

Evaluation of Group Export Funding Services of Business Finland – Group Explorer & Exhibition Explorer

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This report provides an evaluation of two Business Finland group funding services dedicated to export promotion: Exhibition Explorer and Group Explorer. The objective of this report is to document results and contribute to the assessment of these services.

Methodology

Framework and information sources

For this particular study, we have employed the OECD evaluation model as our primary framework. This model has been tailored to ensure that the key questions are addressed and that the findings are relevant to Business Finland. Accordingly, this evaluation addresses the following pillars of the OECD framework:

- Relevance – The need and demand for funding group export services, based on motivation and additionality of the services.
- Coherence – How the group funding export services fit into the landscape of other export-oriented services, as well as other offers by Business Finland and Team Finland.
- Effectiveness – Which objectives were achieved, how did the collaboration within the services succeed, and how is this related to the design and organisation of the services.
- Efficiency – The relative administrative burden of applying and participating in the two funding services
- Sustainability – How does the perspective of sustainable development manifest.

To assess these questions, we have used the following sources of information.

- Literature review of documentation from Business Finland and other third-party analysis
- Project data from Business Finland
- Survey targeting companies receiving funding from the two services*
- Interviews with key representatives from Business Finland, grant recipients and relevant stakeholders

* Exhibition Explorer: The survey was sent to 1,139 grant recipients, with a total of 117 responses received. This yields a response rate of 10 percent. Group Explorer: The survey was sent to 130 grant recipients, with a total of 18 responses received. This yields a response rate of 14 percent. A portion of these recipients had received support in 2024 and had not progressed sufficiently with their projects to complete the survey. Adjusting for these cases, the relevant number of grant recipients who received the survey was 102, resulting in an adjusted response rate of 18 percent.

Obectives and grant allocation

Exhibition and Group Explorer are two group funding services of Business Finland aimed at export

The Exhibition Explorer and Group Explorer funding services aim to support the international ambitions of Finnish companies.

- Exhibition Explorer facilitates participation in international B2B trade fairs outside Finland, thereby boosting export activities by lowering the threshold and reducing the financial risk involved. Since 2016, Exhibition Explorer has awarded over 28 million EUR across more than 3,000 grants to approximately 1,400 companies.
- Group Explorer supports groups of companies in exploring joint business opportunities in international markets, through collaborative projects that harness synergies in developing business plans and establishing international networks. Since 2019, Group Explorer has supported 28 projects with a total funding of 1.75 million EUR.

	Exhibition Explorer*	Group Explorer**
Unique recipients	1,400	145
Grants provided	3,000	161
Total of grants	28 million EUR	1.75 million EUR
Average size of grants	9,000 EUR	11,000 EUR

