Ministry for Foreign
Affairs of Finland

Publications of the Ministry for Foreign Affairs 2024:4

Report on the reform of the operations and management of the Team Finland network

Ministry for Foreign Affairs of Finland and Ministry of Economic Affairs and Employment of Finland

Ministry for Foreign Affairs of Finland Helsinki 2024

Julkaisujen jakelu

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Ministry for Foreign Affairs of Finland

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ISBN pdf: 978-952-281-810-2

ISSN pdf: 2737-0844

Layout: Government Administration Department, Publications

Helsinki 2024 Finland

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Publisher Ministry for Foreign Affairs of Finland

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Language English **Pages** 40

Abstract

A working group of the Ministry for Foreign Affairs and the Ministry of Economic Affairs and Employment examined the implementation of Prime Minister Petteri Orpo's Government Programme's entries on Team Finland's operations. According to the Programme, the Government needs to reform the operations and management of the Team Finland network in cooperation with business and industry, strengthen the Foreign Ministry's guiding role and examine whether Business Finland's activities abroad could be incorporated into Finland's network of diplomatic and consular missions.

The working group examined export promotion models of peer countries and identified best practices for the development of the Team Finland network. The working group found fragmented management to be a key shortcoming in Finland's export promotion system, especially the management of the network abroad, which is dispersed across two different organisations.

The report proposes three solutions to simplify and enhance the management and export promotion activities of the Team Finland network. The report gives a preliminary assessment of the implementation of these solutions, including the necessary legislative amendments and an assessment of the advantages, disadvantages and risks of each solution. The report proposes the following solutions:

1. Reforming the management structure of the Team Finland network in Finland
2. Reforming the management structure of the Team Finland network in Finland and strengthening the Foreign Ministry's guiding role in the network abroad
3. Incorporating Business Finland's activities abroad into the Foreign Service

Keywords Ministry for Foreign Affairs, Ministry of Economic Affairs and Employment, missions, export promotion, Business Finland, management systems, management

ISBN PDF 978-952-281-810-2

ISSN PDF 2737-0844

URN address <https://urn.fi/URN:ISBN:978-952-281-810-2>

Selvitys Team Finland -verkoston toiminnan ja johtamisen uudistamisesta

Ulkoministeriön julkaisuja 2024:4

Julkaisija Ulkoministeriö

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Kieli englanti **Sivumäärä** 40

Tiivistelmä

Ulkoministeriön (UM) ja työ- ja elinkeinoministeriön (TEM) työryhmä on selvittänyt pääministeri Petteri Orpon hallitusohjelman Team Finland -toimintaa koskevien kirjausten toimeenpanoa. Hallitusohjelman mukaan Team Finland -verkoston johtamista ja toimintaa tulee uudistaa yhdessä elinkeinoelämän kanssa, vahvistaa UM:n ohjausroolia sekä selvittää Business Finlandin (BF) ulkomaantoimintojen siirtoa osaksi Suomen edustustoverkkoa.

Selvitystyöryhmä on tunnistanut vertaismaiden vienninedistämismalleista hyviä käytänteitä Team Finland (TF) -verkoston kehittämistyöhön. Suomen vienninedistämisjärjestelmän keskeiseksi epäkohdaksi todetaan hajanainen johtamisjärjestelmä erityisesti ulkomaanverkostossa, jota johdetaan kahdesta eri organisaatiosta.

Selvitys esittää kolme ratkaisumallia, joilla Team Finland verkoston johtamista ja vienninedistämis-toimintaa voidaan tehostaa ja yksinkertaistaa. Selvitys esittää alustavat arviot näiden mallien toteutuksesta ml. tarvittavat lainsäädäntömuutokset sekä arviot kunkin mallin eduista, haitoista ja riskeistä. Selvityksessä esitettävät ratkaisumallit ovat:

1. Team Finland -verkoston johtamisrakenteen uudistaminen kotimaassa
2. Team Finland -verkoston johtamisrakenteen uudistaminen kotimaassa sekä UM:n ohjausroolin vahvistaminen ulkomaaverkostossa
3. BF:n ulkomaantoimintojen siirto ulkoasianhallintoon

Asiasanat ulkoasiainministeriö, työ- ja elinkeinoministeriö, edustustot, viennin edistäminen, Business Finland, johtamisjärjestelmät, johtaminen

ISBN PDF 978-952-281-810-2

ISSN PDF 2737-0844

Julkaisun osoite <https://urn.fi/URN:ISBN:978-952-281-810-2>

Utredning om reformen av Team Finland-nätverkets verksamhet och ledning

Utrikesministeriets publikationer 2024:4

Utgivare Utrikesministeriet

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Språk engelska **Sidantal** 40

Referat

Utrikesministeriets och arbets- och näringsministeriets arbetsgrupp har utrett genomförandet av de föresatser för Team Finland-verksamheten som står skrivna i Petteri Orpos regeringsprogram. I enlighet med regeringsprogrammet förnyas ledningen av Team Finland-nätverket och dess verksamhet gemensamt med näringslivet, stärks utrikesministeriets styrande roll och utreds överförandet av Business Finlands verksamhet i utlandet till Finlands beskickningsnät.

I jämförelseländernas exportfrämjande modeller har utredningsgruppen identifierat god praxis som kan användas i Team Finland-nätverkets utvecklingsarbete. En stor brist i Finlands exportfrämjande system är det splittrade ledningssystemet, särskilt utlandsnätverket, som leds av två olika organisationer.

I utredningen föreslås tre olika lösningsmodeller som kan effektivisera och förenkla ledningen av Team Finland-nätverket och dess exportfrämjande verksamhet. Utredningen presenterar preliminära bedömningar av genomförandet av dessa modeller inklusive ändringar i lagstiftningen och bedömningar av varje modells fördelar, nackdelar och risker. De lösningsmodeller som presenteras i utredningen är:

1. Team Finland-nätverkets ledningsstruktur i Finland reformeras
2. Team Finland-nätverkets ledningsstruktur i Finland reformeras och utrikesministeriets styrande roll i utlandsnätverket stärks
3. Business Finlands verksamhet i utlandet överförs till utrikesförvaltningen

Nyckelord utrikesministeriet, arbets- och näringsministeriet, beskickningar, exportfrämjande, Business Finland, ledningssystem, ledning

ISBN PDF 978-952-281-810-2

ISSN PDF 2737-0844

URN-adress <https://urn.fi/URN:ISBN:978-952-281-810-2>

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1 Introduction

The Government Programme of Prime Minister Petteri Orpo's Government states that the operations and management of the Team Finland (TF) network will be reformed in cooperation with business life and industry to support Finland's strategic interests. In this context, the Government will strengthen the role of the Ministry for Foreign Affairs in the public activities to promote exports and internationalisation and examine whether Business Finland's (BF) activities abroad could be incorporated into Finland's network of diplomatic and consular missions. In addition, the Government will assess the effectiveness of export promotion activities - including TF visits - in relation to models from peer countries.

