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EXPLORERS OF EXPORT

EVALUATION OF BUSINESS FINLAND FUNDING SERVICES FOR EXPORT PROMOTION FOR COMPANY GROUPS

GROUP EXPLORER &
EXHIBITION EXPLORER

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BUSINESS FINLAND
We believe in the power of ideas. That's why we fund and help Finnish companies grow quicker and develop their innovations to become global success stories.

TABLE OF CONTENTS

FOREWORD

Business Finland offers a broad range of export promotion services to help Finnish companies access international markets. This evaluation focuses on two specific funding instruments tailored for company groups: Exhibition Explorer and Group Explorer. These instruments are designed to support companies in participating in international trade fairs and in jointly exploring business opportunities abroad, using a collaborative, group-based approach.

The purpose of this evaluation was to assess the relevance, functionality and usefulness of these services, and to provide insights that can support in their use and future development.

This impact study was conducted by Menon Economics. Business Finland extends its sincere thanks to the evaluators for their thorough and systematic work and expresses its appreciation to the steering group and all other contributors to this evaluation.

Helsinki, April 2025
Business Finland

EXECUTIVE SUMMARY

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.

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 where achieved, how did the collaboration within the services succeed, and how is this related to the design and organization 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.

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.

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.

	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

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. 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.

HOW DO 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 internationalization 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.

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.

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.

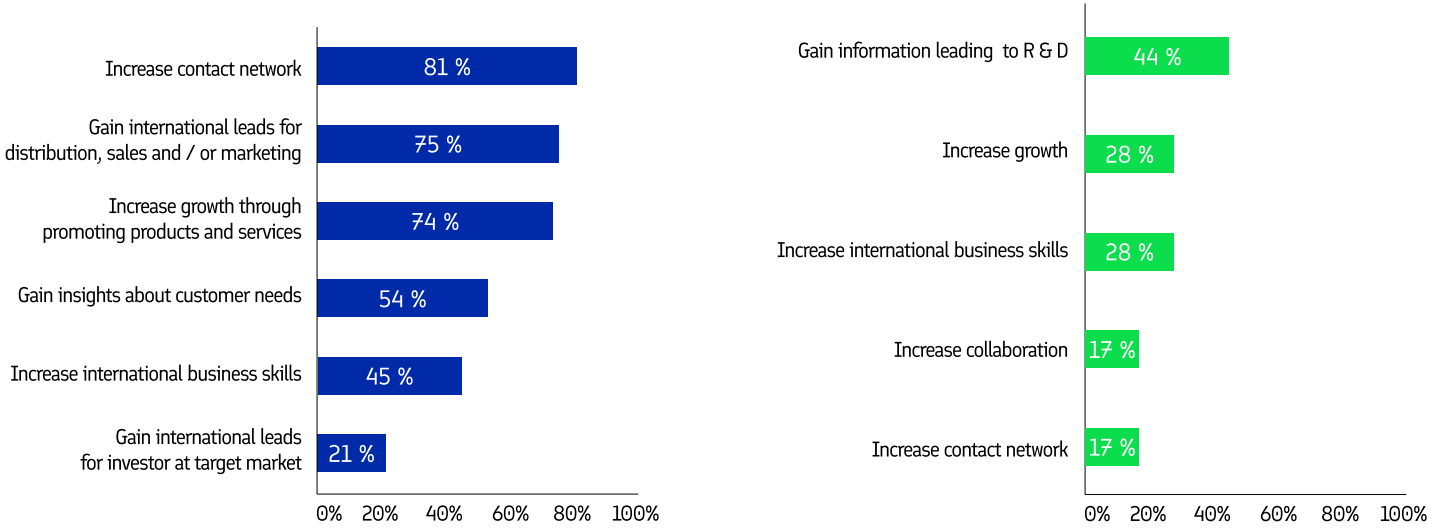


FIGURE 0.1: RIGHT: SHARE OF EXHIBITION EXPLORER RESPONDENTS WHO HIGHLIGHT THE FOLLOWING TO A LARGE/VERY LARGE EXTENT: "DID ATTENDING B2B-FAIRS WITH FINANCIAL SUPPORT OF BUSINESS FINLAND HELP YOUR COMPANY TO...". (N=117). LEFT: SHARE OF GROUP EXPLORER RESPONDENTS WHO HIGHLIGHT THE FOLLOWING TO A LARGE/VERY LARGE EXTENT: "DID ATTENDING THE GROUP EXPLORER HELP YOUR COMPANY TO...". (N=18) SOURCE: SURVEY BY MENON ECONOMICS

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).