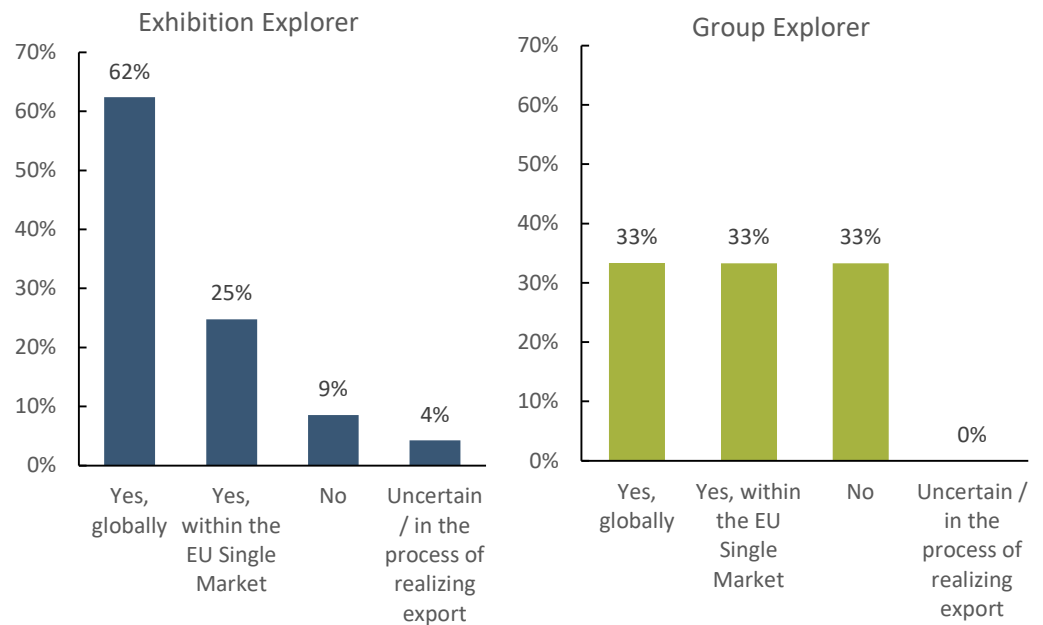
* Since 2016, **Since 2019

The participants of the two funding export services

Who are the companies that have received funding through the two export services?

Since 2016, Exhibition Explorer has awarded funding to approximately 1,400 companies, predominantly small and micro-sized businesses. In contrast, Group Explorer has provided grants to 145 companies since 2019, who has participated in 28 group projects. The distribution of participants across various company sizes is more balanced for Group Explorer compared to Exhibition Explorer. The recipients of both funding services are distributed across Finland, although there is a notable concentration in more densely populated areas. In addition, participants of both services mainly operate within the manufacturing industry, ICT, wholesale, and professional, scientific, and technical services. A majority of the participants in Exhibition Explorer were already engaged in exporting before receiving funds, whereas participants in Group Explorer generally had less prior experience with exporting compared to their counterparts in Exhibition Explorer.

Figure: Did your company export products or services to foreign markets before receiving funding through Exhibition Explorer (N=116)/Group Explorer (N=18)?
Source: Survey by Menon Economics.



Relevance

Is there a need for such group export funding services?

The need for funding services such as Group and Exhibition Explorer can be measured by the reasons for applying (motivation) and what the participants would have done if the services did not exist. Overall, our findings indicate that recipients are largely driven by the relevant objectives when applying for both services. The top three stated motivational factors for the two services are illustrated in the table below.

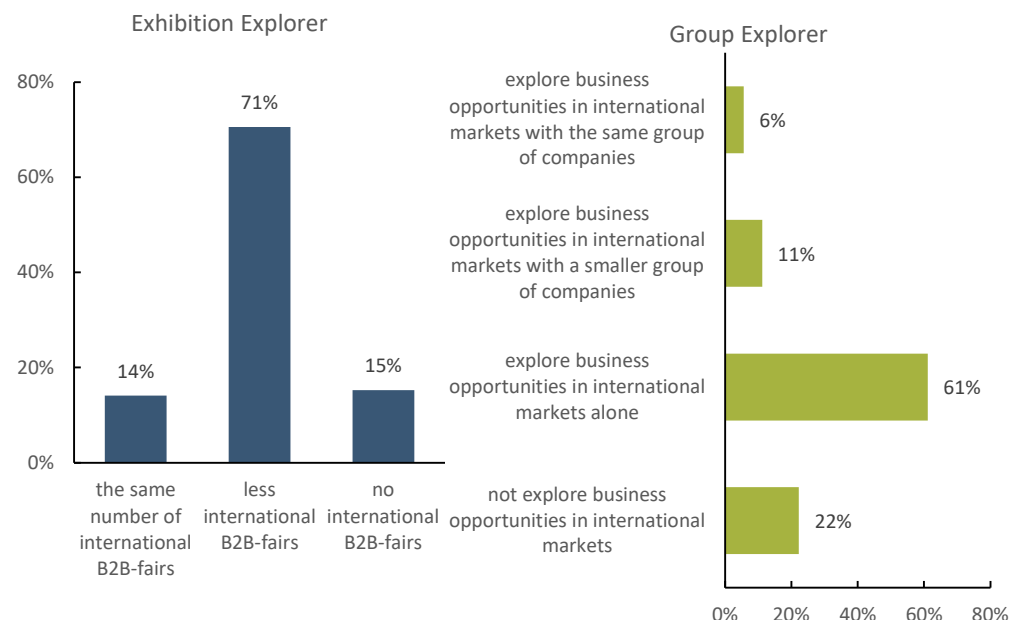
Table: Top three objectives (needs and motivations) that were relevant to a large/very large degree for the recipients to apply for a grant from Exhibition Explorer (N=117) and Group Explorer (N=18). Source: Survey by Menon Economics

	Exhibition Explorer	Group Explorer
1	<i>Market expansion:</i> To identify and pursue potential sales opportunities abroad.	<i>Shared resources:</i> Pool resources and expertise for a more cost-effective exploration of international business opportunities.

