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SEINÄJOEN AMMATTIKORKEAKOULU
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Basic metal industry SMEs in Satakunta and their challenges with internationalization towards Western European EU countries

Survey among Satakunta basic metals production industry enterprises

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Thesis abstract

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This bachelor's thesis was commissioned by the Satakunta Chamber of Commerce, which is based in Pori, Finland. The goal was to discover the challenges faced by small and medium-sized basic metals production industry companies in the Satakunta region when expanding internationally, as well as industry-specific challenges, and to determine how much interest companies had in expanding to Western European EU countries.

The theoretical part consists of a chapter on the business environment for small and medium-sized enterprises in Finland, Western European countries, and the metal industry in these two areas, as well as a chapter on industrial and international marketing.

The empirical part of the thesis involves using mixed methods, combining both the quantitative and qualitative research methods. The quantitative research data was collected by using a Google Forms online survey with a 1 to 5 ranking scale for industry-specific and internationalization challenge parts multiple answers check box questions for the countries of interest and topics of interest for export guide parts, and multiple-choice questions for the business and demographic information parts of the survey. This survey was sent to 97 small and medium-sized basic metals production industry companies in the Satakunta region via email and had 6 responses with a response rate of 6.19 %. The qualitative data was collected to support the survey by conducting two in-depth interviews.

The survey analysis results reveal that among the basic metals production companies in the Satakunta region, there is little interest in international expansion to Western European EU countries. The two most significant internationalization challenges identified in the survey were information and support available regarding the international expansion of a business and finding skilled workers. The most significant challenges impacting the basic metals production industry were raw materials, energy, logistical, and salary costs. Information and support available regarding international expansion of a business environment and regulations in the Western European EU countries and finding the right support services and networks were the topics the respondents were the most interested in to be included in the export guide. International expansion support in Finland and the target country/countries and the cost of the materials and energy were the two most influential factors when deciding to expand internationally.

[1] Keywords: Western Europe, small and medium-sized enterprises, basic metals industry, European Union, Satakunta

SEINÄJOEN AMMATTIKORKEAKOULU

Opinnäytetyön tiivistelmä

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Opinnäytetyön toimeksiantaja oli Satakunnan Kauppakamari Porissa. Tavoitteena oli selvittää Satakunnan alueen metallien perustuotantoteollisuuden pk-yritysten haasteita kansainvälistymisessä sekä metallinjalostuksen toimialakohtaisia haasteita. Tavoitteena oli myös selvittää, kuinka paljon kiinnostusta on laajentumiseen Länsi-Euroopan EU-maihin. Opinnäytetyön teoriaosuus käsittelee kansainvälistä ja teollista markkinointia, pk-yritysten sekä metalliteollisuuden liiketoimintaympäristöjä Euroopan Unionissa ja Länsi-Euroopan EU-maissa ja Suomessa.

Empiirisessä tutkimusosiossa tutkimusmenetelmänä käytettiin sekamenetelmää, joissa yhdistettiin sekä kvantitatiivisia että kvalitatiivisia tutkimusmenetelmiä. Kvantitatiivinen data kerättiin Google Forms-kyselyllä. Kysely lähetettiin sähköpostitse 97:lle Satakunnan alueen pienille ja keskisuurille metallinjalostuksen alalla toimivalle yritykselle ja siihen saatiin 6 vastausta vastausprosentilla 6.19 %. Laadullinen eli kvalitatiivinen data kerättiin kyselytutkimuksen tueksi tekemällä kaksi syvähaastattelua kyselyn pohjalta. Kyselyssä kansainvälistymiseen ja metallinjalostuksen alaan liittyvät haastekysymykset arvoitiin arvosteluasteikolla 1–5 ja kiinnostukseen kartoitukseen liiketoiminnan laajentamisesta Länsi-Euroopan EU-maihin ja kansainvälistymiseen vaikuttaviin tekijöiden arviointiin käytettiin useamman vastauksen monivalintakysymyksiä. Yrityksen liiketoimintaa ja vastaajan asemaa ja alan kokemusta koskevissa kysymysosioissa käytettiin yhden vastauksen monivalintakysymysasettelua.

Kyselytutkimuksen perusteella selvisi, että Satakunnan maakunnan alueella metallin jalostuksen alalla toimivia pieniä ja keskisuuria yrityksistä kansainvälinen laajentumiseen Länsi-Euroopan EU-maihin ei ole halukkuutta. Kyselyn tulosten perusteella kaksi merkittävintä kansainvälistymishaastetta olivat saatavilla oleva tieto ja tuki kansainvälistymiseen liittyen ja osaavien työntekijöiden löytäminen. Merkittävimmät metallin jalostuksen alan haasteet olivat raaka-aine- ja energiakustannukset, logistiset kustannukset ja palkkakustannukset. Liiketoiminnan kansainväliseen laajentamiseen liittyvä tuki ja neuvonta Suomessa kuin myös kohdemaassa/-maissa ja materiaali- ja energiakustannukset olivat kaksi merkittävintä tekijää, jotka vaikuttavat liiketoiminnan laajentamiseen kansainvälisesti.

[1] Asiasanat: Länsi-Eurooppa, pk-yritykset, metallin jalostus, Euroopan Unioni, Satakunta

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Terms and Abbreviations

ATA	Admission Temporaire/Temporary Admission
A/R	Account Receivables
BE	Break-even Sales
CGS	Consumer Goods Sold
CM	Contribution Margin
CSRD	Corporate Sustainability Reporting Directive
ECB	European Central Bank
EU	European Union
GNP	Gross National Product
HR	Human Resources
KPI	Key Performance Indicator
MVC	Most Valuable Customer
SG&A	Selling, General and Administrative Expenses
SME	Small and Medium-sized Enterprise
SMM	Small and Medium Manufacturing companies

1 INTRODUCTION

In this chapter, the author states the research problem and research questions, introduces thesis commission company, states the boundaries for the research and introduces and explains the research method approach chosen for this thesis.

1.1 Research Problem and Research Question

While expanding a business because of the single trade area and freedom of movement principles of the European Union is relatively easy, at least in theory, to do in the EU area for small and medium-sized enterprises, there are still some very major differences between different countries and regions within the European Union in regards to business culture, hiring workers, differing regulations and level of bureaucracy involved when opening up and running a business in another member country which do pose significant challenges for the small-medium sized enterprises who are trying to enter the market. According to Alessandrini et al. (2019, p. 9), this is despite the European Union's best efforts to make it easier for small and medium-sized enterprises to expand their business into other member countries.

The main research question is "What are the international expansion challenges for the small and medium-sized basic metals industry companies in Satakunta to the Western European EU market?". There are two other investigative research questions:" What are the challenges faced in the basic metals industry?" and "What factors influence the future decision to expand internationally, particularly regarding the Western European EU market?".

1.2 Introduction To Thesis Commission Company

The thesis will be conducted for the Satakunta Chamber of Commerce. Satakunta Chamber of Commerce is a business organization that operates in the Satakunta region. It is one of the two chambers of commerce operating in the region alongside the Rauma Chamber of Commerce. Rauma Chamber of Commerce focuses its activities on the companies operating in the Rauma sub-region, which consists of the capital of the sub-region which is the city of Rauma, the city of Eura, and the municipalities of Eurajoki and Säkylä (SCC, n.d.-a). Satakunta Chamber of Commerce's focus region is the companies operating in the Pori sub-region, which consists of the capital of the sub-region, the city of Pori, which is also the capital of the Satakunta region.

Additionally, the sub-region consists of the cities of Ulvila, Kokemäki, Harjavalta, and Huittinen and the municipalities of Merikarvia, Nakkila, and Pomarkku. Another focus region is the North Satakunta sub-region, which consists of the capital of the sub-region, Kankaanpää, and the municipalities of Jämijärvi, Karvia, and Siikainen. They have over 500 member companies from the region.

Satakunta Chamber of Commerce offers services for its member companies, including various training programs and seminars, creating networking events plans, and advising companies within the region (SCC, n.d.-a). Additionally, their other services include publishing documentation related to international trade, such as ATA Carnets and European Community Certificates of Origin.

Satakunta Chamber of Commerce (SCC, n.d.-b) offers networking services on three different platforms: Committees or Valiokunnat in Finnish, Satakunta Business Campus and Satakunnan Bisnesenkelit (the Business Angels of Satakunta in English).

The committees are the Satakunta Chamber of Commerce's cornerstone (SCC, n.d.-c). The committee chairs collaborate closely with the Chamber's Board of Directors to guide the organization in a meaningful and professionally gratifying direction. Members are chosen based on their experience, talents, and knowledge, ensuring that the committees' makeup is broad, represents a range of perspectives, and readily shares best practices. Committees can leverage the Chamber's voice, and committee membership is beneficial, even on one’s resume. There are seven different committees: Logistics committee, Industrial Committee, HR or human resources Committee, Committee on business vitality and growth, Digitalization committee, Huittinen-Kokemäki local committee and North Satakunta local committee.

The activities of the Satakunta Business Campus company network include a wide range of staff development solutions, such as network-specific training and coaching programs, topic networks, and information sessions (SCC, n.d.-d). As trainers, coaches, and seminar speakers, SBC delivers the most outstanding specialists in their industries from throughout Finland to Satakunta. Common themes for the companies in the network include leadership, management, well-being at work, communication, HR, quality, and safety at work. There are currently seven member companies: Aurubis Finland Oy, Boliden Harjavalta Oy, Jujo Thermal Kauttua, Luvata Oy, Nornickel Oy, and Pori Energia.

Business Angels of Satakunta (Satakunnan Bisnesenkelit in Finnish) network consists of individuals with business expertise, experience, networks, and a desire to assist early-stage and growth-oriented enterprises (SCC, n.d.-e). In addition to the original financing, angels offer intellectual capital to the business. The work is strictly confidential. Angels can lead a growth company, oversee financial planning, product development planning, or internationalization start-ups, assist at the negotiation table, and plan the next step.

Satakunta Chamber of Commerce also organizes live seminars and training events within the Satakunta region and webinars related to various topics such as marketing and communication, human resource management, and taxation (SCC, n.d.-f).

The Satakunta Chamber of Commerce's internationalization services provide a natural, local location for regional enterprises seeking guidance and advice on overseas commerce and practical internationalization services; there are both free and paid services (SCC, n.d.-g). In its sphere of activity, the Satakunta Chamber of Commerce has large export companies. Their future success is even more critical. Simultaneously, it is critical to encourage medium-sized and small businesses with growth potential to internationalize. Internationalization of businesses always begins with the companies themselves and their willingness, although public and private services can aid it. The Chamber of Commerce wishes to assist and encourage firms to internationalize. In addition, The Satakunta Chamber of Commerce organizes training courses on internationalization and international trade processes.

The Satakunta Chamber of Commerce also rents the conference and works spaces at their Pori office in the city center (SCC, n.d.-h). These include the following: The event lobby, which can hold a maximum of 40 people and is designed, for example, for seminars and education events; The negotiation room, which has the projector and can hold a maximum of 12 people and is designed for example for recruiting interviews and for the committee work; Group workspace which has the capacity of 2 people and is designed for holding two-person meetings and as a temporary office space if needed. The rent cost for these is 17 € + the value-added tax for members per member and usage for non-members; the cost is 35 € + the value-added tax per member and usage.

In addition to the services already mentioned, The Satakunta Chamber of Commerce also publishes its magazine for its members, called “Kauppakamari,” published 4 times a year (SCC, n.d.-i).

1.3 Research Boundaries

The thesis author determined on September 30th, 2023 after meeting with the Seinäjoki University of Applied Sciences information specialist for the Business programmes that the original plan of conducting research that encompasses all 27 EU member states with significant differences in regulations and business environments and encompasses all metal industry sectors would prove too large of a task for the purpose this bachelor's thesis.

Therefore, the thesis author then decided to narrow the thesis topic down to small and medium-sized enterprises in the basic metals industry in the Satakunta region and on the internationalization strategy, which involves both exporting and international marketing efforts in the Western European member states of the European Union. These are Austria, Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. The countries in Western Europe that are not EU members, these being Andorra, Monaco, Liechtenstein, Switzerland, United Kingdom of Great Britain, and Northern Ireland, are ruled out.

Although the original plan was to include the export guide in the thesis document and write about the export guide writing process to the thesis document, it was suggested by the Seinäjoki University of Applied Sciences thesis supervisor on January 26th, 2024 in a thesis process meeting that export guide does not need to be documented nor included in the thesis and the thesis author agreed with this suggestion and informed the thesis supervisor from the Satakunta Chamber of Commerce about the decision, the two main reasons for this suggestion being that it would make an already quite long thesis document quite signicantly longer and prolong the graduation date of the thesis author past the spring of 2024 and likely after the December 31st, 2024 which is the last date of the right to study for the thesis author. Therefore, as a separate project from the thesis on the author's own time, the thesis author will be writing an export guide for the Satakunta Chamber of Commerce.

1.4 Research Methods

The original plan was to use the qualitative research methods of primary data collection and collecting secondary data; the methods used for primary data collection would have been open-ended questionnaires, the questions in these questionnaires would have been planned together with Satakunta Chamber of Commerce contact person and the Seinäjoki University of Applied sciences supervisor of this thesis and the questionnaires would have been

distributed to the metal industry SME organizations who are the members of Satakunta Chamber of Commerce and the sister organization of Satakunta Chamber of Commerce, Rauma Chamber of Commerce. However, the thesis author determined in mid-October 2023 that mainly using multiple-choice, close-ended question questionnaires with one open-ended question in five of the sections would yield more easily analyzable results to use for the writing of the guide than using the open-ended questionnaires would have. This change means the mixed methods approach will be used to collect data, with the embedded design mixed methods. In addition to the questionnaire, there will be two in-depth interviews, one with a governmental organization representative and another with a basic metal industry company, and the survey template will be used as an interview guide; the interviews are conducted to collect more data and gain more insight into the topic.

Vilkka and Airaksinen (2003, p. 53) also mention that it is essential to be critical when selecting sources for guide writing. The writer must mention where the information is gathered from and describe how the authenticity and timeliness of the information have been verified, as not all information is up to date. The new information may refute the earlier information gathered. The authority of every author is not equal either; this is especially evident when searching for information on the internet. Vilkka and Airaksinen (2003, p. 57) state that in practice-based thesis work, the meaning of the research methods is looser, although the methods to gather information are the same as in other types of thesis work.

1.4.1 Mixed Research Methods

George (2021) states that mixed-method research combines parts of quantitative and qualitative research to answer the study's research question. Because it incorporates the strengths of both methodologies, mixed methods could help form a more precise picture than a standalone quantitative or qualitative study. If the study's approach indicates that quantitative or qualitative data alone will not adequately address the issue, mixed methods research may be the best option. There are several frequent reasons why mixed methods research is used. The first reason is that qualitative research has a lower sample size, so it cannot be generalized.

According to George (2021), this comparative weakness is reduced in mixed methods research by the comparative strength of "large N," externally verified quantitative research.

The second reason is that the combination of approaches allows you to contextualize your data and provide more detail to your conclusions. Using qualitative data to highlight quantitative conclusions might assist you in "putting meat on the bones" of your research. The third reason is that using diverse approaches to collect data on the same issue might increase the credibility of your findings. The convergence of qualitative and quantitative data improves the validity of your judgments. This is known as triangulation. Mixed methods research can be challenging to implement and carries the same risk of research bias as solo studies; hence it is not as a common of a choice than standalone qualitative or qualitative research (op. cit.).

According to George (2021), in an embedded design, both forms of data are collected and analyzed simultaneously but within the context of a wider quantitative or qualitative design. One form of data is subordinate to another. This is an excellent strategy if one is short on time or resources. An embedded design can reinforce or supplement the primary research methodology's conclusions.

Bamberger (2022) mentions six advantages of mixed methods research design. The first is that it helps to recognize procedures and behavior. The second advantage is that it aids in integrating process and impact evaluation by translating qualitative data into a format suitable for impact evaluation and increasing construct validity through triangulation. The third advantage is that mixed research approaches provide the instruments for evaluating complicated projects. The fourth advantage is that it can help examine social and economic exclusion. The fifth advantage is that it can help to detect unwanted consequences. The sixth advantage is that triangulation and ground-truthing can help to strengthen the validity and dependability of massive data (e.g., satellite and drone photos).

Regnault and Barbic (2018) mention that one significant challenge for mixed methods research is that it is methodologically rigorous. Another challenge mentioned by the authors is that mixed-method research might also present practical concerns, mainly because integrating both qualitative and quantitative data can necessitate additional resources and time. It should be highlighted, however, that this added cost is frequently mitigated by the potential benefits of mixed methods research, especially when many insights enable examining complicated research issues or small populations.

Office for Health Improvement and Disparities (OHID,2020) mentions three disadvantages of mixed research methods. The first is that it may be more challenging to carry out. The second disadvantage is that it may take more experience to collect and analyze data and understand the results than using just one method. The third disadvantage mentioned is that combining approaches necessitates more resources, such as time and money.

1.4.2 Quantitative Research Methods

According to Fleetwood (n.d.), quantitative research entails collecting and analyzing numerical data. It is ideal for detecting trends and averages, forecasting, testing correlations, and generalizing results for large populations. Quantitative research is the systematic examination of phenomena by collecting measurable data and applying statistical, mathematical, or computational methodologies. Quantitative research gathers information from present and future clients using sampling techniques and disseminating online questionnaires, polls, and surveys, for example.

Fleetwood (n.d.) states that quantitative research has various distinguishing features that make it well-suited for specific tasks. These include using structured tools such as surveys, polls, or questionnaires to gather quantitative data, which allows for the collection of detailed and valuable data from survey respondents. Quantitative research is carried out on a large sample size representative of the target market. Appropriate sampling strategies must be employed when generating the sample to strengthen the study's purpose. The purpose of the research is to develop closed-ended questions. These questions aid in collecting quantitative data and are thus often employed in quantitative research. Before gathering input from respondents, various elements relevant to the research issue are investigated. Tables, charts, graphs, and other non-numerical representations of quantitative data are standard. This makes it simple to comprehend the collected data and demonstrate the veracity of the market research; the findings of the study's approach can be generalized to a whole community to take suitable corrective actions.

Fleetwood (n.d.) lists four advantages of quantitative research. The first is the collection of reliable and accurate data, as the data is collected, evaluated, and presented numerically, and the results are incredibly dependable. The second is the quick data collection. Quantitative research is analyzing a sample of persons who reflect a wider population. A

survey or another quantitative research approach is utilized to collect information from these people. Statistics make the process of analyzing data and identifying trends easier and faster.

The third advantage Fleetwood (n.d.) listed is the broader scope of data analysis. The fourth one is eliminating bias, as quantitative research methods do not permit personal comments or study biasing of outcomes. Therefore, in most circumstances, the outcomes are numerical and thus fair.

Gaille (2019) lists six disadvantages. The first is that in quantitative research, no responses can be followed up on; this means that if the results of a survey are equivocal or doubtful, there is no way to validate the data's veracity, or if many participants provide similar responses, the data may be skewed in a way that does not apply to the broader population. The second disadvantage is that, providing similar responses, the data may be skewed in a way that does not apply to the broader population. The second disadvantage is that there is always the possibility that quantitative studies will not apply to the general population, and because the information appears to come from random sources, it is easy to infer erroneous associations. The third disadvantage mentioned is that the researchers employing the quantitative research methods must assume that all answers offered through surveys, testing, and experimentation are founded on truth. Because there are no face-to-face encounters with this method, interviewers or researchers cannot assess the veracity or validity of each outcome.

The fourth disadvantage Gaille (2019) mentioned is the cost in some cases. The fifth disadvantage is not having the possibility to access specific feedback information. The sixth and final disadvantage mentioned is that when doing quantitative research, efforts are sometimes made in circumstances that are unnatural to the group. When this disadvantage arises, the results frequently diverge from what would be discovered using real-world examples. That means that researchers can still manipulate the outcomes, even with randomized volunteers, because they work in an environment conducive to the answers they seek using this method.

1.4.3 Qualitative Research Methods

Busetto et al. (2018, p. 1) define qualitative research in the following way: "The investigation of the nature of phenomena," which encompasses "their characteristics, various expressions, the environment in which they arise or the viewpoints from which they can be observed," but leaves out "their extent, occurrence, and position in an impartially established sequence of causation and consequence." The formally defined term can be complemented with a more pragmatic guideline: Qualitative research typically involves data in words rather than statistical data. Qualitative research designs are required to find the causes of observable patterns, particularly those invisible or unexpected.

According to Denny and Wickesser (2020, p. 1166), to reduce the research aim or purpose, one or more somewhat broad research questions are the first step in qualitative research, and they could be updated iteratively as the research is carried out. This differs from quantitative research, in which a specific study question is established from the outset and remains constant. A study's goal, for example, could be to investigate the experiences of pregnant women who have epilepsy. "How do women with epilepsy experience pregnancy?" might be the initial research question. According to preliminary findings, this might be changed to "How do women manage their epilepsy throughout pregnancy?".

Denny and Wickesser (2020, p. 1166) mention the three most common methods used in qualitative research. The first is interviewing, the most used method of the three methods. Semi-structured interviews include pre-set, open-ended questions, with additional questions arising throughout the discussion. Unstructured interviews can explore a few in-depth topics, such as life history narratives. The second method is to hold focus groups. Focus groups are conversations moderated by a researcher who will provide rules to help the group focus. Data collection includes both group interaction and conversation content.

According to Denny and Wickesser (2020, p. 1166), They can be utilized independently, but they are more typically employed to explain or extend data acquired by other approaches. Focus groups and interviews are more adaptable and non-standardized than quantitative research, emphasizing the participants' viewpoints and experiences. However, flexibility must not lead to leading inquiries. The third way is observation, which is observing social phenomena in real-world contexts and documenting what people do rather than what they

claim to do. The observer may participate in the scene being viewed or stand outside (non-participant observation).

Denny and Wickesser (2020, p. 1166) state that in qualitative research, the quantity of data gathered is neither fixed nor calculable, it continues until saturation. Data are gathered until emerging concepts have been investigated and additional data are not yielding new insights. This means that data is collected until novel ideas have been explored and additional information fails to provide new insights.

2 INTERNATIONAL AND INDUSTRIAL MARKETING AND CONDUCTING QUANTITATIVE MARKET RESEARCH

According to Doole and Love (2012, p. 5), marketing involves the following things: concentrating on the requirements and aspirations of customers, finding the most effective approach to satisfy those requirements and wants, putting the organization's resources towards the task that provides that sense of fulfillment; satisfying the objectives set by the organization. The *authors* state that because of doing so, the company or organization strengthens itself to establish a competitive edge in the marketplace. The core characteristics of this structure are maintained in the international marketing process. When an organization shifts from a regional to a global marketplace, its theoretical framework does not alter substantially, yet there are two significant differences. Firstly, there are multiple layers in which international marketing can be tackled; secondly, the unforeseen aspects of the marketing landscape are more complex and multifaceted because of the diversity of international marketplaces. As a result, managers must acquire novel abilities to go along with the tools and processes they developed for marketing local markets.

2.1 International Marketing

According to Doole and Love (2012, p. 5), at its most basic definition, international marketing entails a company making one or more marketing mix decisions across national boundaries, while Tien et al. (2019, p. 135) characterizes international marketing as the company's practice of organizing, pricing, advertising, and delivering a line of goods and services to consumers or users in various nations in order to turn a profit.

The sole difference between domestic and international marketing is that the latter includes advertising in more than one nation (Tien et al., 2019, p. 135). Whether it be global or domestic marketing, the objective of every salesperson is identical.

According to Doole and Love (2012, p. 5), at its most complicated definition, international marketing entails the company constructing manufacturing/processing facilities worldwide and coordinating global marketing efforts. At one extreme, companies choose international marketing by simply establishing a distribution arrangement with a foreign agent, who then handles pricing, advertising, distribution, and market development. On the opposite end of the spectrum are massive multinational corporations such as Ford, which has an integrated

global network of manufacturing sites and operates in over 150 countries. Thus, at its most complicated, international marketing becomes a worldwide management process (op. cit., p. 6).

According to Tien et al. (2019, p. 135), export, local, multinational, and global marketing are examples of international marketing. Each marketing segment will serve a particular function in a worldwide company strategy. Regarding export marketing, it assists firms in exporting to overseas markets by identifying customer requirements to assist businesses in determining how to make items. Marketing in the host nation is an advertising endeavor inside the countries where the business has established itself to help firms comprehend the foreign market and create company strategies suitable for the environment into which the business has penetrated.

Multinational marketing is an interactive collaboration of marketing operations in many business environments to assist organizations in making precise plans and exercising careful supervision (Tien et al., 2019, p. 135). The brand's reputation, the product brand of the business that people remember and believe in, which will display the business network in locations where it is sustainable, is the point to evaluate the success of global marketing. Global marketing encompasses all marketing tactics, with worldwide corporations employing the same marketing strategy in all markets on a global scale.

Understanding the business environment, recognizing opportunities in foreign markets, and seeing how the firm's resources can be leveraged to match best and build market demand patterns are critical components of efficient international marketing (Gilligan & Hird, 2013, p. 34). Any marketing program must include environmental study in its formulation, and because of the several nations in which a company may do business as well as the existing, sometimes significant differences between the market environments of even the neighboring nations, this activity has a greater significance for the international marketer (op. cit., p. 35)

Because information will function as the marketeer's education in the marketplace, research should follow a logical pattern (Curry, 1999, p. 67). The marketeer must progress from general study to specifics in the same way as the target moves from a far overview to pinpoint scrutiny. From an information standpoint, this represents a shift from indirect sources to those derived directly from the intended market. From an information standpoint, this represents a shift from indirect sources to those derived directly from the intended market.

Many researchers (commercial and academic) refer to these as primary and secondary sources. However, this type of nomenclature tends to obfuscate the order in which information is gathered for marketing purposes. Marketers should work from general (indirect) to specific (direct) sources. Indirect sources enable the researcher to determine which direct sources will be most beneficial (op. cit., p. 68).

According to Curry (1999, p. 68), small and medium-sized businesses first turn to government organizations when it comes to foreign marketing information. Each country (and sometimes its big cities) has a government department committed to trade promotion. They analyze statistics and create profiles for all their present and potential trading partners, but their budget and operative talent are severely limited. Politics also plays a role, and data is more extensive between friendly countries.

Curry (1999, p. 68) mentions that in international commerce, private agencies and trade associations exist (e.g., Chambers of Commerce), and their primary aim is often to collect trade statistics and analysis. While they may share some of the biases of governmental organizations, trade associations can be a good source of information about possible competitors and the market in general. Such organizations rarely give non-members information for free.

Curry (1999, p. 68) states that a marketeer should not dismiss the ability of a joint venture, strategic alliance, or distribution agent's ability to provide insights into the new market, even if their commercial experience is limited. Local partners can provide roadmaps for the political and licensing landscapes in addition to commercial statistics and competition profiles; this may prove to be their most valuable contribution. Some marketplaces are highly clannish; therefore, caution should be exercised when relying on a local partner's recommendations and scenario analysis.

Gilligan and Hird (2013, p. 35) outline four major international business environments: Economic, cultural, political, and legal, which are influential when making an international marketing decision and devising an entry strategy to the international market.

2.1.1 Economic And Cultural Environment

Gilligan and Hird (2013, p. 35) mention that the economic climate influences demand in various ways, and its potential impact on an international marketing program needs to be studied from two distinct but connected angles. At the macro level, this means that marketers must consider the requirements and wants of the populace as well as the economic policies, degree of development, and outlook of the nation; this also means that the person in charge must concentrate on the company's capacity to meet market demand and successfully compete with other enterprises already present at the micro level. The economic environment significantly influences the marketing potential for global operations, and the marketer can only respond to two critical issues by thoroughly examining this part of the environment: Firstly, what size is the market as a whole, and next, how would the marketer describe it? These inquiries must be addressed to establish the firm's marketplace possibilities and objectives and the marketing effort required.

Gilligan and Hird (2013, p. 39) mention that although the number of people and the makeup of a market's population are crucial in economic research, income levels across the country also play an essential part. The most common approach for evaluating nations is based on per capita income. It provides a fair representation of a market's worth and is also straightforward to determine and widely accepted. Given that, it is essential to remember that, despite their importance, per capita income numbers have some limits.

Gilligan and Hird (2013, p. 39) comment that the most notable results are from the methodology used in their computation. The per capita numbers must be expressed in a common currency, usually the US dollar, to provide a meaningful income comparison using a straightforward exchange rate conversion. Then, a comparison is made using this number as the foundation. However, the degree to which these figures accurately represent the relative domestic purchasing power of the two countries can be questioned, given that the exchange rate used to calculate the comparative figures may vary significantly over a brief period as demand and supply trends on the foreign exchanges change. This issue may then be made worse by currency speculation and devaluation.

According to Gilligan and Hird (2013, p. 39), the fact that sales of many products only partially correspond with per capita income is another aspect that tends to diminish the actual value of per capita income comparisons. For instance, sales of many consumer items

correlate much more closely with population statistics than do those of industrial goods, which often reflect overall national wealth or the industrial structure. Despite these issues, per capita income data still provide a helpful starting point for market comparisons, particularly for businesses providing commodities that need high discretionary incomes.

The gross national product (GNP) is a substitute indicator and a basis for comparison (Gilligan & Hird, 2013, p. 39). According to the Corporate Finance Institute (2019), GNP measures the total value of all goods and services produced by a country's population and enterprises. Corporate Finance Institute, or CFI for short, (2019) also mentions that it calculates the value of the final products and services generated domestically, regardless of the country of origin. According to CFI (2019), GNP is calculated by adding the amounts spent on personal consumption, spending by the government, private investments within the country, net exports of goods and services, and all income generated by foreign residents, less income obtained by foreign residents inside the domestic economy. Net exports are calculated by deducting the worth of imports from the total worth of exports (CFI,2019). According to Gilligan and Hird (2013, p. 40), GNP has proven to be a more accurate indicator of market potential for some goods, especially those in the industrial sector; where this is the case, a plain ranking of nations by GNP is a more accurate indicator of market value than per capita income.

Gilligan and Hird (2013, p. 40) address that after looking at the market's size and value, the marketer must consider several other aspects of the economy before deciding on the market's potential. The nature of the economic system itself is one of these because it impacts how the economy is governed politically and legally and, in some situations, may result in marketing issues.

2.1.2 Political And Legal Environment

The international political environment includes all the political aspects influencing the company's position in its foreign market (Gherasim, 2019, p. 121). It must be treated from two perspectives: as an internal political environment of the country where the target overseas market is located and a global political environment. The target foreign market's internal political environment is related to the type of government, the system of political parties that

impose their views on the restrictions or facilities granted by foreign companies on their national markets, respectively, on the government's economic policy.

According to Gherasim (2019, p. 121), countries can be divided into three categories according to their type of government: Democratic republics (presidential or parliamentary), governed by democratically elected bodies; dictatorships, authoritarian regimes in which governments are led by military or civil dictatorships; monarchies, in which leadership is carried out by a power transmitted hereditarily, these can be democratic (also known as constitutional monarchies) or absolute monarchies.

It is also mentioned by Gherasim (2019, p. 121) that the political party systems in the target nations can also be divided into numerous categories: The one-party system (very close to dictatorship), in which political life is authoritarian dominated by a single party (such as the Chinese Communist Party) so that no other party has the chance to take (at least partially) power in elections; the bipartisan system, in which two powerful parties ensure the government; which succeeds (at more excellent or shorter time intervals) in power (as in the USA); the multi-party system in which governing is carried out concurrently or sequentially by numerous parties (usually coalitions).In general, a country's foreign political environment might be more friendly or unfriendly depending on the following factors: political stability, (economic) nationalism, and economic constraints.

According to Czinkota et al. (2022, p. 127), no manager can overlook the rules and laws of the country from which foreign marketing transactions originate. Government initiatives and the legal system are going to have a direct effect on each company, regardless of where it is headquartered. These rules and laws are not explicitly geared toward foreign marketing transactions, yet they could affect an organization's potential overseas. Minimum wage legislation, for instance, directly affects a company's global competitive edge if it employs demanding labor production techniques. The price tag associated with national security measures could affect enterprises' pricing practices in their global advertising campaigns.

Czinkota et al. (2022, p. 127) state that other legislative and administrative efforts focus on international marketing. Some could be designed to help companies in their global activities. Competitors' absence of implementation could negatively impact a global marketer. For instance, numerous companies have reservations regarding the absence of trademark and other intellectual property protections in developing countries. Gray market operations

represent yet another field wherein governments might try to help and safeguard corporations' foreign marketing activities. Gray marketplace products are items that reach marketplaces in a manner that their producers do not intend for them to. Businesses could be hurt if their goods reach customers through illicit distribution channels like grey market transactions.

Czinkota et al. (2022, p. 127) mention that except for some industries where the government takes part, the political environment in most countries attempts to offer a broad endorsement for the nation's firms' foreign marketing initiatives. A government may try to reduce trade barriers or increase possibilities for trade through multilateral and bilateral talks. These steps will influence specific companies to the degree that they affect the global environment for free trade. Governments, on the other hand, often enforce special regulations and limitations that impede foreign marketing. Such rules tend to be political, expressing governments' thinking that trade is a single thing among several objectives, particularly foreign policy and national security. The international marketer deals with four main categories of governmental activity: trade barriers or penalties, limitations on exports, import control systems, and global business regulation.

Commerce sanctions and embargoes, as used as a term in the book by Czinkota et al. (2022, p. 127), relate to government actions that hinder the free flow of trade in goods, services, or ideas for hostile and political, rather than just economic, objectives and sanction supporters see them as a vital foreign policy tool.

According to Czinkota et al. (2022, p. 127), people who are skeptical about using sanctions are debating whether sanctions are adequate and whether the expenses they impose on countries or individual companies are justified by the benefits they provide. The impositions of sanctions are justified on various grounds, including human rights, nuclear nonproliferation, and terrorism. The range of penalties that can be utilized is vast. Credit eradication and monetary transaction prohibition are two instances in point. Usually, the objective is to stop business transactions completely.

Czinkota et al. (2022, p. 129) state that one major issue with sanctions is that governments frequently regard them as free of charge. However, even if they do not affect government budgets, penalties imposed by governments can result in significant loss of business for corporations. Because of these costs, the issue of compensating domestic enterprises and

industries affected by these sanctions must be handled. However, trying to lessen the burden on these companies by applying fines slowly or making them less costly diminishes their eventual prospects of success. The international marketing manager is frequently trapped in this political atmosphere and, as a result, loses company. Firms often attempt to plan for sanctions based on their evaluations of the worldwide political landscape. Even if significant steps are taken, companies can continue to incur substantial losses due to cancellations of contracts. This, however, could be viewed as an expense of one's government's support for a free global commerce and investment environment (op. cit., p. 129).

