



# Immigrant entrepreneur survey

Capital region, Pirkanmaa and Finland Proper regions, November 2018



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### Suomen Yrittäjät: Immigrant entrepreneur survey

#### Authors

**Suomen Yrittäjät**  
**Kaisu Keisala-Kaseja**  
 immigrant entrepreneurship  
 coordinator  
 050 326 9313  
 kaisu.keisala-kaseja@yrittajajat.fi

**Varsinais-Suomen Yrittäjät,**  
 the regional association of  
**Suomen Yrittäjät in Finland**  
**Proper**  
**Hanna Tarvainen**  
 coordinator  
 040 7511 166  
 hanna.tarvainen@yrittajajat.fi

**City of Tampere**  
**Ramona Bilmez**  
 business coordinator  
 040 685 9853  
 ramona.bilmez@tampere.fi

#### Publisher

**Suomen Yrittäjät**  
 PL 999, 00100 HELSINKI  
 telephone 09 229 221  
 toimisto@yrittajajat.fi  
 www.yrittajajat.fi

# Immigrant entrepreneur survey

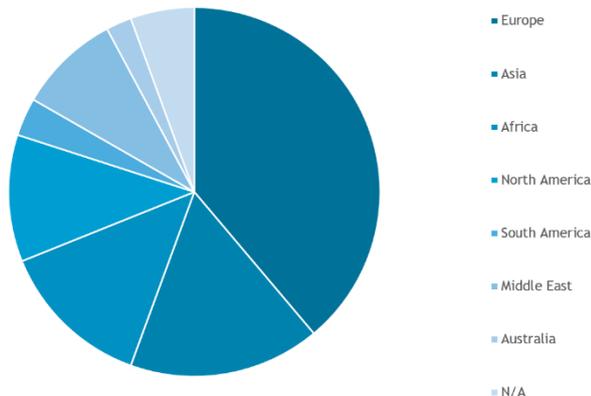
Starting a new business is relatively easy, but people need help in running it. Those are the findings of a survey-based study conducted among immigrant entrepreneurs in November 2018 in the capital region, Pirkanmaa and Finland Proper (southwest Finland). The survey results indicate that immigrant entrepreneurs have trust in the future and are extremely eager to grow.

## 1. Support needed for running a business

Entrepreneurs in Finland are a diverse group and an increasing share of new companies is being set up by people with immigrant backgrounds. The survey was carried out in the capital region, Pirkanmaa and Finland Proper in November 2018 and used to gather information about immigrant entrepreneurs' experiences and needs related to entrepreneurship. Some questions the survey sought to answer were what kind of businesses immigrant entrepreneurs run, what the experience of setting up a business felt like and how familiar they are with regional services.

Ninety (90) entrepreneurs with immigrant backgrounds responded to the survey, of whom the majority (56%) lived in the capital region. More than half of entrepreneurs with an immigrant background in Finland live in the province of Uusimaa, the capital of which is Helsinki, meaning the respondent numbers were unsurprising.<sup>1</sup> The respondents came from a wide range of countries in Europe, Asia, Africa, North America and the Middle East.

### What country do you come from originally?



Respondents: 88

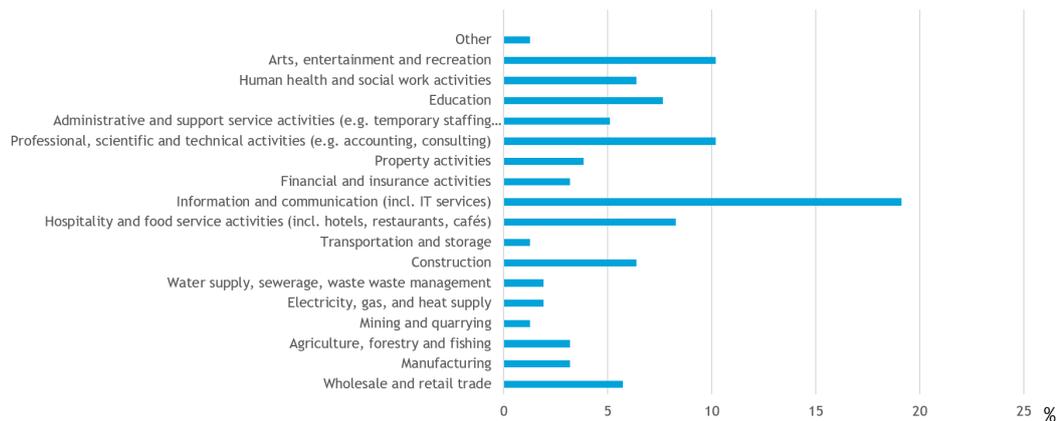


<sup>1</sup> Source: Statistics Finland 2017, <https://www.stat.fi/tup/maahanmuutto/maahanmuuttajat-vaestossa.html>

## 2. Immigrant entrepreneurs in every sector

The respondents worked in sectors ranging from IT services to the primary sector. Others, such as accounting and consulting, education, tourism and catering, building, wholesale and retail sales and the arts were also represented in responses. Some respondents worked in several sectors, thus making a living coming from diverse operations.