In October 2023, the Ministry for Foreign Affairs (MFA) and the Ministry of Economic Affairs and Employment (MEAE) established a working group to examine the preconditions, means and possible impacts of the concrete implementation of the Government Programme entries. The working group met regularly between October and December and consulted with key business organisations, sectoral ministries and the TF executive group. In addition, BF staff have been consulted. Stakeholder statements are attached to the report.

Based on an expert analysis, information obtained from peer country models and consultations, the working group has identified solution models for reforming Finland's export promotion activities and management to support political decision-making. The aim is to improve the efficiency and effectiveness of the network.

In order to survey the peer countries' experiences, the working group focused on export promotion models in the Netherlands, Ireland, Sweden and Denmark. Commercial cooperation has been close with these countries for a long time. The values and operating cultures of the countries are largely similar to Finland but they are different in terms of both the economic structure and the business service system. In this way, they offer a reference basis for developing Finland's export promotion system. No country offers a model that could be used as such in Finland, but they have many good practices to learn.

The aforementioned countries are also used as a reference group for assessing the effectiveness of export promotion visits. A separate report was launched on this entity, which is partly prepared as official work and partly as outsourced consultancy work. The estimated date of completion of the report is February 2024.

Prime Minister Orpo's Government Programme contains several reforms concerning actors in the TF network. Their promotion has not been part of the mandate of this MFA-MEAE working group, but they are strongly interlinked as a whole. These simultaneously ongoing projects include strengthening Finnvera's role in supporting export promotion and reforming the overall legislation, a multi-annual plan for research and development funding, and the regional government reform and establishment of regional Economic Development Centres.

2 Best practices in the export promotion models of peer countries

The management structure of export promotion models in the Netherlands, Sweden and Denmark is based on the division of work in the steering of domestic and foreign operations. Responsible ministries bring together two operational entities. The Ministry for Foreign Affairs is responsible for the management of export promotion and, in particular, foreign operations, while the Ministry of Business or the Economy is primarily responsible for domestic business services. In Ireland, the Department of Enterprise, Trade and Employment steers both domestic and foreign activities.

Businesses and companies are closely involved in the strategic planning and implementation of export promotion activities in all countries. Business representatives make recommendations and act as experts through different cooperation structures. Under the leadership of the ministries, companies are usually consulted a few times a year to prepare strategic policies. The business sector also participates in the implementation of export promotion projects and exerts international influence. In addition, some countries have sector-specific working groups consisting of authorities and business life actors.

The export promotion activities in peer countries are guided by strategic choices, for example, on the main target markets and sectors. Public export promotion activities and resources are specifically targeted at these priorities. Due to geopolitical and economic changes, peer countries are increasingly investing in creating long-term international demand and commercial bases for their companies abroad. This work is carried out by means of bilateral partnership agreements, RDI cooperation, country image work and other methods of international influence.

A significant difference in export promotion models between Finland and peer countries is in the total resources available for the activities. Peer countries invest more human resources in their activities, and they focus on the foreign network more strongly than Finland. The promotion of exports and the internationalisation of companies is considered to require a strong international presence, the significance of which is growing due to closer links between politics and trade. In addition, countries differ in terms of the economic structure and the business service system. Support for export promotion has been arranged differently in different countries. For example, there are differences in which services are subject to a fee and what is the role of financing.

3 Flaws in the current export promotion system

The core of the current issues the Team Finland network is facing is the management of foreign operations. In order to improve efficiency, the system must be reformed rapidly in this respect. The current fragmented management system makes network cooperation more difficult and weakens the effectiveness of promoting export. Fragmentation also makes it more difficult to make common strategic choices, set targets and maintains certain overlaps in the activities of publicly funded organisations. The TF network and its operations are still characterised more by their focus on the organisation than on teamwork.

The management model of two different organisations, according to which the MFA manages diplomatic missions and BF manages its own foreign operations, hampers cooperation within the foreign network. The head of a mission officially acts as the TF country director and as an ambassador; they are responsible for the whole spectrum of bilateral relations between Finland and the target country. In practice, the possibility for TF country managers to manage export promotion work in the target countries is limited by the fact that both organisations are ultimately responsible for their own activities and make their own decisions related to their activities. This is stated in the cooperation model between the MFA and BF which was concluded in 2017.

For this reason, the TF annual plan, which is intended as a steering instrument, does not sufficiently define the TF activities carried out abroad. Instead, the work of the foreign network is still steered through several plans with different objectives, indicators and different planning cycles. In addition, the common indicators agreed in the TF executive group have not been transferred to the operational management of practical work at a sufficient level. This reduces the efficiency of the network and takes up resources for internal coordination. In addition, export promotion measures corresponding to country-specific demand have not been sufficiently coordinated with domestic planning and strategic industrial policy objectives.

In some markets, cooperation works well and effectively. Success is often based on good personal relationships. However, cooperation must not depend solely on personal relationships. Instead, structures must guarantee uniform, resource-efficient and effective operations in all circumstances.

In addition, strategic joint decisions on the targeting of foreign operations and the presence of networks are not being made, even though forums for this purpose were created in connection with the previous TF reform: meetings of Permanent Secretaries and the Executive group for Foreign Operations. This decentralises the resources for impactful work on export promotion.

In recent years, developing the service path and targeting services to growth-oriented companies have contributed to achieving progress in TF operations. Resources for the foreign network have been strengthened in the foreign administration and BF. One of the identified development needs is increasing the level of strategic approach in the selection of both thematic areas and target markets. In addition, the internationalisation services of the private sector are not yet utilised efficiently enough as part of the TF network. In the previous reform phase, the overall responsibility for coordinating the TF network given to BF has also not proved effective.

4 Solution models

The starting point for identifying solutions is the development of the current export promotion system. The following are solution options based on three different models and preliminary assessments of the benefits, disadvantages and risks of each one. The working group considers it important that the reform will make Finland's export promotion system as clear and simple as possible. In this way, it can work in practice and endure the passing of time and the development of the operating environment. A clear structure is also sufficiently agile and can react to changes quickly. At the same time, the working group considers it important to safeguard the continuity of business services and the resources of the network, taking into account the larger resources of peer countries. When building a change on top of BF's existing foreign operations, the previously created, multidimensional organisational structure must be taken into account.

Simplifying the management structure of Finland's export promotion system reduces the need for coordination, promotes the flow of information and harmonises operating models in the TF network, especially with regard to the foreign network. The aim is to have more efficient and targeted operations and to free up employees' time to better serve companies, which will make the network's operations more efficient as a whole.

1. MODEL: Reforming the management structure of the TF network in Finland

Steering structures

The TF Executive Group is responsible for steering the domestic and foreign networks and for bringing them together in accordance with the principle of "from counties to the world and from the world to the counties".