Czinkota et al. (2022, p. 129) state that many countries have export control procedures to prevent or delay opponents from acquiring strategically essential items. Controls are the exception rather than the rule in most systems, with exports occurring regardless of politics. The legal basis for controls on exports varies by country. In Germany, for instance, weapons exports are regulated by the War Weapons List, a component of the War Weapons Control Law. The German Export List addresses the export of different items. The European Union's Joint List then regulates Dual-purpose commodities, which have two uses: military and civilian (op. cit., p. 130).

According to Czinkota et al. (2022, p. 130), export regulations have significant international marketing implications. It is one matter to set up an effective export control system that bans foreign business operations concerned with national interests. It is entirely different when controls lose efficacy, and one country's businesses are at a competitive disadvantage with firms in other countries with fewer or completely absent control systems. Today's worldwide environment emphasizes the significance of export controls. Restricting the flow of materials can be critical in keeping weapons of mass devastation from spreading; limiting the flow of technological information can diminish the sophistication of rebel organizations' arms; and financial restrictions can prevent funding for terrorist training.

Czinkota et al. (2022, p. 130) mention that today's worldwide environment emphasizes the significance of export controls because restricting arms and the flow of materials can be critical in preventing the spread of weapons of mass destruction; limiting the flow of technological information can diminish the sophistication of rebel organizations' arms; and financial restrictions can prevent funding for terrorist training. The growing foreign availability of high-tech products has also resulted in meaningful change (op. cit., p. 131). The number of people involved in international trade has increased dramatically during the last decade.

Previously, industrializing countries mostly participated in global commerce due to wage competitiveness. Their attention is now focused on technological rivalry. As a result, high-technology products are available worldwide from many sources. The broad availability makes any product denial more challenging to enforce. If a nation does control the exports of widely available products, it imposes a significant competitive burden on its firms.

2.2 Industrial Marketing

Industrial markets differ from consumer markets because they frequently display stability, source loyalty, high partner costs, power reliance, and, most significantly, enduring supplier-customer relationships (Turnbull & Valla,2013, p. 2). These characteristics are linked to high investment and perceived risk levels, frequently dominant in industrial purchasing. The complexity of the product, high purchasing value, and necessity are significant contributing factors to perceived risk. In addition, the centralized nature of the supplier and client markets can result in fewer choices for both parties in the transaction chain, inevitably leading to power-dependent relationships. Thus, conclusions about industrial purchases should not necessarily viewed as discrete choices depending on how appealing the marketing mix factors of the supplier are (op. cit., p. 3). Instead, purchases frequently represent a developing dedication to a specific supplier because of a long-standing business relationship.

According to Turnbull and Valla (2013, p. 3), buyers and sellers frequently have complementary interests in industrial marketing. Customers frequently have much power in industrial marketplaces, but providers can also exert pressure over select customers. Because the supplier has more control over each customer in consumer goods marketplaces than in industrial marketing, the power-dependence relationship between the participants in industrial marketing is typically more symmetrical. The fact that both the supplier and the consumer are active participants in the relationship and that long-lasting partnerships frequently form as a risk-reduction strategy and as a recognition of the other party's dependence on the relationship is one of the most significant characteristics of industrial marketplaces. Therefore, the reality of industrial marketing and purchasing is one in which trade processes and both sides' adaptive behavior occur over time through organizational interaction.

According to Valla and Turnbull (2013, p. 4), Hjalmar Håkansson's 1982 Interaction Approach model, which is displayed in Figure 1 below, recognizes the active role of the industrial customer, in addition to the recognition of both immediate transactions and long-term connections in buyer-supplier interaction. Consequently, the method of engagement is dynamic, with intensity changing at various points of an individual relationship. Consequently, the approach focuses on supplier/customer relationships in industrial markets.

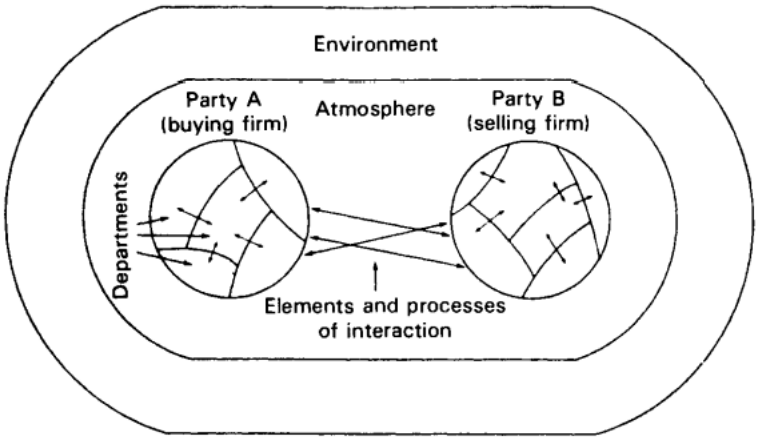


Figure 1. Hjalmar Håkansson's 1982 Interaction Approach model's main elements (Valla & Turnbull,2013, p. 4).

Valla and Turnbull (2013, p. 6) state that the setting can be characterized in terms of power/dependence in connections, the level of conflict and collaboration, and the overall 'social distance' between the parties because of mutual attitudes and perceptions. Thus, the Interaction Approach emphasizes and integrates two major aspects of industrial goods marketing and purchasing: first, the active role played by both the customer and the supplier in industrial transactions and secondly, and consequently, the fact that the output of industrial transactions is negotiated, the content of which depends on variables related to both the supplier and the customer, as well as the environment surrounding the interaction process.

Consequently, and in numerous other ways, an industrial supplier's overall success is contingent on its capacity to select and sustain appropriate supplier and customer partnerships (Valla & Turnbull,2013, p. 6). Given the complex nature of industrial consumers' behavior, the diverse makeup of industrial markets, and the vast array of variables influencing the interaction process, this is not an easy task for the industrial marketing manager. The Interaction Approach was developed with the goal of offering an improved

conceptual framework that would allow for a better understanding of the dynamics of industrial marketplaces. (op. cit., p. 7).

Valla and Turnbull (2013, p. 251) mention that in order to begin understanding industrial marketing, it is important to remember that it is concerned with commercial transactions that occur between two organizations. *They* mention that the Supplier/customer interactions vary as social systems adjust to diverse changes influencing their internal and external contexts. In the most sophisticated circumstances, they form a system, complete with their own regulatory process. However, not all supplier/customer partnerships are the same. Several factors influence the degree of closeness and collaboration between the two interacting parties.

For example, Valla and Turnbull (2013, p. 252) hypothesize that suppliers will be more inclined to invest in a connection that is essential to them (due to sales volume or other factors) than in a minor relationship. Similarly, a customer's purchase approach will influence the customer's behaviour, with respect to different providers. Valla and Turnbull (2013, p. 252) also state that however important it is, managing supplier/customer interactions is not the only managerial difficulty that the marketing function faces in the industrial organization. The difficulty therefore is how to connect relationship management with these other issues and find a means to integrate the complex range of responsibilities that characterizes the marketing role in industrial products organizations.

Valla and Turnbull (2013, p. 252) state that understanding supplier/customer relationship is essential for a broader understanding of industrial market mechanisms or dynamics. The manufacturing channel viewpoint and a particular firm's position within the supply chain will impact multiple facets of its marketing activities. According to *them*, the idea of derived demand demonstrates the determinism that has a direct impact on the functioning of an industrial provider. For example, problems in the automobile industry will have a cascading effect on the various stages of demand that are directly or indirectly tied to the manufacture of cars and vehicles. The intensity and extent of interaction procedures vary depending on the supplier's or customer's attitude, either toward the specific work to be accomplished or toward their counterpart. In actuality, the industrial supplier will have to manage many types of partnerships and, most likely, market sectors.

According to Valla and Turnbull (2013, p. 252), on the other hand, understanding the entire production channel in which a specific supplier operates may provide fascinating options for that supplier's marketing activities, such as cost control, price competition, and marketing efforts in later phases of demand. The general environment, which constitutes the global context of marketing activities, is the last factor to be integrated to the industrial marketing mechanism; several dimensions of the general environment may be highlighted in an international context, including political, legal, economic, social, and scientific dimensions, as well as norms and current business practices.

The relationship between Customer and Supplier is depicted in Figure 2 “Supplier-Customer Relationship “” (MBASkool, n.d), which provides additional insight into the supplier-customer systems.

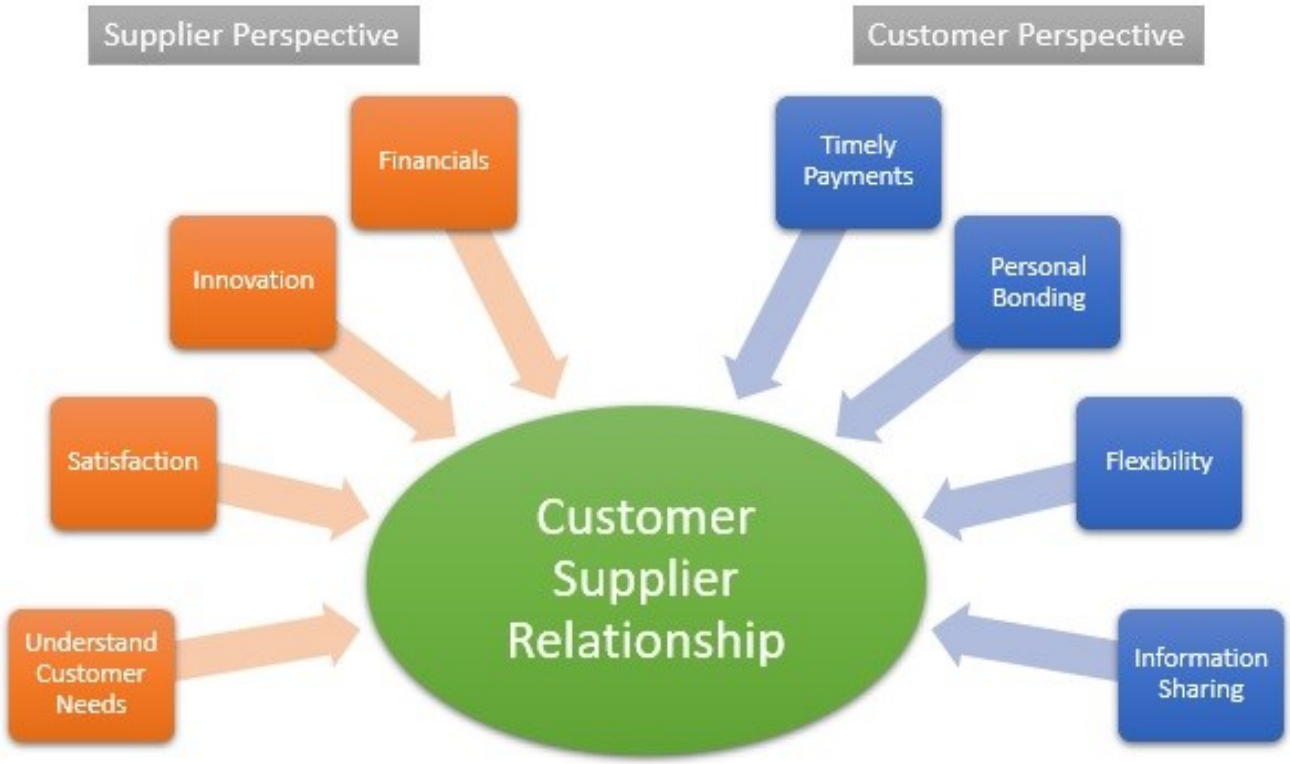


Figure 2. Customer-Supplier Relationship (MBASkool, n.d).

2.3 Small And Medium-Sized Manufacturing Firm Marketing Strategies

France (2013, p. 1) states that because Small and Medium-sized manufacturing firms (SMMs) primarily focus only on sales volume and having too much of it might be detrimental to the business, many SMMs are aware of their most important customers but are unaware of the true profitability that results from selling to them. It is usual for businesses to have too few clients. SMMs must be aware of where and how much money can be made through dealing with clients and strategies to increase their customer bases by acquiring more profitable new clients. A strategic time bomb and a moderately profitable problem is having too few clients. Customers hurt revenue and cash flow. Selling lucrative goods and eliminating less lucrative and outdated ones are crucial for profitable growth.

France (2013, p. 1) mentions that, however, because of a lack of appropriate documentation and reporting of actual direct costs, primarily physical labor, at the specific item's level, the profitability of a product can often be unclear or incorrect. Assessing if the business can accomplish growth, if it wants to use its current line of goods, or if it will need novel products might be difficult because of the absence of solid data on price and profitability by product. The data will demonstrate that it additionally results in problems with pricing and pushes certain SMMs to battle it out only regarding price, which is averse to profitable growth.

According to France (2013, p. 2), even though most SMMs are acquainted with their respective markets, most have never done marketing research. Consequently, they are unaware of the number of businesses and potential new clients in such regions. This is a significant roadblock to a growth strategy that calls for extending into new areas and bringing in new clients or products. The SMMs usually have a solid grasp of their primary rivals. However, they cannot directly assess terms and conditions, reliability, efficiency, shipment, warranty, parts substitution, technical service, sales reach, or customer satisfaction. Another obstacle to growth is the absence of intelligence about rivals, comparable to when marketing research is missing. SMMs usually have a solid grasp of their primary rivals. However, they cannot directly assess terms and conditions, reliability, efficiency, shipment, warranty, parts substitution, technical service, sales reach, or customer satisfaction. Another obstacle to growth is the absence of intelligence about rivals, comparable to when marketing research is missing.

According to France (2013, p. 9), even when SMM think that they possess an advantage over their rivals, they often discover that they must provide discount prices or mirror the prices of rivals for them to be able to sell since reliable data regarding costs and margins is frequently unavailable and therefore making it unhelpful for pricing. Their financial reporting and accounting systems, which generally fail to provide profit analyses on products and consumers, can be partly to blame. For sustainable growth, customer profitability analysis is equally as critical as the profitability of the product analysis, if not even more so. If a company's sales, earnings, and cash flow originate primarily from only a handful of clients, it may risk a strategic time bomb. The business's continued existence may be in peril if any of these customers pull back on purchases or change their business to rivals.

France (2013, p. 10) states this is particularly true for smaller enterprises, which frequently have few clients. One of the first steps to developing a growth strategy is collecting data on customers, particularly the share of sales that each client comprises and the profit and cash flow each provides. An SMM needs to have insight into what customers will encourage growth in and understand which products will also. A company's capacity and readiness to develop and carry out growth plans are affected by its financial health and patterns of sales, profitability, and cash flow. Before commencing a growth plan, SMMs interested in growing should be in good financial and cash flow standing, aware of their break-even sales, and profitable overall. The foundation and the essential and sufficient circumstances for expansion include detailed knowledge of costs and margins, customers, markets, market segments, and competitors.

France (2013, p. 11) states that growth strategies should be developed according to a company's ability to execute them and its ability to pay for them. Smaller SMMs could need more financial, human, and technical resources to implement various growth strategies than larger enterprises. For instance, smaller businesses may be better off simply attempting to expand by bringing on a few additional consumers. A more significant business might think about making aggressive new product developments or acquisitions. The latter is significantly cheaper and safer and can be executed with simple lead generation, rather than the latter, which involves extensive engineering, marketing research, intelligence on rivals, finance, and cost accounting.

Mike Collins developed a chart, as shown in Table 1, many years ago to show why major businesses' growth plan techniques cannot simply be shifted as such or slightly scaled down to fit smaller ones (France, 2013, p. 13).

Table 1. Four types of manufacturers according to Mike Collins (France, 2013, p. 13).

Collins' four types of manufacturers			
Type 1	Type 2	Type 3	Type 4
Empl. up to 25	**Empl. 26 to 75**	**Empl. 76 to 250**	**Empl. over 250**
Survival Mode	Fledgling Business	Professionally Managed	Giant Public
Few assets	Growing assets	Assets as collateral	Huge assets
Cash flow awful	Cash flow erratic and problematic	Working capital management	Formally managed cash flow
Quartly financial statements, basic or manual accounting system	Some monthly/ quarterly statements, more detailed accounting system	Detailed, formatted statements, dedicated accounting software and MIS systems	Audited statements, sophisticated MIS, MRP, etc.
Any sales, no goals, just survive	Informal, verbal sales volume goals	Written sales and profit goals, forecasts, and budgets	Strategic plan, profit, bottom line focus
Sole proprietorship, sub 'S' corporation	Sole proprietorship, sub 'S' and some 'C' corporations	Sole proprietorship, 'C' corporations	Publicly owned
No marketing/sales function, inside sales	Inside sales, reps, agents, distributors	Inside sales, company outside sales and/or reps, informal channels	Sophisticated sales marketing organization and channels

Businesses of types 1 and 2 (employing up to roughly 75 people), shown in Table 1 (France, 2013, p. 13), do typically employ family members who perform multiple roles; they also tend to operate with less formalized company systems and procedures, they tend to be concerned with sales volume than anything else, and frequently face struggles with ongoing cash flow issues (France, 2013, p. 13). Goals and objectives in sales and marketing are deemed verbal, frequently altered, and prioritize making the next sale above longer-term growth strategies. They frequently respond to the current situation and tend to have a small number of customers that make up most of their revenue. Since dedicated outside company sales roles are too expensive, most sales and marketing tasks are handled by inside positions and salespeople.

France (2013, p. 16) mentions that in the Current ratio formula, the quantity of cash, accounts receivable, and inventory (together referred to as "current assets") is compared to trade accounts payable, line of credit, and current maturity of long-term debt (collectively referred to as "current liabilities"). Current assets should outnumber current liabilities, and the current asset-to-current liability ratio should be more significant than 2.0, ideally between 2.0 and 3.0. Since inventory cannot always be easily converted to cash, the quick ratio formula, which uses the same components as the current ratio but without the inventory part, provides a more thorough evaluation of a company's capacity to do so. The sum should be more than current liabilities, and the ratio should be higher than 1.0, much as the current ratio.

According to France (2013, p. 16), the difference between current assets and liabilities, or working capital, should be positive. Negative working capital requires credit or additional equity to meet the need for cash to pay trade suppliers, creditors, and short-term debt commitments. The sales-to-working capital ratio associates annual sales revenue with working capital. SMMs can use this ratio to quickly determine how much additional working capital is required to expand their business, which may involve expanding their product line, developing new products, and launching advertising and promotional campaigns (op. cit., p. 17). Businesses seek to swiftly recover accounts receivable since they contain much cash to prevent delinquencies and uncollectible accounts.

According to France (2013, p.18), the turnover ratio and the collection period, two aspects of A/R (Account receivables), provide insight into the firm's credit and collection practices and how quickly sales are converted to cash. The A/R turnover ratio displays the frequency of customer payments for A/R. The quicker the business converts credit to cash and collects its receivables, the higher the number. Businesses can also calculate the collection duration for individual accounts and categorize them into time frames like 30 days or fewer, 31 to 45 days, 46 to 90 days, and 91 to 120 days to identify accounts that are sluggish to pay and maybe uncollectible. Accounts past due for more than 90 days typically need additional collection efforts or might need to be written off.

The debt-to-equity ratio, also known as the debt-to-net-worth ratio, demonstrates the percentage of the company's equity held by the owners and investors and the amount of funding provided by creditors and suppliers (France, 2013, p. 19). This ratio is a crucial factor lenders use to assess a company's creditworthiness and debt-service capacity. A creditor will perceive more risk as the ratio rises. A lower ratio denotes a more stable financial status and

increases the likelihood that a loan is granted. Before the recession, bankers and creditors preferred a ratio between 1.5 and 3.0; however, given that the recession may have damaged some balance sheets, they may now need to contemplate a higher ratio.

France (2013, p. 19) mentions that the debt-to-equity ratio considers all short- and long-term debt, including credit provided by trade suppliers and lines of credit. The current and quick ratios deal with commitments anticipated during the next twelve months (current or short-term). In this context, "equity" and "retained earnings" are interchangeable. SMMs in a perilous position that necessitates vigilance include those with significant debt-to-equity ratios or negative net worth (total liabilities surpassing total assets). When net worth is negative, a company is insolvent and should focus on a turnaround strategy rather than growing it; at worst, it should consider bankruptcy or liquidation. Unfortunately, it may not even be able to formulate and implement a turnaround plan, much less a growth strategy, without money or credit.

SMMs that are successful at managing these five ratios will be in an excellent position to create and implement strategies that call for raising market share and entering new markets, creating new goods and services, increasing sales personnel and sales coverage, and allocating funds to advertising and promotion (France, 2013, p. 19). Increased sales and higher profits are the apparent ways to improve bad financial ratios, but survey results show no secret formula for turning the sales chart up (op. cit., p. 20). However, SMMs with financial ratios outside the permitted ranges have options. SMMs with bad financial ratios can improve their dire financial circumstances By lowering expenses and working more effectively, raising sales, or marketing more naturally lucrative goods and services.

The basic Types 1 and 2 SMMs shown in Table 1 (France, 2013, p. 13), according to France (2013, p. 21), typically need to reformat their revenue statements before they start thinking about how and what to do to grow because frequently the costs for manufacturing, office, and administration and sales and marketing overlap, making it challenging to perform meaningful cost-benefit analyses. It is simple to examine costs in terms of their function, such as those related to production and manufacturing cost of consumer goods sold (CGS), office and administrative, sales and marketing (SG&A or Selling, General and Administrative Expenses), and determine whether they are consistent with standard manufacturing processes thanks to reformatting (op. cit., p. 21). At the very least, a growth strategy for a

firm that is losing money must focus on the level of sales necessary for the business to turn a profit (op. cit., p. 24).

According to France (2013, p. 26), where sales and expenses are equal is known as the "break-even" point. To calculate break-even sales (BE), another measure of profitability, the contribution margin must be determined, which is the unit selling price less the variable expenses for direct labor and direct material known as the contribution margin (CM). This is the remaining revenue from the selling price after deducting variable (direct) expenses for labor, materials, and commissions (if any) for the good or service. The product's profitability is represented as a percentage by dividing the cost of goods by the selling price. The profitability or service will increase as the percentage increases.

France (2013, p. 26) states that the calculation of break-even sales, or the volume of sales at which the company does not generate a profit or a loss, calls for the use of contribution margin (CM) percentage and fixed costs, which include rent for factories and offices, utilities, depreciation, insurance, and taxes, as well as salaries for factories, offices, and salespeople, but not for factories paying hourly rates. These are fixed expenses because they are unaffected by sales or output. (For instance, rent does not change whether 100 units are produced and sold, or 1000 units are produced and sold. Contrarily, direct labor and material expenses are variable costs because they fluctuate with sales and output. An SMM cannot profit unless its revenues surpass all its fixed costs and all the variable costs related to creating and selling products.

Making an MVC profile (most valuable customer) that outlines the characteristics of a valued client is the first step in discovering new customers using information about existing customers (France, 2013, p. 43). For example, most companies believe that the customer that brings in the most money is their most valuable. However, relying solely on sales numbers should not be sufficient (op. cit., p. 44). He lists several questions that SMM could make use of to determine and characterize their most valued clients and broaden the definition of "valuable" beyond sales volume: The business's profitability and cash flow because of selling to customers, future possibility for profit, leverage for further new clients, tactical fit, customer's capacity for sustained success and the use of overhead and indirect services. If they can be identified and "attached" to a single client, additional characteristics, including receivables payment history, use of customer care and tech support, frequency of

quality problems and ease of resolution, consumption of other services, and overhead, are also appropriate.

2.4 Quantitative Market Research

Bhat (n.d.) states that quantitative Market Research is a strategy for asking structured questions to a target audience via surveys, polls, or questionnaires. The replies received can be studied to create well-considered judgments for upgrading products and services, which will assist in boosting respondent satisfaction levels. When a large sample size representative of a population is surveyed, well-founded results can be obtained. Organizations rely on quantitative analysis for statistical data evaluation because it provides methodical, detailed information about the study topic or target audience. This market research technique is based on surveys, questionnaires, and polls, and the information gathered is analyzed numerically, statistically, and mathematically to develop better strategies and marketing plans.

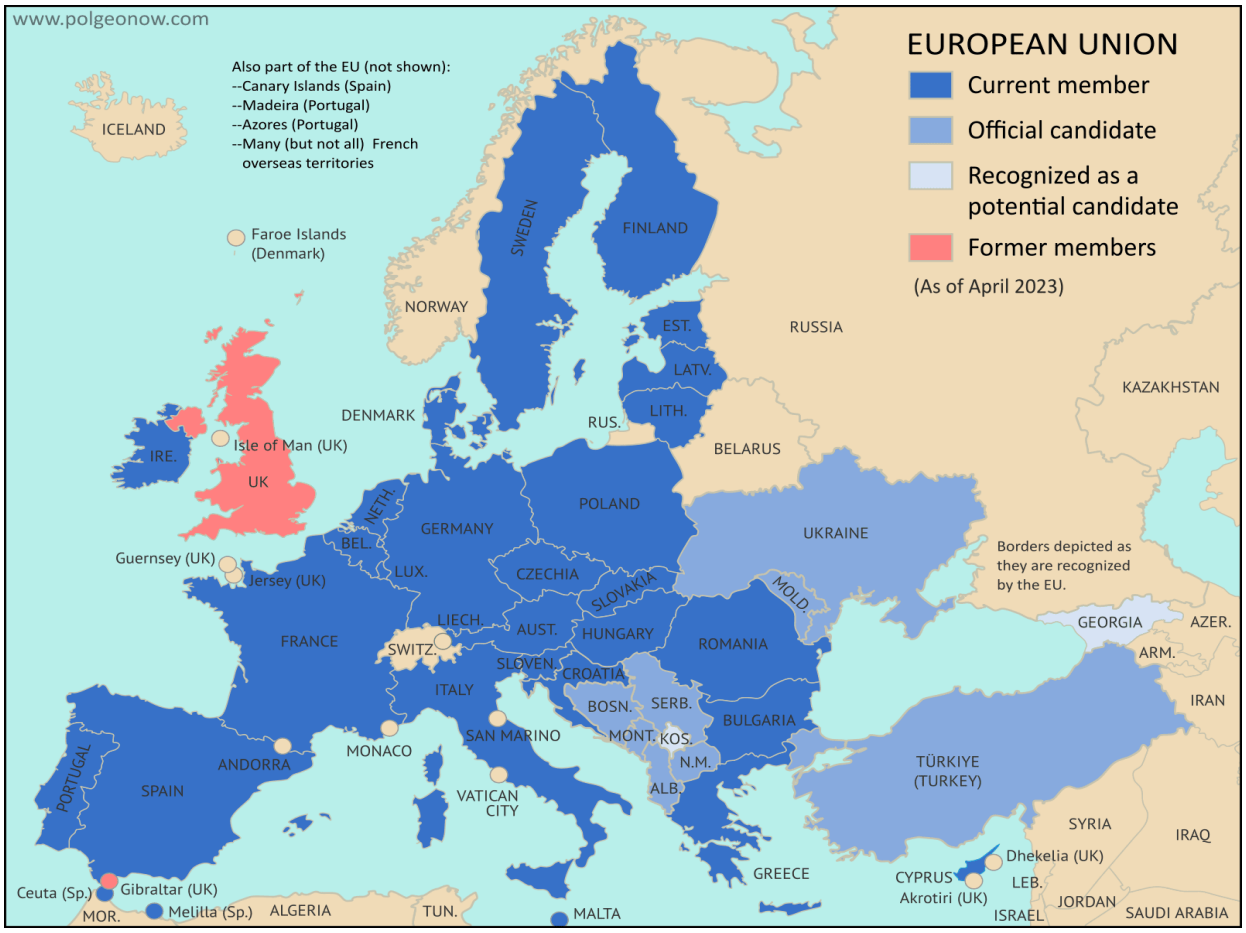
Bhat (n.d.) lists four reasons to do quantitative market research. First, a great marketing campaign begins with research, whether it is a new product introduction, sales pitch positioning, or undertaking a data-driven statistical study. The second is that insights on marketing activities such as website updates, social media page management, and newsletters can be obtained through an online quantitative market study. The third is quantitative Market Research, which answers questions like "Who is currently buying my products/services?" "Why are others not buying my product?" and "How do I reach out to my potential clientele?". The fourth is that quantitative research starts with survey creation, design, and dispersal. Following the appropriate survey recipients, data collection (either active or passive) and analysis must be done to get the desired insights.

Jain (n.d.) mentions seven critical elements of quantitative market research. The first element is that quantitative market research often entails data collection via structured qualitative research methods such as surveys, experiments, or other procedures that enable the collection of objective and measurable data. The second key element is that large sample sizes are often required for statistical significance in quantitative market research. This means many people must be surveyed or examined to ensure the information gathered represents the general community. The third element is that quantitative market research

mainly relies on statistical analysis to uncover patterns and connections in data. Procedures such as regression analysis, correlation analysis, and hypothesis testing are used to draw inferences from the data collected.

3 BASIC METALS INDUSTRY AND THE SMES IN THE WESTERN EUROPEAN EU-COUNTRIES AND FINLAND

According to Eurostat (n.d.), small and medium-sized enterprises (SMEs) are classified as companies with no more than 250 employees. In addition, they must have an overall balance sheet accounting for not more than 43 million € or an annual turnover of not more than 50 million €. On the EU level, the SMEs are further divided into micro-, small- and medium-sized enterprises based on the number of employees in the company, yearly turnover, and yearly balance sheet (EU Recommendation 2003/361). European Union member countries are marked in dark blue in Picture 1 (Centanni, 2023), the Western European EU countries being Austria, Belgium, France, Germany, Italy, Luxembourg, and the Netherlands.



Picture 1. Which Countries are in the European Union in 2023, Which Aren't, and Which Want to Join? (Centanni, 2023).

According to the International Labour Organization, or ILO for short (ILO, n.d.), metals are essential commodities for a modern industrialized economy. Iron and steel are widely used

and are essential in satisfying fundamental needs such as housing and mobility. Basic metal production is the process of smelting or refining ferrous and precious metals, along with other non-ferrous metals, from ore or scrap. It combines chemical elements with pure metals to form superalloys and metal alloys. The byproducts of smelting and refining are used in the rolling, drawing, and extrusion processes to make hollow profiles, bars, rods, plates, sheets, and strips. They are also used in molten form to make castings and other basic metal products.

3.1 The European Union Business Environment For The Small And Medium-Sized Enterprises

As mentioned in the introduction of Chapter 3, the EU further classifies the SMES into three size categories based on their number of employees, annual turnover, and annual balance sheet (EU Recommendation 2003/361. The first category is micro-sized enterprises, defined as businesses that employ fewer than 10 people and have an annual turnover and balance sheet total of less than 2 million € (Eurostat, n.d.). The second category is small-sized enterprises, which employ less than 50 people and have an annual turnover and/or balance sheet total of less than 10 million €. The third category, as stated by the European Commission (n.d.-a) in their “SME definition” page, is the medium-sized enterprises. These companies have an employee count between 50 and 249, have an annual turnover of more than 10 million € but less than 50 million €, and an annual balance sheet of no more than 50 million €.

Small and medium-sized businesses (SMEs), which constitute 99.8% of all businesses, are the foundation of the European economy and employ two-thirds of the EU’s workforce. (Alessandrini et.al., 2019, p. 9). They also contribute to over fifty percent of the EU's total added value, as can be seen in Figure 3 (Eurostat, 2019), and they have proved essential to the rebound from the economic and financial crisis of 2008 (Alessandrini et al., 2019, p. 9). However, SMEs in the EU encounter hurdles and challenges that hinder them from realizing their maximum potential for expansion and job generation (op. cit., p. 9).

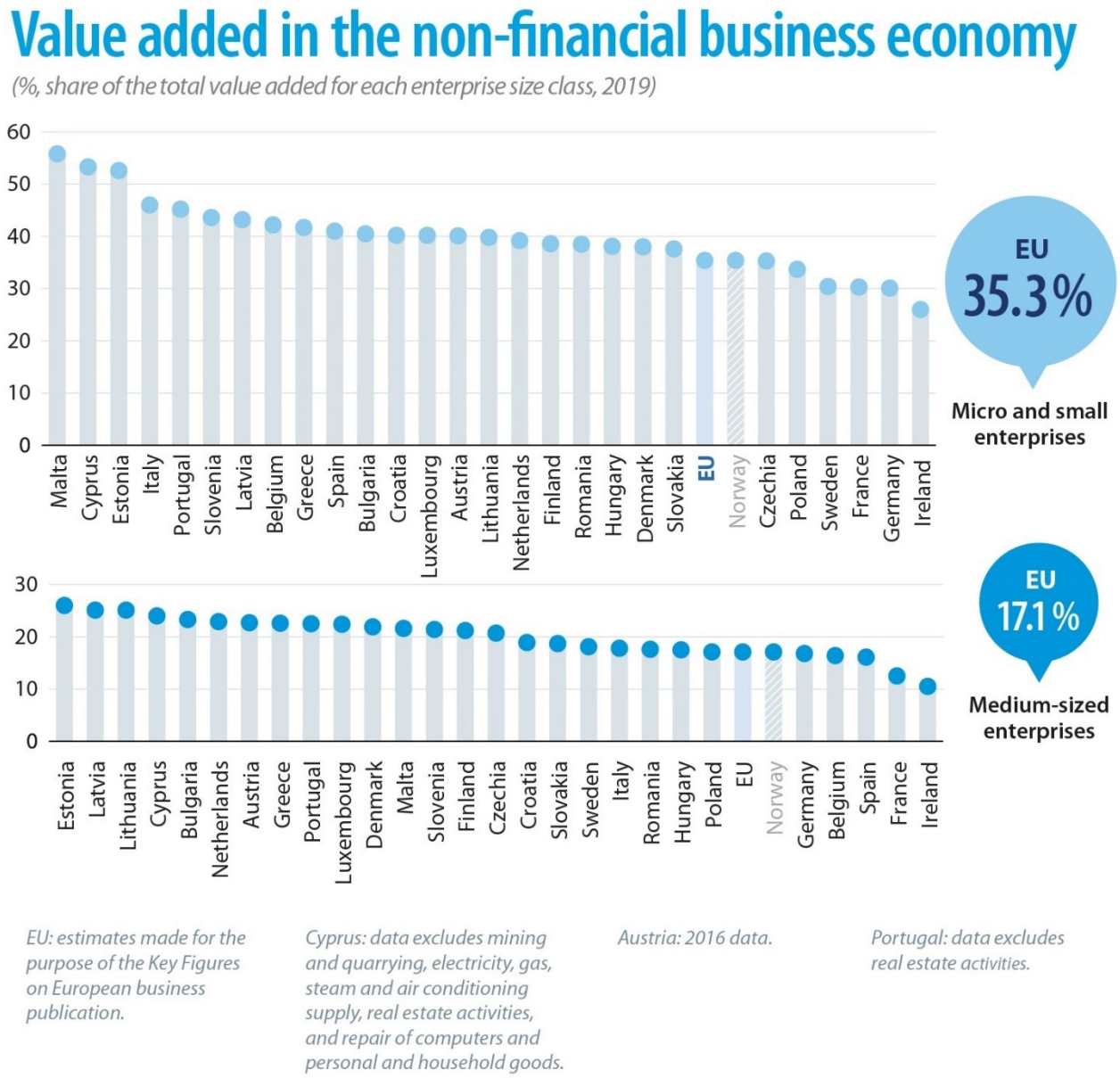


Figure 3. Value added in the non-financial business economy (Modified by the Author) (Eurostat, 2019).