### In which sector does your business operate?



Respondents: 89, answers 157

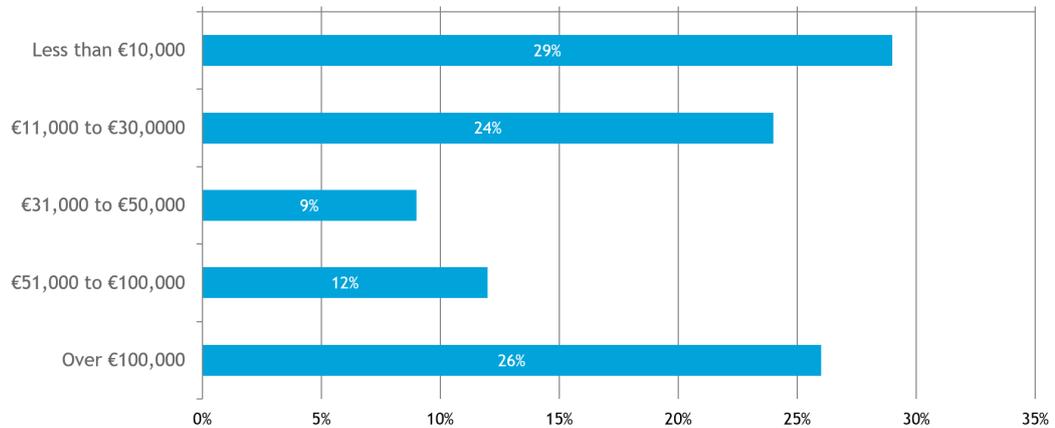


The majority of respondents (60%) had run their businesses for at least two years, while 40% had businesses they had run for under a year. Partly for this reason, more than half the respondents reported annual turnover of under €30,000. It is also possible that for some entrepreneurs running a business was not their primary occupation. The respondents also included business owners with a turnover of over €100,000 (26%).

Three-quarters of respondents believed their turnover would grow in the next twelve months. Just 7% of respondents foresaw a decline in turnover. In the spring 2019 barometer of Finnish SMEs 43% of respondent entrepreneurs anticipated that their turnover would increase, meaning our survey shows that immigrant entrepreneurs' views of the future are decisively more positive than among SMEs in general.<sup>2</sup>

<sup>2</sup> SME barometer, spring 2019: [https://www.yrittajat.fi/sites/default/files/pk\\_barometri\\_kevut2019.pdf](https://www.yrittajat.fi/sites/default/files/pk_barometri_kevut2019.pdf)

## What is the turnover of your business?



Respondents: 90



Micro-enterprises, companies employing fewer than 10 people, accounted for 92% of respondents. According to Statistics Finland, the share of micro-enterprises of all businesses was approximately 93% in 2016, meaning the results of this immigrant entrepreneur survey were in line with the situation for Finnish businesses in general (Statistics Finland 2017). Forty-eight percent of respondents ran their businesses alone, which is clearly below the share of single-person enterprises among businesses in general (approximately 66%).<sup>3</sup>

Just over half the respondents were employers and they generally had one–five employees. Eight percent (8%) of respondents ran businesses employing more than 10 employees. The number employees was predicted to remain the same over the next year by 40% of respondents. An equal number of respondents believed they would need to hire more staff. In the most recent SME barometer, 20% of respondents thought they would hire more employees: our survey thus shows there is a clear difference between this and immigrant entrepreneurs' recruitment outlook.<sup>4</sup>

The turnover growth predicts and respondent companies' eagerness to hire speak to immigrant entrepreneurs' high appetite for growth and trust in their businesses' future, even if their turnover is currently still relatively low.

### 3. Immigrant entrepreneurs operate in international markets

The survey also sought deeper insight into immigrant entrepreneurs' international operations. Over half the respondents stated that their business operated internationally, for example in imports or exports. The countries and regions mentioned by respondents included the EU, the US, Germany, Russia, the Nordic countries, Estonia, Australia, Saudi

<sup>3</sup> Source: Suomen Yrittäjät

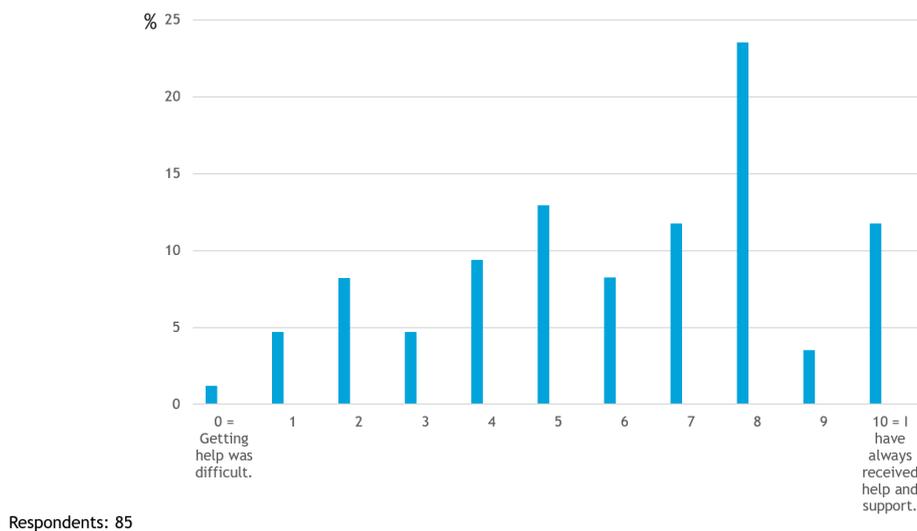
<sup>4</sup> SME barometer, spring 2019: [https://www.yrittajat.fi/sites/default/files/pk\\_barometri\\_kevat2019.pdf](https://www.yrittajat.fi/sites/default/files/pk_barometri_kevat2019.pdf)