The current steering structure is modified by forming a smaller MFA-MEAE composition from the executive group that meets more frequently as well as a larger composition whose members will remain unchanged (Ministry for Foreign Affairs, Ministry of Economic Affairs and Employment, Ministry of Education and Culture, Ministry of Agriculture and Forestry, Business Finland, Finnvera, ELY Centre, Confederation of Finnish Industries, Finland Chamber of Commerce, Suomen

Yrittäjät). The MFA and the MEAE share the chairmanship of both the Executive Group and the Secretariat. By decision of the chairpersons of the TF Executive Group, other experts may be invited to participate in both compositions. BF participates in the limited composition as a permanent expert. The current foreign operations executive group (UTJR) is dissolved as in the future, the TF executive group would also be responsible for steering the foreign network.

The TF Secretariat prepares the agenda of the Executive Group and is responsible for the implementation of its policies and for the coordination of TF at the strategic level. The TF Executive Group defines the chairpersons of the operational sub-groups under its authority. The need for operational working groups is reassessed with the aim of reducing their number. BF partly coordinates the national TF service package under the leadership of the TF Executive group.

Steering instruments

The TF guideline (currently: strategy), which is prepared at the beginning of the government term by the TF executive group, lays down the long-term decisions, such as the choices for target countries and sectors at the strategic level as well as the strategic objectives and indicators for TF activities. If necessary, these are amended in the context of the annual review. Political steering is strengthened by reporting once a year to the Minister of Economic Affairs and Minister for Foreign Trade on the results of the previous year and securing their approval for updated policies.

The steering of the foreign network and the country-specific implementation of the TF policy of the executive group are based on the TF annual plans of the target countries, which are prepared under the direction of the country manager. BF's own separate annual plans for the foreign network are no longer prepared. The target country-specific annual TF plan is tied to the operational and financial planning of the Ministry for Foreign Affairs. These are discussed in the TF executive group, which provides guidance to the target countries and ensures the connection to domestic operations. The promotion of BF investments, tourism and attracting foreign talent are included in the TF plans to the extent that they are part of the activities of the target country in question. In the planning of these areas, their strong link to industrial policies is taken into account.

Stronger performance management ensures the transfer of common TF targets to BF's operational objectives, expert-level work guidance and target indicators. In order to promote this goal, the Ministry for Foreign Affairs participates in the preparation of the BF performance agreement and the entire normal performance

management process with regard to the objectives of the foreign network. The Ministry for Foreign Affairs is responsible for defining the objectives of the foreign network within the available budget, which is determined by the Ministry of Economic Affairs and Employment, in the performance agreement and performance management process. In this context, it is ensured that the strategic objectives of different policy sectors, such as the promotion of tourism and foreign investments, are aligned with the objectives of the foreign network. The division of labour between ministries regarding policy responsibilities will not be changed. The role of the Ministry for Foreign Affairs is defined in the Act on BF and necessary regulations.

Evaluation of the model:

Benefits:

- A more comprehensive and strategic approach by the TF Executive group to steer all TF operations.
- Possible to be implemented faster and with fewer costs than other models due to smaller needs for structural and legislative change.
- BF's organisation has the smallest changes in these models, which means that it can continue to operate without major disruptions, thus contributing to the stable implementation of growth in research and development funding.
- The role of the Ministry for Foreign Affairs in the TF executive group and the performance management of BF increases.

Challenges and risks:

- The foreign network would still be managed by two organisations (MFA, BF).
- The model requires a new way of setting the objectives of the foreign network through a performance agreement. Changes in cooperation would not be visible immediately.
- The position of the TF country manager is not strengthened because the operational management of TF operations at the country level remains with BF for the BF personnel.
- Decisions on the objectives of steering the foreign network (Ministry for Foreign Affairs) and the funding of operations (Ministry of Economic Affairs and Employment) are made by different ministries, which may bring tensions to the steering process.
- Out of the models, it has the smallest reformative effect.

2. MODEL: Reforming the management structure of the TF network in Finland and strengthening the role of the Ministry for Foreign Affairs in steering the foreign network

In addition to the reforms included in the first solution model, the following changes are implemented.

Management responsibilities for domestic and foreign networks

The division of labour in the management of TF's domestic and foreign operations is clarified. In the model, the MEAE manages the domestic operations of TF and is responsible for their funding. The MFA manages foreign TF operations and is responsible for their funding. The MFA-BF cooperation model is discontinued.

BF's performance management, funding and service agreement are separated for domestic and foreign operations. At the same time, the coordination of the content of foreign and domestic activities is safeguarded, in which seamless cooperation between the MFA and the MEAE plays a key role. The MEAE is required to provide more extensive coordination and new kinds of performance guidance in relation to the part of BF Ltd. directed by the MFA to implement thematic programmes of growth and industrial policy in the foreign network.

In order to ensure that the decision-making power of the MFA is sufficiently realised, the need for legislative amendments will be assessed. The Act and Decree concerning BF will be amended as necessary. BF's foreign network will be subject to an external audit (due diligence) to identify possible needs for administrative reform of BF's foreign operations. Legislative responsibility for the foreign network is transferred to the MFA.

Strengthening the management of the foreign network

The operational management of the foreign network's TF operations is clarified and simplified by strengthening the status of the TF country manager. In the future, the TF Country Manager (Ambassador) acts as the operative supervisor of the activities of persons working in TF tasks. BF Ltd. remains the employer of BF's personnel. The MFA is entrusted with the role of the party responsible for the operational management of BF's foreign network in relation to BF Ltd. The Act and Decree concerning BF are amended as necessary and the competence of MFA is recorded in them. The MFA concludes a service agreement with BF Ltd. in relation to the foreign network. The MEAE's objectives concerning the foreign network are implemented through a service agreement between the MFA and BF Ltd.

In addition to its own network of diplomatic missions, the MFA is responsible for financing BF Ltd's foreign operations. The appropriations allocated for the purpose, which are in the main title of the MEAE in the current budget, are transferred to the MFA to a separate item on export promotion. The MFA ensures that the relationship between the objectives set in BF's strategic performance management and the allocated resources correspond to each other. Legislative change needs are assessed and implemented.

The management of the foreign network and the involvement of BF in it are promoted by business experts appointed to support the TF country manager (ambassador) of the main TF target countries of the MFA. The expert may be recruited from outside, but BF experience is considered an advantage. The expert is granted diplomatic status as required for the tasks. Strengthening requires funding, which must be examined when deciding on the financing of BF's foreign network.

Evaluation of the model:

Benefits:

- The foreign network's TF activities are steered from a single organisation (Ministry for Foreign Affairs), which is responsible for its objectives, resources and operating models. Some of the fragmentation of the foreign network is eliminated.
- The status of the TF country manager is strengthened as the operational director of TF operations in the target country. Target setting and planning in the target countries improves, teamwork is strengthened and internal coordination is reduced. Existing resources provide additional efficiency and results.
- As BF's role as an employer and its tasks in foreign networks remain mainly unchanged, the problem areas in the foreign network can be fixed with less impact on TF operations and business services than in the third model.
- The organisation of BF's foreign network remains unchanged, which means that the overall change can be implemented faster than in the full integration model as seen in the third model.