The first hurdle is the small stature of SMEs, paired with a resulting shortage of resources, both human and financial (Alessandrini et al., 2019, p. 21). The next hurdle is sparse research and development capabilities: SME products are less competitive in foreign markets due to low innovation in many businesses, especially in more traditional sectors like manufacturing (op. cit., p. 22). Problems regarding the availability of skilled labor present another hurdle: SMEs are particularly susceptible to alterations that are made to internal manufacturing procedures, stiffer competition from emerging nations like China and India,

and unanticipated circumstances like the economic and financial downturn (op. cit., p. 23). However, SMEs also do not invest enough in training for their existing staff (op. cit., p. 25). This mainly relates to a lack of information, as entrepreneurs are unaware of how much an enterprise can benefit from a more skilled workforce.

Ineffective job markets might motivate small and medium-sized enterprises to take in "skilled workers" instead of devoting resources to improving their internal competence base because SME entrepreneurs are often unwilling to make investments in people owing to the potential for skilled labor being "'poached'', for example, employees could move on, taking the advantages of any training investment with them (Panagiotakopoulos, 2011, p. 15). Employers will likely demand little labor skills, for instance, if a small company competes on low-cost tactics with little emphasis on product innovation (op. cit., p. 16). Employees could stand in the way of increasing their skill levels because there are relatively limited chances for small business employees to advance their professional development. Since there is no apparent connection between the quantity of training they get and their ability to earn money, these employees might not enjoy furthering their education.

Another hurdle is the company's financial effectiveness: regarding the turnover and value-added, SMEs do worse than big companies (Alessandrini et al., 2019, p. 22). According to Vasilescu (2014, p. 38), the following are the most significant obstacles to acquiring funding for SMEs: informational disparities between small businesses and investors; higher risk connected to SME activities; transaction expenses when dealing with SME funding; lack of collateral for the loan; organizational and legal elements; constraints on the SME side regarding the quality of projects, a negative mindset regarding equity funding, or failure to make use of the available means of funding.

3.2 The Small and Medium-sized Enterprise Business Environment In The Western European EU Countries

According to the Ministry for Digital and Economic Affairs (2021, p. 2), in 2021, there were approximately 358 600 small and medium-sized enterprises (SMEs) in Austria, representing 99.6 % of all enterprises in the market-oriented economy. Over 2 million people are employed in the SMEs in Austria, and the SMEs teach 52 400 apprentices, representing 67 % of workers and 63 % of all apprentices in the market-oriented sector. SME turnover was

535 400 million € in 2021, which represented 62 % of the total turnover in the market-oriented economy in Austria, while gross value added was 137 400 million €, which represented 61 % of the total value created in Austria.

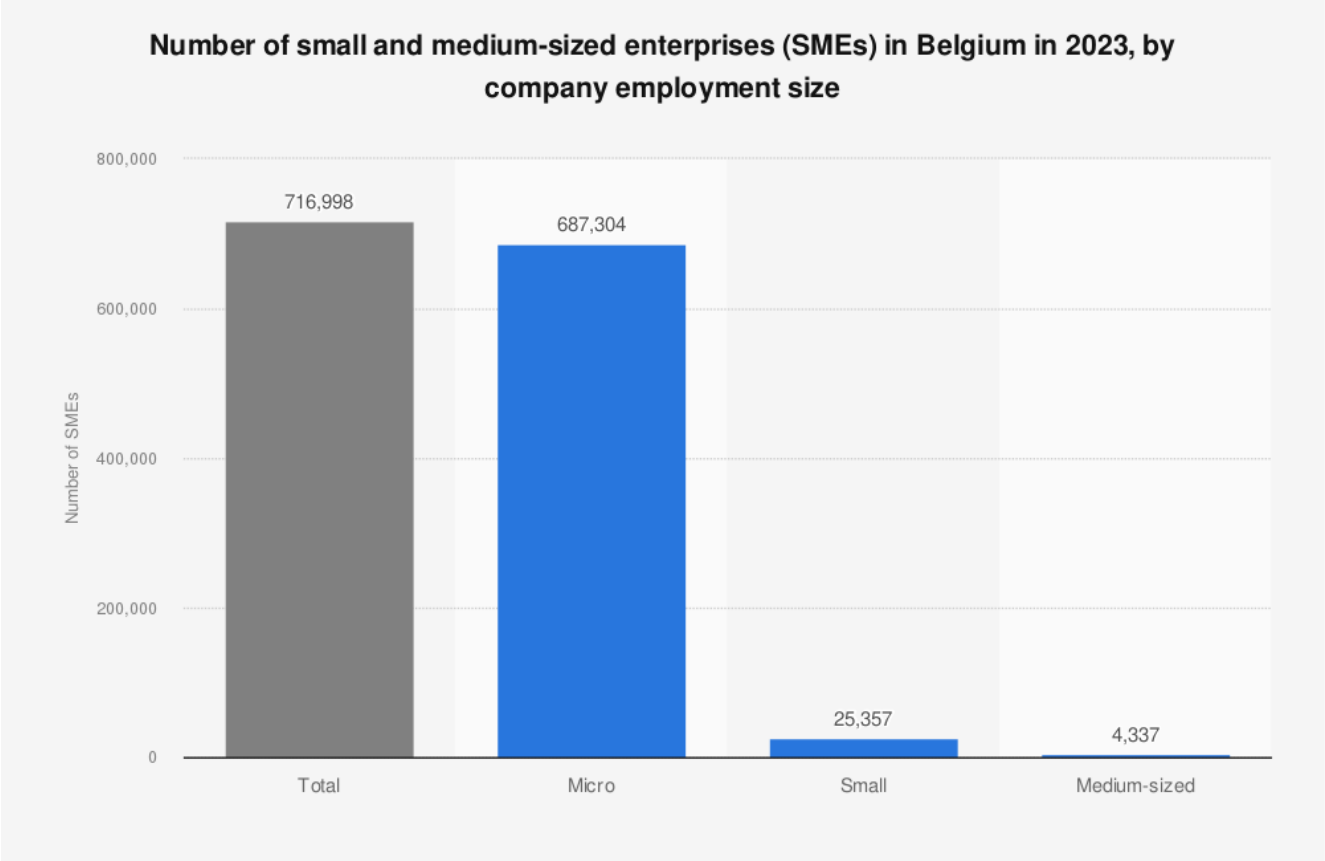
The Ministry for Digital and Economic Affairs (2021, p. 6) lists 4 strengths for Austrian small and medium-sized enterprises. The first is the high innovation rate, with Austrian SMEs having a 61 % innovation rate compared to the EU-wide average of 49 %. The second strength is the high number of SMEs with environmental measures, with 45 % of Austrian SMEs having a sustainability action plan. In comparison, 34 % of EU-wide SMEs had a sustainability action plan. The third advantage is that Austrian SME internationalization is significant; a high proportion of Austrian SMEs sell online to other EU nations, 16 % for Austrian SMEs, while 9 % of SMEs on average in the rest of the EU sell to other EU nations. The fourth advantage is that 68 % of SMEs in Austria view access to private and state funding as very good, compared to the 50 % average of SMEs across the EU.

The Ministry for Digital and Economic Affairs (2021, p. 6) also listed 3 challenges for Austrian SMEs. The first challenge listed was the level of digital intensity (63 % of Austrian SMEs with only basic digital intensity compared to 60 % of SMEs EU-wide) and e-commerce activities (22 % of SMEs in Austria vs. 18 % of SMEs EU-wide with online sales) rank in the EU midfield, indicating that Austrian SMEs use less advanced digital technologies. The second challenge listed was the position of Austrian SMEs in the EU midfield regarding R&D or Research and development (21 % of Austrian SMEs pursue R&D activities compared to 20 % of SMEs on the EU average). The third challenge was the limited equity and venture capital financing (the share of private equity and venture capital as a percentage of GDP in Austria in 2020 was 0.044 %, compared to 0.51 % on average in the EU). The key issues from the companies' viewpoint were the shortage of skilled people, energy prices, raw material and input prices, labor expenses, and supply chain issues.

As seen in Table 2 (Eurostat, 2023a), which describes the number of small and medium-sized enterprises in Belgium in 2023 by the size of the company employment out of the total of 716 998 SMEs, around 95.85 % (687 304) of the SMEs are micro-sized companies with less than 10 people employed, around 3.53 % (25 357) are small-sized enterprises with the

number of employees between 10 and 49 while around 0.60 % (4337) of the SMEs are medium-sized with the number of employees between 50 and 249.

Table 2. Number of small and medium-sized enterprises (SMEs) in Belgium in 2023, by company employment size (Eurostat, 2023a).



According to a Statistics report on small and medium-sized enterprises in the Netherlands, Belgium, and Luxembourg (Statista, 2023, p. 10), the SMEs in Belgium in 2023, employ approximately 2 million people (2 024 848 being the exact number) with 52.98 % (1 072 779 as an exact number) of these people being employed in micro-sized enterprises while 24.88 % (503 808) are employed by small enterprises and 22.14 % (448 261) by medium-sized enterprises. In 2022, the SMEs in Belgium had a 66.3 % share of the total employment in Belgium, micro-sized enterprises had a 34.9 % share, small enterprises had a 16.6 % share, and medium-sized enterprises had a 14.8 % share (op. cit., p. 11).). The total value added by the SMEs in Belgium in 2023 was 185 million € of which medium-sized enterprises

contributed 46 million €, small enterprises contributed 69 million €, and micro-sized enterprises contributed 70 million € (op. cit., p. 17).

According to the European Commission (2022a), France had 2.9 million (2 939 143 being the exact number) small and medium-sized enterprises in 2021. Of that number, 94.84 % (2 787 411) were micro-sized enterprises, 4.48 % (131 799) were small-sized enterprises, and 0.68 % (19 933) were medium-sized enterprises. According to the “value added by small and medium-sized enterprises (SMEs) in France in 2021, by size” graph in Statista by the European Commission (2022b),446 700 million € was the total value created by the SMEs in France in 2021. Of this amount,185 200 million € were created by the micro-sized companies, the small-sized enterprises created 133 900 million €, and 127 500 million € were created by the medium-sized enterprises.

Federal Ministry for Economic Affairs and Climate Action (n.d.) states that the success of German industry is powered by its SMEs, which make up over 99 percent of all businesses in the country. These firms generate more than half of Germany's economic output and employ nearly 60 % of the German workforce. In Germany, approximately 82 % of apprentices complete their vocational training at an SME. Germany's small and medium-sized enterprises (SMEs), known as the "Mittelstand" in German, are the country's most powerful generator of innovation and technology and are well-known worldwide. Approximately 44 % of German enterprises export their goods or intermediate goods to other markets, contributing to the economic success. At least one in every two German companies with a yearly revenue of 2 million euros or more is an exporter. Foreign market entry benefits even tiny businesses. This is demonstrated by the fact that even small businesses make more than 20 % of their revenue from exports. Federal Ministry for Economic Affairs and Climate Action (n.d.) also mentions that German “Mittelstand” companies are highly innovative among European SMEs. In 2014, more than 42 % of German SMEs introduced a new product or method to the market, compared to an EU average of slightly over 30 %. Indeed, family-owned high-tech German SMEs are classified as "hidden champions" or world market leaders in their specialized industries or supply chains for giant corporations.

According to Xu (2022, p. 2036), two essential characteristics of German hidden champions that contribute to their success are their integration strategy and product differentiation, whose specific practices give them firm-level advantages in dealing with supplier and buyer bargaining power, beating existing rivals and substitutes, and building industry entry barriers.

Another aspect of “Mittelstands' competitiveness is the originality of their products. Their specialized talents are the product of historically high entry barriers in the industry. Historically, guilds imposed stringent restrictions on who may join or run a craft business. Today, the globalization of German “Mittelstands” is another dominant technique that helps prevent future competitors from entering. German “Mittelstands” are equipped with specific human capital and the ability to generate knowledge-extensive products that differentiate their commodities from those produced by other nations, thanks to the legacy of vocational education and constant R&D expenditure.

Regarding the number of SMEs by employment size in Luxembourg, the Statistics report on small and medium-sized enterprises in the Netherlands, Belgium, and Luxembourg (Statista, 2023, p. 6) show that in 2023, there are 40 360 SMEs in Luxembourg, 35 059 (87.98 %) are micro-sized enterprises,4 036 (10 %) are small-sized and 815 (2.02 %) are medium-sized enterprises. The SMEs in Luxembourg in 2023 employed 216 247 people, of which 76 294 (35.28 %) people are employed by medium-sized enterprises, small-sized enterprises employ 76 235 people (35.25 %), and 63 718 (29.47 %) people are employed by micro-sized enterprises (op. cit., p. 12). SMEs accounted for 59.20 % of the total employment in Luxembourg in 2023; medium-sized enterprises had a 22 % share, small-sized enterprises a 21.9 % share, and micro-sized enterprises a 15.3 % share (op. cit., p. 13). The SMEs in Luxembourg in 2023 have a total value added of 21 200 million, € which 9 200 million € are contributed by medium-sized enterprises, 5 100 million € by small-sized enterprises, and 6 900 million € by micro-sized enterprises (op. cit., p. 18).

The Statistics report on small and medium-sized enterprises in the Netherlands, Belgium, and Luxembourg (Statista, 2023, p. 3) shows for the Netherlands that there in total of 1.45 million (1 450 184) SMEs in 2023, of which 1 391 030 (95.92 %) are micro-sized enterprises, 49 133 (3.39 %) are small-sized enterprises and 10 021 (0.69 %) are medium-sized enterprises. In the Netherlands in 2023, the SMEs employ 4 083 477 people in total, 1 138 382 (27.88 %) are employed by medium-sized enterprises,1 176 504 (28.81 %) by small-sized enterprises and 1 768 591 (43.31 %) by micro-sized enterprises (op. cit., p. 8). The SMEs in the Netherlands count for 63.80 % share of the total employment in the Netherlands in 2023, with micro-sized enterprises having a 27.6 % share, small-sized enterprises having an 18.40 % share, and medium-sized enterprises an 18.40 % share (op. cit., p. 9). The total value added in 2023 by the SMEs in the Netherlands is 3 089 million €, of which the medium-

sized enterprises contribute 1 181 million €, small-sized enterprises 864 million €, and micro-sized enterprises 1 047 million € (op. cit., p. 15).

3.3 Basic Metals Production Industry In The Western European EU Countries

Eurostat (2023b) graph of “Number of enterprises in the manufacture of basic metals industry in Austria from 2011 to 2020” shows that in 2020, 118 companies were operating in the basic metals production industry in Austria, which was 26.87 % decrease (A decrease of 43 companies) from the high of 2012 when 160 companies were operating in the basic metals production industry in Austria. According to Eurostat (2023c) graph of “Turnover of the basic metals manufacturing industry in Austria from 2011 to 2020 (in million euros)”, the basic metals production industry in Austria had 17 439 million € turnover in 2020.

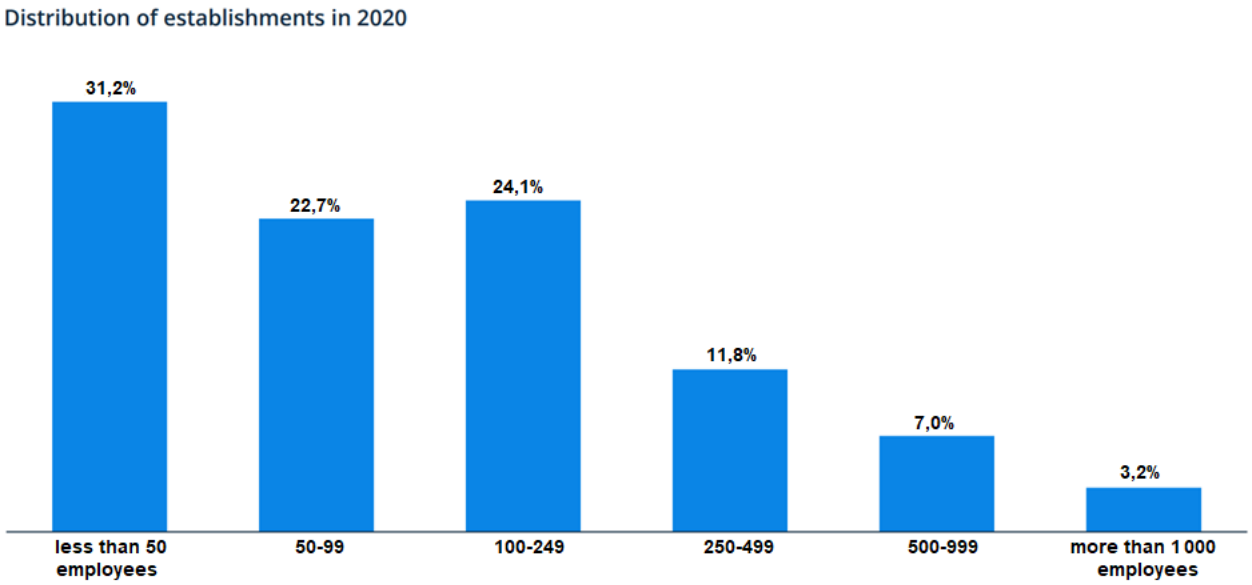
According to Eurostat (2023d) “Number of enterprises in the manufacture of basic metals industry in Belgium from 2011 to 2020” graph, 294 companies were operating in the basic metals production industry in Belgium in 2020; in 2011, there had been 385 companies operating in the basic metals production industry in Belgium, so by calculating the decrease in terms of percentage, there was 23.64 % (91 companies) decrease. According to Eurostat (2023d), “Number of enterprises in the manufacture of basic metals industry in Belgium from 2011 to 2020” graph, the total turnover of the basic metals production industry in Belgium in 2020 was 19 million €.

It is shown in Eurostat's (2023e) “Number of enterprises in the manufacture of basic metals industry in France from 2011 to 2020” graph that 2020 724 companies were operating in the basic metals production industry in France in 2020. The highest amount in the graph (From 2011 to 2020) was 1087 companies in 2015, so there was a 33.89 % (363 companies) decrease from 2015 to 2020 in the number of enterprises in the basic metals industry in France. The Eurostat (2023f) graph “Turnover of the basic metals manufacturing industry in France from 2011 to 2020 (in million euros)” shows that in 2020, the basic metals production industry in France had a total turnover of 24 million €.

Nguyen & Volker (2021, p. 6) state in the Statista report on the basic metals production industry in Germany that in 2020, the total revenue of the basic metals production industry was 119 400 million € which placed it 8th among all industries in Germany in terms of total revenue generated (op. cit., p. 16). In 2019, 3 353 companies were operating in the basic

metals production industry in Germany, and these companies employed 269 099 people in 2020 (op. cit., p. 6).

As seen in Picture 2, showing the distribution of the number of employees in the basic metal production industry in Germany in 2020 (Federal Statistical Office, 2021), 31.2 % of the basic metal production companies in Germany had less than 50 employees, 22.7 % had between 50 to 99 employees and 24.1 % had between 100 to 249 employees. When adding these percentages together, it can be noticed that 78 % of the employees in the basic metals production industry in Germany in 2020 were employed in small and medium-sized enterprises, according to the EU-wide definition of small and medium-sized enterprises being companies with less than 250 employees (Nguyen & Volker, 2021, p. 27).



Picture 2. Distribution of the number of the employees in the basic metal production industry in Germany in 2020 (Modified by the author) (Federal Statistical Office, 2021).

According to Nguyen and Volker (2021, p. 28), the three states with the most basic metals production companies located inside them in 2020 were Baden-Württemberg with 1059 companies located there, Northrhine-Westphalia with 875 companies located there, and Bavaria, with 510 companies located there. Out of the 3353 basic metals production companies in Germany, these three states accounted for 2444 companies in 2020, which, in terms of percentage, is 72.89 %.

According to Eurostat's (2023g) graph, “Number of enterprises in the manufacture of basic metals industry in Italy from 2011 to 2020,” 3218 companies were operating in Italy's basic metals production industry in 2020. During this period of 2011 to 2020, the highest number of companies operating in the basic metals production industry in Italy was 3939 companies in 2011, so there was a decrease of 18.30 % (721) in the number of companies in the basic metals production industry in Italy from 2011 to 2020. Eurostat (2023h) graph “Turnover of the basic metals manufacturing industry in Italy from 2011 to 2020 (in million euros)” shows that in 2020, the basic metals production industry in Italy had a turnover of 52 466 million €.

In Luxembourg, Eurostat (2023i), the graph of “Number of enterprises in the manufacture of basic metals industry in Luxembourg from 2011 to 2020” showed that in 2020, there were 8 companies operating in the basic metals production industry, which was an increase of 1 (12.5 %) company from the 7 companies operating in the industry in both 2018 and 2019 and a decrease of 1 company (12.5 %) from the highs of 9 companies operating in the industry in both 2015 and 2016.

According to Eurostat's (2023j) graph of “Number of enterprises in the manufacture of basic metals industry in the Netherlands from 2011 to 2020”, 405 companies were operating in the basic metals production industry in the Netherlands in 2020. The graph also showed that in 2011, 352 companies were operating in the basic metals production industry in the Netherlands. This means there was an increase of 13 % (52 companies added) between 2011 and 2020. However, the graph showed that the number of companies in the basic metals production industry in the Netherlands had declined by 16.14 % (78 companies decrease) from the 2018 high of 483 companies to the 2020 number of 403 companies. Eurostat (2023k) “Turnover of the basic metals manufacturing industry in the Netherlands from 2011 to 2020” graph shows that in 2020, the basic metals production industry in the Netherlands had a total turnover of 7 515 million €.

3.4 Basic Metals Production Industry In The European Union

According to Eurofer's “Steel Figures in 2022” report (Eurofer, 2022a, p. 8), the steel industry in the European Union created about 134 500 million euros in gross value added in 2021. Most direct employment in the industry was in Germany, with approximately 81 500 people working in the industry, which accounts for 26.9 % share of the total number of 308 675

people employed in the steel industry in the European Union. In comparison, Italy was second with 30 595 people working in the industry and a 9.8 % share (op. cit., p. 9). Of the other Western European EU countries, France was third on the total ranking with 26 000 people working in the industry and with a 9.8 % share, while Austria was ninth in the total ranking, with 15 300 people working in the industry and a 4.9 % share. Belgium was eleventh, with 11 329 people being employed in the industry and with a 3.6 % share; the Netherlands was twelfth in the total ranking, had 9 538 people employed in the steel industry in 2021 and had a 3 % share, then Luxembourg was seventeenth in the total ranking by having 3 830 people employed in the steel industry and with 1.2 % share. Total employment in the steel industry in the European Union saw a decrease of 23 613 people between the years 2014 and 2021, which accounts for a 7.1 % decrease (op. cit., p. 10)

Eurofer's “Steel Figures in 2022” report (Eurofer, 2022a, p. 11) shows that compared to other industries in the EU, non-ferrous metals created 109 900 million euros in gross value-added, which accounts for a 24.4% share, while the basic iron and steel industry had 134 500 million euros in gross value added, with a 24.1% share. These two industries created a total of 244 500 million euros in gross value added and had a combined 48.5 % share of total gross value added in the EU.

Eurofer's “Steel Figures in 2022” report (2022a, p. 15) showed that in crude steel production, Germany led the way in the total ranking in the EU with 40 million tonnes produced in 2021 and with a 26.2 % share of the total 152 million tonnes crude steel production in the EU. Italy was second overall, with 24 million tonnes produced and a 16 % share of the total crude steel production. The next Western European EU country on the list was France, which was fourth in the total ranking, producing approximately 14 million tonnes of steel in 2021 and a 9.1 % share. The next one was Austria, with approximately 8 million tonnes produced, which earned them a sixth place in the overall ranking and had a 5.2 % share. Then Belgium was next in seventh place, producing approximately 7 million tonnes and a 4.5 % share. The Netherlands followed them on the eight place with 6.63 million tonnes produced and 4.3 % share while Luxembourg was on the fourteenth place with 2.07 million tonnes produced.

As seen in the map of crude steel production in Europe in 2020 (Eurofer, 2020) in Picture 3, Europe's primary and secondary steel production is most prominently concentrated in the Western European countries, especially in its EU member countries of Italy, France, and Germany.

PRODUCTION

www.eurofer.eu

Crude steel production per country: EU

All qualities ▪ in '000 metric tonnes

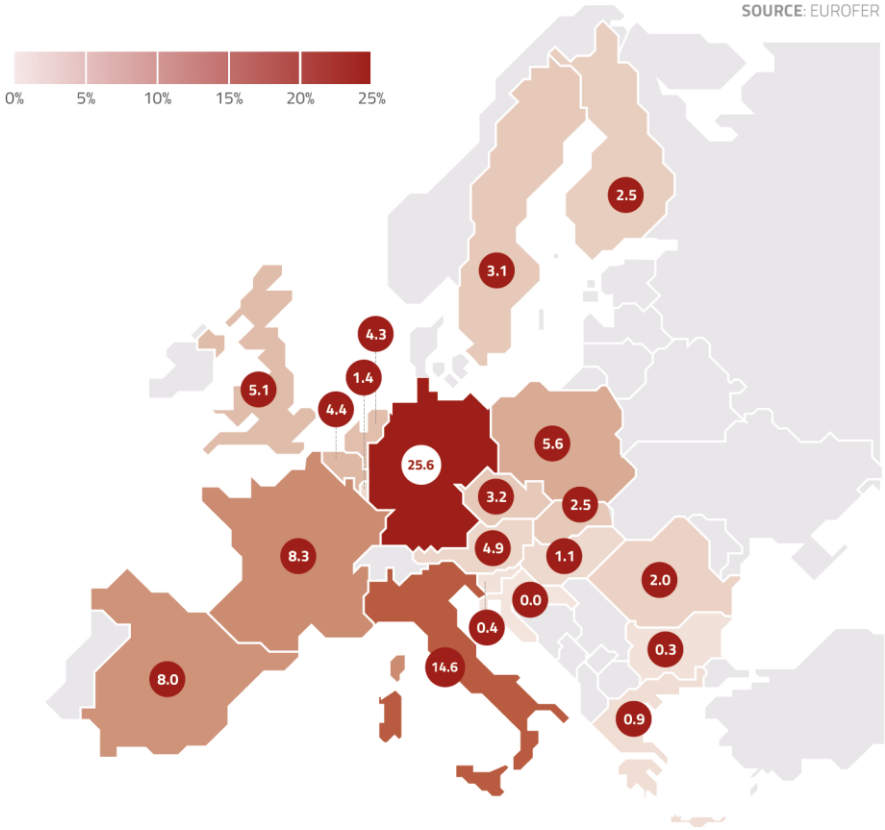
EU COUNTRIES IN DESCENDING ORDER OF CRUDE STEEL PRODUCTION — TABLE ▪ 2020

SOURCE: EUROFER

		2020	% shares 2020
1	GERMANY	35,658	25.6%
2	ITALY	20,379	14.6%
3	FRANCE	11,596	8.3%
4	SPAIN	11,142	8.0%
5	POLAND	7,856	5.6%
6	UNITED KINGDOM	7,099	5.1%
7	AUSTRIA	6,765	4.9%
8	BELGIUM	6,119	4.4%
9	NETHERLANDS	6,054	4.3%
10	CZECH REPUBLIC	4,450	3.2%
11	SWEDEN	4,383	3.1%
12	FINLAND	3,498	2.5%
13	SLOVAKIA	3,444	2.5%
14	ROMANIA	2,790	2.0%
15	OTHERS	2,203	1.6%
16	LUXEMBOURG	1,886	1.4%
17	HUNGARY	1,513	1.1%
18	GREECE	1,308	0.9%
19	SLOVENIA	623	0.4%
20	BULGARIA	484	0.3%
21	CROATIA	45	0.0%
	TOTAL	139,295	100%

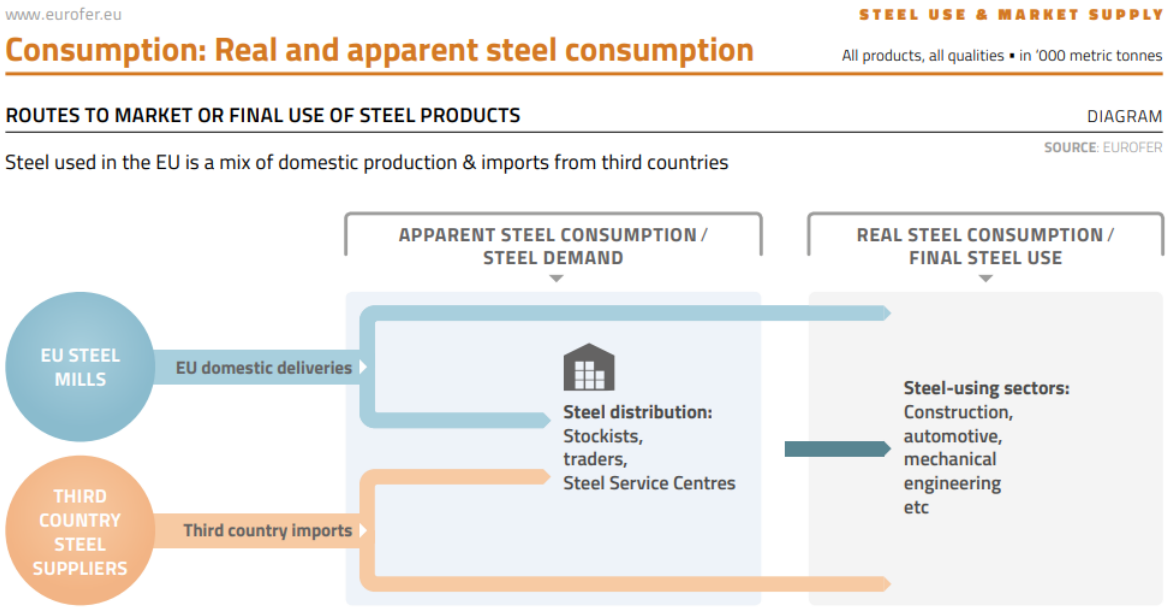
EU COUNTRIES SHOWN BY RELATIVE SIZE OF CRUDE STEEL PRODUCTION — MAP ▪ 2020

SOURCE: EUROFER



Picture 3. Crude Steel production in the European Union 2020 (Modified by the author) (Eurofer, 2020).

As seen in “Routes to Market or Final Use of Steel Products” in Picture 4 (Eurofer, 2022b, p. 24), the domestic delivery of steel in the EU is done in two ways, the first way being that the steel is delivered from the steel mills in the EU to steel distribution services which include distributors, traders, and steel service centers which then distribute to it final user industry sectors such as construction, automotive and mechanical engineering. The second way is the direct distribution to the final steel user industries.



Picture 4. Routes to Market or Final Use of Steel Products (Eurofer, 2022b, p. 24).

According to the European Commission (n.d.-a), after China, the EU is the world's second-largest producer of steel According to Eurofer or European Steel Association stated in their "Steel figures in 2022" report (2022a, p. 7) that the steel industry in the European Union has a turnover of over 125 billion € and employs approximately 310 000 highly skilled workers directly, producing an average of 153 million tonnes of steel per year. More than 500 steel production locations in 22 EU Member States, directly and indirectly, employ millions more Europeans. According to the European Commission (n.d.-b), the availability of energy and raw materials and the cost of them, environmental regulations and climate change, and competition from non-EU companies are the main concerns facing the EU steel industry.

The European Commission (n.d.-b) mentions that nonferrous metals, including zinc, copper, and aluminum, are vital to the EU's industrial industries, sustainability, and economic growth. They are vital for numerous items in the automotive, aerospace, mechanical engineering, and construction industries. Their exceptional thermal, electrical, and isolating properties, limitless recyclability, and low weight make them crucial to accomplishing the EU's energy and resource efficiency expectations. The European Union is one of the world's largest users of nonferrous metals. Aluminium is the most used metal in the production of nonferrous metals. The EU has been losing market share, and its reliance on imported raw materials to manufacture metals and metal products is increasing significantly. The sector accounts for 1.25 % of EU manufacturing (19 000 million €); in 2010, the sector's turnover was 116 000

million € (1.8 %). IndustriAll position paper (2020, p. 1) states that the nonferrous metals sector in the EU supports 500 000 direct jobs and 3 million indirect jobs. Most of these occupations are found in downstream industries. Climate change, environmental protection, energy costs, raw material access, research, innovation, and trade are all major factors influencing the competitiveness of the EU nonferrous metals industries.

The value chain of numerous European manufacturing industries heavily depends on the metals industries (Commission of the European Communities, 2008, p. 2). Since the production of metals in the EU is so heavily dependent on the importation of ores and concentrates from other nations, access to non-energy raw materials is a crucial concern (op. cit., p. 3). In comparison to global production, the EU extracts many metallic minerals in tiny amounts, such as nickel (1.7 %), iron ore (2 %), and copper (5 %). Metals are completely and endlessly recyclable with few exceptions, reducing reliance on imported raw materials. Recycled scrap is now used in between 40 % and 60 % of the metal produced in the EU, a major rise over the past few decades.

Large enterprises typically control the market due to high capital needs, particularly in the case of primary aluminum and flat steel goods (Commission of the European Communities, 2008, p. 3). The European metals industries' consolidation and reorganization process is well underway, and it has been accompanied by a greater degree of market integration. Steel businesses initially expanded from a national base to a base across all of Europe, and more recently, they have strengthened their global nature through acquisitions outside of Europe or have been purchased by corporations with non-European roots. Nevertheless, SMEs perform most of the first metal processing, which is intimately related to the production of metals and prepares metals for usage in downstream sectors (op. cit., p. 4).

Due to better value added per employee than the manufacturing industry average, the EU metals sector has been reversing its historical trend of being a heavy industry with low added value (Commission of the European Communities, 2008, p. 4). The development of new technical applications, such as those for precious metals, and a significant shift in the product mix are examples of how innovation has been a crucial competitiveness driver.