2	<i>Networking opportunities:</i> To establish contact with potential clients, partners, and investors.	<i>Collaborative market research:</i> Jointly conduct market research and feasibility studies in international markets.
3	<i>Brand exposure:</i> To increase brand visibility and recognition in the international market and showcase products or services to a wider audience.	<i>Collective networking:</i> Collectively establish connections with potential international clients, partners, and investors.

What would have happened if the two export services did not exist? If Exhibition Explorer had not existed, most participants indicated that they would have still attended B2B fairs, but with a slightly lower frequency. The outcomes for Group Explorer participants suggest a different dynamic. While these firms confirm that they would still pursue international business opportunities, they would typically do so individually.

Figure: Left: Without funding from Business Finland's initiative Exhibition Explorer, the company I represent would have attended ... (N=117). Right: Without funding from Business Finland's initiative Group Explorer, the company I represent would... (N=18). Source: Survey by Menon Economics.



Coherence

How does these funding services fit into the landscape of export-oriented services of Business Finland and Team Finland?

The landscape of export services in Finland encompasses mainly the efforts of two key bodies: Business Finland and Team Finland. Team Finland is a network, facilitating exports and internationalization of Finnish businesses by providing services such as advisory services, support, funding and guidance. Team Finland also includes Business

Finland's efforts, where export and internationalisation service is one of Business Finland's key fields. Business Finland offers services aiming to provide businesses with the necessary tools, resources, and guidance to successfully navigate international markets, enhance their competitiveness, and expand their global reach.

Group Explorer and Exhibition Explorer are somewhat different in what phases of export development they are designed to assist. While Group Explorer function as a service to ease market entry in international markets, Exhibition Explorer is more catered towards promoting more mature exports. But how do these services fit into the landscape of export-oriented services in Finland? In general, Exhibition Explorer exhibits less overlap. While most services can be quite broad, Exhibition Explorer caters towards a very specific activity (attending fairs). The main overlap of Group Explorer is related to other funding services of Business Finland aimed at individual firms. Group Explorer partially overlaps with Market Explorer and Tempo Funding, as they all cater to SMEs and midcap enterprises in the early stages of international market entry. However, Group Explorer uniquely enables cost-sharing and synergy leverage among group members.

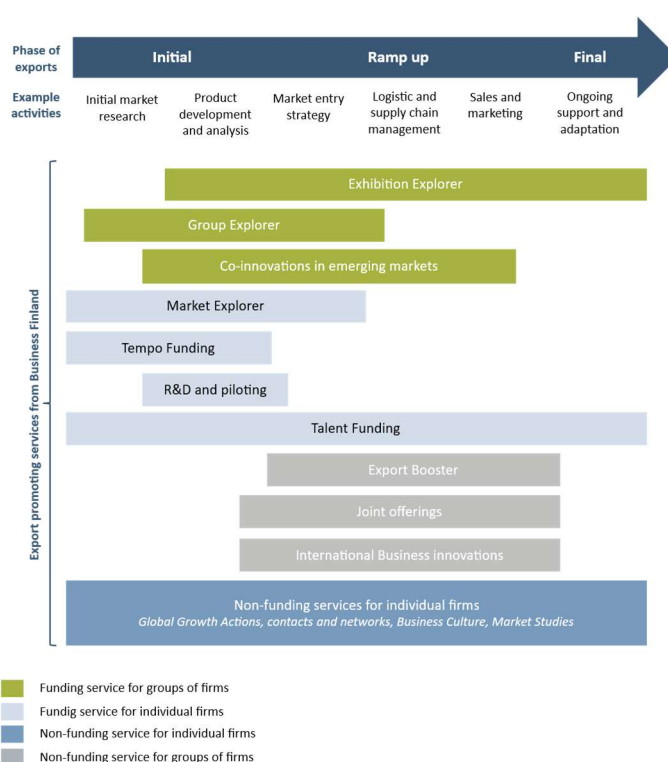


Figure: Illustration of how Business Finland's service offerings cover different phases of export development.*