Arabia and India. Furthermore, 40% of entrepreneurs who did not yet operate internationally said they were considering expanding into such operations. It should be borne in mind that there are also businesses for which operating internationally is not crucial, meaning they do not per se lack a desire to expand into foreign markets.

The spring 2019 SME barometer found 23% of businesses operated internationally, meaning that our survey shows that immigrant entrepreneurs are noticeably more international than entrepreneurs in general, even if the number of businesses operating abroad has grown significantly in recent years.<sup>5</sup>

## 4. Starting a business is easy; running it is difficult

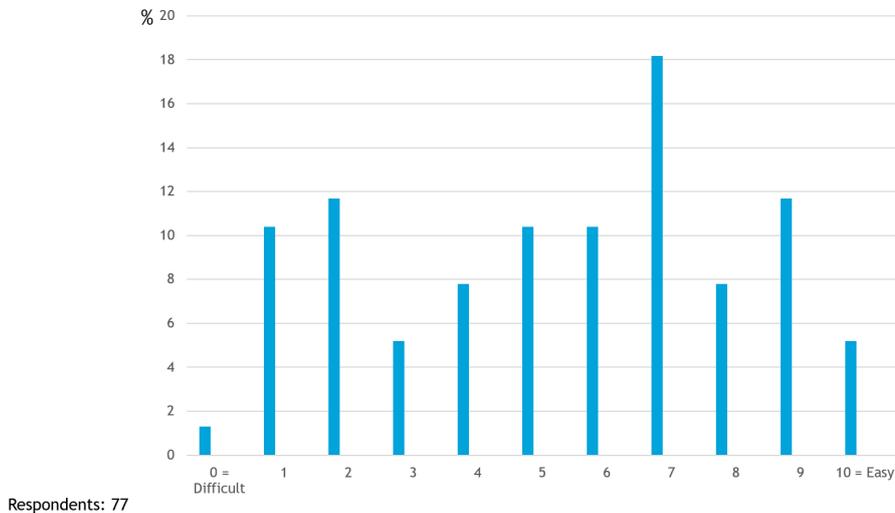
### What was it like to start a business in Finland?



One central goal of the information gathered via the survey is to develop existing services so they can be found and used by all entrepreneurs and those considering entrepreneurs, regardless of background. The respondents did feel they received quite good assistance and support for starting a business in Finland, but, when asked about their experiences of running a business here, the range of responses was wider. The share of very bad ratings (0–3 on a scale of 0 to 10), almost 30% of respondents, was worryingly high.

<sup>5</sup> SME barometer, spring 2019: : <https://www.yrittajat.fi/suomen-yrittajat/tutkimukset/pk-yritysbaremetrit/pk-yritysbaremetri-12019-602559>

## How difficult do you feel being an entrepreneur in Finland is?



The steps generally considered easy included registering a business and opening a bank account. On the other hand, things such as dealing with the tax authority and receiving funding were considered difficult. For 46% of respondents, receiving correct information was found to be difficult. This indicates that information is difficult to find, or that it is dispersed and possibly contradictory. Specific difficulties mentioned included finding clients and premises, marketing to Finnish clients, profession and sector-specific permits, hiring good employees and receiving support as operations expanded.

In addition to the difficulties mentioned above, respondents felt the need for support in networking, accounting, understanding Finnish business culture, hiring employees from abroad and expanding into foreign markets. In other words, there is a need for support in areas that are critical to business operations.

When respondents were asked about the languages they would like to receive services in, the majority (67%) named English. A quarter of respondents could manage with doing business in Finnish. Other desired service languages included Russian, Chinese, French and Arabic.

The services most used by respondents in all the surveyed regions were those of the Finnish Enterprise Agencies, the tax authority and the TE (unemployment services) Office. The Helsinki business advisory services agency, NewCo, was familiar to 61% of respondents in the capital region. Among respondents in Pirkanmaa, the local Finnish Enterprise Agency, Ensimetri, was well-known, with 62% stating they had used Ensimetri services. Many respondents also stated that their friends' support was important.



Publisher: Suomen Yrittäjät | Mannerheimintie 76 A, PL 999, 00101 Helsinki  
telephone 09 229 221 | [toimisto@yrittajat.fi](mailto:toimisto@yrittajat.fi) | [www.yrittajat.fi](http://www.yrittajat.fi)