According to the Commission of the European Communities report (2008, p. 4), the EU's metals sectors, which rely on economic cycles, have recently profited from a sharp rise in global demand. This has increased prices and helped many companies in the sector's overall

financial status, but it has also presented difficulties for other metal-using manufacturing industries. However, despite these significant positive improvements, there are still several issues that do pose concern. These include, for example, The EU 25 losing market share in the production of metals (especially aluminum, which went from 21 % in 1982 to 9 % in 2005, and steel, which went from 25 % to 16 %); this trend partially was the result from the new emerging economies' quick rise in output.

The EU metals industries rely heavily on imported raw materials and energy prices (Commission of the European Communities, 2008, p. 5). One of the key advantages of the EU metals sector is its skilled and readily available labour force. However, the industry is having difficulty finding qualified people because there is a huge shortage of steel engineers (op. cit., p. 5).

3.5 Small And Medium-sized Enterprises In The Metal Industry In Finland

According to the Machinery and Metal industry report (Kalliokorpi, 2020), in 2006, approximately 8900 companies were operating in Finland's machinery and metal industries; they employed 136 200 people. Of these people, 62 % (84 444) worked in companies employing less than 250 people. (op. cit.). In Finland, both Business Finland (n.d.-a) and Statistics Finland (n.d.-a) define SMES to be companies that have less than 250 employees with a turnover of less than 50 million € and do not have a balance sheet of more than 43 million €, and Statistics Finland’s (n.d.-a) definition of SMEs, also conform to the criteria of independence. According to Statistics Finland (n.d.-a), independent enterprises do not fit under the definition of a small or SME because they are not owned by one company or a group of companies with 25% or more of the capital or voting rights respectively.

Federation of Finnish Enterprises (n.d.) further defines SMEs into subcategories: microchip companies are defined as businesses with fewer than ten employees; small businesses are defined as those with ten or fewer employees; medium-sized businesses are those with fifty or fewer employees; and large businesses are defined as those with more than 250 employees.

3.6 Small And Medium-Sized Enterprises In Satakunta Region

As shown in Table 3, Share of the metal industry in the region's manufacturing in 2016 (Statistics Finland, 2017), in 2015 and 2016, small and medium-sized enterprises had a share of 60 % of company employment in the Satakunta region, while SMEs' Share of the total value added in the Satakunta region was 46 % for 2015 and increased to 50% in 2016.

Table 3. The share of SMEs' establishments of the region's employed persons and value added in 2015 to 2016 (Corrected on February 9th, 2018) (Statistics Finland, 2017).

Corrected on 9 February 2018. The corrected numbers are indicated in red.

Region	Year	SMEs' establishments % share of the area's personnel	SMEs' establishments % share of the area's value added
Åland	2016	62	55
	2015	61	52
South Karelia	2016	56	37
	2015	57	36
South Ostrobothnia	2016	64	59
	2015	62	56
Etelä-Savo	2016	69	60
	2015	69	61
Kainuu	2016	64	69
	2015	70	58
Kanta-Häme	2016	59	48
	2015	58	49
Central Ostrobothnia	2016	65	47
	2015	65	53
Central Finland	2016	58	46
	2015	59	46
Kymenlaakso	2016	58	43
	2015	59	44
Lapland	2016	60	46
	2015	61	47
Pirkanmaa	2016	56	46
	2015	56	47
Ostrobothnia	2016	62	49
	2015	61	48
North Karelia	2016	63	51
	2015	63	51
North Ostrobothnia	2016	59	52
	2015	60	49
Pohjois-Savo	2016	61	52
	2015	62	51
Päijät-Häme	2016	59	49
	2015	54	47
Satakunta	2016	60	50
	2015	60	46
Uusimaa	2016	51	41
	2015	52	41
Varsinais-Suomi	2016	64	53
	2015	65	56
Whole country	2016	57	46
	2015	58	46

According to the Small and medium-sized enterprise barometer PowerPoint presentation published by the Federation of Satakunta Enterprises (2023), there were 218 small and

medium-sized enterprises (SMEs) in the Satakunta region in February 2023, of which 28 were industrial companies. Of these 218 SMEs, 12 % (26) have business operations abroad or export their products abroad, a 1 % drop from the 13 % (28) share from February 2022.

Joensuu (2023) states that Satakunta's outlook for small and medium-sized businesses is better than the national average. The Rauma region has the most optimism about the future. Expectations in North Satakunta have also improved marginally following the closure of peat production. Looking at the outcomes by industry, the construction and real estate sector is in a bad way. Apart from Satakunta, only two other regions had good business outlook balances: South Savonia and Lapland. Satakunta has also invested slightly more than the rest of the country in last year's machinery and equipment, software, information systems, and other forms of company digitization. Businesses in Satakunta have experienced slightly fewer payment troubles in the last three months than in the rest of the country.

3.7 Metal Industry In Satakunta Region

The share of the metal industry in the region's manufacturing (Statistics Finland, 2017) shows in Table 4 that the metal industry in Satakunta accounts for 54 % of the region's manufacturing. This share is the 8th largest in Finland, and the metal industry values 824 million € out of the total 1 500 million € value for manufacturing in Satakunta.

Table 4. Share of the metal industry in the region's manufacturing in 2016 (Statistics Finland, 2017).

Region	Metal (TOL 24-30, 33)	Manufacturing (TOL C)	Metal
	EUR mil.	EUR mil.	Share %
Kainuu	108	145	74
North Ostrobothnia	1 132	1 688	67
Lapland	529	844	63
North Karelia	319	522	61
Central Ostrobothnia	262	450	58
Kanta-Häme	459	791	58
Ostrobothnia	831	1 433	58
Satakunta	824	1 518	54
Uusimaa	3 905	7 338	53
South Ostrobothnia	423	803	53
Pirkanmaa	1 335	2 767	48
Pohjois-Savo	396	821	48
Central Finland	645	1 386	47
Varsinais-Suomi	1 180	2 772	43
Päijät-Häme	399	995	40
Etelä-Savo	169	496	34
Kymenlaakso	270	914	30
Åland	14	65	22
South Karelia	186	1 002	19
Unknown	3	16	18
Total	**13 389**	**26 764**	**50**

According to Regional Councils of West Finland (n.d), the necessity to ensure local copper processing and connections to Western Europe initially drove the consolidation of the metal industry in the Satakunta region. The decision to construct a metal mill in Pori by Outokumpu Oy in 1938 marked the beginning of a considerable expansion and internationalization of

metal processing operations in the area. The year 2020 saw a turnover of 3 800 million € and a value of exports of 2 300 million € from Satakunta's battery and technology metal cluster. Technology and batteries metals companies produce permanent magnets, superconductors, battery chemistry, and other products by processing copper, nickel, cobalt, gold, and silver. Due to the use of copper and copper-based products in electric cars and other forms of societal electrification, copper will continue to be vital. The size of Satakunta's technology metal cluster is one of its main advantages. The Pori Copper Industrial Park, Metso-Outotec's Pori Research Institute, and the Harjavalta Industrial Park are all part of this excellence cluster.

Regional Council of Satakunta (Satakuntaliitto in Finnish) points out (2022, p. 5) in their" Sakunta Region's Smart Specialization Strategy for 2021–2027 "strategy paper that The Satakunta region has a globally prominent ecosystem for the production and subsequent extraction of technology metals, which will grow further with the increasing need for metals resulting from electrification related to digitalization and sustainable development. The Satakunta region is vital to Finland's minerals cluster due to its central position in the metal processing industry.

Challenges and opportunities identified in the strategy paper (Regional Council, 2022, p. 5) include: For competitive metal production, an automated, digital, and intelligent production and logistics system is required; Automation and robotics capabilities are required in the battery supply chain factories; Deeper cooperation is required to capture the full potential of digitalization, identify the growth opportunities provided by electrification, and improve the industry's growth potential sustainably, taking into account the goals of green transition and the opportunities provided by digitalization. Development measures identified in the strategy paper included: Metal recycling will be enhanced through research, testing, and "investing " business activities; Increasing metallurgical knowledge; Identifying automation specialists for the metal processing and recycling industries; Creating training based on the needs of the cluster's firms and ensuring that the cluster has the appropriate knowledge and resources; Creating training according to the needs of the cluster's firms and making sure the cluster has sufficient expertise and resources; Within the cluster, expertise, education, entrepreneurship, and national and international cooperation are being strengthened.

According to the "Metallialan yritykset Q22023 [Metal Industry companies Q22023]", excel file provided to the thesis author via email on October 31st, 2023 by the Satakunta regional

council's region development specialist Saku Vähäsantanen (Vähäsantanen, 2023a) from the Regional Council of Satakunta there were 502 metal industry companies in Satakunta in the second quarter of 2023. In terms of employee numbers, 324 (65 %) companies employed between 1 to 5 employees, 94 (19 %) employed between 5 to 19 employees and 77 (15 %) 20 or more employees. No more specific data is available in the table for the employee number categories for less than 10, for 10 to 49 employees, for 50 to 249 employees, and for the category of over 250 employees. In terms of operating years, 439 (87 %) had less than 5 years of operation in the basic metals production industry in Satakunta. In comparison, 63 (13 %) had 5 or more years of operation in the basic metals production industry in Satakunta. 31 (6 %) of the metal industry companies do export abroad but do not import from abroad, while 32 (6 %) companies do import from abroad but not exporting. 135 (27 %) companies in the metal industry in Satakunta engage in foreign trade, while 72 (14 %) companies do both exporting and importing and 367 (73 %) companies either export abroad or import from abroad.

The Regional Council of Satakunta's (Satakuntaliitto in Finnish) "Satakunta lukuina, kesäkuu 2023 [Satakunta as numbers, June 2023]" PowerPoint presentation (Vähäsantanen, 2023b), created by the Satakunta regional council's region development specialist Saku Vähäsantanen, states that the productivity of the work in the metals industry in Satakunta grew by 9.5 million € between the years 2010 and 2020, from 51.5 million euros to 61 million €.

3.8 Basic Metals Production Industry In Satakunta

According to Vähäsantanen (2022, p. 13), companies involved in the manufacturing of basic metals operating in the Satakunta region increased their revenue by 38.5 % between the years of 2010 and 2021 when compared to the national average for the companies involved in the manufacturing of basic metals. Also, between July and December 2021, the revenue from manufacturing metal products for companies operating in the Satakunta region saw an increase of 22.6 % (op. cit., p. 14). Manufacturing of basic metals and metal products accounted for 56 % of the total value added for the industrial industry, or 483 million € (op. cit., p. 15). From the total revenue for the Satakunta region in 2021, basic metals production had a 13.4 % share, while manufacturing of the metal products had a 3.3 % share of the

revenue: in total, these two accounted for 16.7 % shares of the total revenue for the Satakunta region (op. cit., p. 16).

According to the “Metallialan yritykset Q22023 [Metal Industry companies Q22023]”, excel file provided to the author via email by the Satakunta regional council’s region development specialist Saku Vähäsantanen (Vähäsantanen, 2023a), there were a total of 502 companies in Satakunta operating in the metal industry in the second quarter of 2023, 21 companies out of 502 (4.18 %) were operating in the basic metals production industry in Satakunta in the second quarter of 2023. In terms of employee number, 5 of the 21 companies (24 %) in the basic metals production industry in Satakunta had between 1 to 5 employees, 4 (19 %) had between 5 to 19 employees, and 12 companies (57 %) had over 20 employees while there is not more specific data available in the table for the employee number categories for less than 10, for 10 to 49 employees, for 50 to 249 employees and the category of over 250 employees

This is explained in the table because there either has not been data available, it is unreliable, or it is because of the companies' non-disclose agreements on the employee numbers (Vähäsantanen, 2023a). Regarding operating years, 3 companies out of 21 in the basic metals production industry in Satakunta had less than 5 years of operation, while 18 had more than 5 years of operation. 16 companies (76 %) from 21 in the basic metals production industry in Satakunta engaged in foreign trade, and 5 companies (24 %) had no export or import operations abroad.

According to the Regional Council of Satakunta’s (Satakuntaliitto in Finnish) “Satakunta lukuina, kesäkuu 2023 [Satakunta as numbers, June 2023]” PowerPoint presentation (Vähäsantanen, 2023b), which was created by the Satakunta regional council’s region development specialist Saku Vähäsantanen, the share of the basic metals production industry out of the industrial job available in Satakunta at the end of 2021, was 0.6 % which accounts to 1967 jobs available while there were a total of 86 075 industrial jobs available in Satakunta at the end of 2021. The productivity of the work in the basic metals industry in Satakunta grew by 20.6 million € between 2010 and 2020, from 43 million € to 63.6 million €. The basic metals industry grew the total revenue the fastest among all the industries in the Satakunta between 2012 and 2022; they had a revenue growth percentage of 105 %, 25.1 % more than the second-place private social and healthcare service sector. The basic metals production and metal product production value-added in the technology industry in Satakunta was 463 million € in 2020, which gives them a share of 53 % of the technology industry’s total

value added of 868 million € in 2020. At the end of 2021, the total revenue for the basic metal industry companies in Satakunta was over 2 000 million €. The basic metals production industry accounted for 18.5 % of the total revenue of Satakunta in 2022, while the basic metals production industry had a 2.8 % share of the total employment number in the Satakunta region in 2022.

It is also stated by Vähäsantanen (2023b) in the “Satakunta lukuina, kesäkuu 2023 [Satakunta as numbers, June 2023]” PowerPoint presentation that Satakunta accounts for 14.3 % of Finland's output of base metals and metal products basic and metals production is on a strong upward trend in the Pori sub-region. The national average for revenue growth in Finland's basic metals production industry was 15.2 % between July 2022 and December 2022; in Satakunta, the average was 63.3 %. The rise in turnover in the metal processing sector continued to be very strong in Satakunta in July-December 2022. This is driven by rising producer prices and nonferrous metal prices, although the increase in metal prices seems to have leveled off by the end of 2022. At the national level, turnover in the sector also rose rapidly, although much slower than in Satakunta. In the long term, the rise in prices is due to the continuous increase in demand for metals, such as the continuous increase in the need for battery materials.

Finland's combined output of steel products, nonferrous metals, castings, and metal ores was 7% greater from January to November 2022 than the previous year (Vähäsantanen, 2023b). In Finland, the number of employees in metal processing industries increased by 1.2 % last year compared to the 2021 average. At the end of March, the number of employees in metal processing enterprises in Finland was 0.8 % higher than at the end of December. Satakunta had a noticeable increase in the number of employees around the end of the year, implying that output quantities must have increased as well, as is the national trend.

4 CASE COMPANY INTERNATIONALIZATION SURVEY

The theory material to support the survey was gathered during the summer of 2023 and early autumn of 2023 from August to late October, the source materials for the theory were almost solely online-based except for Vilkka and Airaksinen “Practice-based based thesis work” (Toiminnallinen opinnäytetyö in Finnish) book which was only available in the printed form at the Pori city library. There was numerical data used in theory part of this thesis, the numerical data was gathered from Statista, Statistics Finland, “Satakunta as numbers, June 2023” PowerPoint Presentation and “Economy of Satakunta: Present situation and near future outlooks 38” pdf file created by Saku Vähäsantanen and published by the Regional Council of Satakunta and Eurostat and from the “Metallialan yritykset Q22023 [Metal Industry companies Q22023]” Microsoft Excel file sent to the thesis author via email by the Satakunta regional council’s region development specialist Saku Vähäsantanen on October 31st,2023.

On September 29th,2023,the thesis author realized after meeting with the Seinäjoki University of Applied Sciences Library International Business information service specialist that the focus of the research and the guide would need to be narrowed further as writing a guide and doing research which encompasses all 27 EU member states and all the industries inside the metal industry, would prove to be too big of a task for the purpose of the bachelor’s thesis and therefore the author made the decision narrow the focus of thesis to the Western European EU countries and basic metals industry after consulting both the Seinäjoki University of Applied Sciences supervisor and the thesis supervisor from Satakunta Chamber of Commerce, the reason for choosing the Western Europe EU countries was that it is most clearly defined out of all the major regions in the European Union, outside of the Northern Europe.

The another reason for choosing the Western European EU market, is that the Western Europe as an area is more clearly defined in the United Nations geoscheme than the Central Europe, the latter area’s EU countries were the original idea of narrowing the topic down by the author (UN, n.d.).The author also considered the possibility of narrowing the topic down just to the basic metal industry in Austria, however, the author deemed that conducting the research on the Western European EU countries would yield more useful and more easily interpretable data in the research and be better suited for the task of writing the guide. The reason for choosing the basic metals production industry was that many companies in the metal industry in Satakunta operate in this sector.

The planning to create a survey started in mid-October of 2023, the original plan first was to have an open-ended online survey by using qualitative research methods but when peer reviewing the second assignment on the Virtual Research Methods online course taught by Cory Isaacs, which had been submitted to Moodle learning interface of the aforementioned course and when working on the second assignment himself and thinking how to explain his choice of the qualitative research methods, the thesis author realized that using open-ended questions and qualitative research methods would not be able to provide a complete picture and would not yield interpretable results and because of the changes made to the structure of the survey and the research plan, using the qualitative research methods were not suitable anymore.

The author then decided to change the research method approach to mixed methods but as the changed plan included only doing the survey to gather data, the author changed the approach again to quantitative research methods. However, when the in-depth interviews were added to the research, the approach was changed back to mixed research methods as the research now involved gathering numerical data through the online survey and qualitative, non-numerical data through two in-depth interviews.

An online survey which was created by using Google Forms program, was sent on November 20th,2023, to 97 enterprises. The author took inspiration for the survey template from a fourth assignment submitted by a classmate for the Virtual Research Methods course taught by Cory Isaacs, which the thesis author was reviewing for the peer feedback part of the assignment on Moodle. The 97 enterprises according to Statistics Finland (n.d.-b), are classified in the TOL 2008 industry classification category C “Manufacturing” under the codes of 24 and 25 respectively. The deadline for the answers to survey was originally until December 4th, 2023 at 3.00 am, but the thesis author decided to extend the deadline until December 13th, 2023, due to the lack of answers, which there were 4 by the time of the original deadline.

By the December 13th, 2023 deadline, there were 6 responses in total, which gives the survey as response rate of 6.19 %. The respondents are companies operating in the Satakunta region in the industries of basic metals production and manufacturing of fabricated metal products, except machinery and equipment. The respondents were told that the enterprises or singular answers would not be presented in this thesis and the analysis will only include an aggregation of all the answers and the responses will remain anonymous.

The survey template can be found in Appendix 1 and is also described in detail in chapter 4.1.

4.1 An Overview Of The Online Survey

The questionnaire template was created by the thesis author on October 29th, 2023 as part of the fourth assignment of the seven assignments for a Virtual Research Methods online taught by Cory Isaacs, the course is part of the International Business study programme. In this assignment, the task was to use the thesis topic as a basis to create a questionnaire for qualitative research and a questionnaire for quantitative research. The thesis author first tried to create a survey by using the Microsoft Forms program, but the user interface for it was complicated to use in the thesis author's opinion and the thesis author decided to create the survey by using Google Forms program and used the questionnaire in the Microsoft Word file for the fourth assignment of the Virtual Research Methods course as a template to create the survey from.

In early November, the thesis author started to work on creating the questionnaire on Google Forms and on November 9th, 2023 thesis work guidance Teams meeting with the Seinäjoki University of Applied Sciences thesis supervisor, the author presented the Google Forms survey for the thesis supervisor to look through and consider whether to approve the questionnaire to send it to the companies or if it needs to be edited more. The challenges for internationalization were selected from the information in chapter 3.1 (European Union Business Environment for Small-and medium-sized enterprises) and the basic metals production industry challenges from the information in chapter 3.4 (Basic Metals production industry in the European Union).

On November 13th, 2023 in a Teams meeting with the thesis supervisor from Satakunta Chamber of Commerce, the thesis author and the supervisor went through the questionnaire template together and based on the feedback from the supervisor, the thesis author added "50-100" answer option to "Number of employees in your company" in the second section of the questionnaire (see Appendix 1).In the following two weeks before sending out the questionnaire, the thesis author made several changes on his own volition by looking examples from the questionnaire templates used in the previous thesis works in Theseus.

The first change included the introduction of the following “This survey will be a part of thesis by Juhani Vähä-Savo. The employer for the thesis is Satakunta Chamber of Commerce (Satakunnan Kauppakamari in Finnish) and the topic is the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European Union (EU) countries. The primary language of the thesis is English and for this reason the survey is in English only. The second change included adding the annual balance sheet question to the second section of the survey. The third change was to express the big numbers in the annual turnover and balance sheet as “million €” instead of the raw number and have the answer option always (With the exception of 40 to 50 million € to answer option in annual turnover question and 40 to 43 million € answer option in annual balance sheet question) start with an even numbered number like 1 and 10 and end with non-even number of 9 for each ten of million) The thesis will be published on Theseus, a database that contains theses from all throughout Finland”. The questionnaire was created by using Google’s Forms program.

The title of the questionnaire is “Survey on the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European EU countries”. The thesis author created a Microsoft Office Word file to which the author gathered basic metals production companies based on his searches at Vainu.Io and Yrityshakemistot (Company database in English) database at Satakunta.fi.

On the Teams meeting with the Satakunta Chamber of Commerce supervisor of the thesis on November 13th,2023, the thesis writer went through the companies on the list with the supervisor and the supervisor sent the thesis author an Microsoft Excel file to author’s Seinäjoki University of Applied Sciences email, which contained the names of all Satakunta and Rauma Chambers of Commerce member companies in the basic metals production and metal product manufacturing industries under the Statistics Finland (Statistics Finland,n.d.-b) industry, Toimialaluokitus in Finnish, TOL 2008 industry classification C class (Manufacturing) codes 24 (Basic metals production) and 25 (Manufacture of fabricated metal products, except machinery and equipment).There were 210 companies in total in the Excel table on the file. The reason for selecting companies from these manufacturing industry classification codes were based on getting more participants for the survey and because according to the thesis supervisor from Satakunta Chamber of Commerce, manufacturing of the fabricated metals products is technically also part of the basic metals production. The

thesis author went through 6 of the companies in the Excel table together with Satakunta Chamber of Commerce supervisor while the rest the author checked out on his own time after the meeting.

As the file did not feature the email contact information of the member companies, author searched the email information for each 204 companies left on the Excel table and removed those companies from the list which were defunct or did not have email information available anywhere. By using these two parameters, the author was able to narrow the list down to 78 in the Excel and compiled with the 19 companies that the author was able to find information about before the Teams meeting and the companies which were discussed during the meeting, there were 97 companies in total on the Word file list.

Before sending the questionnaire to the companies on the list, the author decided to send the list via email on November 15th, 2023 to the Satakunta Chamber of Commerce thesis supervisor to check if there were any companies which in his opinion, did not belong to the list After four days, the author asked for permission via private messaging app to send the questionnaire to the companies on the list which the author was granted by the Satakunta Chamber of Commerce supervisor. The thesis author also sent him the email message The author faced an issue when trying to send the questionnaire through his personal Gmail address because Google limits the number of email addresses to which the Google Forms can be sent to, and 97 email addresses were over that limit. Therefore, the author opted to send the questionnaire through his Seinäjoki University of Applied Sciences email address and the questionnaire was then sent on the afternoon of November 20th, 2023 to these 97 companies, with a following message in Finnish (Translated to English below):

> “Hello!
>
> My name is Juhani Vähä-Savo, I am studying at Seinäjoki University of Applied Sciences, where I am studying for a degree in International Trade in English. I am doing a thesis on the internationalization of small and medium-sized companies in the field of basic metals production and metal products manufacturing in Satakunta, targeting the EU countries in Western Europe. As part of my thesis, I am doing a survey on the above-mentioned topic, the link to the survey is attached to this email.
>
> The commissioner of the thesis is Satakunta Chamber of Commerce, the language of the thesis is English and therefore the survey is also in English. The thesis will

> be published in the Theseus database, which contains theses from all over Finland.
>
> Your answers will be helpful in assessing the internationalization and industry-specific challenges of small and medium-sized enterprises in the Satakunta region in the field of metal processing and metal product manufacturing, in identifying interest in internationalization and business expansion to Western European EU countries, and in assessing potential areas of interest for an export guide, which the thesis author will produce as part of his thesis.
>
> Please answer the following questions by 15.00 on 4th of December 2023.Thank you in advance for taking the time to complete this questionnaire. The answers you provide will be useful to us and will be treated anonymously using statistical methods, and this thesis will not document the details of any individual company."

The survey had only 4 responses by the original deadline of December 4th, 2023 at 3 pm (15.00) so the thesis author decided to extend the deadline for the survey answers to December 13th, 2023 at 3 pm (15.00). There were also two companies who sent email messages to the author in which they said that they were not suitable target demographic for the survey and therefore declined to participate in the survey.

The first section of the survey is the introduction which contains the following message "

> "This survey will be a part of thesis by Juhani Vähä-Savo. The employer for the thesis is Satakunta Chamber of Commerce (Satakunnan Kauppakamari in Finnish) and the topic is the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European Union (EU) countries. The primary language of the thesis is English and for this reason the survey is in English only. The thesis will be published on Theseus, a database that contains theses from all throughout Finland. Your input is helpful for assessing the internationalization and industry specific challenges faced by the small and medium-sized enterprises operating in the basic metals production industry in the Satakunta region and for assessing the interest for expanding business operations to the Western European EU countries and for assessing the potential topics of interest for the export guide which the thesis author will be writing. Please take a few moments to answer the following questions by December 4th,2023 at 15.00 (3 pm) at the latest. Thank you in advance for taking the time to complete this survey. The responses you provide will be useful to us and they will be handled anonymously by using statistical methods and no detailed information of a specific company will be documented in this thesis."

The second section has optional business information questions. These include questions regarding company name; type of business in the basic metals production industry (The

answer options being iron; metal; steel, non-ferrous metals like aluminum, copper and lead for example; other and a separate question for people who answered “other; metal alloys; super alloys); The number of employees in the company (The answering options including 1-9,10-49, 50-100 and 101-249), the annual turnover and the annual balance sheet.

The third section, which is named “International Expansion and Internationalization challenges”, has four separate question sections. The first part consists of a question “Do you currently have business operations abroad in the Western European EU countries?” which has the following answer options: Yes, no, Not interested or planning to expand business operations abroad or prefer not to answer. There is an optional follow-up question, “If you answered yes in the previous section, in which EU country/countries in Western Europe you have business operations?” for the yes answer in the previous question part.

The next part consists of international expansion and challenges questions, which the author asks to rate in a rating scale from 1 to 5,1 being “Not a challenge” and 5 being “A significant challenge”. The questions include Information and support available regarding international expansion of a business, business and regulatory environment, research, and development capability, finding skilled workers, resources for the training staff and access to finance. The following part consists of questions related to the challenges faced in the basic metals industry, which the thesis author asks to rate in a rating scale from 1 to 5, the rating of 1 representing “Not a challenge” while 5 represents “A significant challenge”. The questions include the following: The cost and availability of the raw materials and energy, logistical costs, salary costs, the national and municipal authorization procedures, the EU climate and environmental regulations, technology integration, availability of skilled workers and competition from the producers in the non-EU countries.

There is also an optional follow-up question titled “The other challenges in the basic metals production industry (Optional)” where the survey respondents can specify if there are other challenges faced by the basic metals production which were not covered in the survey. The final part of the third section of the survey is the type of multiple answers checkbox questions in which the survey participants can select more than one answer to the question. The title of this part is “Countries of interest in Western Europe” with the question being titled as “EU-countries of interest in Western Europe”. The options are the following: Austria, Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Not planning to expand business abroad and not interested to expand to any of these countries (If planning to expand abroad).

The fourth section involves multiple answers, checkbox questions, titled as “Topics of interest for the export guide”. The answer options are the following: Creating an export and international growth plan, International and Industrial marketing and conducting international market research”, “Business and regulatory environment in the Western European EU countries, Sustainability, and corporate social responsibility in international expansion, finding right support services and networks, acquiring finance and funding, I have no preference, other preferences and I have no interest in the export guide. There is an optional “Other preferences” follow-up question to “Other preferences” answer in the “Topics of interest for the export guide” in which the survey respondent can specify his or her “Other Preferences” answer further. As mentioned earlier in chapter 1.2, the export guide will be a completely separate document from the thesis but as the decision not to include it was made two months after the survey had been created and sent, the thesis author decided to include the results from this section to chapters 4.1.3, 4.2.4 and 4.3.1 and 4.3.2.

The fifth section of the questionnaire is titled “Future considerations” and it involves a following question “Factors influencing the decision to expand internationally”, the multiple answer with checkboxes are used for this part, with the answer options being the following: International expansion information availability, international expansion support both in Finland and in the target country/countries, access to finance, availability of funding, availability of skilled workers and resources to train them, business and regulatory environment in the target country/countries, availability of the raw materials and energy, cost of the materials and energy, sustainability and corporate responsibility, the level of competition from the local producers, technological integration, not interested to expand internationally and “Other” option. For “Other” answer option there is a follow-up question named “Other factors” where the respondents can specify further about other possible factors influencing their decision to expand internationally.

The sixth section of the survey contains the optional demographic information. There are two questions. The first contains a question titled “Your position in the company” in which the survey respondent can specify his or her position in the company he or she is working for. The second is a multiple-choice question titled “Years of Experience in the company and/or in the industry” containing the following answer options: 1-5 years, 6-10 years, 11-20 years, over 20 years and prefer not to answer.

Finally, there is the seventh section named "Conclusion," which contains the following message for the survey respondents: " Thank you for taking the time to complete this survey. Your feedback is going to help us better understand the difficulties surrounding internationalization for small and medium-sized basic metal industry firms in the Satakunta region to Western European EU countries, as well as develop an export guide tailored to your needs. Please contact us if you have any more comments or questions." After this message, there is also the phone and email information of the thesis author along with the job title, and the phone and email information and job title of the thesis supervisor from the Satakunta Chamber of Commerce, the phone and email information are not shown in the appendices picture attachment.

4.1.1 Business Information About the Enterprises in the Survey

The first question was the name of the company, but for the reason of keeping the respondents anonymous, these responses will not be included in the thesis.

Figure 4 represents the answers to the type of business in the basic metals industry. Out of the 6 respondents,2 respondents (33.3 %) answered “Iron”,5 respondents (83.3 %) answered “Steel” while “Non-ferrous metals (For example: Aluminium, Copper or Lead”,” Metal Alloys”, Super Alloys and “Other” all received 1 response (16.7 % share each) each.

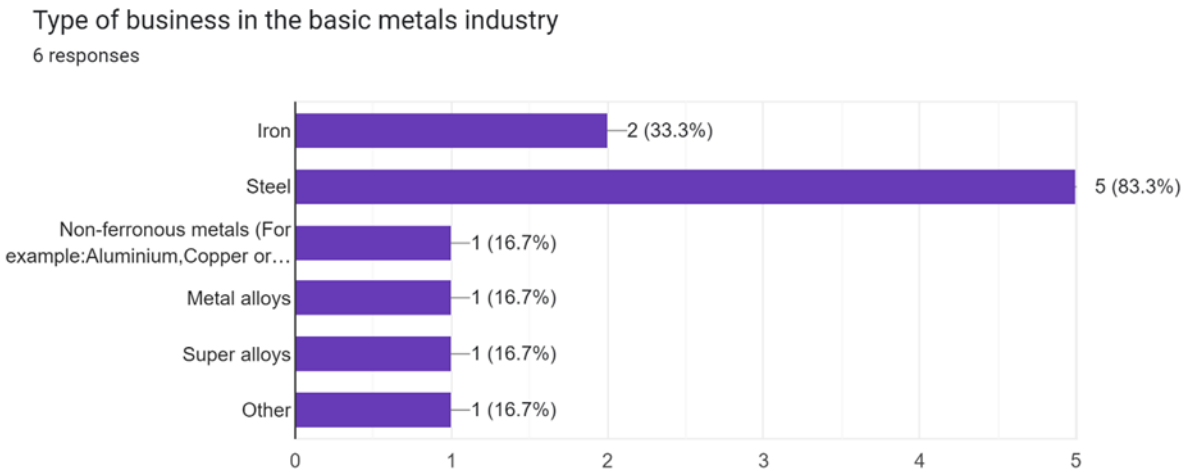


Figure 4. Type of business in the basic metals industry.

Figure 5 represents the answers to the number of employees in the survey respondent's company. 83.3 % (5 respondents) of the respondents answered "10-49" as the number of the employees in their companies while 16.7 % (1 respondent) answered "1-9" as the number of the employees in their company.

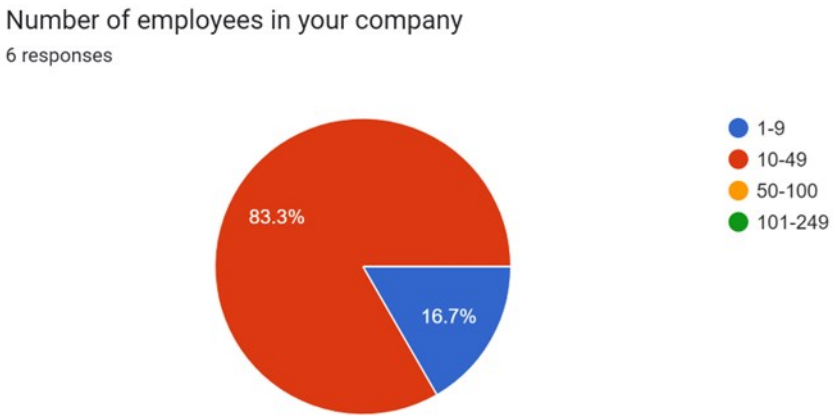


Figure 5. Number of Employees in your company.

Figure 6 represents the answers to annual turnover (Approximate estimation) question. 83.3 % (5 respondents) of the respondents answered "1 million €-9 million €" as the approximate estimation of the annual turnover for their company while 16.7 % (1 respondent) answered "Less than 1 million €" as the approximate estimation of the annual turnover for their company.

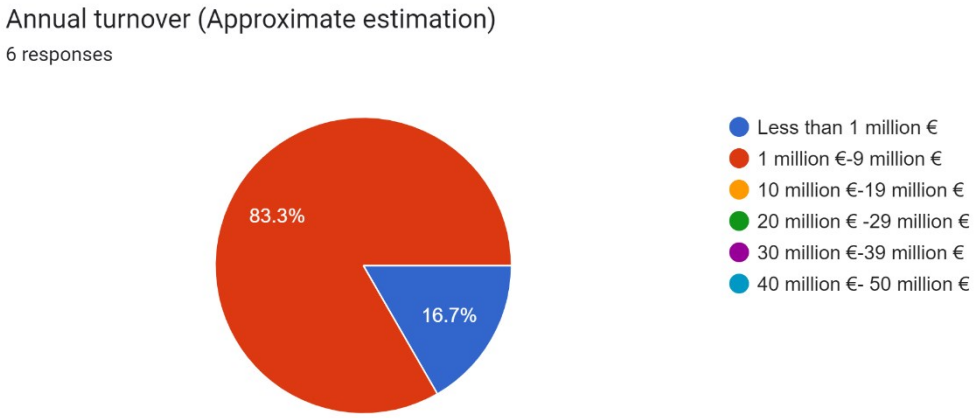


Figure 6. Annual turnover (Approximate estimation).