*In the figure we have categorized key services of Business Finland along dimensions such as market entry versus export promotion (export phase), funding versus non-funding, as well as individual versus collaborative (group). Please note that Business Finland offers further services than the ones we are covering as well. For instance, they offer more programs and campaigns that can promote exports through industry or technology-specific initiatives. However, due to the scope of the evaluation we are not including these in the following analysis of the landscape of export promoting services. Our primary focus is on more general services designed to promote exports.

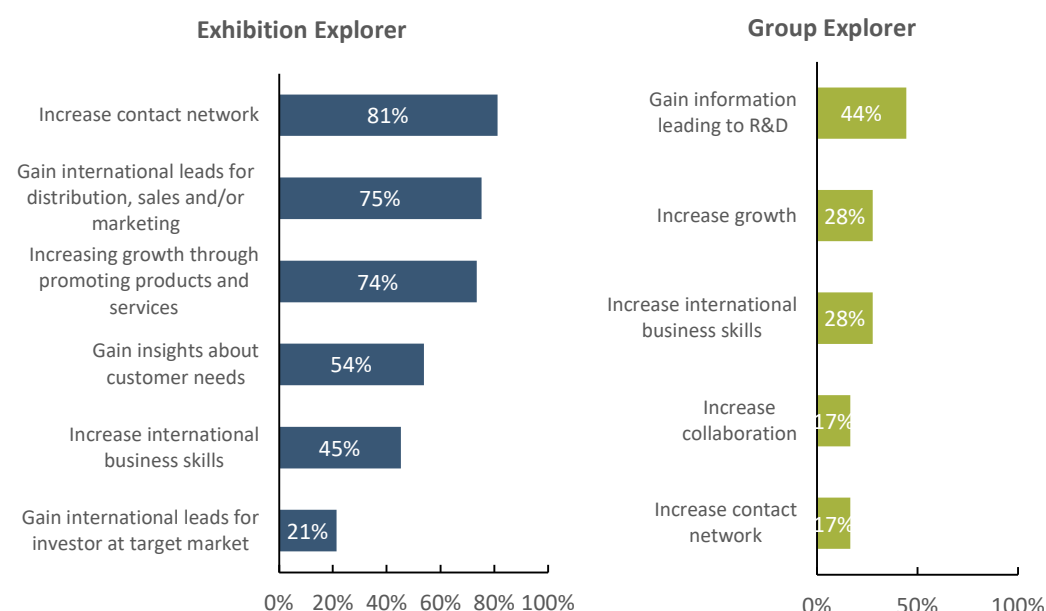
Effectiveness - results

What results have been achieved?

The most significant outcome for companies that have received financial support from Exhibition Explorer to participate in B2B fairs is related to networking and establishing connections. This aligns closely with the primary motivational factor for users of the service. Another important outcome for users relates to increased growth through the

promotion of products and services at B2B fairs. This highlights the longer-term impacts of such services and suggests that users have experienced increased growth, particularly in the form of export growth. However, it is important to note that the Exhibition Explorer is a limited funding service, as it only supports participation in B2B fairs. Consequently, a significant level of effort and investment from the companies themselves is required to secure increased export growth. We believe that the claimed positive growth effect builds upon the other outcomes achieved, such as an expanded network and gaining international leads for distribution, sales, and/or marketing.