Challenges and risks:

- The system is more complex than the full integration model in the third option and administratively challenging to implement. The exceptional organisational approach related to both the organisation of BF and the operating model involves legislative challenges that must be investigated.
- Change management takes up BF's management capacity for a long period of time, which weakens BF's ability to manage the implementation of the increase in the level of research and development funding.
- The synergies of the BF reform in supporting the RDI activities and internationalisation of companies are partially dismantled. In the new management system, a close connection is established between different foreign and domestic operations, including research and development funding.
- Essential impacts on the steering of BF's operations and BF's legal position in both the target market and Finland.
- Issues related to employer roles and responsibilities must be examined comprehensively and employer responsibilities and obligations must be clearly defined in the model.

3. MODEL: Transfer of BF's foreign activities to the Ministry for Foreign Affairs

The personnel of BF's foreign network is transferred to the MFA. A separate report on the implementation of the transfer is commissioned, in which the legal and administrative aspects are examined in more detail and the cost impacts are assessed. As a rule, the transfer is carried out by establishing a new export promotion system abroad under the MFA and by closing BF's foreign offices. The aim is to preserve existing competence and experience as extensively as possible. The implementation must take into account country-specific legislation and its impacts and challenges.

In order to increase the efficiency of operations, the entire international network is under the MFA.

Currently, BF's personnel in the foreign network consist of employees posted from Finland, locally hired personnel, persons employed in Chinese and US subsidiaries, and personnel employed by a foreign temporary agency. Similarly, the MFA has different personnel groups, both locally hired and posted, so in the future, the need and location of different personnel groups would be considered according to the

needs of the activities. As a rule, the personnel does not continue to work under the MFA in a temporary agency employment relationship and the subsidiaries are no longer used.

In practice, the change is implemented in stages. This and sufficient transitional resources ensure that TF operations can be maintained at a sufficient level during the change period. In order to maintain and develop a customer-oriented and predictable growth service package already in the transition phase, close links with domestic operations are ensured. Seamless cooperation between the MFA and the MEAE plays a key role in this. The implementation of the thematic programmes for growth and industrial policies in the foreign network requires more extensive coordination from the MEAE with the foreign network.

Detailed needs for legislative amendments are investigated. As a rule, the Act and the Decree concerning BF in their current forms are reformed, and similar changes are made to the regulation concerning the MFA and the MEAE.

The change incurs costs, such as terminating contracts in different countries and transferring assets and data. As a one-off, step-by-step operation, the costs are distributed over several years. In the longer term, the cost impact depends primarily on the types of future employment relationships. In the medium and long term, combining two different administrative systems achieves savings and additional operational results, which would also be assessed.

Evaluation of the model:

Benefits:

- The foreign network is managed entirely by a single organisation (MFA). The clearest and simplest management system and one governance structure.
- In the long term, the greatest reform impact. A unified foreign network improves the efficiency of TF export promotion activities and strengthens the results of all models in the foreign network the most.
- A unified foreign network led by the MFA strengthens the connection of the foreign network with domestic activities in accordance with the “from the world to counties” principle.
- Legally somewhat simpler to implement than the second model.
- From the perspective of a corporate customer, the service becomes clearer and simpler when there is one service provider in the foreign network in accordance with the one-stop shop principle.

Challenges and risks:

- The performance and customer experience of TF services suffer from service interruptions if competence and experience cannot be maintained during the transition phase.
- Change management takes up BF's management capacity for a long period of time, which weakens BF's ability to manage the implementation of the increase in the level of research and development funding.
- The synergies of the BF reform in supporting the RDI activities and internationalisation of companies are dismantled. In the new management system, a close connection is established between different foreign and domestic operations, including research and development funding.
- In addition to export promotion, domestic activities related to the promotion of foreign tourism, acquisition of foreign experts and foreign investments as well as international innovation cooperation must be reorganised.

5 How Team Finland cooperation will be otherwise strengthened

The efficiency and effectiveness of TF activities can also be further improved outside the development of the management and steering model. It is essential to put the developed service path into practice and to make strategic choices in the target country and sector.

Examples of development needs that emerged in connection with this investigation include communicating about TF activities to potential customers in Finland. TF activities, services achieved through it, and the roles of different actors in foreign operations are still poorly known outside established customer groups.

In the target countries, efforts should be made to integrate local private actors, such as chambers of commerce and trade associations, more closely into TF activities. The possibilities in this respect vary significantly from country to country, but this makes it possible, especially for SMEs, to join the activities at a low threshold. With regard to networks, the role of honorary consulates can also be further emphasised.

In the foreign network, factors affecting the practical smoothness of TF operations, such as location solutions for TF operators, must continue to be reviewed regularly. The use of shared premises should still be seen as a factor that strengthens the activities.

The participation of business life in a more active and proactive role would be beneficial for Team Finland activities. In the consultations, the business sector has hoped for greater participation in operative management and goal-setting. This is addressed through the strategic approach of the steering group work, through which the business sector's opportunities to participate in the planning and target-setting of TF activities are strengthened both in Finland and in the foreign network.

Appendices:

Annex 1. Decision to appoint a working group

MINISTRY OF ECONOMIC AFFAIRS AND EMPLOYMENT

Appointment decision

5.10.2023

VN/27554/2023 VN/27554/2023-TEM-1

A working group preparing the reform of the operation and management of the Team Finland network

The Ministry for Foreign Affairs and the Ministry for Economic Affairs and Employment have decided today to appoint an inter-ministerial working group to investigate the development of export promotion activities in accordance with the entries in the Government Programme.

The term of office of the working group is 16 October 2023–31 January 2024

Background

The appointment of the working group is based on items recorded and compiled below regarding the development of export promotion activities as referred to sections 6.1 “Increasing the appreciation of entrepreneurship and ownership; strengthening the industry and industrial policy supporting the growth and internationalisation of companies” and 8.3 “Economic relations as part of strategic foreign policy” of Prime Minister Petteri Orpo’s Government Programme:

- The operations and management of the Team Finland network will be reformed in cooperation with business and industry to support Finland’s strategic interests.
- Strengthening the management role of the Ministry for Foreign Affairs in the promotion of central government exports and internationalisation.
- Examining the transfer of Business Finland’s foreign operations as a part of the network of Finnish missions.
- The Government assesses export promotion activities, including export promotion visits and the effectiveness of the export financing system in relation to, for example, the Swedish and Danish models.

Task

The task of the working group is to determine the prerequisites, means and impacts of the concrete implementation of the aforementioned Government Programme and to make recommendations to support political decision-making. The working group prepares a final report on the investigation which is intended to be finished at the end of 2023.