Figure 7 represents the answers to the annual balance sheet question. 50 % or 3 respondents answered, “1 million €-9 million €” and 50 % or 2 respondents answered, “Less than 1 million €”.

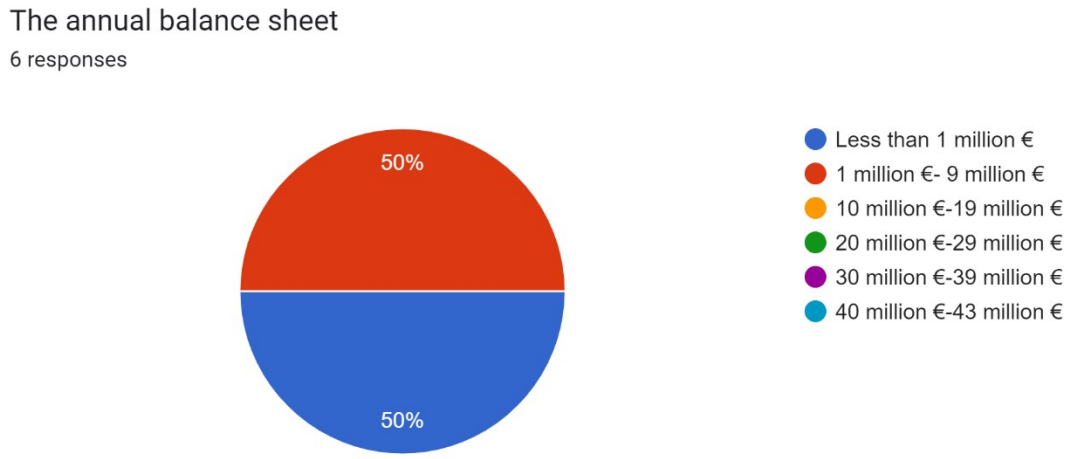


Figure 7. The annual balance sheet.

4.1.2 International Operations And Internationalization Challenges

Figure 8 represents the answers to “Do you currently have business operations abroad in the Western European EU countries?” question. 33.3 % (2 respondents) answered “Yes” to the

question, 33.3 % (2 respondents) answered “No” and 33.3 % (2 respondents) answered “Not interested or planning to expand business operations abroad”.

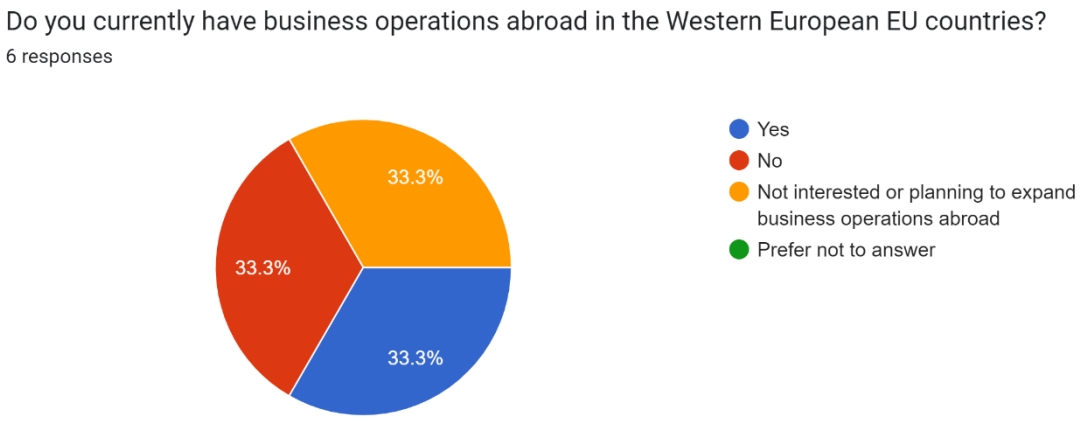


Figure 8. Do you currently have business operations abroad in the Western European EU countries?

International Expansion Challenges

In this section, the respondents were asked to rate in a scale from 1 to 5 (1 representing “Not a challenge” and 5 representing “A significant challenge”) international expansion challenges for small and medium-sized enterprises which their businesses have faced in the past or they think they might face in the future when potentially deciding to expand business abroad? If the respondents had answered “Not interested or planning to expand business operations abroad”, they were asked to move to “Challenges in the basic metals production industry” section.

Figure 9 represents the rating answers to “Information and support available regarding international expansion of a business”. There were 4 responses in this section. 25 % (1 respondent) gave this challenge the rating of 2 while 50 % (2 respondents) gave this challenge a rating of 3 and 25 % (1 respondent) gave this challenge a rating of 4.

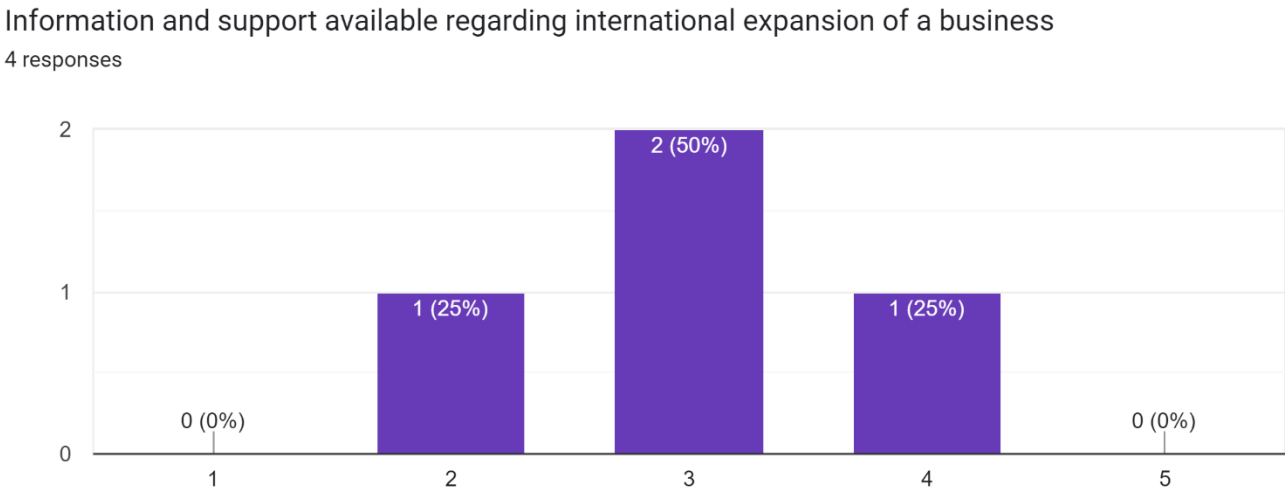


Figure 9. Information and support available regarding international expansion of a business.

Figure 10 represents the rating answers to “Business and regulatory environment”-question. There were 4 responses in this section. 25 % (1 respondent) gave this challenge the rating of 1 while 50 % (2 respondents) gave this challenge a rating of 3 and 25 % (1 respondent) gave this challenge a rating of 2.

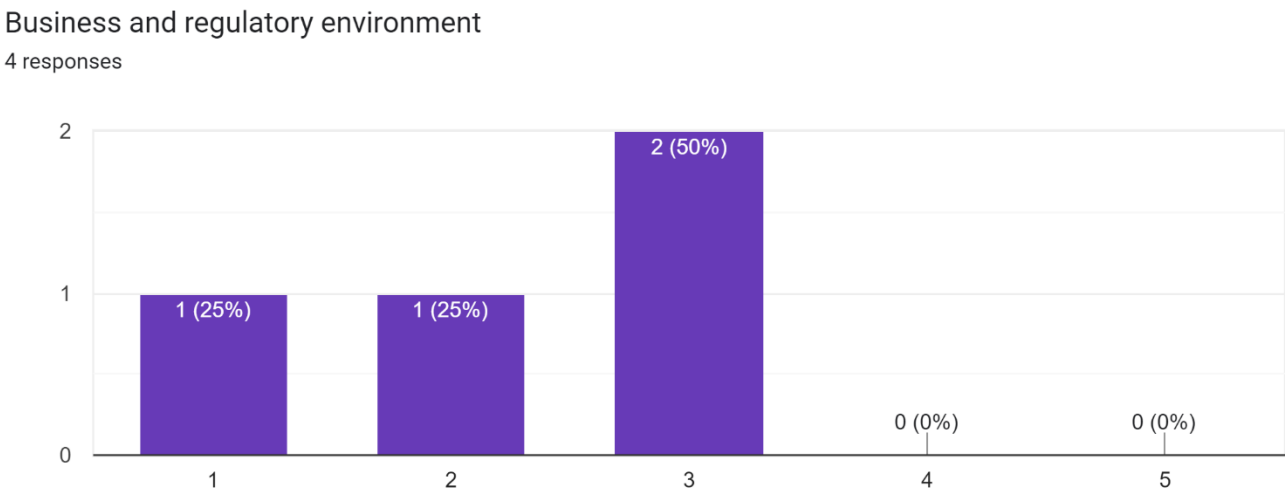


Figure 10. Business and regulatory environment.

Figure 11 represents the rating answers to “Research and development capability”-question. There were 4 responses in this section. 50% (2 respondents) gave this challenge the rating of 1 while 50 % (2 respondents) gave this challenge a rating of 3.

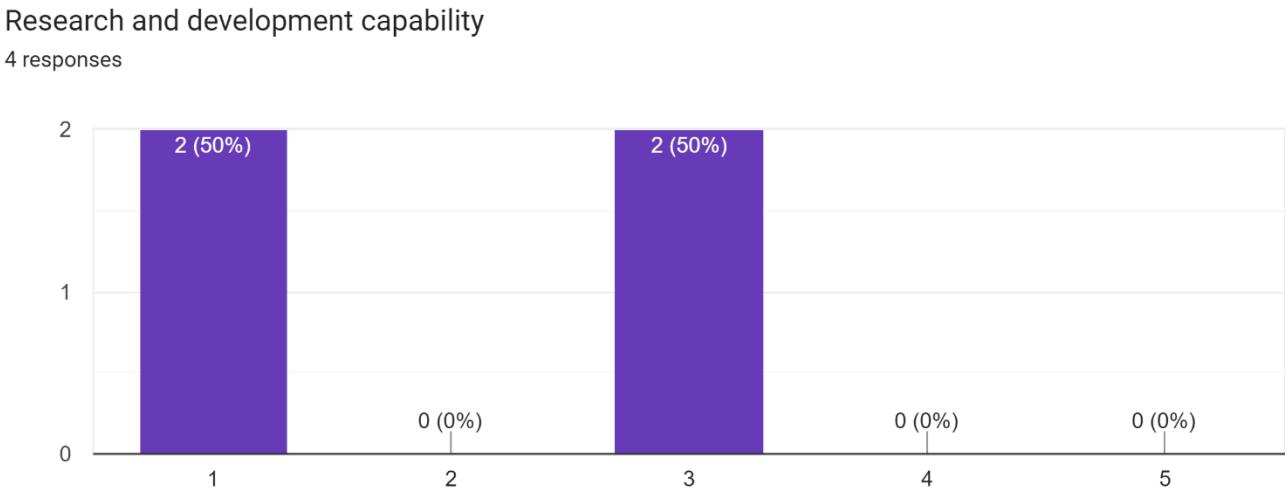


Figure 11. Research and development capability.

Figure 12 represents the rating answers to “Finding skilled workers”-question. There were 4 responses in this section. 25 % (1 respondent) gave this challenge the rating of 1 while 50 % (2 respondents) gave this challenge a rating of 3 and 25 % (1 respondent) gave this challenge a rating of 4.

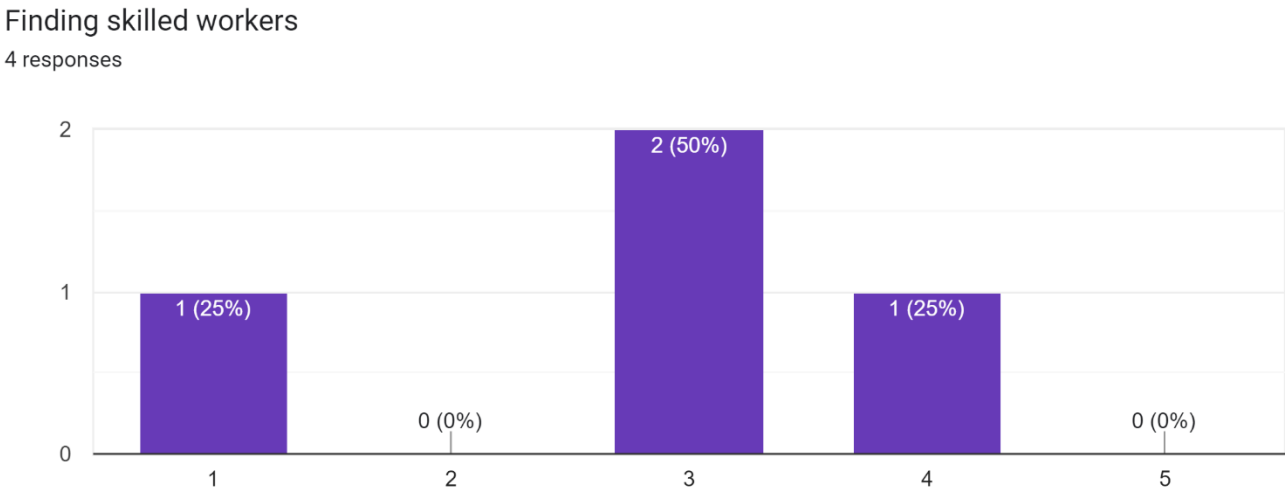


Figure 12. Finding skilled workers.

Figure 13 represents the rating answers to “Resources for training the staff”-question. There were 4 responses in this section. 25 % (1 respondent) gave this challenge the rating of 1 while 25 % (1 respondent) gave this challenge a rating of 2 and 50 % (2 respondents) gave this challenge a rating of 3.

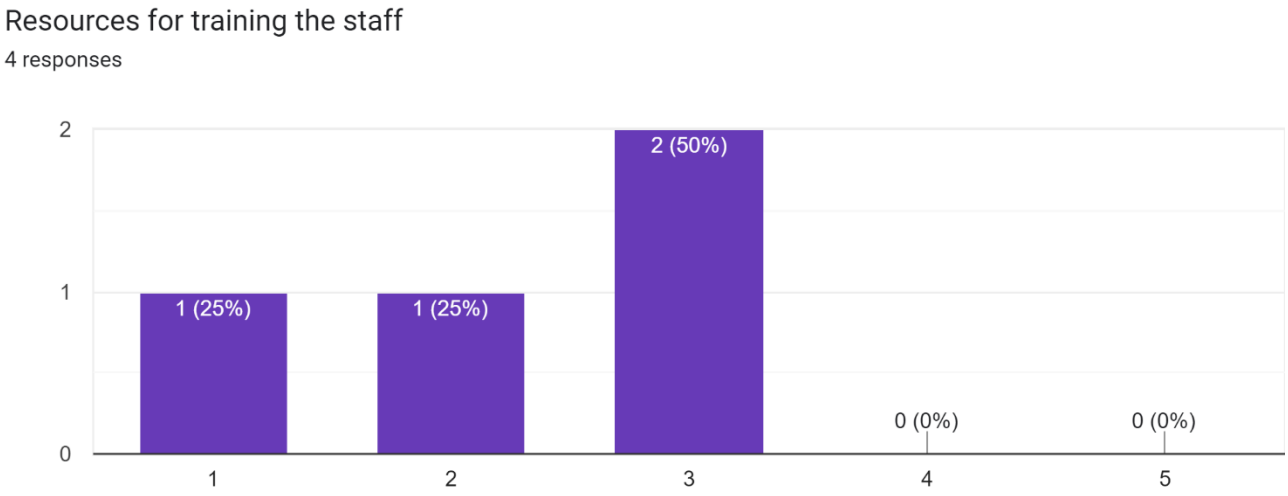


Figure 13. Resources for training the staff.

Figure 14 represents the rating answers to “Access to Finance”-question. There were 4 responses in this section. 50 % (2 respondents) gave this challenge the rating of 2 while 25 % (1 respondent) gave this challenge a rating of 4 and 50 % (1 respondent) gave this challenge a rating of 4.

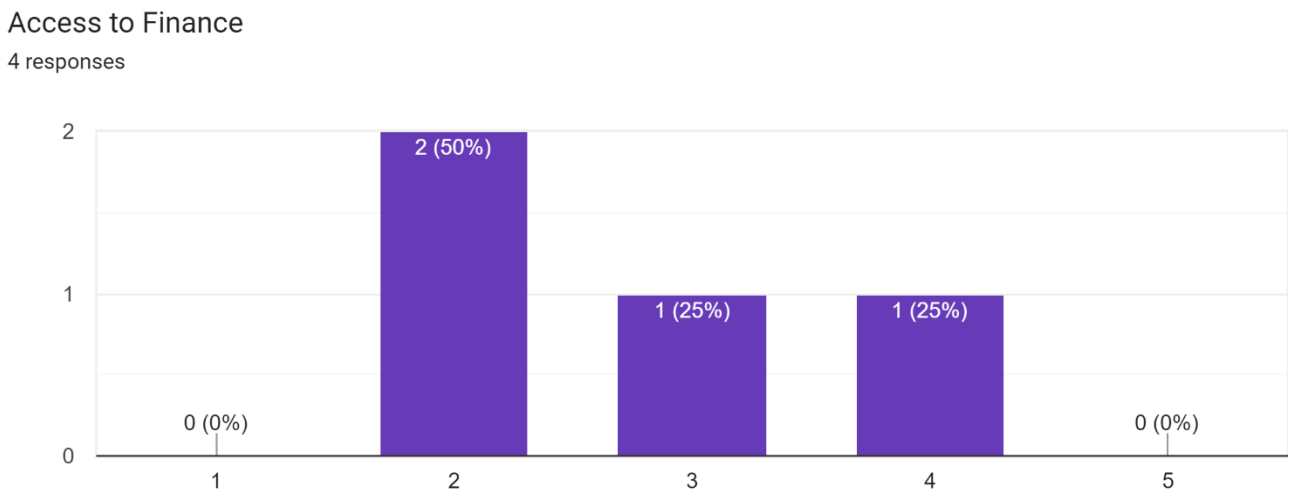


Figure 14. Access to Finance.

Challenges In The Basic Metals Industry

In this section, the respondents were asked to rate in a scale from 1 to 5 (1 representing “Not a challenge” and 5 representing “A significant challenge”) basic metals production industry challenges.

Figure 15 represents the rating answers to “Cost and availability of the raw materials”-question. There were 6 responses in this question. 33.3 % (2 respondents) gave this challenge the rating of 2 while 16.7 % (1 respondent) gave this challenge a rating of 3 and 50 % (3 respondents) gave this challenge a rating of 4.

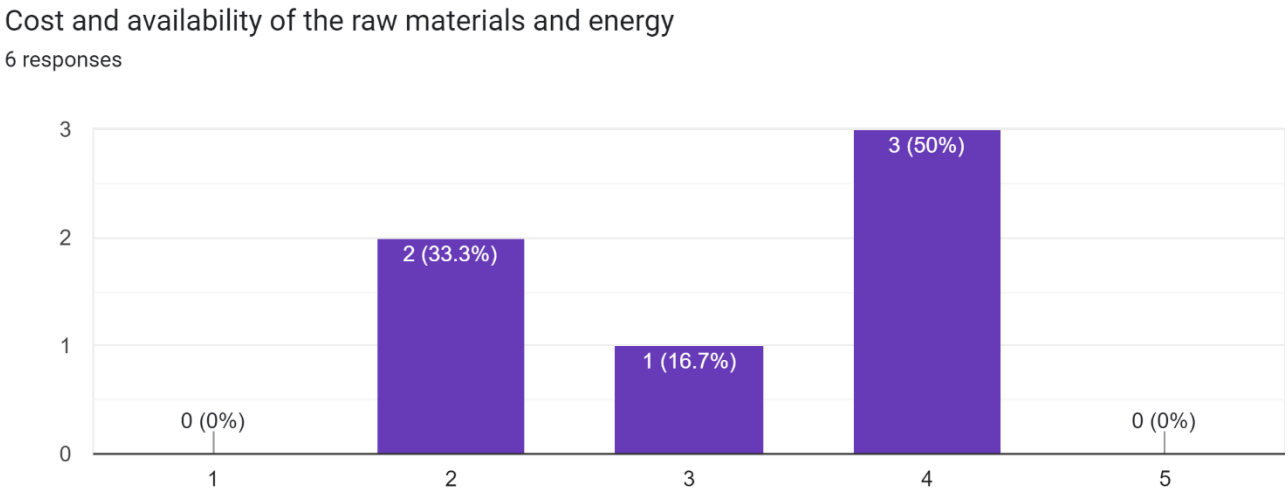


Figure 15. Cost and availability of the raw materials and energy.

Figure 16 represents the rating answers to “Logistical costs”-question. There were 6 responses in this question.16.7 % (1 respondent) gave this challenge the rating of 2 while 16.7 % (1 respondent) gave this challenge a rating of 3 and 66.7 % (4 respondents) gave this challenge a rating of 4.

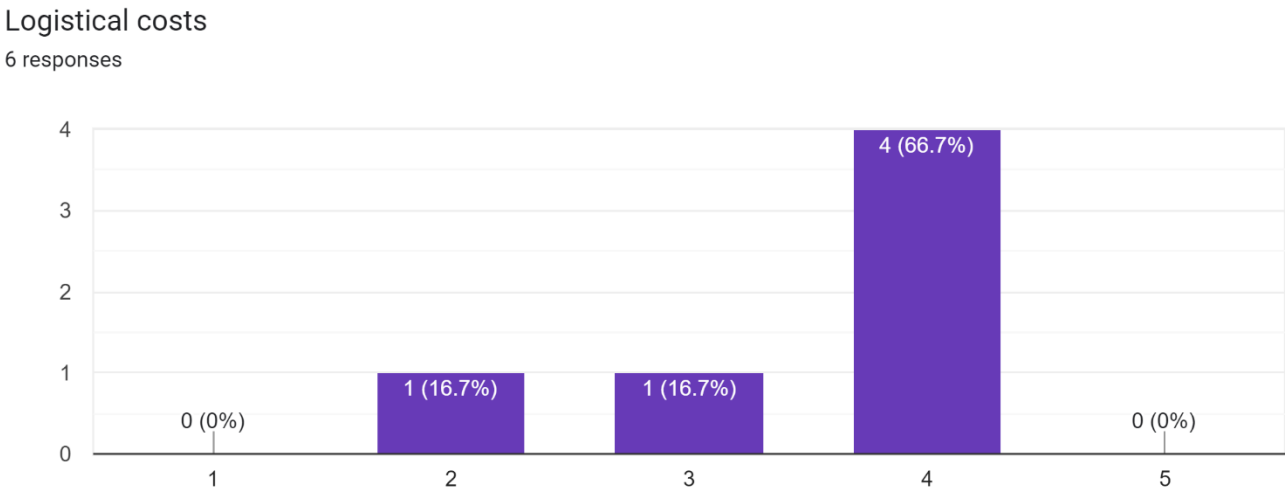


Figure 16. Logistical costs.

Figure 17 represents the rating answers to “Salary costs”-question. There were 6 responses in this question. 16.7 % (1 respondent) gave this challenge the rating of 3 while 66.7 % (4 respondents) gave this challenge a rating of 4 and 16.7 % (1 respondent) gave this challenge a rating of 5.

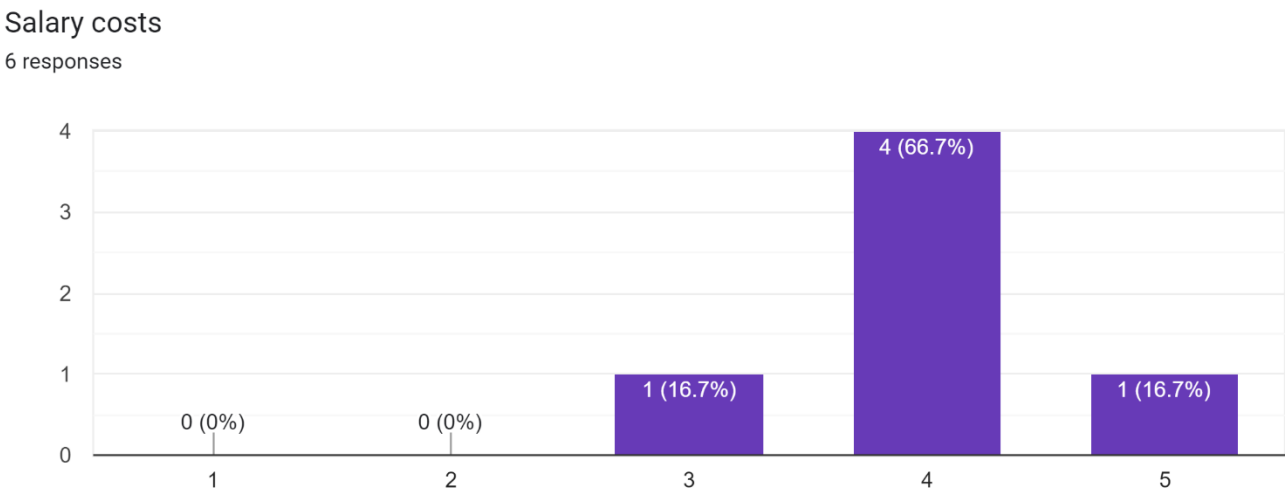


Figure 17. Salary costs.

Figure 18 represents the rating answers to “The national and municipal authorization procedures”. There were 6 responses in this question. 16.7 % (1 respondent) gave this challenge the rating of 2 while 66.7 % (4 respondents) gave this challenge a rating of 3 and 16.7 % (1 respondent) gave this challenge a rating of 4.

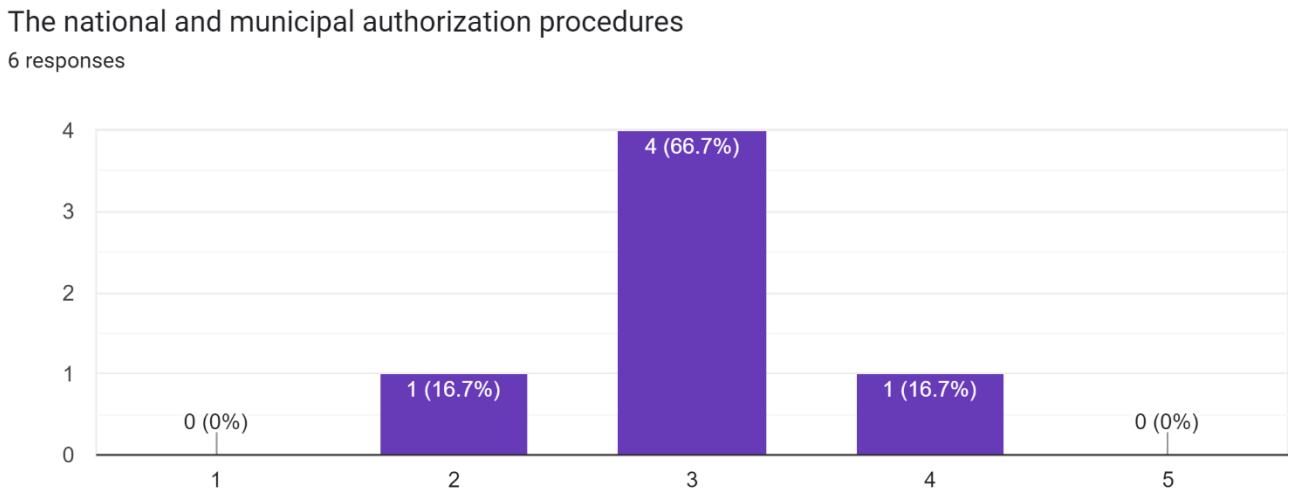


Figure 18. The national and municipal authorization procedures.

Figure 19 represents the rating answers to “The EU climate and environmental regulations”. There were 6 responses to this question. 16.7 % (1 respondent) gave this challenge the rating of 2 while 66.7 % (4 respondents) gave this challenge a rating of 3 and 16.7 % (1 respondent) gave this challenge a rating of 4.

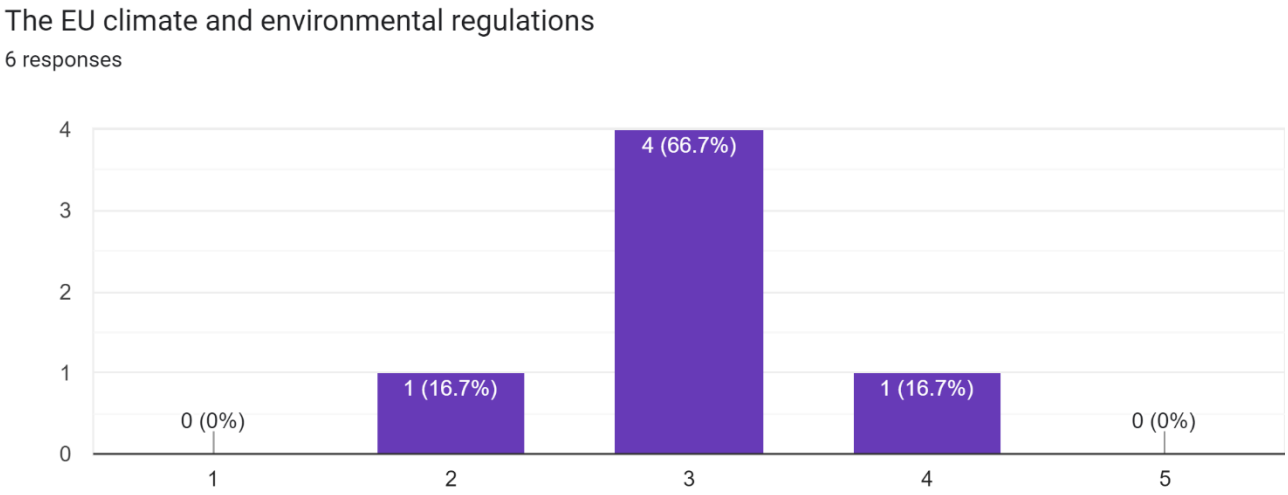


Figure 19. The EU climate and environmental regulations.

Figure 20 represents the rating answers to “Technology Integration”. There were 6 responses to this question. 16.7 % (1 respondent) gave this challenge the rating of 1 while 16.7 % (1 respondent) gave a rating of 2 for this challenge and 50 % (3 respondents) a rating of 3 for this challenge,16.7 % (1 respondent) gave this challenge a rating of 4.

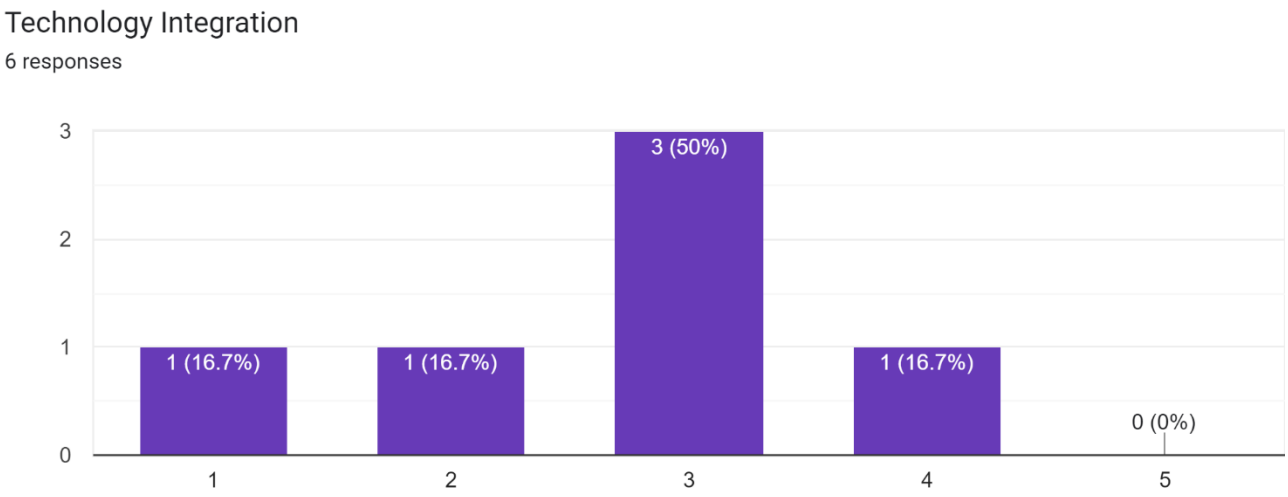


Figure 20. Technology Integration.

Figure 21 represents the rating answers to “Availability of skilled workers”. There were 6 responses to this question.16.7 % (1 respondent) gave this challenge the rating of 1 while 16.7 % (1 respondent) gave a rating of 2 for this challenge and 66.7 % (4 respondents) a rating of 4 for this challenge.

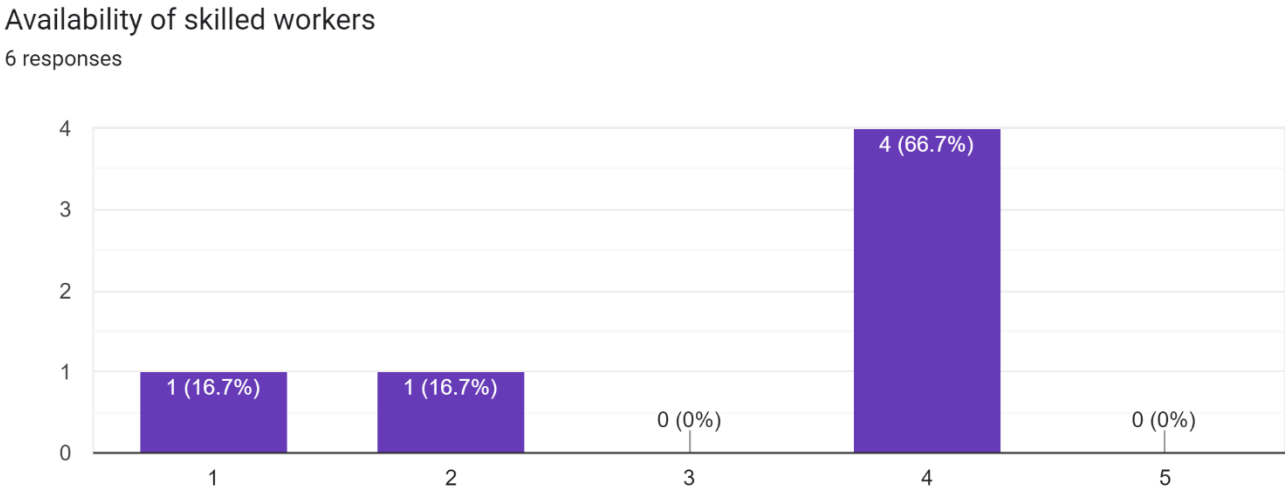


Figure 21. Availability of skilled workers.