Figure: Right: Share of Exhibition Explorer respondents who highlight the following to a large/very large extent: "Did attending B2B-fairs with financial support of Business Finland help your company to...". (N=117). Left: Share of Group Explorer respondents who highlight the following to a large/very large extent: "Did attending the Group Explorer help your company to...". (N=18) Source: Survey by Menon Economics



For Group Explorer participants, the most important outcome from receiving funding and completing their projects is access to information that has led to a need for further R&D. Working with specific markets or countries has led to the need for further analysis, product adaptation, and other related activities. This is an important finding in light of the objective of the service. This way, firms are deepening their understanding of the markets and market mechanisms. Increased growth is also one of the more highlighted outcomes, as illustrated in the graph above. Increased growth may imply export growth, rising turnover or number of employees. Notice though, that such outcomes are also a result of other factors and activities of a company.

In comparison to Exhibition Explorer, the reported data from participants in Group Explorer reveals two main findings.

- First, participants report fewer results compared to those in Exhibition Explorer. There could be several reasons for this. Firstly, fewer respondents have participated in the Group Explorer survey. Secondly, results from Group Explorer-supported projects may materialize later, as the processes initiated often provide

market information in a more long-term manner, making immediate and tangible results less clear. However, it is important to note that Exhibition Explorer only supports participation in B2B-fairs, where the results should arguably be less significant.

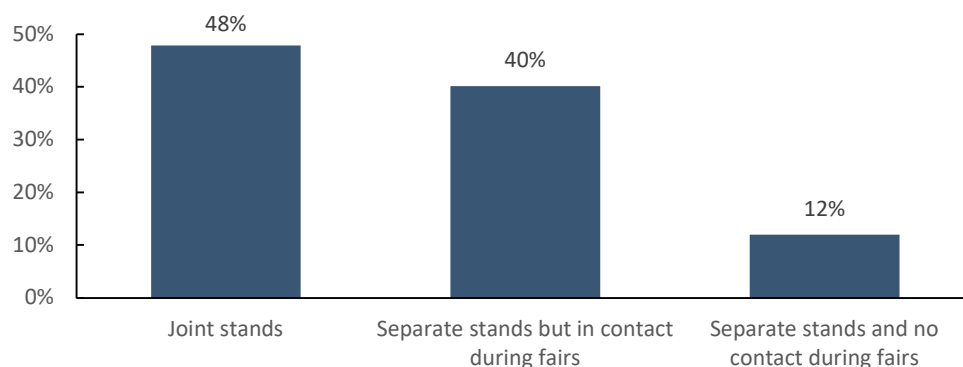
- Second, the results are less often related to specific collaboration aspects, such as increased cooperation and expanded networks. This is particularly interesting because Group Explorer is designed to promote joint business opportunities among participants. Thus, collaboration within the group is crucial for success. Regarding weaker results related to increased networking; this may be due to the type of activities conducted with support from Group Explorer. If the activities primarily involved market analysis, assessment of distribution opportunities, and similar tasks, rather than networking activities in target markets/niches, this could explain the findings. Another aspect that is important to notice is related to cost efficiency. By collaborating with other companies on activities such as market research, it is more cost effective than doing it alone.

Effectiveness - collaboration

Differences in collaborative efforts and results between companies participating in the two services