Organisation

The co-chairs of the working group are Under-Secretary of State Jarno Syrjälä (Ministry for Foreign Affairs) and Director General Ilona Lundström (Ministry of Economic Affairs and Employment).

The following members will be appointed to the working group:

Director General Tuomas Tapio (Ministry for Foreign Affairs)
Deputy Director General Marianne Nissilä (Ministry for Foreign Affairs)
Counsellor Miia Rantanen (Ministry for Foreign Affairs)
Industrial Counsellor Sampsa Nissinen (Ministry of Economic Affairs and Employment)
Ministerial Adviser Mari Hakkarainen (Ministry of Economic Affairs and Employment)
Senior Specialist Riikka Astala (Ministry of Economic Affairs and Employment)

The working group chairpersons may change the composition of the working group and include other experts from the two ministries if necessary.

During the investigation, the working group will consult the Team Finland executive group and report to it on the progress of the work. If necessary, the working group will also consult other stakeholders and experts.

Costs

The working group must work during office hours without separate compensation.

Any costs arising from the work of the working group, such as the costs of external reports, are paid from item 32.01.01.01.2 Operating expenses of the Ministry of Economic Affairs and Employment, the Innovations and Business Financing Department or from item 24.01.01.1 Operating expenses of the Ministry for Foreign Affairs.

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Counsellor	Sanna Selin
Minister of Economic Affairs	Wille Rydman
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VN/27554/2023-TEM-1

This document has been signed electronically by the following persons:

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2023-10-06 Selin Sanna
2023-10-09 Tavio Ville

Annex 2. Business life statements on the TF reform

Confederation of Finnish Industries (EK)

Entrepreneurship, the EU and international trade
Paavali Kukkonen, Timo Vuori
Statement 6 November 2023

Hearing of the working group preparing the reform of the activities and management of the Team Finland network on Tuesday 7 November

Views on special issues raised in discussions related to Team Finland activities:

- It must be possible to build common goal-setting for Team Finland activities and indicators - such as the increase in the number of exports and export companies - that monitors them as well as incentives, in which the Ministry of Economic Affairs and Employment's innovation policy and growth-oriented industrial policy (i.e. Export promotion) are successfully integrated into the Ministry for Foreign Affairs' approach that emphasises market demand (the difference is the time frame). For example, the combination must be possible in connection with the preparation of the annual TF plan in order to support the implementation of practical work. It is not possible to make a single choice between the approaches - Finland badly needs more international growth now and in the future - but as the operating environment changes rapidly/experiences crises, the ability to respond to market demand is emphasised.
- The management of country-specific work in the Team Finland activities must be clarified at the same time by intensifying cooperation. The Ambassador acts as the country manager, but the monitoring of the preparation and implementation of the goals must be monitored in close and regular cooperation between the Ministry for Foreign Affairs and the Ministry for Economic Affairs and Employment and their structures (e.g. the steering group). The incentives must support the success of cooperation. When this happens, the customer will see the service offering as a high-quality and functional entity. The activities and resources must be prioritised on a market-by-market basis divided into key markets, potential growth markets and other markets. With regard to management models, the possibility of separate solutions or experiments in the key markets can be investigated.

- In regards to securing and strengthening the resources allocated to the work of Team Finland globally, the minimum goal must be securing the current mission resources of the Ministry for Foreign Affairs and the BF foreign network resources (number of personnel) and joint development (planning competence needs and personnel selections per target country). Team Finland's special demands can be met by utilising flexible public-private cooperation and multiplying the related operating models (e.g. food exports, defence industry exports)
- Team Finland activities must be organised in a manner that enables stronger participation in the planning, steering and resource allocation of business life operations.

Responses to questions sent in advance by the working group:

How should Team Finland export promotion activities be developed to make the activities more effective?

- **Export promotion activities should be developed as a whole.** There is a strong need to understand the link between domestic and foreign export promotion. The distance between them must not be allowed to grow nor can administrative borders or rigidity form between them. The services must work together seamlessly. In Finland, companies' willingness and capacity to grow and become international as well as innovation play a key role in surviving in international markets. The willingness and ability of companies to grow and become more international and the offer of exports are created in Finland. In addition to Team Finland actors, key players include municipal development companies, chambers of commerce and their internationalisation services, and regional entrepreneurs' organisations. It is worth remembering that linking innovation activities and export promotion creates added value, which was the basis of the merger at the time of Finpro and Tekes.
- **Compared to the competitor countries, our resources are scarce.** For this reason, we must focus on how to get more results out of the current Team Finland entity and how to strengthen resources in cooperation with the private sector. The resources for export promotion should be raised to the level of competitor countries through long-term work, for which we need a high level of commitment. We are far from this, but we must move into the right direction.

- **As a result of resource scarcity, it must also be possible to prioritise markets and focus services.** Bold decisions must be made in choosing which countries need diplomacy provided by embassies and where political and economic development of the target country must be monitored; and in which countries Business Finland's commercial experts' services are needed in the export challenges of everyday business life, and in which countries both are particularly needed. The same applies to export promotion visits, the aim of which must be to genuinely increase exports in the destination country. Services must be targeted especially at companies that are willing to grow and become international in order to strengthen their impact.
- **In export promotion, it is essential to understand the local market need and demand for different commercial solutions.** Finland must quickly and flexibly find the right company offering for these. This requires that sufficient commercial and industrial expertise is available in the target country as well as in Finland to support everyday export promotion work. It is hoped that even more early-stage companies, such as start-ups, will start aiming for export activities and internationalisation. Comprehensive expertise in the target market is extremely important, and local expertise and "hands-on" assistance are often emphasised in the needs. In fact, the quality of services supporting the export activities of companies arises especially from the country and market expertise of experts operating in the target country and from local networks. It makes sense to continue to hire the majority of the experts doing this work directly from the target country, and it must be a position that attracts the best talents. Companies are even willing to pay for value-added target market surveys and services during the initial stage, as happens in the reference countries if the quality is right.
- **The needs of large and small companies are often different.** In Team Finland's work, the needs of both must be met. In the target market, the support provided by the diplomatic missions is often valuable for large companies, and in Finland they utilise Business Finland's innovation funding and programmes. In addition to the missions' authoritative services, it is important for SMEs that they are considered especially in market surveys and other export promotion services, for which their own resources are more limited. The number of exports and export companies will increase if we succeed in implementing the Government Programme's target of doubling the number of Mittelstand companies by 2030.