Figure 22 represents the rating answers to “Competition from the producers in non-EU countries”. There were 6 responses to this question. 16.7 % (1 respondent) gave this challenge the rating of 1 while 16.7 % (1 respondent) gave a rating of 2 for this challenge. 33.3 % (2 respondents) a rating of 3 for this challenge and 16.7 % (1 respondent) gave this challenge a rating of 4 and 16.7 % (1 respondent) a rating of 5.

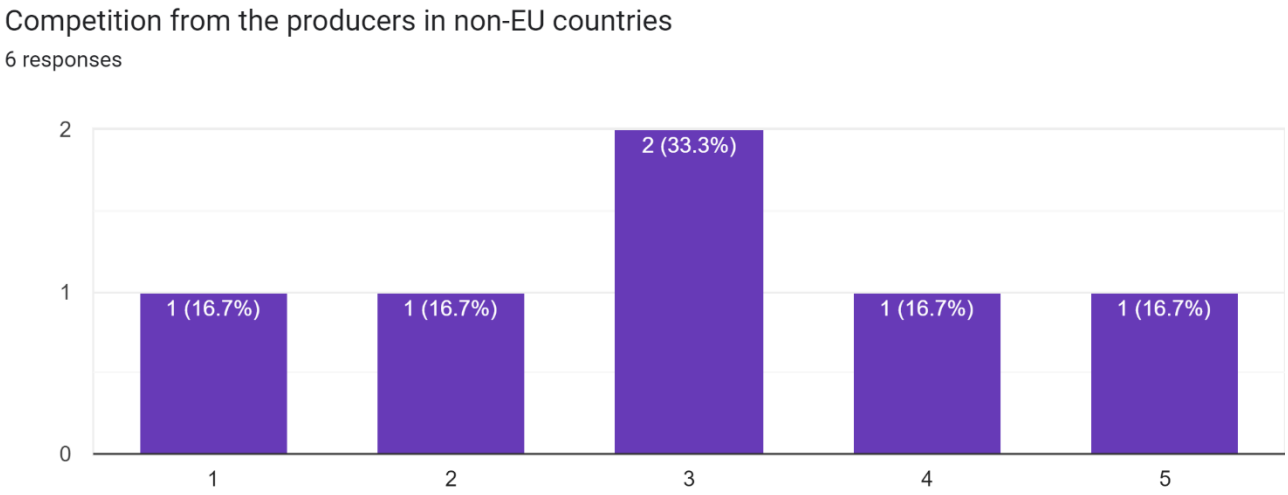


Figure 22. Competition from the producers in non-EU countries.

To “Other factors” optional follow-up question, there were no responses.

Countries Of Interest In Western Europe

This question was an optional question for those respondents who answered “no” to the question of “Do you currently have operations abroad in Western European EU countries?”. This question was a multiple answers checkbox questions, where the respondents could choose more than one answer option.

Figure 23 represents the answers to the “EU-countries of interest in Western Europe”. There were 5 responses to this question. 100 % (5 respondents) answered “Not planning to expand business abroad” while 1 respondent (20 % share) answered “Belgium”,1 respondent (20 % share) answered “France” and 1 respondent (20 % share) answered Germany.

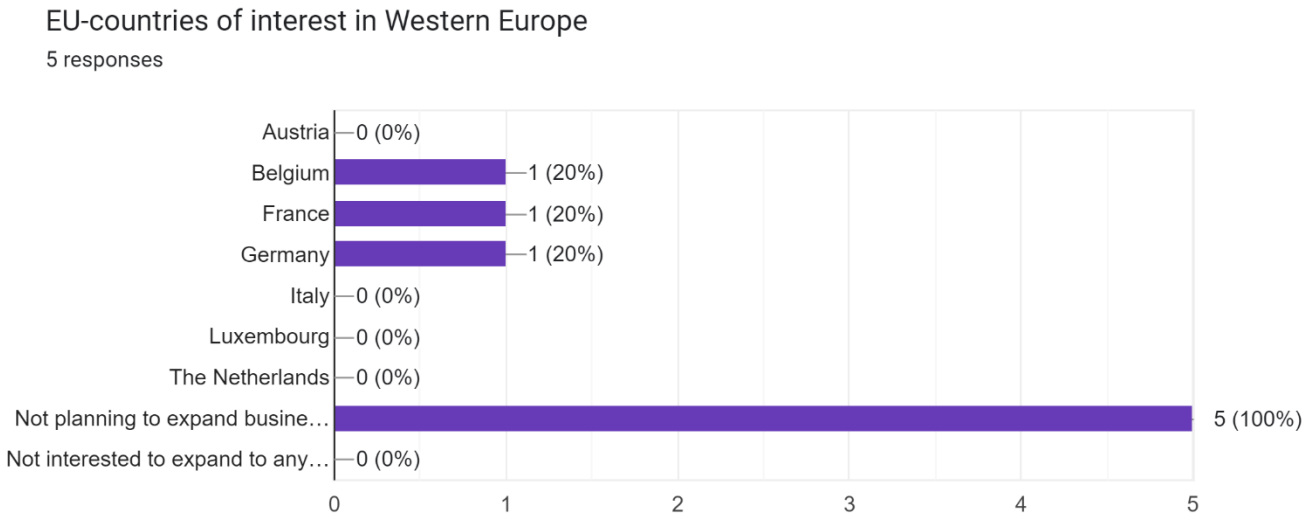


Figure 23. EU-countries of interest in Western Europe.

4.1.3 Topics Of Interest For The Export Guide

This question included multiple answers checkbox questions, where the respondents could choose more than one answer option. The respondents were asked to select which of the following topics they would like to see addressed in the export guide.

Figure 24 represents the answers to “Topics of interest for the export guide”. There were 6 responses to this question. 16.7 % (1 respondent) selected “Creating an export and international growth plan”, 50 % (3 respondents) selected “International and Industrial marketing and conducting international market research”, 50 % (3 respondents) selected “Business and regulatory environment in the Western European EU countries”, 50 % (3 respondents) selected “Finding right support services and networks”, 2 respondents (33.3 %) selected “Acquiring finance and funding” and 2 respondents (33.3 %) selected “I have no interest in the export guide”.

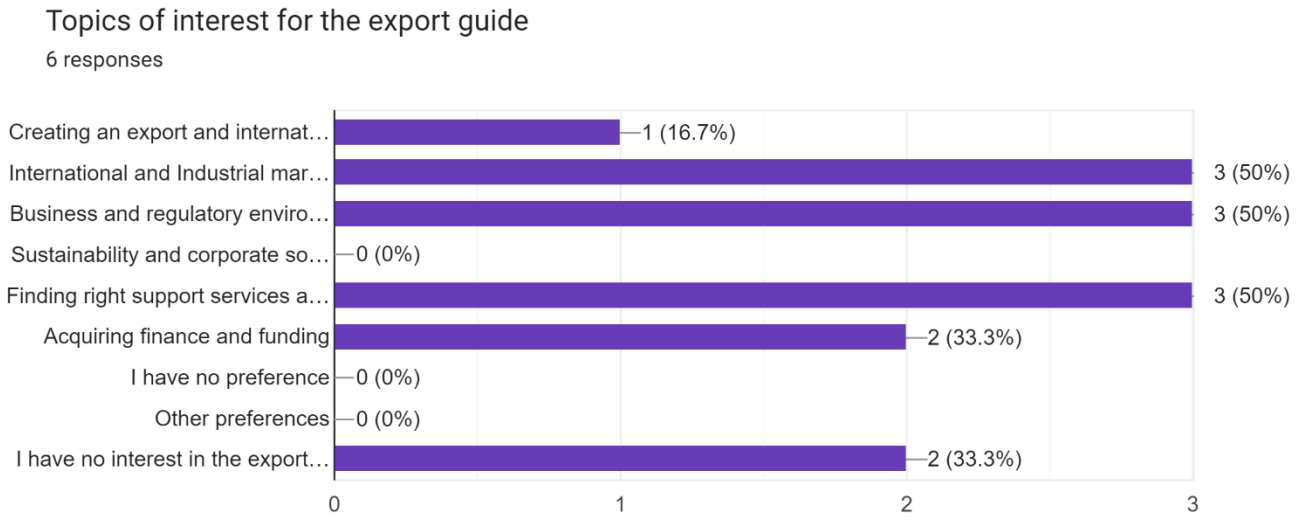


Figure 24. Topics of interest for the export guide.

For the optional “Other preferences” follow-up question if the respondent selected “Other preferences” in “Topics of interest for the export guide”-question, there were no responses.

4.1.4 Future Considerations

This question was multiple answers checkbox questions, where the respondents could choose more than one answer option. The respondents were asked to select which factors would influence their decision to expand internationally.

Figure 25 represents the answers to “Factors influencing the decision to expand internationally”. There were 6 responses to this question. 33.3 % (2 respondent) selected “International expansion support both in Finland and in the target country/countries”.” Access to Finance”,” Availability of funding”” Availability of skilled workers and resources to train them” and “business and regulatory environment in the target country/countries”, were all selected by 1 respondent each with a 16.7 % share of the responses. 33.33 % (2 respondents) selected cost of the materials and energy and 16.7 % (1 respondent) selected “The level of competition from the local producers”. 50 % (3 respondents) selected “Not interested to expand internationally”.

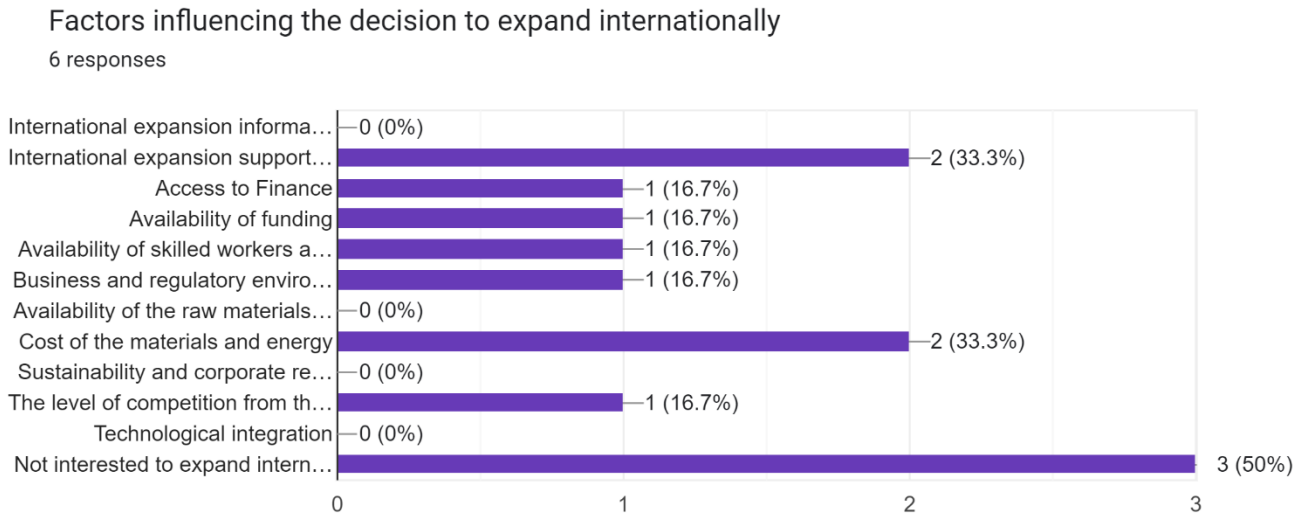


Figure 25. Factors influencing the decision to expand internationally.

There was an optional “Other Factors” follow-up question, which received no responses.

4.1.5 Demographic Information (Optional)

The first question was the position of the respondent in the company, but for the reason of keeping the respondents anonymous, these responses will not be included in the thesis. The second was about the respondent’s years of experience in the company and/or in the industry.

Figure 26 represents the answers to “Years of Experience in the company and/or in the industry”. 16.7 % (1 respondent) answered “11-20 years”.2 respondents (33.3 %) answered “Over 20 years” and 2 respondents (33.3 %) answered “6-10 years”. 16.7 % (1 respondent) answered “1-5 years”.

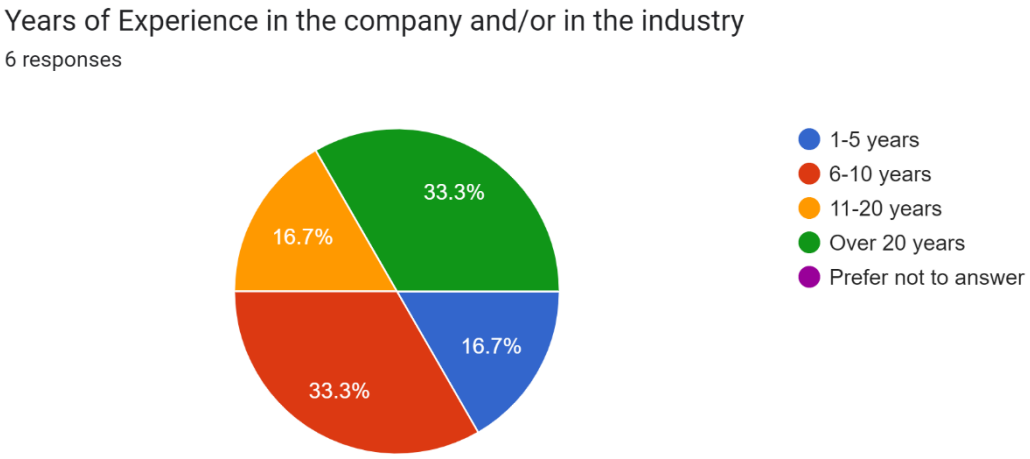


Figure 26. Years of Experience in the company and/or in the industry.

4.2 The In-Depth Interviews

Two in-depth interviews were held between January 9th and January 17th, 2024 via the Microsoft Teams program. The interview questions are based on the questions in the survey but are open-ended, instead of closed questions. The people which were interviewed were told that the enterprise names and identifiable business and demographic information would not be presented in this thesis and were asked for permission to record the interview and the thesis author received permission to record the interviews from the interviewees. Both interviews were conducted by the suggestion of the thesis author in Finnish. The first interviewee was not from the basic metals industry production company in Satakunta, and the second interviewee was a representative of a basic metals production industry company operating in Satakunta region. The survey template can be found in Appendix 1 and the overview of the survey form is also described in chapter 4.1.

4.2.1 An Overview Of The In-depth Interviews

In a December 9th, 2023 thesis process online meeting on Microsoft Teams program with the thesis supervisor from the Seinäjoki University of Applied Sciences, the thesis supervisor suggested that thesis suggested doing between 2 to 3 in-depth interviews by using the survey template as an interview guide as the number of answers to the online survey were very low and in-depth interviews would offer more insight into the research. In order to save

time, the thesis author decided sent two email messages to same 97 companies in the basic metals production to which the thesis author had sent the online survey In Satakunta region on December 19th, 2023 and January 2nd, 2024,where the thesis author informed them that the thesis supervisor from the Seinäjoki University of Applied Sciences had suggested the thesis author to conduct between 2 to 3 in-depth interviews based on the online survey and asked the message recipients if they are willing to participate in an in-depth interview during January 2024.The author received one reply on December 21st from a company operating in the basic metals industry in Satakunta in which they told the author that they would be willing to participate in an interview on January 17th, 2024 at 12.00.There was one also reply where the representative from another simply answered “No, thank you”. The author also sent a message through a private messaging app to a governmental organization person, asking if they are willing to participate in an in-depth interview which they agreed to and the date was set at January 9th, 2024 at 13.00. The in-depth interview questions are based on the questions in the survey but are open-ended, instead of close-ended questions, with no pre-determined answer options. The survey template can be found in Appendix 1. The thesis author may also ask clarifying questions to the answers provided in the interview if needed. The thesis author had received prior permission to record the interviews in Teams and in the beginning the Teams meeting, the thesis author asked the permission again to record the interview before the start of the interview. The thesis author asked before the start of the interviews that in which language they prefer to conduct the interview and suggested using Finnish as it is the native tongue of both interviewees and thesis author and therefore it would make it easier it for both thesis author and the interviewee to conduct the interview and make the answering to the questions for the interviewee easier.

The author also shared the survey template on-screen in Teams to the interviewees to make following of the questions easier. In the first interview, it was agreed with the interviewee that they should answer on a general level to the questions based on their own experiences, knowledge and discussions with the customer companies operating in the basic metals production as they were not working in the basic metals production industry. The thesis author decided to write the interview answers to the thesis in a reference format instead of direct quotations as the direct quotations consist significant amount of filler words and it would make it difficult for the reader of this thesis to read the text and also because it can be sometimes very hard to directly translate the Finnish filler words especially to English accurately.

4.2.2 Business Information About the Enterprises in the Survey

Due to the reason of keeping the respondents anonymous, identifiable information is not published in this thesis. Both organizations had less than 50 employees and had an annual turnover of less than 10 million euros and an annual balance sheet of less than 10 million euros and both interviewees business operations regarding the type of industry fell under the "Other" option.

4.2.3 International Operations And Internationalization Challenges

The first interviewee (personal communication, January 9th, 2024) responded that there are not a lot of basic metals SME companies in Satakunta having direct business operations in the Western European EU Countries, with the operations mostly being occasional business transactions or do the business is done through an intermediary such as agent or retailer. The first interviewee (personal communication, January 9th, 2024) also mentioned that Sweden is a country in which Satakunta's where basic metals production SME companies do have direct business operations in and in Germany as well. Overall, the first interviewee (personal communication, January 9th, 2024) answered that the business operations to the Western European EU countries are mostly done through the intermediaries.

The second interviewee (personal communication, January 17th, 2024) stated regarding "the international operations to Western Europe" question that their company do have international operations in the form of export. From the Western European EU countries, they do export to Germany, their company does not do any sale activities there as they have already pre-existing customers who they export their product there to. Their company also have business operations in the form of export to Sweden and Poland, neither are considered part of the Western Europe according to the United Nations Classification of Regions (n. d). Their company does import from the other Western European EU countries and other countries in Europe.

International Expansion Challenges

It was stated by the first interviewee (personal communication, January 9th, 2024) regarding "Information and support available regarding international expansion of a business" challenge that there is sufficient support and help available for the small and medium-sized enterprises

regarding the decision to expand internationally and there is sufficient general information and expertise available regarding the internationalization process and general business regulations.

It was stated by the second interviewee (personal communication, January 17th, 2024) regarding "Information and support available regarding international expansion of a business" challenge that if they had to rank the difficulty level of the said challenge based on the survey ranking scale, they would put it as a 3 because their company have not been determined to expand their business operations on a larger scale internationally, however they are interested to expand more internationally in the future but they have not yet really sought what kind of help and support they could get regarding the international expansion of business operations.

Regarding "Business and regulatory environment", the first interviewee (personal communication, January 9th, 2024) also stated that the corporate responsibility have been a trending topic lately and that it is a challenge for the enterprises, although they clarified that they are not an expert on the field in this matter but they had heard in his discussions with the representatives of the other companies how much there are different requirements from the European Union for the environmental matters in the companies and how reporting they have to do about the activities of the companies in order to fulfil the corporate social responsibility requirements (CSR). Especially in their discussions with the representatives of the small and medium-sized enterprises, they had heard that the SME companies especially have to consider the CSR matters even more carefully as there are often requirements in order to agree to a subcontract by the bigger companies in the subcontract negotiations and therefore, he concludes that the challenge of "Business and regulatory environment" is probably considered a significant challenge by the SMEs. The author told the interviewee however that in the survey regarding basic metals production industry challenges, no respondent had ranked the CSR and environmental regulations as a challenge.

The first interviewee (personal communication, January 9th, 2024) said in response to the thesis author's comment that they found this result quite interesting and concluded that apparently the companies who responded to the survey had these matters under control. *They* also did state however that the issues related to CSR and sustainability requirements had often come up in their discussions with the representatives from the customer companies as something these companies experience as challenging because they find it difficult to plan

for the future because they do not know what kind requirements are coming but he concluded that they might be somewhere in the subconscious of these respondents as kind of the future troubles.

The first interviewee (personal communication, January 9th, 2024) stated what they encountered in their job and through speaking to the client company representatives, that there is however a lack of specific information available regarding an individual country like the special characteristics of the country and although the Western European EU countries are part of the European Union, there are differences between the laws of the individual countries in Western European EU area. *They* further clarified that the companies consider there to be a lack of information available regarding the target area or country in regard to things like work-time regulations. *They* also mentioned that there are organizations like Business Finland and others which do offer training programs regarding the international expansion and that there is sufficient general information available regarding the international expansion process, the companies just have to be willing look out for the information.

The thesis author then asked a clarifying question about the Business Finland's international expansion training programs and if they are offered for free for the companies or if the companies must pay for them. The first interviewee (personal communication, January 9th, 2024) answered that the training programs, whether they are offered by Satakunta Chamber of Commerce, Business Finland, or some other organization, are available in two types, paid and free. The free ones, according to the first interviewee tend to be more like the public service announcement type, lasting not more than half a day. More in-depth programs which last for days etc. tend to be paid.

Regarding "Business and regulatory environment" challenge, the second interviewee (personal communication, January 17th,2024) stated that they would rate this challenge on a rating scale as a 4 because the environment and climate regulations, especially the location of the business, can be rated very high on the list of requirements from the potential customer in a competitive bidding process, even if their company is able to be competitive otherwise. The second interviewee (personal communication, January 17th,2024) also stated that the taxation and other business regulations in the target countries have not yet proved to be a challenge for them.

Regarding “Research and Development capability” challenge, the first interviewee (personal communication, January 9th, 2024) answered that on a general level it is a challenge due to the limited resources of the SMEs but it is possible for the SMEs at least in Finland to apply for corporate subsidies for research and development work through Business Finland and Centre for Economic Development, Transport and the Environment (Known in Finnish as Elinkeino-,liikenne ja ympäristökeskus or ELY-keskus for short).The first interviewee (personal communication, January 9th, 2024) also mentioned that the potential for the partnership with the educational institutions in Satakunta regards to the research and development work, as not been fully realized. The first interviewee (personal communication, January 9th,2024) stated that in overall, the resources of the SMEs overall are not big and operational activities of the company take most of the available time and resources, which makes it difficult for the company to find necessary personnel and time to dedicate for the research and development work, even if there is help available to help it with it as it still takes significant time for the company to focus on the research and development work.

The thesis author commented that based on his understanding, the similar problem with the untapped potential of the business and educational institution partnership regarding research and development work, existed also in South Ostrobothnia region in Finland, especially regarding the Seinäjoki University of Applied Sciences. To this comment, the first interviewee (personal communication, January 9th,2024) mentioned that to companies, the educational institutions appear as big and hard to comprehend organizations, making for the companies difficult to know who to contact in the educational institution and if the research or development problem they are facing, is big enough for them to warrant of contacting the educational institution over for help, the interviewer states that contacting educational institutions over these small issues could affect the companies positively in the long run. Finally, the first interviewee (personal communication, January 9th,2024) states regarding this challenge that developing the dialogue between the educational institutions and SMEs to improve the cooperation in research and development is very important.

The second interviewee (personal communication, January 9th, 2024) stated to “Research and Development capability” question that on a survey ranking scale they would rank it as a 4, as the similarly sized companies like theirs, do not have many resources available to divert into the research and development work.

Regarding “Finding skilled workers” challenge, the first interview (personal communication, January 9th, 2024) did state that finding skilled workers is always a challenge for a company regarding internationalization and growth, whether the plan is to internationalize from Finland or establish a business abroad. *They* mention how growth requires a skilled workforce and finding skilled workers gets exponentially harder for smaller companies, especially in the economic situation where Finland is right now. They did state however that when looking at the big picture despite the recession and co-operation negotiations and layoffs, the need for skilled workers does not disappear anywhere as there will always be a boom period after recession. The first interviewee (personal communication, January 9th, 2024) continued regarding skilled labor challenge that the small companies who have challenges to find skilled workers in Finland, may not have the time nor resources to dedicate for internationalization process, but the challenge can also act as kind of a spark to expand to the international market if it is thought that it is easier to get skilled labor from there. *They* mentioned how there is based on his own understanding, as much of a shortage of skilled workers in the metal industry as there are in other industries. They concluded regarding this challenge that that there may be a pattern in Finland, Sweden or everywhere else in the EU countries that they may look to another European country to find available labor if it is felt by the company that it is easier than trying to find the skilled labor from the home market.

The second interviewee (personal communication, January 17th, 2024) stated regarding the “Finding Skilled Labor” challenge that they would rank as a 4 on the ranking scale and expanded the answer by stating that it is a typical problem in the metal industry, it has been such especially in the last years and it will likely continue to be so in the coming years as the industrial sectors are in different situations and in their line of business, the recession in the building industry affects their business too although in the larger picture, its mitigated by having customers in other industries as well so it does affect the second interviewee’s company as much but they did notice last year how they lost several workers and how previously they have had a low personnel turnover and the employees have previously usually done long careers with them but in the last year, several employees went to work in the maritime industry which have attracted a lot of workers in general and reiterated how finding the skilled labor has been a long-term challenge in the metal industry, not just in Finland but globally as well, the second interviewee.

Regarding “Resources for training the staff” challenge, the first interviewee (personal communication, January 9th, 2024) stated regarding this challenge that based on their own knowledge, there is not many resources available for training the staff in the small and medium-sized enterprises and there is not a HR (Human resources) department in these companies. The HR matters in the small and medium-sized enterprises, based on the first interviewee’s (personal communication, January 9th, 2024) own experience, belong to the chief executive officer (CEO) of the company or to the production manager. Based on what the first interviewee (personal communication, January 9th, 2024) has heard, in the small and medium-sized enterprises, the production managers and CEOs have many other responsibilities besides the HR matters and most of the HR in these companies pertains to doing the things required by the law and making sure that the company runs smoothly. The first interviewee (personal communication, January 9th, 2024) states then how setting up a training and development program for the staff is not very easy and although there is help available such as trainers through the educational institutions and private companies who offer them, it however is not easy for the companies to detach these people from daily running of the business if the training would be needed and would be necessary for the business growth and development because in the latter situation, those people are needed all the time in the day-to day running of the company.

In conclusion regarding “Resources for training the staff” challenge the first interviewee mentioned (personal communication, January 9th, 2024) that it certainly is a significant challenge but when looking from the other perspective there is a lot of help available for this challenge in Satakunta and when thinking about the metal industry, there are vocational schools that offers these type of services to the production employees and on the levels of personnel manager there are the Chambers of commerce and metal industry entrepreneurial associations which offer different types of training for them. *They* also mentioned that it is balance in the everyday life of the companies where they allocate resources to and how important is training the staff is considered or whether they just postpone it until the famous next year, and it is also a bit of an economical question too,

The second interviewee (personal communication, January 17th, 2024) stated to the “Resources for training the staff” question that they would rate it as a 4 on survey ranking scale, their company does not have extra resources available to dedicate for the training of the staff and just like most similar-sized companies, they do not have a separate HR

department, in the interviewee's company, the interviewee as a CEO is responsible for both the accounting and human resource related matters among the other tasks related to position and they have a very wide range of responsibilities and although they do have a technical manager whose role does include thinking about the matters related to training the staff but they also have other responsibilities in their position too which do take most of their resources.

Regarding "Acquiring Finance", the first interviewee (personal communication, January 9th, 2024) stated that if the companies as their things in order and the domestic business in running well and credit ratings are good, they do not believe there to be an issue for the companies to get funding and mentioned how Business Finland offers low-interest loans and other financing options for internationalization. Some of these are loans and some are grant-based funding. The first interviewee (personal communication, January 17th, 2024) continued with the following:

> "The acquisition of funding, negotiating, considering, and finding out and then when these are, however, quite a lot of different funding options for support elements are there so that there is the right one and then when they are always associated with their own bureaucracy and filling out forms and whether they have the energy to do the process then, so here, too, it may come little to that and whether they can find the resources they want to go for internationalization to in regards to funding".

The second interviewee (personal communication, January 17th, 2024) stated regarding the "Acquiring Finance" challenge that they would rank on a survey rating scale as a 1, they do not see it as a challenge. The reason for this is that their company's bottom line is in order, and their company has operated for a long time in their industry, for 35 years and they have good partners and they do not consider this challenge as a roadblock regarding internationalization.

After asking about the challenges and receiving answers to these questions, the thesis author asked whether they had anything else to ask or add regarding this question section. The second interviewee (personal communication, January 17th, 2024) then stated that there would need to be more information regarding sales work, especially the technical sales work and the motivation for the second interviewee to participate in the project was that they would like there to be more regional cooperation in Satakunta between the metal industry companies who are not in direct competition with each other, would have complimentary

services such as hiring technical salespersons who have exporting experience as one challenge regarding the growth of the business internationally for the example in the German market or elsewhere is that there needs to be a lot of dedication to it and expertise to the business culture of the target country and so on. In the case of the small-and medium-sized enterprises there often is a lack of these and there are not necessary funds to hire a technical salesperson to a job role related to international sales and suggested that there should either a 4-person group of the representatives of the metal industry companies or 4 company group who would collect the necessary resources for that and would have one technical sales person.

Challenges In The Basic Metals Production Industry

For the beginning of this question when interviewing the first interviewee on January 9th, 2024 , the thesis author mentioned that he had also invited metal industry companies from the Statistics Finland (Statistics Finland,n.d.-b) TOL 2008 industry classification (Toimialaluokitus in Finnish) C class (Manufacturing) code 25 (Manufacture of fabricated metal products, except machinery and equipment) besides code 24 companies (Basic metals production) as mentioned by thesis supervisor from the Satakunta Chamber of Commerce when discussing with the thesis supervisor from the Satakunta Chamber of Commerce about the companies to choose for the survey in November 2023 that the TOL industry classifications are not always a completely accurate representation of the type of industry they operate in and they can also fit under 24 industry classification code as well. The thesis author also mentioned that same thing also in the beginning of this question in the interview with the second interviewee on January 17th, 2024.

The first interviewee (personal communication, January 9th, 2024) stated regarding “The cost and availability of the raw materials and energy” challenge in the basic metals production industry when considering it from the internationalization perspective that the last years in Finland in this matter have been quite wild and there has been a lot talk regarding the cost of energy in recent times and the cost has risen sky high and during the COVID-19 and in the immediate aftermath of the pandemic, there had been general problems in the availability of raw materials, components and materials although according to the first interviewee, the situation has since improved somewhat. The first interviewee (personal communication, January 9th, 2024) did mention the “cost and availability of the raw materials and energy” challenge can also act as a driver for the companies to internationalize if they happen to be in

a type of business where they may consider that in some country there could be closer to the raw materials they need for their business and price of energy would be cheaper.

The first interviewee (personal communication, January 9th, 2024) also mentioned when looking it at the Western European countries scale, Finland is not among the cheapest countries in terms of price of the raw materials and energy and therefore may serve a driver to expand the business internationally. *They* also mentioned how in many costs related to business, Finland is among the top countries and how Finland is practically an island for all intents and purposes as thesis author injected when the first interviewee (personal communication, January 9th, 2024) was giving their answer due to its location and somewhat cul-de-sac place and if there is a need to bring raw materials elsewhere, the costs naturally will grow and it can motivate them to expand their business internationally. According to the first interviewee (personal communication, January 9th, 2024), this also of course depends on where the company's target markets and customers are internationally, and they also mention the fluctuating energy prices as a big part of the cost structure for the companies and how these can make the companies very well consider internationalization and give a boost for these considerations.

The second interviewee (personal communication, January 17th, 2024) stated regarding "The cost and availability of the raw materials and energy" challenge that they would rate that as a 2 in the survey rating scale, the aftermath of the Covid-19 pandemic and the first of the Russo-Ukrainian War have been impactful on the business but it has calmed and evened out by now. The second interviewee (personal communication, January 17th, 2024) stated regarding "the Logistical costs" challenge that they would rank it as a 3 on the survey rating scale as that they do not consider as a big challenge and it is not a deal-breaker for the customer especially if the company can centralize the deliveries of their product or service and how in their opinion, it is not a significant thing for them.

Regarding the "Logistical costs" challenge, the first interviewee (personal communication, January 9th, 2024) stated that there has been strong image by the people about how Satakunta has bad traffic connections to other parts of Finland which according to the first interviewee, is not a true fact as the companies operating in the region do not consider the logistics and the reachability of the region as an issue and this is further helped by the close proximity of the ports of Rauma and Pori and how the railway traffic from and to from the region moves decently enough.

The first interviewee (personal communication, January 9th, 2024) also mentioned how they do not believe that the logistical costs are an issue that affects their competitiveness or ability to grow their business but when considering it from the other perspective, they may act as a driver to expand their business internationally as the company thinks about the markets and how they want to be close to their customers but on the scale of Finland, it is not a restrictive issue for the companies operating in Satakunta region.

Regarding the "Salary costs" challenge, the first interviewee (personal communication, Januar 9th, 2024) stated that how there has been a political debate related to this topic back and forth throughout the spring 2023 and autumn of 2023 and how it is said by the people that the Finnish job market are not flexible and there is no possibility for local bargaining which affects the competitiveness of the Finnish job market. They see it is the significant challenge because price of work hour in Finland is quite expensive and share of taxes on the salary received is quite high and something that can affect the willingness to grow their business. They also mention how they may not be aware how big of an issue it is on the European scale, but its significance has seen a rise in recent years.

The first interviewee (personal communication, January 9th, 2024) said that simpler structure of the job market in other EU countries and cheaper cost of doing business may encourage the companies to establish a business to another country. The root cause of the "salary costs" challenge is that the companies experience it as a general problem restricting the ability to their business growth and restricting their ability to expand their business internationally.

The thesis author then mentioned how in other countries, it may be easier for the companies to hire and terminate the employment contract with the employee as in Finland, it is very difficult to terminate the employment contract after the work trial period without certain very clear reasons mentioned in the Finnish Work law and how it may affect the willingness of the company to grow their business as they are unwilling to take the risk of hiring a worker whose contract they cannot terminate after the work trial period without too much difficulty after the work trial period. The first interviewee (personal communication, January 9th, 2024) then mentioned how the legal requirement for the maximum length of the work trial period was risen from 4 months to 6 months which according to the first interviewee, was said by many employers to encourage them to hire workers as 6 months maximum work trial length period

allows the employers to see better if the worker is suitable and dedicated for the job and does their job properly but overall, it is still is a roadblock for companies to grow their business.