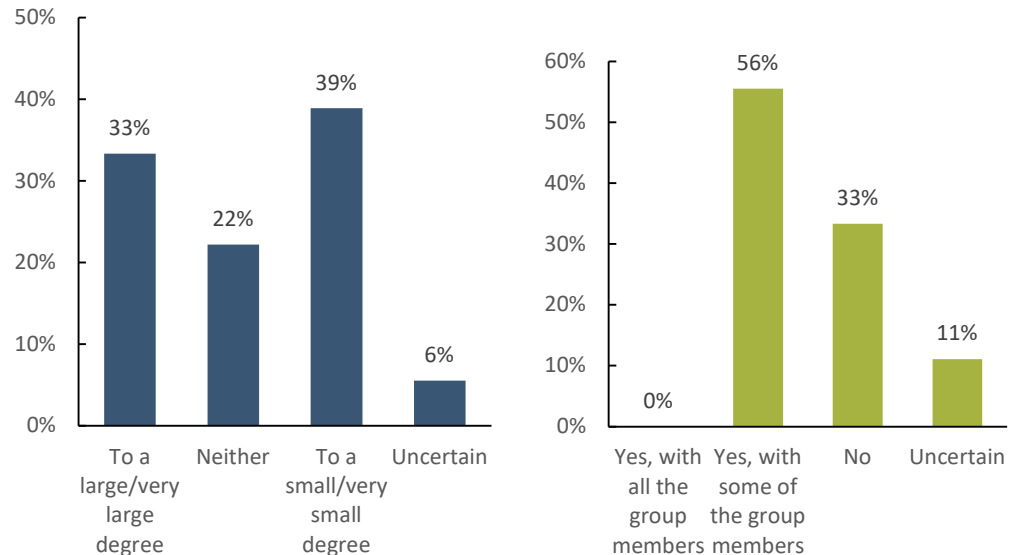
For Exhibition Explorer, collaboration refers to whether Finnish companies that received support had joint or separate stands at the B2B fairs they participated in, and whether they maintained contact during the conferences. An overarching finding is that companies showed nearly equal preference for separate and joint stand arrangements, with a slight majority opting for separate stands. The firms who have shared a joint stand are stating a variety of reasons, but the most common is the increased visibility and branding that sharing stands brings. The firms who did not share stands with the other Finnish firms during the fairs are mainly stating reasons related to visibility and branding as well. These firms typically state that having a separate stand enables a more precise targeting of their audience or that the placement of their own stand is more beneficial for their visibility. Another finding is the high level of interaction among the participating companies during the conferences, regardless of their stand arrangements. 88 percent of the companies reported that they had been in contact with each other during the conference, either through joint stands (48 percent) or being in contact even if they had separate stands (40 percent).

Figure: To which extent the Exhibition Explorer participants had joint versus separate stands, and where in contact or not during the B2B-fairs. Source: Survey by Menon Economics (2024). N = 117



For Group Explorer we investigate the collaboration within the groups. Most groups are small according to the requirement, and only a few projects reach the 10-participant limit. Feedback from participants who have conducted the survey, reveals that the groups are often initiated by a third party, such as industry organizations or other fora initiated and invited the company to the group. When investigating whether the collaboration was successful, respondents' experiences are divided. While under a third found the collaboration to be successful, approximately 40 percent reported that the collaboration was unsuccessful. In other words, the perception of the collaboration's success varies widely among group members. And what happened to the collaboration thereafter? Just under a third reported that the collaboration did not continue after the project concluded. Over half of the respondents mentioned that they continued the collaboration, but only with some of the original group members. Among the groups who discontinued the collaboration with some or all of the group members, the most common response was that the collaboration was difficult. The lack of continuance is also reflected in the fact that there is no overlap in the Group Explorer-groups for the three non-funding group export services. These results indicate that the success of the collaborative activities, and the continuance of these collaboration, are somewhat poor.

Figure: Right: To what degree did you perceive the collaboration as successful? (N=18). Left: Has the group continued its collaboration after the end of the project funded by Group Explorer? (N=18). Source: Survey by Menon Economics

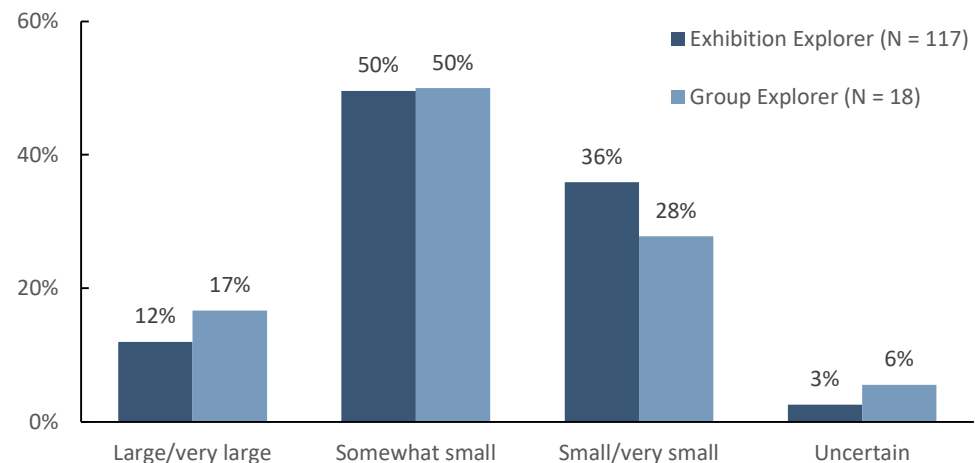


Efficiency

How is the administrative burden perceived?