- **The service path of the “from the county to the world” principle must be clarified and improved.** In this respect, the reform of export promotion must be closely linked to the development of regional business services. Companies value a customer-specific service instead of a general “one-stop shop”. In regional services, it makes sense to divide work, for example, between public and private actors. In regional Team Finland cooperation, it is a good idea to set clear goals and agree on responsibilities and the division of labour between different parties.
- **Better coordination also with Finnvera and other Finnish financiers;** BF’s export promotion does not currently include a financing element or advisory services. With regard to the TF’s foreign network, attention should be paid to expanding competence, including solutions for Finnish export and development financing as export promotion tools. Funding is also needed for commercialisation and investments. The legislative project on export financing must be sped up. Export promotion must be placed at the centre of Finnvera’s operations more clearly than at present, and it must be ensured that its operations can become agile and have a better mandate to operate in a competitive manner. In particular, legislation must take into account the needs of SMEs, whose potential for e.g. buyer credit arrangements in the target market is much smaller. The silos of trade and development must be removed when Finnfund’s operations are being developed.
- **Attaining better results requires clearer management and steering of export promotion.** All Team Finland actors and partners must have a common understanding of the objectives, management and responsibilities of the activities. Team Finland operations must have common objectives and understanding of what each person’s own competence promotes in the target country, from diplomats to commercial experts. The shared goal-orientation of the activities, their indicators and monitoring, and their return to activity management must be improved, linking the strong incentives of achieving the results and guiding cooperation between different actors.
- **Team Finland’s corporate customer relationships must always be handled together.** For the customer, the TeamFinland service must show as one functional entity. Each year, the national Team Finland plan already lays the foundation for cooperation, the implementation of which is guided and supervised by the Ambassador as the country manager of the Team Finland team. Their preconditions as well as obligations to this task must be strengthened both within the Ministry for Foreign Affairs and in relation to the current BF foreign network in order for the shared resources to function in the best way. At the same

time, any differences between the job descriptions of diplomats and commercial experts must be identified. The success of the ongoing reform of the Foreign Service is of paramount importance in order to strengthen the preconditions for leadership in these tasks. Even if the Ambassador's management mandate is increased, the connection to the Ministry of Economic Affairs and Employment group and its steering capacity must be preserved.

- **Team Finland's ability to respond quickly to new situations and needs will be improved.** Predefined procedures must be created for market changes and crises, both in terms of coordination and resources. The global coronavirus pandemic with its trade restrictions and recovery packages, as well as the Russian war of aggression in Ukraine and its sanctions and recovery plans, are examples of situations in which rapid response and sufficient resources were needed to support the business operations of companies.
- **The promotion of exports must always be seen primarily from the perspective of the business customer as a path from the home market to the world** and not only as a reform of the central government organisation. As regards the reform of export promotion, in practice this means that it must not be limited to a foreign network project, but that it must extend considerably more widely, and its objectives must also be taken into account in a number of other projects included in the Government Programme, such as entries concerning business services and business financing. Measures related to the reform of the foreign network may also not endanger the seamless operation of the entire system.
- **From the perspective of business life, Finland's major challenges are linked to the strong and rapid change in the operating environment.** The development measures required by our own operating models and structures must be evaluated and carried out, but at the national level it is vital that energy is fully directed towards how we work outwards to international markets.

What are the key strengths and weaknesses of the current system?

Strengths:

- As a rule, business customers receive a **comprehensive service** to strengthen the growth and renewal of internationalisation through Business Finland services.
- **Team Finland cooperation** has deepened and expanded cooperation between ministries and their subordinates and with business life.
- **The Ministry of Foreign Affairs** and its diplomatic missions have improved their work and recognition in the value services of companies and the monitoring of the political and economic development of the target country, as well as become more open to cooperation with companies.
- **Business Finland** has expanded its services and international network within the limits of government steering and resources.

Weaknesses:

- **Frequent reforms of the export promotion system** have confused the functioning of the system, which is why it is now important that development will proceed through evolution. The export promotion entity must be kept fully functional at all times when planning and implementing targeted development measures. Prolonged uncertainty weakens the commitment of current experts, and the best experts leaving important work is a real threat.
- Development must be based on **improving the availability and quality of services for customers, i.e. companies**. With regard to the current surveys on the foreign network, it seems that the motivation is partly administrative and even HR-related rather than motivated by Finland's overall interest.
- **The export promotion entity Team Finland works well if it genuinely leads to an increase in the number of exports and export companies**. The growth in the number of Finnish exports and export companies has not been satisfactory. The share of Finnish exports in relation to the OECD average and the SME intensity in relation to the reference countries is too low. In addition to changes in the international operating environment, this challenges the current system.
- **Achieving better results requires clearer management and steering of export promotion**. Regardless of the solution model, experiences

of the development needs of the foreign network and the need for a better system must be responded to.

**Is the voice of business and businesses heard enough in export promotion?
How should it be developed?**

- **The voice of business actors is currently not sufficiently heard in export promotion.** Cooperation with business life must be intensified at all levels of Team Finland activities so that private and public actors that boost growth and exports can work together as a team and all available resources are being used. Stronger participation creates stronger commitment and also provides additional resources for joint work.
- In addition to the level guiding all Team Finland activities (TF executive group), an “**export driver**” that works closer to the operative activities especially for the foreign network is needed, and business life actors must be represented in it. In addition, the right models for strengthening sector-specific inclusion must be found. A model in which chambers of commerce, local development companies and regional entrepreneurs’ organisations could play a key role should be built in the regions. Decision-making must become quicker and more transparent.
- If necessary, it must be possible to increase the utilisation of public-private cooperation to meet different needs. In addition to the ministry and agency model, the limited liability company model creates more flexible preconditions for cooperation projects and strengthening resources.

**KESKUSKAUPPAKAMARI
THE CENTRAL CHAMBER OF COMMERCE**

19 September 2023

Reform project of the Foreign Service; Written consultation with the stakeholders of the Ministry for Foreign Affairs; summary

The Central Chamber of Commerce thanks the Ministry for Foreign Affairs for the opportunity to make a statement on the reform project of the Foreign Service. This statement focuses on the most relevant theme of the reform project for the Central Chamber of Commerce and its member companies, i.e. the organisational reform of the Ministry for Foreign Affairs, in terms of economic relationships.

Finland is located on a geographical periphery next to a large, unpredictable neighbour. In international competition and the transformation phase created by power tensions, Finland is smaller or larger than its size, depending on how capable it is of mutual cooperation in Finland and how actively it participates in international cooperation. Finland's most significant decisions in its recent history were its joining the European Union and NATO. Geopolitical challenges and the ongoing economic deglobalisation require Finland to actively influence and allocate its resources to international relationships. At the same time, Finland's economic growth, maintaining well-being, ensuring security and succeeding in technological competition require cooperation between domestic actors.