The second interviewee (personal communication, January 17th, 2024) mentioned regarding the “Salary costs” that they rate it as 4 on the survey rating scale because due to the rising inflation rate and rising in interest rates, even with the increase of minimum salaries in the collective bargaining agreements, the salaries the employees receive are not enough to get by despite being enough to get by before and this results them considering moving to work to other company or changing to another industry altogether and if it possible for the companies to even respond to such hikes in salaries as especially with the subcontracting companies like the one where the second interviewee works at, the gross margins are quite marginal. They also stated that it is a bit of a bigger challenge, which it is not necessarily possible to respond directly with a direct salary, but then you have to get other things like working conditions and flexibility and other benefits of the place of work.

Regarding “The national and municipal authorization procedures”, the first interviewee (personal communication, January 9th, 2024) stated how there are bad examples from Satakunta regarding municipal authorization procedures from the bigger companies and how overall in Finland, there has been criticism regarding authorization procedures due to it being difficult to anticipate as there has been cases where the companies have gotten a permit to build a plant and they have started to build plant and then someone has appealed the decision and the permit can be terminated despite being authorized the previous time. Based on the first interviewees (personal communication, January 9th, 2024) own understanding and discussions with the company representatives, the companies do accept that there are strict requirements for opening or building a plant but once they have fulfilled the requirements, they should be able to start doing it.

The first interviewee (personal communication, January 9th, 2024) then states how in his opinion the appealing process for the municipal and national permits have been made too easy and the companies experience as an issue restricting their growth and how in other EU countries the national and municipal permit restrictions may not be as strict and may a factor to attract companies to expand their business internationally and also serve as a leading issue in the future for the foreign investments to Finland and the mentioned about a specific case in Harjavalta which did not do favors for the image of Finland among the foreign investors as a country to invest in and make the company operating in Finland to consider

whether to invest for their business in Finland more or for the business in another EU country.

When the thesis author mentioned about his own experiences dealing with the bureaucracy in Austria during his exchange studies at the Kufstein Tirol University of Applied Sciences in Kufstein, Austria and amount the of different documents in paper form which he had to submit to the authorities, the first interviewee (personal communication, January 9th, 2024) stated the Central European countries like Germany and Austria are quite bureaucratic and old-fashioned and the integration of digital technology into permit and other authorization services may not be as advanced as in Finland.

The first interviewee (personal communication, January 9th, 2024) further added to their point that they believe when going to the level of city and municipality in Finland, the companies feel the city and municipalities at least in the Satakunta region to be enterprise friendly and that they can receive support and help from them. According to the first interviewee, it may be felt by the companies that it is the legislation coming from the national government which is a limiting factor in their growth and where they perceive to be challenges and the first interviewee has received feedback from the company representatives in Satakunta on this issue. *They* conclude that it is felt by the companies that the municipalities and cities in the Satakunta region offer a good growth environment for the companies.

The second interviewee (personal communication, January 17th, 2024) stated regarding “The national and municipal authorization procedures” challenge that they would rate as a 1 on the survey rating scale, it does not affect them much as they are only supplying parts.

Regarding “The EU climate and environmental regulations” challenge, the first interviewee (personal communication, January 9th, 2024) mentioned how these kind of tie into what he mentioned in the “Business environment and regulations” challenge section in “International Expansion challenges” of the online survey (Chapter 4.1.2) and how these challenges come to the SMEs through climate and environmental regulations. The bigger companies do cooperation on these matters and there are so many requirements regarding climate and environmental regulations by the EU which the companies must consider and must report on and how these matters are constantly hyped by the media and something one should know. According to the first interviewee (personal communication, January 9th, 2024), this results sometimes that especially in the smaller companies, the entrepreneurs and CEOs are

sometimes left confused where they should really focus on and what kind of things require the immediate attention, and which do not require immediate attention but adequate preparation.

The first interviewee (personal communication, January 9th, 2024) mentioned how they can see these as challenging but there is help and information available and that companies do not have to deal with these matters alone. However, they stated that if the company wants to grow their business, the companies have to full fill requirements by the customer companies on these matters and how the work and concentration put on these matters take concertation away from the actual business itself.

The second interviewee (personal communication, January 17th, 2024) stated regarding "The EU climate and environmental regulations" challenge that they rate it as a 4 on the survey rating scale, mentioning that they have a high recycling rate for their materials and are always thinking where to save energy and are always buying new machines in order to consume less and they are also considering environmental matters and these things are everyday things on the European scale but the challenge for them comes from the fact that the requirements are the same for everyone but when comparing to companies operating in the non-EU countries such as in the People's Republic of China, they expect that China should have the same honest requirements for the companies there as the interviewee's company have coming for them from the EU level.

According to the second interviewee (personal communication, January 17th, 2024), these things will be a big problem in the next years and will keep growing as the climate and environmental requirements are being tightened all the time and not every country is taking them into account in a serious manner and demanding companies to abide by them which creates an uneven competing environment.

The second interviewee (personal communication, January 17th, 2024) stated regarding "Technology Integration" challenge that in their industry, they always keep up learning new things and implement new ways to conduct their business, it is a continuous learning process to find work in their industry. After the thesis author added a follow-up question about how they would rate the digital technology inclusion in the business as a challenge, the second interviewee (personal communication, January 17th, 2024) stated that they would rate it as a 4 on the survey scale as it gives them opportunities and challenges them and how to attract

skilled people to the company as they do not have their own skilled people in the matter. They stated that once they gain skills in it, it has a lot of benefits, but they need to be taught for it first.

Regarding “Technology Integration”, the first interviewee (personal communication, January 9th, 2024) mentioned how the artificial intelligence has become a big thing and there is a lot of talk in general about the digitalization of businesses and how regardless of whether the company is big or small in any industry, if they are not involved in the matter and do not take it seriously and do not consider what the technical, digitalization, artificial intelligence and so on means to the industry they are operating in, they are too late. *They* mentioned how there are program suppliers, technology suppliers, software suppliers and so on offered for the smaller companies, the larger companies may have the lack of knowledge of regarding what kind of programs and systems there is available for them and how they can be utilized in their business.

The first interviewee (personal communication, January 9th, 2024) mentioned how they see obtaining a data information infrastructure as a challenge for the companies which would help and support and be utilized to find growth opportunities and help to ease the internationalization process and improve the cooperation process with other companies. According to the first interviewee (personal communication, January 9th, 2024), this is a fear for the companies or at least something they like to push aside because it is not something which affects in the short-term. *They* stated though the companies should start to consider what these matters mean for the future of the company and how some person has said 20 years ago that the internet would affect their business at all but now days, no company is able to hide themselves from the internet and how this current situation is somewhat a similar thing and how the development process in this matter continuously moves on a fast pace.

It was then mentioned by the author that only one-person companies are the only companies which may be able to keep themselves away from the process.

“The availability of the skilled workers” was discussed thoroughly in “Finding skilled workers” challenge question part in the “International expansion challenges” section of the survey (Chapter 4.2.3) and therefore it was felt by both the thesis author and the interviewee to not to discuss more in this section separately and the first interviewee (personal communication,

January 9th, 2024) did further state that they had nothing more to add regarding this challenge and there are challenges in this particular matter as mentioned previously.

Regarding the “Competition from the producers in non-EU countries”, the first interviewee (personal communication, January 9th, 2024) mentioned how we are living in an interesting time period in a sense that before the Covid-19 pandemic, it was considered okay for the companies to look for cheaper employees from non-EU markets and how it is cheaper to produce outside of the EU but the Covid-19 pandemic taught how important the management of the supply chain is for the companies and how many companies consider now that they cooperate with a company located in Finland because although some things may be more expensive than in non-EU countries, they are more sure to get the purchase deliveries for the projects or components for their products or machine because they are able to manage the supply chain better.

The first interviewee (personal communication, January 9th, 2024) mentioned how during the Covid-19 pandemic, the delivery times got longer, and the prices rose too, and this may have made the companies to consider having partner companies near them who are trustworthy and with whom they do the thought process together. *They* stated though that they do not see cheap labor as a challenge and how it comes to age-old question about the quality. *They* also mentioned how they have noticed that companies who have had operations in Estonia due to the cheaper labor, have returned to Finland due to the rising salary costs in Estonia. *They* further mention that they do not see the competition from the non-EU producers as a threat because the Covid-19 pandemic and other crises have taught the companies that the reliability and management of the supply chains is the most important thing and how they do not always get to try to cut costs.

The second interviewee (personal communication, January 17th, 2024) stated regarding the “Competition from the producers in non-EU countries” that they view it as a critical challenge as the rules of doing business and requirements are not the same. *They* mentioned how some customers may have specific requirements regarding the use of raw materials or some other thing and even if for example the Chinese company fulfils all the requirements and produces their products in an ethical manner, they do not believe that they are playing on the even playing field. *They* stated that the things related to customs such as tariffs would make the competition harder for the Chinese companies and raise the prices on the products coming from Asia to be playing on the even playing field.

Countries Of Interest In Western Europe

The first interviewee (personal communication, January 9th, 2024) mentioned Germany when the thesis author asked that which EU countries in Western Europe, they may see the companies to expand their business into, because it has been Finland's biggest trading partner in recent years. According to *them*, the Finnish companies have gotten used to doing business with the Germans and it has the advantage of having a central location in

The first interviewee (personal communication, January 9th, 2024) mentioned how the internationalization experts recommend the companies in Finland when they are considering expanding their business abroad, to start from Sweden as it is a natural and good next market for them and helps to see how far their capabilities take them and how internationalization works. *They* then mention that they would pick Germany from the survey section and add Sweden and other Nordic countries. The author then mentions that they technically are not considered part of Western Europe under the UN Geoscheme (n.d) classification. They then mention Germany again as the central part of Europe and the economic engine, the first interviewee (personal communication, January 9th, 2024).

The second interviewee (personal communication, January 17th, 2024) stated after the thesis author brought up that they stated in "the international operations to Western Europe" question that they have operations in Germany that their activities there are small scale and they have realized that even if the company's partner company in Germany is previously well-known them and are able to acquire a new production plant in Germany and even if they got recommendations from others, for the second interviewee's company it still took several years to establish themselves in the German market and they imagine it being even more challenging for the very new companies and from countries they raised up Germany and France which they would be interested in.

4.2.4 Topics Of Interest For The Export Guide

It was mentioned by the thesis author how in the survey "Sustainability and corporate social responsibility" received no answers at all but the first interviewee (personal communication, January 9th, 2024) recommended adding it to the guide as based on his interactions with the larger companies, the companies are constantly struggling with the many requirements for sustainability and corporate social responsibility matters and how they should implement

them. *They* also stated that they think it more as a long-term thing as the larger companies especially have to consider these things and their implications for their business and how this flows with time to the SMEs more and more as well and they mentioned how in the SMEs, the sustainability and corporate social responsibility matters may not be a concern at the moment in these companies but these matters are on the cards that in few years they eventually will have to deal with these matters anyways and consider and familiarize themselves with how these matters affect their business.

Regarding "Creating an export and growth plan" topic, the first interviewee (personal communication, January 9th, 2024) mentioned that there is existing information available on if the company decides to expand their business internationally and have to find external funding for the expansion and there are existing courses of action suggestions available for these, that they do need information regarding the topic but more in the direction of where they can find the information from.

Regarding "International and Industrial marketing and conducting International Market Research" topic, the first interviewee (personal communication, January 9th, 2024) mentioned how the situations and markets and other things related to them are constantly changing in international and industrial marketing and in industrial marketing there are special complexities and facts, and, in their opinion, it should not be highlighted as strongly in the guide as the other topics, but some information should be included.

Regarding "Business and regulatory environment in Western Europe", the first interviewee (personal communication, January 9th,2024) stated how these issues are the biggest bogeyman occupying the thoughts of the company representatives when they are considering expanding their business internationally. According to *them*, somewhere in the subconsciousness of the people in the companies who make the decisions about whether to expand the business internationally or not, they have thought that they could expand their business internationally but they are considering what kind of permits they need to open up a business and if they have the energy for the process, so in their opinion, the guide regarding this matter should be having information about the permit and so on, regulations in the Western European EU countries and lowering the threshold to expand internationally and include information which may not be easily found from the internet.

As the “climate regulations and corporate social responsibility” topic had been discussed already in detail in the “Challenges In The Basic Metals Production” section of the survey (Chapter 4.2.3), the author suggested moving to the next topic to which the first interviewee (personal communication, January 9th, 2024) agreed to.

Regarding the “Finding right support services and networks” topic, the first interviewee (personal communication, January 9th, 2024) stated that there is help and support available or at least there is supposed to be, but it is a fast-changing world due to such things as changing government cabinets and the EU defining new enterprise benefits to be issued and so on. *They* state that they see it that the company itself should put some effort and get themselves familiarized with the topic so that the companies’ internationalization efforts have some sense to it. *They* further elaborated that if the information comes to the company on a silver platter like for example having all the information available from the benefits, there is not enough delving of information and groundwork done by the company into the internationalization of their business.

The first interviewee (personal communication, January 9th, 2024) then stated that it would be probably good to mention to some extent that there are things like this and things like that, but in their opinion, “Finding right support services and networks” is a matter where the company itself must make an effort to ensure that it is really sufficiently prepared and has enough expertise for internationalization. The first interviewee (personal communication, January 9th, 2024) concluded regarding this topic that generally, if the company has someone helping from outside of the company regarding internationalization efforts, it is then a consultant or someone from Centre for Economic Development, Transport and the Environment, Business Finland's advisor or anyone from whom to seek help, so yes, they can pretty easily know how to guide and they offer help for this kind of planning and help for taking the steps in the process but that this kind of this kind of help providers are available.

The second interviewee (personal communication, January 17th, 2024) stated regarding the topics of interest for the export guide that they are especially interested in the “Sustainability and corporate social responsibility” topic and “Creating an export and international growth plan”.

4.2.5 Future Considerations

The first interviewee (personal communication, January 17th, 2024) stated that all of the factors mentioned in the survey more or less have the impact in the company's decision making process regarding internationalization but there were the four factors which they raised up .The first factor is the availability of funding, the second is the accessibility and cost of the raw materials and energy, low cost of doing business (which was not included in the survey as an answering option) and "The level of competition from the local producers".

Regarding "The availability of funding", the first interviewee (personal communication, January 9th, 2024) stated that if there is enough funding options available, it can encourage the companies to try with the internationalization of their business as it is always about dealing with the risks involved and taking the risk. *They* mentioned that if there is a low-risk type of funding available, it can be a factor for the companies in their decision to expand their business internationally. *They* also mentioned that on a more general level, it is important that there is a marketplace available for the company's product or service.

The second interviewee (personal communication, January 17th, 2024) stated that the "availability of skilled workers and resources to train them" is a factor influencing their decision to expand their business internationally and further elaborated that they do not have the resources to hire a technical salesperson, they instead need to cooperate with another company/companies.

At the end of the interview, the second interviewee (personal communication, January 17th, 2024) mentioned regarding the "Other factors" follow-up question that it came to their mind that even in the Finnish internal market operations, the buyers can be from abroad and that therefore it would be nice to get more information regarding the cultural differences between different countries and wished that the main points would be listed like for example what there the typic sale and buying process activities in these countries and so on as they clearly quite significant differences between them.

4.2.6 Demographic Information (Optional)

Due to the reason of keeping the respondents anonymous, identifiable information is not published in this thesis. Both respondents had more than 20 years of experience in their industry.

4.3 Survey Outcomes And Recommendations

In this section the thesis author states the main outcomes of the online survey and in-depth interviews and gives recommendations for the course of action based on the outcomes.

4.3.1 Online Survey Outcomes

The companies fell under the size of micro- and small-sized enterprises as defined by the Entrepreneurs of Finland (n.d.-b) as they all had an annual turnover less than 10 million € with 83.3 % of the respondent having an annual turnover between 1 million € and 9 million €, having an annual balance sheet less than 10 million € with the responses to “Annual balance sheet” question having half of the respondents answering between 1 million € and 9 million € and the other half answering less than 1 million € and having less than 50 employees. 83.3 % of the respondents selected “Steel” option as their type of business in the basic metals production industry.

66.6 % of the respondents responded in chapter 4.1.2, to “Do you currently have business operations abroad in the Western European EU countries?” question that they either did not have operations abroad or were not interested in expanding their enterprise’s business internationally and 50 % of the survey participants responded in the “Future Considerations” section (Chapter 4.1.4) that they were not interested in expanding their business abroad.

“Information and support available regarding international expansion of a business” and “Finding skilled workers” could be identified as the two most significant internationalization challenges based on the results as 75 % of the respondents gave these two challenges a rating of 3 or higher and 50 % of the respondents gave “Access to Finance” internationalization challenge a rating of 3 or higher. The least significant challenges identified based on the results were “Business and regulatory environment and “Resources

for training the staff" which had 50 % of the respondents rating the challenge in a rating scale as a 2 or less.

From the basic metals production industry-specific challenges, three clearly significant challenges could be identified based on the results: "Availability of skilled workers", "Salary costs" and "Logistical costs". Salary costs" was the most significant of these challenges as 83.4 % of the survey respondents gave this challenge a rating of 4 or higher while the "Logistical costs" and "Availability of skilled workers" both had 66.7 % of the respondents giving the challenge a rating of 4. "Competition from the producers in non-EU countries" was the only challenge which received answers across the whole rating scale.

100 % of the respondents selected "Not planning to expand business abroad option" to the "EU-countries of interest in Western Europe "question in the "Countries of interest in Western Europe" while Belgium, France and Germany all received 20 % share of the responses each.

"International and Industrial marketing and conducting international market research"," Business and regulatory environment in the Western European EU countries" and "Finding right support services and networks" could be identified as the three most significant topics of interest for the export guide by the survey respondents as each of these were selected by 50 % of the respondents. "Sustainability and corporate social responsibility" received no selections despite being deemed as a topic of interest in the in-depth interview by the first interviewee.

50 % of the respondents chose "Not interested in expanding internationally" in the "Future Considerations" question as mentioned in the first paragraph. Two factors could be identified to be influencing the decision to expand abroad: "Cost of the materials and energy" and "International expansion support both in Finland and in the target country/countries" as 33.3 % of the respondents selected these two.

4.3.2 In-Depth Interviews Outcomes

International Expansion Challenges

Based on the responses by both interviewees that “Business and regulatory environment” it can be concluded that it is a very significant challenge for the small-and medium-sized enterprises, especially regarding the climate and environmental regulations and to corporate social responsibility.

It was agreed by both interviewees that there is often a lack of resources available for the small-and medium-sized enterprises to dedicate to “Research and Development capability” and it was further mentioned in the first interview that there is untapped potential in Satakunta in partnerships with the companies and educational institutions regarding research and development work.

“Finding skilled workers” was deemed by both interviewees to be a significant challenge for the small and medium-sized enterprises, especially in the economic recession Finland has been lately and how it is a typical problem in the metal industry, both in Finland and globally and it was similarly rated as a significant challenge by 75 % of the online survey respondents.

“Resources for training the staff” also was mentioned to be a significant challenge for the small-and medium-sized enterprises by both interviewees as these companies do not have a separate human resource (HR) department to focus on planning the training and organizing the training of the staff and these things instead are the responsibility of the chief executive officer (CEO) or technical manager who have a wide range of other responsibilities and these often take the resources over planning and organizing the training of the staff although it was mentioned by the first interviewee that there is help available for the training the staff from the educational institutions such as vocational schools and organizations such as the chambers of commerce and metal industry associations.

It was agreed by both interviewees that “Acquiring funding” is not a challenge for the small and medium-sized enterprises as long as they have their things in order and their business in running well and their credit rating is good enough.

The second interviewee stated that they would like there to be more regional cooperation in Satakunta between the SME metal industry companies who are not in direct competition with each other and stated there should be a metal industry company group whose members are not in direct competition with each other and this group should hire a technical salesperson

who has exporting experience as the companies themselves alone do not have the necessary funds to hire a technical salesperson.

Challenges In The Basic Metals Production Industry

Both interviewees agreed on that the rising costs of the raw materials and energy due the Covid-19 pandemic and then Russo-Ukraine War have had a significant impact on the metal industry although the second interviewee stated that it had evened out by the time of the interview. The first interviewee mentioned that the rising raw materials and energy costs can act as a driver for the companies to expand their business internationally if they can be closer to the raw materials and find cheaper energy prices elsewhere.

Both interviewees stated that they did not find the “Logistics cost” as a big challenge, logistics are not usually a deal breaker for the customer companies, nor it is not an issue that affects the competitiveness of the basic metals production industry companies operating in Satakunta and Satakunta has the advantage of the two big cargo ports in Rauma and Pori and decently working railway traffic network.

Both interviewees did find the “Salary costs” as a challenge, the second interviewee due to the rising inflation and interest rates which has the effect that the minimum salary increases in the collective bargaining agreements are not enough for the workers to get by and makes them consider moving to another company or another industry and how it is very difficult for the SME companies to such rising costs with the salary increases as the gross margins for the SME companies in the basic metals production industry are quite small.

The first interviewee found the salary cost as a challenge because there has been talk how the Finnish job market is not flexible and there is not a possibility for local bargaining, terminating an employment contract is very difficult after the work trial period has ended and because the price of the working hour is quite expensive in Finland and at the same time the share of taxes on the salary received is very high and this may restrict the growth opportunities of the SME companies in the basic metals production industry and may serve as a catalyst to consider expanding to another EU country where the job market is more flexible and the cost of doing business is cheaper.

The national and municipal authorization procedures were not viewed as a challenge by the second interviewee because they are only supplying parts while the first interviewee did mention it as a challenge because the authorization process has been difficult anticipate and appealing process for both municipal and national permits have been made too easy has been made too easy as there has been cases where a company has gotten a permit to build a plant and started to work on building it, only to have someone appeal the decision and the permit being terminated. The first interviewee did conclude though that the SME companies feel municipalities are generally enterprise friendly and that they can receive support and help from them, and it is the national legislation which presents more challenges to them.

Both interviewees agreed on the “The EU climate and environmental regulations” being a challenge for the small-and medium-sized enterprises in the basic metals production industry, the first interviewee because of the EU having so many climate and environmental regulations and requirements on how to implement and report them, making sometimes confusing for the CEOs in the smaller companies where to focus on and make an immediate priority and which does not need immediate attention, but does require adequate preparation and the another reason being that the customer companies may have requirements on these matters which they have to full fill which may take the focus away from the actual business and may have a negative impact on their growth prospects.

The second interviewee sees “The EU climate and environmental regulations” as a challenge because they have to operate under the strict climate and environmental regulation requirements coming from the EU which are being tightened all the time while the companies operating in non-EU countries such as the People’s Republic of China, do not face the same strict requirements and make the competitive environment therefore uneven.

“Technology Integration” was agreed by both interviewees as a significant challenge although the second interviewee in regard to digital technology inclusion. The first interviewee stated it to be a challenge because the artificial intelligence and digitalization being a trending topic in general and how the companies have to be aware of the implications of these for their industry and be ready to be implement them or be left behind in the competitive environment and they also view it as a challenge because for the bigger companies may not be aware of the programs and systems available for them and how they could be utilized for their business although there are program, software and technology suppliers available for the SME companies.

Another reason mentioned by the first interviewee for the “Technology Integration “as a challenge is obtaining a data information infrastructure for the companies. The second interviewee did mention the digital technology inclusion as part of the challenge because they have to try to attract skilled people to the company as they currently do not have their own skilled people in the matter and how it will be a benefit for them once they learn it but they have to be taught first.

Regarding “Competition from the producers in non-EU countries”, the first interviewee did not view it as challenge while the second interviewee did view it as challenge. The first interviewee did not view it as a challenge as the component shortages during Covid-19 pandemic taught the companies the importance of the supply chain and how companies are now considering more to cooperate with the companies located in Finland because they are able to manage the supply chain better even if the components are more expensive than in the non-EU countries.

The second interviewee viewed the “Competition from the producers in non-EU countries” as a critical challenge because the rules of doing business and requirements are not the same for the EU member countries and for non-EU countries and mentioned how some customers may have very specific requirements regarding the use of the raw materials or some other thing and even if the company located in China did fulfil all the requirements and produced their product in an ethical manner, they did not see them playing on the even playing field with each other. They also stated that having customs matters such as tariffs and rising prices on the products coming from Asia, would even the playing field.

Countries Of Interest In Western Europe

Both interviewees saw Germany as the country of interest for the company to expand their business internationally into. The first interviewee stated the reason being because the Finnish companies have gotten used to working with Germans and because of its central location in the continent of Europe. The first interviewee mentioned how the international experts have suggested Sweden as a country for the Finnish companies who are considering expanding their business abroad as it is a natural and good next market for them and will be able to help them determine whether they have what it takes to expand further internationally and gain experience on how the international expansion of business process works. They also mentioned the other Nordic countries as the countries of interest which they would

consider adding to the list. The second interviewee because they already have export operations to Germany and mentioned France as another country of interest for them.

Topics Of Interest For The Export Guide

Both interviewees mentioned “Sustainability and corporate social responsibility” as a topic of interest for the export guide. “Creating an export and growth plan” was also mentioned by both interviewees as a topic of interest, with the first interviewee suggesting it to be more in the direction of where they can find the information from rather than direct information as there is existing information available on the topic. “International and Industrial marketing and conducting International Market Research” was suggested by the first interviewee not to be highlighted very strongly in the guide but some information should be included. “Business and regulatory environment in Western Europe” was another topic suggested by the first interviewee to be included and highlighted in the guide.

Regarding “Finding right support services and networks” topic the first interviewee stated that it is something where the companies should put some effort into finding the information and familiarize themselves with the topic rather than expecting it to be easily offered to them on a silver platter without them doing the ground work on their internationalization process but did state it is good to mention to some extent some things from it but in the end, they stated that the companies should be the ones to put some effort into finding the information themselves.

Future Considerations

The first interviewee specifically mentioned four factors impact in the company’s decision making process regarding internationalization although in their opinion all the factors mentioned in the survey affect the decision making process more or less The first factor is the availability of funding, the second is the accessibility and cost of the raw materials and energy, low cost of doing business (which was not included in the survey as an answering option) and the level of competition from the local producers.

For the second interviewee, the availability of the skilled workers is the most significant factor in their decision-making process when deciding to expand internationally and mentioned at the end of the interview to Future Consideration section “Factors influencing the decision to expand internationally” question’s “Other factors” follow-up question that it came to their mind

that even in the Finnish internal market operations that how it would be nice to get more information regarding the cultural differences between different countries and wished that the main points would be listed in the guide like for example what there the typic sale and buying process activities in these countries and so on as they clearly quite significant differences between them.

4.3.3 Recommendations

In this section of the thesis, recommendations will be presented based on the outcomes of the survey and in-depth interviews results. The recommendations provided are predominantly broad in scope and do not pertain solely to the Satakunta Chamber of Commerce. The author has included some original suggestions, while others have been sourced from relevant and suitable resources to tackle specific challenges.

International Expansion Challenges

The thesis author suggests that the Satakunta Chamber of Commerce could produce YouTube or TikTok videos centered around internationalization or a podcast series with a similar focus for small and medium-sized enterprises that have not yet expressed interest in expanding their business abroad. By doing this, such companies could gain a casual introduction to the subject and become more familiar with it, potentially sparking the idea of international expansion later.

Based on the suggestion by the second interviewee in chapter 4.2.3, the thesis author suggests that the small-and medium-sized basic metal industry companies do more cooperation in Satakunta regarding the international expansion of their business by forming a cooperative group which has a mutual technical salesperson whose role is to do sales work internationally.

Based on the “Information and support available regarding the international expansion of a business” challenge indicated by the survey respondents as one of the two most significant internationalization challenges, as mentioned in chapter 4.3.1, the thesis author has the following recommendations for organizations to cooperate regarding the challenge of the support available for international expansion based on the tips in the blog post (Rask, 2021)

“Checklist for an internationalizing company - consider these 5 things [Kansainvälistyvän yrityksen muistilista – huomioi nämä 5 asiaa kehittämisessä]” at Administer. fi by Tiia Rask:

- Integra International network provides international tax, legal, financial, and payroll support in around 70 countries (Rask, 2021).

- Chambers of Commerce in Finland and the target countries assist businesses by, among other things, conducting studies and providing advice on internationalization (Rask,2021).

- Business Finland representatives in the target the nation in question: provide guidance and aid in implementing the plans forward (Rask,2021).

- Local agent or advisor: Knows the local culture and ways of working and can get on the correct channels and expedite procedures (Rask,2021).

For “Information and support available regarding the international expansion of a business”, based on Business Finland’s (n.d.-b, p. 10) export guide’s suggestions regarding finding help for international expansion, the thesis author recommends Satakunta Chamber of Commerce organizing international expansion-themed seminars for the small-and medium-sized enterprises in the basic metals production industry. The thesis author also recommends that the Satakunta Chamber of Commerce organize company visits with the contact in the target country and in cooperation with Team Finland to organize Team Finland-company visitations intended for international expansion to the target country, which is often led by high-level officials in Finland such as ministers and allow the company representatives to meet and form contact with the ministries of other countries and with the officials responsible for public procurement.

Regarding “Finding skilled workers” challenge which was mentioned in chapter 4.3.1 online survey outcomes as a second significant internationalization challenge and mentioned in chapter 4.3.2 by both interviewees a significant challenge, the thesis author recommends the following based on Andrej Kovacevic’s blog post “5 Ways for SMEs to Meet the Challenges of a Competitive Labor Market” (Kovacevic, 2020):

1. Focusing on building the company's employer brand (Kovacevic, 2020). That involves inwardly reviewing the work environment to guarantee that it offers a welcoming, favorable, and friendly image to job searchers and the general population.

2. Recruiting people from within the organization (Kovacevic, 2020).

3. Embracing knowledge exchange across the organization (Kovacevic, 2020).

4. Workers from non-traditional educational backgrounds are recruited and then trained in the specialized abilities required by the firm (Kovacevic, 2020).

5. Appreciating flexible working alternatives (Kovacevic, 2020).

Regarding the CSR reporting challenge mentioned by both interviewees in Chapter 4.2.3 regarding the “Business and regulatory environment” challenge and for the EU climate and environmental regulations in “Challenges in the basic metals industry,” based on the tips mentioned in the Salure.com article “The CSRD: here is how to deal with it,” the thesis author recommends the following course of actions for the SME companies (Salure, n. d):

1. Determine who oversees reporting on sustainability standards, and which departments are engaged (Salure, n. d).

2. Determine which sustainability requirements the organization must achieve under the CSRD (Corporate Sustainability Reporting Directive) and which KPIs (Key Performance Indicators), (Salure, n. d).

Regarding the “Business and regulatory environment” challenge and what the first interviewee answered (chapter 4.2.3), the thesis author recommends the following course of action based on the information on Eucléa Business School Middle East (2023) blog “Business Regulations: Best Practices”:

1. Before entering a new market or extending the company's activities to an existing one, the company must extensively study the legal and regulatory environment in that country or region (Eucléa Business School Middle East, 2023). Online resources, such as the World Bank's Doing Business reports, the United States Department of

Commerce's Country Commercial Guides, and the European Commission's Trade Helpdesk, can provide an overview of the primary legislation and regulations affecting the industry and business activity of the company. Check with local specialists such as lawyers, accountants, or trade associations for more precise and up-to-date information.

2. Once the company has an in-depth knowledge of the marketplace's regulatory requirements, they must plan forward and integrate them into the company's business strategy and operations (Eucléa Business School Middle East, 2023). They should budget for the costs and time needed to get licenses, permits, certifications, or registrations. Their products or services must be developed to meet their market's requirements for quality, security regulations, and technological specifications. They must educate the staff on the local customs and laws and ensure they always follow them.

3. It is advisable to seek professional guidance from competent and knowledgeable consultants, lawyers, accountants, or agents who can assist the company through the legal and administrative procedures (Eucléa Business School Middle East, 2023). They can also help the company resolve any differences or difficulties that might arise with the authorities or other parties.

4. International business laws and regulations constantly evolve and shift as nations and regions adapt to new economic circumstances, demands from society, and political winds (Eucléa Business School Middle East, 2023). The company has to remain updated on these developments and evaluate their effect on their activities. The company can sign up for emails, notifications, or blogs that provide current and pertinent information about regulatory developments in their market. The organization's employees can also participate in webinars, workshops, or seminars that offer knowledge and insight regarding adhering to new or evolved rules.

5. Finally, the company must be ethical and responsible in its foreign business dealings (Eucléa Business School Middle East, 2023). They have to comply with the laws and regulations of their market and the rights and interests of their customers, suppliers, partners, employees, competitors, and society in general. They must steer clear of any actions that are illegal, unethical, or destructive, such as bribery, corruption, fraud,

discrimination, and pollution. They must live up to the ideals of fair trade, social responsibility, and environmental sustainability.

As part of the "business and regulatory environment" challenge, the thesis author also has recommendations based on Kaloyan Gospodinov's "Navigating Regulatory Compliance: The Cornerstone of Global Expansion" post at Linkedin.com.

Gospodinov (2023) mentions that it is imperative to adhere to the labour regulations of the target country. A comprehensive comprehension of labour laws about minimum pay, employee benefits, work hours, termination rights, and other related regulations aids firms in averting legal conflicts and fostering a positive work atmosphere. Respecting the various national consumer protection rules is also essential for companies regarding international expansion. These regulations guarantee that businesses uphold moral standards like product safety, advertising, and warranty policies while shielding customers from deceptive business tactics.

Maintaining financial stability and credibility requires knowing one's tax responsibilities, seeing possible incentives, and staying compliant (Gospodinov, 2023). To grasp tax intricacies and make wise plans, consulting with regional tax advisers or foreign taxation specialists is a valuable investment. Meeting the norms and certifications a specific market needs is called "product compliance." Businesses may have to abide by health and safety laws, environmental rules, quality certifications, or safety standards, depending on the goods or services they offer. Businesses should collaborate with regional compliance specialists or testing agencies to guarantee that their products fulfil all regulations and avoid any possible legal issues.

Enterprises need to have robust data security measures in place and be open. In this segment of the thesis, recommendations will be presented based on the survey and in-depth interviews conducted. The recommendations are predominantly broad in scope and do not pertain solely to the Satakunta Chamber of Commerce. The author has included some original suggestions, while others have been sourced from relevant and suitable resources to tackle specific obstacles,” Finding your team for small business success” (Maifreni, 2023) online article at Peoplemanagement.co.uk by Stefan Maifreni:

1. It's essential to identify the skills gaps within the company (Maifreni, 2023). This can be accomplished through performance reviews, employee feedback, and discussions with managers. Once the company has identified the gaps, they can develop a plan to address them.