The participants' perceptions of the administrative burden are a relevant factor when investigating the efficiency of a service. Overall, respondents generally perceive the administrative burden of both services as small or somewhat small. However, there are notable differences between the two services. Group Explorer is seen as having a slightly larger burden compared to Exhibition Explorer.

Figure: How would you characterize the administrative burden associated with applying and participating in Exhibition Explorer/Group Explorer? Source: Survey by Menon Economics (2024).



Sustainability

How is the perspective of sustainable development manifested within the two funding services?

While the direct impact of these export funding services is not evaluated in this report, we have assessed the sustainability of the activities and whether they can lead to long-lasting results and effects. For Exhibition Explorer, sustainability involves the gradual development of business relationships, brand recognition, and market presence. However, the long-term impacts from B2B-fairs alone are limited, and achieving sustained export success requires additional effort.

Group Explorer provides initial funding for market analysis and network evaluations, laying essential groundwork. Even though the projects within Group Explorer conduct a larger array of activities than what recipients of Exhibition Explorer do, also here achieving sustained export success requires additional effort. For Group Explorer, a key aspect of sustainable development is the continuation of collaborations beyond the project's conclusion. As mentioned, our findings reveal that about 40 percent found the collaboration unsuccessful, and a third did not continue post-project. This outcome, when linked to the participants' primary motivation for joining a Group Explorer project being resource sharing rather than leveraging synergies, suggests that fewer (lasting) commercial relationships were established during the group projects.

Concluding remarks

Conclusion

Exhibition Explorer is an export funding service that has allocated 28 million EUR to approximately 1,400 companies for participation in international B2B fairs. Many of these companies (47 percent) have received support more than once from Exhibition Explorer. This highlights that building relationships, enhancing branding, and establishing market presence over time, often requires repeated attendance at such B2B fairs. Classified as a group export service, Exhibition Explorer requires at least four Finnish companies to participate in the same fair for funding eligibility. Despite no other collaboration

requirements, over 80 percent of attendees made contacts during fairs, where about half shared joint stands. Key benefits noted by participants include increased networks, international leads, and business growth. While only 15 percent would not have participated without support, 71 percent reported attending fewer fairs without it, underscoring its impact. Exhibition Explorer distinguishes itself from other export services by providing financial support specifically for fair participation. Nevertheless, attending fairs is just one of several methods for enhancing branding, presence, and networking. This is also related to the aspect of sustainable development, where for Exhibition Explorer, sustainability involves the gradual development of business relationships, brand recognition, and market presence. However, the long-term impacts from B2B fairs alone are limited.

Group Explorer is designed to support groups of companies in exploring joint business opportunities in international markets through one-year collaborative projects, fostering synergies in developing business plans and establishing international networks. Unlike Exhibition Explorer, which focuses on promoting exports through B2B fairs, Group Explorer facilitates market entry. Since 2019, it has supported 145 companies with 1.75 million EUR in funding across 28 projects. Despite this significant funding, the average grant size is similar to that of Exhibition Explorer, possibly contributing to fewer reported results. Participants reported contributions to R&D, growth, and international skills, but with fewer significant outcomes and collaboration challenges. As mentioned, many found the collaboration unsuccessful, and did not continue to collaborate post-project. In addition, most collaborations seemed to focus on sharing resources rather than building on potential synergies. Therefore, there is little evidence of established commercial relationships among participants for further international expansion. Although Group Explorer may have resulted in fewer commercial relationships among project participants, the service remains important for promoting collaboration in international activities. This is supported by the fact that most participants would have explored business opportunities in international markets alone, if the program had not existed. The collaboration element is what distinguishes Group Explorer from other Business Finland programs/services. For example, Group Explorer partially overlaps with Market Explorer and Tempo Funding, as they all cater to SMEs and midcap enterprises at the early stages of international market entry.

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