Economic development and trade relations can no longer be considered independently from geopolitical tensions. Team Finland was established to remove the silos of export promotion activities. Even after the reforms have been carried out, the system still has overlaps and defects that are breaking the activities, and they must be repaired. The international operating environment and competition are more challenging than before, which is why clarifying the activities of the Team Finland network abroad and capital city management are essential. The current dual management consumes TF and human resources, does not serve the needs of companies in an appropriate manner, and thus does not lead to the best results in terms of Team Finland's objectives. The

Ministry for Foreign Affairs' mission network is our most comprehensive international network. Most countries in the world have a hierarchical and formal operating culture, and the authority services of the ambassador or senior foreign ministry officials are needed (also) in trade relations. The Ambassador is in charge of TF operations in the posting country, and Business Finland experts have special expertise that the career officials of the Ministry for Foreign Affairs and missions

do not have. Ambassadors and embassies open doors and sit at tables that other export promotion actors cannot access alone. The embassies' analysis of the economic policy developments and needs-based demand in the target countries is complemented when they, together with BF experts, assess the Finnish solutions which are suitable for the demand and launch the supply, either with companies or as a team of TF actors. The entire team should act on the basis of company needs and implementing the joint TF plan. The resources and activities of the BF network are decentralised by its own obligations that are separate from the jointly planned TF activities.

At the time of the Government Programme negotiations in spring 2023, the Central Chamber of Commerce stated that export promotion activities would become clearer if Business Finland's operations were transferred under the management of the Ministry for Foreign Affairs. As part of the organisational reform and the separate surveys on export promotion, the final outcome should be that Team Finland's foreign operations become centralised to the Ministry for Foreign Affairs as part of the foreign affairs administration as a separate TF or export promotion department. In this way, TF can only be steered through one capital channel. We cannot afford overlapping activities nor ones that consume resources and loyalty.

Finland's network of foreign missions is the factor that makes the Ministry for Foreign Affairs special in the government and Finland special in international relations. From the perspective of the Central Chamber of Commerce, the criteria for examining the network of missions and consulates should include exports as well as attracting investments and labour.

The possibility for the career officials in the Ministry for Foreign Affairs to obtain leave of absence for a few years in business organisations should be strengthened. It is a question of increasing the competence capital of both the individual and the ministry, and is thus useful for all actors. The Central Chamber of Commerce is still interested in such cooperation.

Sincerely,
CENTRAL CHAMBER OF COMMERCE
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FINNISH FOREST INDUSTRIES

Memorandum

Jenni Isola

30 November 2023

The views of the Finnish Forest Industries on the development of Team Finland activities

The Finnish Forest Industries expresses their thanks for the possibility to state its views on the development of Team Finland activities.

Finnish Forest Industries supports the important mandate set out in the Government Programme for reforming the activities and management of the Team Finland network while consulting business life. The steering role of the Ministry for Foreign Affairs must be strengthened, and the transfer of Business Finland's foreign operations to the Finnish network of missions must be investigated. The assessment of the effectiveness of export promotion activities, especially TF visits, in relation to models from peer countries is encouraged.

How should Team Finland export promotion activities be developed to make the activities more effective?

Even after development and reforms, we can expect to have fewer resources for export promotion work in Finland than in our neighbouring countries. Therefore, it is essential to allocate the resources correctly, i.e. to the concrete needs of export companies. The planning of export promotion visits, recognising the offering of companies and global demand are also related to this. Our experience has shown that the TF network and business advisory services in the target countries work best when all parties work in the same premises in seamless cooperation (Foreign Services, Business Finland, and the local Finnish Chamber of Commerce). We also hope that the resources of TF operations will be increased in the long term in the future.

What are the main strengths and weaknesses of the current system?

One of the weaknesses of the current system is that based on the feedback received from our member companies, small and large companies receive very different levels of service from Team Finland. Our large member companies and the companies driving Finnish exports report that their cooperation with TF operators has been flexible, while smaller member companies often report that they cannot access the services. Finnish Forest Industries considers it important to increase the number of export companies in Finland. In addition, it is also very important

that (even) smaller companies that are already involved in exports run a smooth and growing business and that they are satisfied TF customers. Below is a concrete example from the forest industry.

How could the security of supply of the Finnish export industry be improved by safeguarding maritime logistics?

Finns have a good global reputation, but an absolute prerequisite for Finnish export companies to continue to be known as reliable operators is that deliveries take place on time. More than ever, Finland is an island in terms of material flow, and more than 90% of Finland's exports and imports are transported by sea. If our security of supply is not at least on the same level of performance as our competitor countries, why would an export customer buy from us?

Member companies of Finnish Forest Industries have reported challenges due to having an increasingly large issue with maritime cargo exports compared to competitors operating closer to the main European market. Due to the shipowners' prioritisations, Finnish exporters of goods may occasionally find themselves in a situation where a scheduled shipping from the destination port is not implemented due to the so-called blank sailing phenomenon. For some reason, the shipowner has estimated that they do not have enough cargo for the Finnish target port, resulting in the journey continuing past the destination port, deviating from the plan. For the exporter, this typically means an additional delay in the delivery schedule and a delay in customer delivery at the beginning of the supply chain.

The coronavirus pandemic and the Russian war of aggression have shown that the security of supply is not self-evident for Finland, for example due to the location in the EU's periphery and the closeness to Russia. Risks of supply disruptions in the Baltic Sea have increased, while competition in the export markets has become tougher. We hope that Team Finland will tackle the challenge of security of supply in maritime transport. If deliveries are often delayed for this type of structural reason, this problem could even gain national importance. The phenomenon is partly explained by Finland's remote location, but that poses an even greater reason to create a centralised Action Plan to improve the security of supply of Finnish export companies by sea. For example, in 'blank sailing', exporters may not have the right to appeal, despite repeated delays. The efforts of individual export companies are not enough for such a demand, but greater support is needed to achieve improvements.

In global comparisons, a slim flow of goods is a special feature of Finland. This emphasises the need for an operating environment that encourages vessel visits in Finland. Exports rely on the services of both domestic and foreign shipping companies, and it is vital that the markets work.

Is the voice of business life and companies sufficiently heard in export promotion? How should it be developed?

In Finland, cooperation between the private and public sectors works relatively well. The TF network works in good cooperation with stakeholders. However, there is always room for improvement and smaller companies in particular need to be heard. Large companies have more resources to participate in interest group and stakeholder activities, while smaller companies do not. Maintaining an up-to-date and efficient feedback system is also important for TF operations.

Suomen Yrittäjät

19 November 2023

Ministry for Foreign Affairs

Your written request for comments on 7 November 2023 in connection with the oral consultation.