2. The company's set goals and objectives ought to align with the general business plan and be appropriate to the demands of each employee (Maifreni, 2023).

3. Companies should seek courses and companies that provide current and pertinent training and a history of success (Maifreni, 2023). Companies should assess both online and offline instruction choices, in addition to within the company training initiatives.

4. When implementing the training plan, the company should explain it to employees and clarify the advantages of involvement (Maifreni, 2023). The company should motivate the employees to take an active role in their own professional and personal development and provide help and resources as necessary.

5. Regular performance reviews and assessments can help businesses to gauge their progress and learn areas for advancement (Maifreni, 2023). The company should provide input to employees while recognizing their achievements and development.

6. As the business develops and novel challenges arise, the strategy should be adjusted to adapt to the company's changing needs (Maifreni, 2023). To ensure the program's efficacy, the company should assess it continuously and implement any required modifications. It is essential to identify the skills gaps within the company (Maifreni, 2023).

Regarding the "Research and Development Capability" challenge mentioned in chapter 4.3.2, the thesis author recommends the following actions based on the advice in Susie Williams' "An SME's Guide to Research & Development (R&D)" blog (Williams, 2023):

1. Successful R&D depends on significant market and customer research (Williams, 2023). Identifying potential gaps and opportunities in the company's existing or potential new markets, as well as understanding your current and future consumers'

requirements and behaviours, will assist the company in developing new or better products and services that are found to be relevant and attractive to potential customers. It is advisable to conduct research regularly to guarantee that the company can quickly respond to changing client preferences and behaviours.

2. Innovation is vital to expanding a company (Williams, 2023). R&D can help the company become more inventive, resulting in more earnings and lower costs. New products and services, improved processes, and new consumer engagement strategies are all innovations.

3. According to Williams (2023), a firm may benefit from working on R&D with another enterprise, university, or other appropriate organization in many circumstances. Collaborative R&D projects are essential to achieving growth and are frequently used to acquire funding. Collaboration can benefit organizations by allowing them access to new ideas, markets, knowledge transfer, and skilled workers.

Regarding “Research and Development Capability” challenge outcomes in chapters 4.2.3 and 4.3.2, the thesis author also recommends that the educational institutions in Satakunta make their research and development help services more known to the companies through seminars and public service announcements and inform the companies whom to contact within the organization for these matters and make it abundantly clear that no research and development matter is too small to contact them over.

Challenges In The Basic Metals Industry

The thesis author suggests the course of action to address the “Cost of the materials and energy” challenge indicated in chapter 4.2.3 responses by both interviewees, based on the recommendations in Nichols’ (2018) blog “Quick Tips for Handling Unpredictable Raw Materials Costs.” The first course of action is to track prices through the IMF (International Monetary Fund) Commodity Price system and put off buying raw materials as long as possible before they drop. Another course of action is to seek prices for the raw materials from multiple vendors instead of one and not having any vendor as a permanent one. Instead, look for the best prices for the raw materials regularly. Another course of action is to seek alternatives for the current raw materials used by the company. Another way to

reduce costs is to consider changing the designs in the manufacturing process to use less high-cost raw materials or not use them at all.

For the “Logistical costs” challenge, Carlton (2022) suggests in his blog 6 strategies to deal with the logistical costs, which the thesis author considers applicable to the basic metals production industry. The first strategy is maintaining the visibility of the company’s supply chain, which involves four steps. The first step in this strategy is researching to identify the most critical challenges and procedures that would benefit from enhanced visibility. The second step is to invest in technology. The third step is establishing standardized processes for all essential aspects of the supply chain, including material procurement, warehousing, shipment, packing, and delivery, so that the business may take remedial action, when necessary, without micromanaging supply chain operations. The fourth step is to have Accurate interaction among suppliers, distributors, internal teams, delivery agents, and customers, which enhances organizational visibility, encourages customer transparency, and is essential for logistics success.

The second strategy defined by Carlton (2022) to reduce logistical costs is to have a quality project method management. A method for managing projects should start by identifying project deliverables and due dates ahead of time so that all team members comprehend what is required of them to carry out their tasks. Companies should ensure their deadlines are realistic to prevent overpromising and underdelivering.

Carlton (2022) states that the third strategy to reduce logistical costs is to optimize transportation with technology using transportation management software, which involves route planning and selecting the carrier. The fourth technique is consolidating purchases using a single supplier rather than several suppliers, as having multiple suppliers increases costs. The fifth strategy is to optimize warehouse processes through logistics automation and business process software. The sixth strategy is to work with trustworthy providers.

Regarding the "Salary costs" challenge, the thesis author recommends the following strategies based on the recommendations by Michael Bolton in his "The Cost of Labour in 2023" article (Bolton, 2023):

1. The company should evaluate their present compensation offerings and payment packages to ensure the employees are paid adequately whenever feasible (Bolton, 2023). Employees at all levels are experiencing financial pressure, and the company has to do everything it possibly can to support its team while keeping them committed to the job at hand. They should perform market analysis to determine each role's competitive pay and packages.

2. The company should set up pay scales with straightforward goals to guarantee that the staff recognizes what they must accomplish and how long it will take to receive a gradual wage increase (Bolton, 2023).

3. To reduce the strain and spending on travel and childcare services, the company should consider offering a flexible schedule or the opportunity to work from home in jobs that allow it (Bolton, 2023). Companies should assess the work setting and invest in improving the workers' experience if they are in a physical operation that calls for them to be onsite. Companies should also consider promoting teamwork, acknowledging achievements, encouraging feedback, and providing a reasonable work-life balance.

4. When hiring new people, businesses should consider broadening their scope and looking for the right individuals with the right mindset rather than only those with particular previous experience (Bolton, 2023). There are many examples of individuals who came from outside the business and gained success in their positions because someone committed time and money to their education and guided them to become experts in their new field. People's knowledge and fresh viewpoints could potentially enhance the company's operations.

5. The company should consider what they could do to draw fresh talent for their expertise (Bolton, 2023). They ought to consider allowing local schools to bring students over for an opportunity to look around on a school trip. They should consider establishing relationships with vocational schools, colleges, and universities to motivate graduates to apply. They should consider providing their business as a place for students to work during their internship year or look into possibilities for apprenticeships if they do not already have any.

For the "Availability of skilled workers" challenge, the author suggests that the governments abroad make it easier to recruit foreign workers by eliminating some of the bureaucracy for the companies surrounding hiring foreign workers and straightforward the process of getting work visas for the people who come from the non-EU/ETA area countries and making it easier for the company to terminate an employee contract after the work trial period has ended and if possible, assign someone from the company to be a mentor of sort, helping with the paperwork and finding housing and so on. The companies can also make recruiting skilled workers easier by easing the language proficiency requirements of the target country.

Regarding “The national and municipal authorization” challenge and based on the statements from the first interviewee in chapter 4.2.3, the thesis author recommends that the Finnish government introduces a legislation to the Parliament of Finland which significantly restricts the ability for both the organizations and private persons to appeal permit authorization process once the company which has applied for the permit, has fulfilled all the requirements necessary and started to build the plant.

For the "Technology Integration" challenge, the thesis author recommends the following courses of action based on the recommendations by Samuel Milton in his "7 Steps to Digital Transformation for SMEs" post at LinkedIn.com (Milton, 2023):

1. Before embarking on the digital transformation direction, it is essential to carry out a digital readiness assessment that will evaluate the company's existing level of digital technology adoption, discover areas for development, and set up transformation goals and targets (Milton, 2023).

2. After the goals and objectives have been identified, the company can start to make investments in digital tools and technology to help achieve those goals, such as software like computer-aided design (CAD) or computer-aided manufacturing (CAM) (Milton, 2023).

3. A Digital Quality Management System implementation (Milton,2023). A digital quality management system might include real-time data obtaining, evaluation, and reporting, automatic warnings and notifications, and smartphone accessibility.

4. Automated Manual Processes: These can be beneficial in saving time and money by increasing efficiency and reducing errors (Milton, 2023). Tracking orders, inventory management, and billing are a few manual procedures that can be automated.

5. Implementing cloud computing (Milton, 2023). Cloud-based solutions encompass software as a service (SaaS) application, cloud-based storage solutions, and cloud-based communication tools.

6. The effectiveness of digital transformation depends on employee training on digital tools and technologies (Milton, 2023). Organizing frequent workshops, training sessions, and practical experience can guarantee that staff members feel at ease utilizing the newest tools and procedures.

7. Adopting digital technology can be aided by fostering a digital culture within the company (Milton, 2023). Encouraging idea sharing, teamwork on digital projects, and technological experimentation among staff members can boost engagement and instil an ownership atmosphere.

Topics Of Interest For The Export Guide

Based on the recommendations from both interviews, as indicated in chapter 4.3.2, “In-depth survey outcomes”, the author will add the “Sustainability and corporate social responsibility” to the export guide he will be writing as a separate project from the thesis, despite the survey results indicating that it would not be needed in the guide.

As for the “Business and regulatory environment in the Western European EU countries”, the thesis author suggests, based on Business Finland’s (n.d.b, p.18) export guide, that knowing the business culture of the target country to have a contact in the target country that knows the business environment and regulations regarding doing business in the country and the company adjusting their business models such as the supply chain and sub-contractors to suit the business culture and business environment of the target country. It is also imperative that when negotiating contacts with the representatives of an organization in another country, the negotiators are on the same level of position in their respective companies.

For the “International and Industrial marketing and conducting international market research” topic, the thesis author recommends the following tips based on the recommendations of the International Trade Administration (n.d.):

- Developing the company’s research questions, such as how prominent their prospective markets are or whether the company's products (labeling or packaging) require adjustments for one or more markets. (International Trade Administration, n. d.).

- Conducting market research, both primary and secondary, with the former being information gathered directly from the international marketplace through interviews, surveys, and other direct interactions with representatives and potential purchasers, while the latter is information obtained from other sources such as trade data or reports for a country or product. (International Trade Administration, n.d.). This information is typically less expensive and, in some cases, free.

- For most small enterprises, 3-5 foreign markets are sufficient initially (International Trade Administration, n. d.). The companies should consider starting with a single market and proceeding to secondary marketplaces as their experience grows.

Based on Business Finland’s recommendations in their export guide (n.d.-b, p. 11), the thesis author recommends the following courses of action regarding the “Finding right support services and networks” topic:

1. The company should learn more about the internationalization of a company with genuine, tangible goals (Business Finland, n.d.-b, p. 11).

2. The company should consider the type of external knowledge they require and who is the best person to provide it (Business Finland, n.d.-b, p. 11).

3. The company should seek relevant consults from various sources (Business Finland, n.d.-b, p. 11).

4. The company should pick at least two of those consults best suited for meetup (Business Finland, n.d.-b, p. 11).

5. Before signing a contract, the company should thoroughly compare offers (Business Finland, n.d.-b, p. 11).

When selecting a consultant, the organization should evaluate their abilities, resources, interpersonal skills, market knowledge, and project objectives (Business Finland, n.d.-b, p. 11).

Future Considerations

For the “International expansion support both in Finland and in the target country/countries”, the thesis author recommends that the Satakunta Chamber of Commerce could organize, in cooperation with Business Finland, international expansion workshops with international guests where the participants would participate in different workshops related to international expansion where they would get information about the steps which to take in regards to international expansion and where to find support both in Finland and abroad in the target markets. For Austria, for example, there could be a representative from ABA (Austria Business Agency) and from a Finnish company already operating in Austria as a guest who could offer information in the workshops for the participants regarding the support and help available for companies planning to expand their business to Austria.

Regarding “Availability of Funding” factor mentioned by the first interviewee, the thesis author recommends based on the Federation of Finnish Enterprises’ (2021, p. 6) “Financing and Services For The Internationally Expanding Entrepreneur” guide that a Finnish SME which has decided to expand internationally should apply for an international expansion funding from the Finnish owned Finnvera organization which can offer the companies loans, guarantees, and services for financing exports. Finnvera is an export guarantee, specialty finance provider, and additional lender to augment bank loans to firms. In addition, a company can find funding for an international expansion through bank loans, financing from the finance companies, through leasing from the finance provider for an item, investments banks and venture capital funding and equity finance (Federation of Finnish Enterprises, 2021, p. 4).

5 CONCLUSION AND DISCUSSION

The objective of this thesis was to find out the internationalization challenges for the basic metals production industry companies in the Satakunta region and gauge their interest in expanding their business operations to the Western European EU countries. The research methods of collecting data were mixed research methods, which included multiple choice questions, checkbox multiple answers questions, questions and rating questions conducted in a form of an online Google Forms survey which the thesis author sent to 97 small-and medium-sized enterprises operating in the basic metals production and metal manufacturing industries in Satakunta, and two in-depth interviews conducted based on the Google Forms online survey questions. The Google Forms online survey respondents were small and medium-sized enterprises in the field of basic metals production and metal product manufacturing in the Satakunta region, and the thesis author conducted interviews via Microsoft Teams application to two organizations; the interview questions were based on the online survey, and the author did ask clarifying questions to some answers. The methods were chosen to gain different points of view from the respondents, to gain more valuable data, and to get their opinions on how the SME companies in the basic metals production industry in Satakunta see the challenges related to internationalization and the industry-specific challenges.

In the following paragraphs, the thesis author will discuss what were the answers to the main research question and two other investigative research questions, discuss what he learned during the thesis writing process, describe the overall thesis writing process, and evaluate the thesis reliability and validity and state whether the results are helpful outside of thesis research, limitations of the research and give recommendations for future research.

Regarding the main research question, “What are the international expansion challenges for the small and medium-sized basic metals industry companies in Satakunta to the Western European EU market?” the thesis author learned that in the survey, the answers for the leading international expansion challenges for the small and medium-sized enterprises in the basic metals production industry in Satakunta were information and support available regarding international expansion of a business and finding skilled workers. In contrast, in the in-depth interviews, the answers indicated by the results were business and regulatory environment in the target country, research and development capability, resources for training the staff, and finding skilled workers.

For the “What are the challenges faced in the basic metals industry?” investigative research question, the answers to this question based on the results of the survey were salary costs, availability of skilled workers, and logistical costs; the first two mentioned also were answers to this research question by the results of the in-depth interviews and also the EU climate and environmental regulations and national and municipal authorization procedures also.

To “What factors influence the future decision to expand internationally, particularly regarding the Western European EU market?” investigative research question, the answers indicated by the survey results were the cost of the materials and energy and international expansion support both in Finland and in the target country/countries. In contrast, the answers indicated by the in-depth interview results were the availability of funding, the accessibility and cost of the raw materials and energy, the low cost of doing business (which was not included in the survey as an answering option) and the level of competition from the local producers and the availability of skilled workers.

The results are not helpful outside of thesis research due to the sparse number of answers in the survey and the sparse number of participants in the in-depth interviews.

In the research context, reliability guarantees that if the same study is repeated using the same trustworthy measuring technique, the results will be the same (Questionpro, n.d). In this context, the online survey results can be considered reliable as the answers would remain the same every time. However, the reliability of the results of the online survey is undermined by the low number of answers to the survey. In-depth interviews would provide different answers each time and cannot be considered reliable in this context. They also cannot be considered reliable as only two participants were in the interviews.

Conversely, validity ensures that the research measures what it claims to measure (Stewart, n.d). Face validity is the most fundamental type of validity and is determined just by the appearance of the measurement tool. If a test appears to measure what it promises to assess at first glance, it has face validity. One criterion of validity is content validity, which demonstrates how well a measure covers the construct it represents (Nickerson, 2023).

Because of the research methodologies used to attain the aims, the validity of this thesis was examined by examining both content validity and face validity. As not all internationalization and basic metals industry challenges are addressed in this thesis, it has a very moderate

level of content validity. The business and regulatory environment of each Western European EU country is not discussed in detail either, which also makes the content validity of the thesis very moderate. The content validity is also undermined by the action recommendations for the outcomes of the online survey and in-depth interview sections containing only very few author's own ideas and mostly recommendations from other sources and most of the courses of action suggested are not courses of action which thesis commission company which is the Satakunta Chamber of Commerce can apply in their future operations. In terms of face validity, the thesis has a high level of validity as it measures what it states to measure.

Overall, the thesis author learned during the thesis writing process about the importance of narrowing the research topic and focus of the research and learned how to write academically and learned the importance of time management. The thesis author also learned how to create an online survey template and how to conduct in-depth interviews.

The suggestion for writing an internationalization guide for small and medium-sized enterprises about expanding to another EU country came from the Seinäjoki University of Applied Sciences International Business programme study counselor, Päivi Uitti, on May 8th, 2023 "Ideas for Thesis topic" meeting where the thesis author also decided on thesis supervisor from the Seinäjoki University of Applied Sciences. The first meetings (Via Microsoft Teams application) were on May 22nd, May 26th, May 29th, and May 30th before the two-month holiday break of the thesis supervisor from early June 2023 to early August 2023. The thesis author sent an email message to the Satakunta Chamber of Commerce, asking if it is possible to write a thesis regarding an internationalization guide for small and medium-sized enterprises about expanding to another EU country.

On May 31st, 2023, the author received an answer from the Satakunta Chamber of Commerce representative, who told the thesis author that it would be possible to do the thesis for them and that the thesis author could contact the contact coordinator for further details, which the thesis author did on that same day through an email message and agreed to a meeting date at the Satakunta Chamber of Commerce office in Pori on June 6th, 2023. In the first meeting with the Satakunta Chamber of Commerce supervisor of the thesis on June 6th, 2023, the thesis author determined that focusing on the small and medium-sized metal industry companies and their internationalization efforts to the EU countries would be the best approach for the thesis as Satakunta has a long and rich tradition with metal industry companies operating in the region. The thesis author started to work on the theory regarding

the small and medium-sized business environment in late May and managed to write about eight pages of text for this part during the summer of 2023.

The thesis author had a Teams meeting on August 13th, 2023, with the International Business study counselor to discuss the struggles with the thesis writing process and by the advice of the study counselor, decided to arrange a Teams meeting with the thesis supervisor from the Seinäjoki University of Applied Sciences to August 18th, 2023 where he suggested adding an International marketing section to the thesis and expanding business environment section to cover the metal industry part as well. After this date, weekly meetings have been held in Teams except in-site meetings on the Seinäjoki University of Applied Sciences campus on September 29th, 2023. There was also a break from the meetings from mid-December 2023 until January 9th, 2024 during the Seinäjoki University of Applied Sciences' Christmas holiday break period. The thesis supervisor and thesis author, in these meetings thesis supervisor gave instructions for the next steps in the thesis writing process and offered suggestions for improving the grammar and linguistic style of the thesis.

On September 29th, 2023, the thesis author realized after meeting with the Seinäjoki University of Applied Sciences Library International Business information service specialist that the focus of the research and the guide would need to be narrowed further as writing a guide and doing research which encompasses all 27 EU member states. All the industries inside the metal industry would prove to be too big of a task for the bachelor's thesis. Therefore, the author decided to narrow the focus of the thesis to the Western European EU countries and basic metals industry after consulting both the Seinäjoki University of Applied Sciences supervisor and the thesis supervisor from Satakunta Chamber of Commerce; the reason for choosing the Western Europe EU countries was that it is most clearly defined out of all the major regions in the European Union, outside of the Northern Europe. Another reason for choosing the Western European EU market is that Western Europe as an area is more clearly defined in the United Nations geoscheme than the region of Central Europe. The latter area's EU countries were the author's original idea of narrowing the topic down (UN, n.d.). The author also considered the possibility of narrowing the topic down to Austria's basic metals production industry. However, the author deemed that researching the Western European EU countries would yield more useful and more easily interpretable data in the research and be better suited for writing the guide. The reason for choosing the basic metals

production industry was that many companies in the metal industry in Satakunta operate in this sector.

The thesis author created the questionnaire in late October of 2023 for a Virtual Research Methods course of the International Business programme. On October 31st, in a Microsoft Teams online meeting with the thesis supervisor from the Satakunta Chamber of Commerce; the thesis author and the supervisor went through the questionnaire template together, and based on the feedback from the supervisor, the thesis author added the “50-100” answer option to the “Number of employees in your company” in the second section of the questionnaire (see Appendix 1).In the following two weeks, the thesis author made several changes of his own volition before sending out the questionnaire. The first change included introducing the following:

> “This survey will be a part of the thesis by Juhani Vähä-Savo. The employer for the thesis is the Satakunta Chamber of Commerce (Satakunnan Kauppakamari in Finnish), and the topic is the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European EU countries. The thesis's primary language is English; for this reason, the survey is in English only”.

The second change included adding the annual balance sheet question to the second section of the survey. The third change was to express the big numbers in the annual turnover and balance sheet as “million €” instead of the raw number and have the answer option always (Except 40 to 50 million € to answer option in annual turnover question and 40 to 43 million € answer option in annual balance sheet question) start with an even-numbered number like 1 and 10 and end with a non-even number of 9 for each ten of million) The questionnaire was created by using Google’s Forms program.

The questionnaire title is “Survey on the Internationalization of the Small and medium-sized basic metals production enterprises operating in the Satakunta Region to the Western European EU countries.” The thesis author created a Microsoft Office Word file to gather basic metals production companies based on his searches at Vainu.Io and Yrityshakemistot (Company database in English) database at Satakunta. fi. On the Teams meeting with the Satakunta Chamber of Commerce thesis supervisor on November 13th, the thesis writer reviewed the companies on the list with the supervisor. The supervisor sent the thesis author a Microsoft Excel file to author’s Seinäjoki University of Applied Sciences email, which

contained the names of all Satakunta and Rauma Chambers of Commerce member companies in the basic metals production and metal product manufacturing industries under the Statistics Finland (Statistics Finland,n.d.-b) industry, Toimialaluokitus in Finnish, TOL 2008 industry classification C class (Manufacturing) codes 24 (Basic metals production) and 25 (Manufacture of fabricated metal products, except machinery and equipment). There were 210 companies in total in the Excel table on the file. The reason for selecting companies from these manufacturing industry classification codes was based on getting more participants for the survey and because, according to the thesis supervisor from Satakunta Chamber of Commerce, manufacturing fabricated metal products is technically also part of the production of the basic metal.

The thesis author went through 6 companies in the Excel table together with the Satakunta Chamber of Commerce supervisor, while the rest of the author checked out on his own time after the meeting. As the file did not feature the email contact information of the member companies, the author searched the email information for each of the 204 companies left on the Excel table and removed those companies from the list that were defunct or did not have email information available anywhere. By using these two parameters, the author was able to narrow the list down to 78 in Excel and compile with the 19 companies that the author was able to find information about before the Teams meeting and the companies that were discussed during the meeting; there were 97 companies in total on the Word file list. Before sending the questionnaire to the companies on the list, the author decided to send the list via email to the Satakunta Chamber of Commerce thesis supervisor to check if there were any companies that, in his opinion, did not belong to the list. After four days, the author asked permission to send the questionnaire to the companies on the list, which the Satakunta Chamber of Commerce supervisor granted to the author. The author faced an issue when trying to send the questionnaire through his personal Gmail address because Google limits the number of email addresses to which the Google Forms can be sent, and ninety-seven email addresses were over that limit. Therefore, the author sent the questionnaire through his Seinäjoki University of Applied Sciences email address. The questionnaire was sent to these ninety-seven companies on the afternoon of November 20th, 2023. The survey had only four responses by the original deadline of December 4th, 2023, at 3 pm (15.00), so the thesis author decided to extend the survey answers to December 13th, 2023, at 3 pm (15.00). Two companies sent email messages to the author in which they said they were not a suitable target demographic for the survey and, therefore, declined to participate.

The author decided to hold two in-depth interviews at the suggestion of the thesis supervisor from the Seinäjoki University of Applied Sciences in the Thesis work guidance Teams meeting on December 5th, 2023. The questions were the same as in the online survey, but there were no pre-determined answer options. To save time and resources, the author decided to send the following email message in Finnish (translated to English for this thesis) to 95 companies (Excluding the two companies who did not want to participate in the survey due to them feeling that they would not fit the target market for the survey) on December 21st, 2023:

> "Hello! I received a proposal from my thesis supervisor at the Seinäjoki University of Applied Sciences to conduct two in-depth interviews to support my previous Google Forms survey on the internationalization of companies in the basic metals production industry in Satakunta (with a special focus on Western European EU countries). Therefore, I am asking if you would be willing and able to participate in an in-depth interview on the above topic sometime in January 2024. The questions would be the same as in the Google Forms survey I sent you at the end of November but without any specific answer options. The interviews could be conducted on-site at your company, by phone, or via Microsoft Teams, whichever suits you best. The interview language would be Finnish or English, according to your wishes. The details of the individual company will not be documented in this thesis. Vähä-Savo would only collect a summary of all interviews without mentioning individual companies."

The author sent the email above again on January 9th, 2024, to possibly have another company agree to be interviewed. However, that message did receive only one "No, thank you" response, and the thesis author decided to conduct two in-depth interviews, which the thesis author had already agreed to for this thesis, as trying to get more participants for the interview would more time and resources which would throw the timetable for the graduation of the author in spring 2024 off.

On January 19th,2024, Teams meeting with the Seinäjoki University of Applied Sciences thesis supervisor, the thesis supervisor suggested that the export guide be left out of the thesis as including the guide writing process as part of the thesis would delay the graduation of the thesis author for the foreseeable future from the author's goal of the spring 2024 and make an already quite extensive thesis document in terms of pages much longer as most bachelor of business administration study program thesis documents available at Theseus database which the thesis author checked through when planning the structure of the thesis document, were generally around 50 to 70 pages in total. Therefore, it was agreed that the thesis author would write as a separate project from the thesis for the Satakunta Chamber of

Commerce. It would not be documented for this thesis, and the export guide would not be included in the appendices section of this thesis document.

The issues affecting the return and scope of the final version of the thesis have been the perfectionistic tendency of the author, difficulty with narrowing the topic down and coming up with the research questions and choosing the research method, problems related to time management due to mostly early morning shift work; Virtual Research Methods course with many time-consuming assignments; personal life challenges and recurring changes when writing the thesis. For these reasons the original timetable plan of finishing the thesis by December 2023, did not hold out and the thesis process was finished during the late spring of 2024.

The limited time meant that the number of survey and in-depth interview respondents could not be a lot. Another limitation was the lack of medium-sized enterprises participating in the survey and in-depth interviews; the results only came from micro- and small-sized enterprises. Another limitation of the study is that the rating scale answers in the survey to internationalization and basic metal industry-specific challenges were mostly in the middle rating of 3 for most questions, which made it hard to interpret the results accurately.

Further research on this topic would be highly beneficial if future researchers could narrow the scope of the research to cover an individual country or two countries in the Western European EU area as it could produce more reliable results for the research. Also, choosing another sector in the metal industry, such as machine production, as a focus of the research could benefit future research. If given enough time and resources for the research, expanding in-depth interviews to between 5 and 10 people representing the companies in the basic metals production industry in Satakunta and creating a separate interview guide for the topic for the in-depth interviews could greatly benefit the research and offer better insight into the topic than an online survey would.

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APPENDICES

Appendix 1. Survey on the internationalization of the basic metals production SMEs.

Appendix 1. Survey on the internationalization of the basic metals production SMEs

Survey on the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European EU countries

This survey will be a part of thesis by Juhani Vähä-Savo. The employer for the thesis is Satakunta Chamber of Commerce (Satakunnan Kauppakamari in Finnish) and the topic is the internationalization of the small and medium-sized basic metals production enterprises operating in the Satakunta region to the Western European European Union (EU) countries.The primary language of the thesis is English and for this reason the survey is in English only. The thesis will be published on Theseus, a database that contains theses from all throughout Finland.

Your input is helpful for assessing the internationalization and industry specific challenges faced by the small and medium-sized enterprises operating in the basic metals production industry in the Satakunta region and for assessing the interest for expanding business operations to the Western European EU countries and for assessing the potential topics of interest for the export guide which the thesis author will be writing.

Please take a few moments to answer the following questions by December 4th,2023 at 15.00 (3 pm) the latest.Thank you in advance for taking time to complete this survey.The responses you provide will be useful to us and they will be handled anonymously by using statistical methods and no detailed information of a specific company will be documented in this thesis.

Section 2 of 7

Business information (optional)

Answering the questions in this section is optional,i the answers will be handled anonymously by using statistical methods and no detailed information of a specific company will be documented in this thesis.If you prefer not to answer these questions,you can move to section 3 "International operations and internationalization challenges".

Company name

Short answer text

Type of business in the basic metals industry

- [ ] Iron
- [ ] Steel
- [ ] Non-ferronous metals (For example:Aluminium,Copper or Lead)
- [ ] Metal alloys
- [ ] Super alloys
- [ ] Other

Other

If you answered "Other" to the " Type of business in the basic metals industry "-question,could you specify here,please ?

Long answer text

Number of employees in your company

According to Statistics Finland (Tilastokeskus in Finnish) definition, in terms of the number of employees,the small and medium-sized enterprises (SMEs) are defined as having fewer than 250 employees. Source:https://www.stat.fi/meta/kas/pk_yritys_en.html

- ○ 1-9
- ○ 10-49
- ○ 50-100
- ○ 101-249

Annual turnover (Approximate estimation)

According to Statistics Finland's (Tilastokeskus in Finnish) definition,the small and medium-sized enterprises are companies which have an annual turnover (Liikevaihto in Finnish) not exceeding 50 million euros.Source:https://www.stat.fi/meta/kas/pk_yritys_en.html

- ○ Less than 1 million €
- ○ 1 million €-9 million €
- ○ 10 million €-19 million €
- ○ 20 million € -29 million €
- ○ 30 million €-39 million €
- ○ 40 million €- 50 million €

The annual balance sheet

According to Statistics Finland's (Tilastokeskus in Finnish) definition,the small and medium-sized enterprises are companies with an annual balance sheet (Tase in Finnish) of no more than 43 million euros.Source:https://www.stat.fi/meta/kas/pk_yritys_en.html

- ○ Less than 1 million €
- ○ 1 million €- 9 million €
- ○ 10 million €-19 million €
- ○ 20 million €-29 million €
- ○ 30 million €-39 million €
- ○ 40 million €-43 million €

Section 3 of 7

International operations and internationalization challenges

This section contains the following questions regarding international operations in the Western European EU countries and questions regarding the internationalization challenges in general and challenges in the basic metals production industry.

Do you currently have business operations abroad in the Western European EU countries? *

- Yes
- No
- Not interested or planning to expand business operations abroad
- Prefer not to answer

If you answered "yes" in the previous section, in which EU country/countries in Western Europe you have business operations?

Long answer text

International expansion challenges

Please rate on a scale from 1 to 5 (1= Not a challenge,5= A significant challenge) the following international expansion challenges for small and medium-sized enterprises which your business has faced in the past or you think might face in the future when potentially deciding to expand business abroad ?

If you answered "Not interested or planning to expand business operations abroad" to "Do you currently have business operations abroad in the Western European EU countries?"-question,you can move to "Challenges in the basic metals industry" question

Information and support available regarding international expansion of a business

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Business and regulatory environment

These include for example regulations regarding doing business in the country,taxes,climate and environmental regulations

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Research and development capability

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Finding skilled workers

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Resources for training the staff

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Access to Finance

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Challenges in the basic metals industry

Please rate the following challenges in the basic metals production industry which your business has faced in the past or might face in future (1 =Not a challenge, 5 = A significant challenge)

Cost and availability of the raw materials and energy *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Logistical costs *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Salary costs *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

The national and municipal authorization procedures *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

The EU climate and environmental regulations *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Technology Integration *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Availability of skilled workers *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Competition from the producers in non-EU countries *

	1	2	3	4	5	
Not a challenge	○	○	○	○	○	A significant challenge

Other challenges in the basic metals production industry (Optional)

Here you can specify if there are other challenges in the basic metals production industry which were not mentioned in the questions.

Long answer text

Countries of interest in Western Europe

If you answered "no" to the question "Do you currently have operations abroad in Western European EU countries?" which EU country/countries in Western Europe you would like to expand your international operations to in the future ?

EU-countries of interest in Western Europe

Select all that apply

- [ ] Austria
- [ ] Belgium
- [ ] France
- [ ] Germany
- [ ] Italy
- [ ] Luxembourg
- [ ] The Netherlands
- [ ] Not planning to expand business abroad
- [ ] Not interested to expand to any of these countries (If planning to expand abroad)

Section 4 of 7

Topics of interest for the export guide

Besides addressing the challenges faced by the small and medium-sized enterprises and the challenges in the basic metals industry and discussing solutions for these challenges in the guide, which of the following topics you would like to see addressed in the export guide ?

Topics of interest for the export guide *

Select all that apply

- [ ] Creating an export and international growth plan
- [ ] International and Industrial marketing and conducting international market research
- [ ] Business and regulatory environment in the Western European EU countries
- [ ] Sustainability and corporate social responsibility in international expansion
- [ ] Finding right support services and networks
- [ ] Acquiring finance and funding
- [ ] I have no preference
- [ ] Other preferences
- [ ] I have no interest in the export guide

Other preferences

If you answered "Other preferences" in "Topics of Interest for the export guide",could you specify here,please ?

Long answer text

Section 5 of 7

Future considerations

If you already do not have operations in the Western European EU countries,what factors would influence your decision in the future to expand internationally to the Western European EU countries?

Factors influencing the decision to expand internationally *

Select all which apply

- [ ] International expansion information availability
- [ ] International expansion support both in Finland and in the target country/countries
- [ ] Access to Finance
- [ ] Availability of funding
- [ ] Availability of skilled workers and resources to train them
- [ ] Business and regulatory environment in the target country/countries
- [ ] Availability of the raw materials and energy
- [ ] Cost of the materials and energy
- [ ] Sustainability and corporate responsibility
- [ ] The level of competition from the local producers
- [ ] Technological integration
- [ ] Not interested to expand internationally
- [ ] Other...

Other Factors

If you answered "Other" in "Factors influencing the decision to expand internationally" ,could you specify here,please ?

Long answer text

Section 6 of 7

Demographic information (Optional)

Demographic data is information about groups of people according to certain attributes such as age, sex, and place of residence. It can include socioeconomic factors such as occupation, family status, or income.

Answering to the questions in this section is optional,i The answers will be handled anonymously by using statistical methods and no detailed information of a specific company will be documented in this thesis.If you prefer not to answer these questions,you can move to section 7 "Conclusion.

Your position in the company

If possible,please specify below

Long answer text

Years of Experience in the company and/or in the industry

- ○ 1-5 years
- ○ 6-10 years
- ○ 11-20 years
- ○ Over 20 years
- ○ Prefer not to answer

Conclusion

Thank you for taking the time to complete this survey. Your feedback is going to help us in better understanding the difficulties surrounding internationalization for small and medium-sized basic metal industry firms in the Satakunta region to the Western European EU countries, as well as in developing an export guide tailored to your needs. Please contact us if you have any more comments or questions.

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