Comments to the working group preparing the reform of the activities and management of the Team Finland network

Suomen Yrittäjät thanks for the opportunity to comment on the activities of the Team Finland network and highlights the following aspects:

1. How should Team Finland's export promotion activities be developed to make the activities more effective?

- More customer orientation is needed for export promotion. Now, the Team Finland network has greatly productised the services, but there are always companies whose needs are not a match for the current products. If a company gets a chance to participate in development projects, they always end up being just projects and after their completion, the company is left out of development projects. They have to start over and fill in the applications again. It is better to move from one step to another in a certain development pipeline until the company is ready to stand on its own feet.
- SMEs need support especially for productisation. Innovation has been made into a marketable entity, not a research or technology prototype. The ELY Centres have created their service products to be closer to the needs of SMEs, but sometimes they also try to achieve excessive targets. Unfortunately, the business development service (Kehpa) aimed at inspiring/activating entrepreneurs will be discontinued at the beginning of 2024. Even though the service has had its shortcomings, its flexibility has made many companies interested in product development, growth and internationalisation. What is baffling is that no similar service is currently coming to replace the Kehpa service.
- The promotion of exports requires a uniform service chain from Finnish companies all the way to the target market. Therefore, it must be understood in export promotion that services must work together seamlessly. The reorganisation of exports in the target countries is currently the topic of much discussion. At the same time, domestic activities have remained in the background, even though many organisational reforms are taking place in Finland at the same

time (from ELY Centres to regional Economic Development Centres, TE Offices to employment areas and from municipalities to vital municipalities). In the current model, Team Finland's representatives have too often remained the only actors in the regions. We have proposed the creation of 'regional export drivers'. In these, the internationalisation resources of key actors cooperate closely. The central partners of Team Finland actors include municipal development companies, educational institutions, chambers of commerce and regional organisations of entrepreneurs.

- In the target countries, export promotion must be clearly under the management of one operational entity. The natural team leader is the ambassador. In discussions that entrepreneurs have had with the Ministry for Foreign Affairs, the Ministry has made a clear commitment that ambassadors with a clear understanding of the needs of business and exports will be selected for target countries that are important from a commercial perspective. If doubts about management arise in the target country, matters must be dealt with quickly between the Ministry of Economic Affairs and Employment and the Ministry for Foreign Affairs. Such conflicts and questions about authority as are happening currently should not be allowed.
- At least in the short term, entrepreneurs do not see the need for an administrative reform in which all foreign operations would be transferred to the Ministry for Foreign Affairs. The new administrative boundaries may slow down the formation of a uniform chain of more efficient services in the internationalisation efforts of companies (domestic operations Ministry of Economic Affairs and Employment and BF, foreign operations Ministry for Foreign Affairs). Major organisational reforms often paralyse activities for a few years. Right now, we need the most effective export promotion services possible. At this stage, the organisational structures should be reformed through evolutionary processes.

2. What are the key strengths and weaknesses of the current system?

Strengths:

- Team Finland cooperation has clearly improved the cooperation and cohesion of different public business developers. As a rule, a business customer receives a more comprehensive service for growth, reforms and internationalisation. Service paths have become clearer for customers, and customers know better than before which organisation it makes sense for them to contact. In addition, we have started marketing services together.

- The Team Finland concept has also expanded its cooperation with ministries and their subordinates, as well as with business life, which we are happy to see.
- The Ministry for Foreign Affairs, which has improved its recognisability and work in corporate authority services and in monitoring the political and economic development of the target country, must be mentioned separately. At the same time, the Ministry for Foreign Affairs has been more open to cooperation with companies.

Weaknesses:

- In export projects, the requirement level is set too high for many companies, which reduces the number of interested companies. Business Finland often simultaneously wants a research approach, increase of millions in sales and a growth in turnover that is at least 20 times larger than the subsidy amount. Only a handful of entrepreneurs can reach these goals. Entrepreneurs frequently feel that the practical side is not understood. Entrepreneurs often seek a balanced and long-term path to export through research and productisation. Even an annual export growth of 5–10% is a significant increase.
- We still operate too much in silos. There are many business development organisations (National Audit Office of Finland, NAOF's report). The process must also be streamlined within Team Finland. It is difficult for the business sector to understand that many ministries have sent their own export promoters to the target countries.
- It is necessary for the public sector to get out of financing projects without a clear strategy. Projects are good if there is demand for them to continue. Projects must have a strategic approach. They must support the company's next steps towards international trade. Launching export activities requires the entrepreneur to understand the requirements and risks of international trade, often growing to a certain size in Finland, the ability to boldly take risks to enter new markets and a clear understanding of one's own capabilities. The projects must be able to meet these needs.
- Public business developers and financiers do not sit on the same side of the table as companies. Implementing projects is often verbal acrobatics for companies. Project processors want to maintain their objectivity so well that they end up losing understanding of the entrepreneurs' goals and identification of competence. A great product or service can be rejected on the basis of the fact that the company's financial figures do not support success at that exact moment. We need

more handholding and understanding that the world is not conquered overnight.

- We need even better cooperation between the public sector and companies in developing competence and creating a stronger domestic market. The projects of universities, universities of applied sciences and other educational institutions need to include more tailor-made projects targeting individual SMEs or a few similar, complementary SMEs and a large company. In large programme projects, SMEs often stay in the bleachers if no specific SME focus has been defined.
- In the future, new vital and wellbeing services counties could provide better opportunities for companies' ideas and act as a market platform for companies' innovative projects. International growth is still often created on the basis of a strong domestic market. The current mainstream with the establishment of new in-house companies does not support this trend. In recent years, SMEs have lost up to EUR 15 billion in the domestic market.

3. Is the voice of the business sector and companies sufficiently involved in export promotion? How should it be developed?

- The voice of the industry is not heard enough in the operative activities of export promotion. We need a more operational 'export driver', which also includes representatives of key business organisations (SuomenYrittäjät, the Confederation of Finnish Industries and the Central Chamber of Commerce).
- With the help of the Finnish Chamber of Commerce, we can quickly provide member companies with up-to-date information on potential export countries and public sector export efforts to these countries. We can also better communicate up-to-date messages about the export needs of companies and, for example, jointly plan export promotion measures (e.g. export trips) so that as many companies as possible can participate in the projects.
- We also need a regional "export driver" in different regions, which, in addition to Team Finland actors, includes representatives from regional organisations for entrepreneurs, development companies and regional chambers of commerce. Business life organisations meet their "owners" on a daily basis and reach a considerably wider business field than public actors in the Team Finland network alone. Regional development companies also often have very close relationships with companies in the region.

- After the establishment of regional Economic Development Centres, the number of Team Finland representatives in the regions seems to be decreasing. Cooperation in the regions and even shared resources are more important. For example, North Karelia has already offered to pay half of the salary of a Team Finland representative if the representative is located in Joensuu.

4- Other perspectives on Team Finland's activities.

- The Finnish corporate structure is very small-scale but at the same time, agile. Export potential can be found in our companies when we manage to dig it up. The problem often arises from inability to develop and a very operational approach to business. Many companies do not have the resources to think beyond tomorrow. We must create new mechanisms that will also provide smaller companies with a growth path without impossible initial goals.

Harri Jaskari
Manager
Suomen Yrittäjät

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**Publications of
the Ministry for Foreign
Affairs of Finland**

2024:4

ISSN PDF 2737-0844

ISBN PDF 978-952-281-810-2