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 sucessfull, 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.

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.

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.

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 the participants where in contact during fairs, where about half shared joint stands. Key benefits noted by participants of participating B2B fairs with financial support of Business Finland include increased networks, international leads, and business growth. While only 15 percent would not have participated B2B fairs without support, 71 percent reported attending fewer fairs without the funding service, 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 is aimed at funding market entry activities. Since 2019, Group Explorer 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.

1. INTRODUCTION

This report provides an evaluation of two Business Finland group funding services dedicated to export promotion: Exhibition Explorer and Group Explorer. Evaluations are crucial in ensuring that export promotion services are effective and efficiently designed. Therefore, the objective of this report is to document results and contribute to the assessment of these services.

1.1. METHODOLOGY AND FRAMEWORK

Menon possesses extensive experience in evaluating a wide array of public funding services and organizations and is acknowledged as an expert in evaluation methodology. 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 where achieved, how did the collaboration within the services succeed, and aspects related to the design and organization 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

TEXTBOX 1 1: INFORMATION ON THE SURVEY EXECUTION

In this study, we conducted a comprehensive survey aimed at gathering quantitative data on the two services, focusing on aspects such as motivation, outcomes, collaboration, and other relevant facets. The survey was designed to include both standardized questions and statements for consistent answers, as well as open-ended questions to allow for more detailed reflections. It was aligned with a parallel evaluation of non-funding services to enable comparative analysis by Business Finland.

The survey was distributed to grant recipients of the two services using email lists provided by Business Finland. The lists were reviewed by Menon to remove duplicates for companies. In addition, some email addresses were no longer valid, or the intended recipients had changed jobs or retired. Below, we present the adjusted response numbers considering these factors.

- **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.

1.2. READING GUIDE

This report is structured into two main parts: background information and analysis related to the evaluation questions. In Chapter 2, the two funding services, Group Explorer and Exhibition Explorer, are introduced, detailing their objectives, service processes, and grant allocation mechanisms. Following this, Chapter 3 offers a concise overview of the users of these services, including their size, geographical distribution, industry sectors, and export activities.

The second part of the report focuses on analyzes based on the evaluation questions and the pillars of the OECD framework. Chapter 4 assesses the relevance of the funding services in light of users' needs, exploring their motivations and potential actions if the service did not exist. In Chapter 5, we examine how well the funding services align with other offerings from Business Finland and Team Finland (coherence). The effectiveness of the services is evaluated in Chapter 6, highlighting the results achieved by participants, the organization and success of collaborations, users' access to information, and the use of an orchestrator for Group Explorer. Efficiency is the focus of Chapter 7, where we delve into the relative administrative burden associated with applying for and managing projects. Lastly, Chapter 8 addresses the sustainability aspects of the funding services.

2. DESCRIPTION OF SERVICES

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.

This chapter provides an overview of Group Explorer and Exhibition Explorer, including their objectives and goals. Additionally, we outline the service process. Finally, we present a summary of the funding amounts allocated by the services during the period under review.

2.1. INFORMATION ABOUT EXHIBITION EXPLORER

The Exhibition Explorer funding service supports Finnish SMEs and mid-cap companies in participating in international B2B trade fairs outside Finland to boost their export activities. The service aims to enhance internationalization, market entry, and competitiveness of Finnish companies through trade fair participation. Participation in the fairs can enable companies to obtain relevant skills, improve contact networks, promote products and services at target markets, and gain leads for distribution, sales, marketing and investors. The funding is provided to lower the threshold and decrease the financial risk for recipients to participate in international trade fairs.

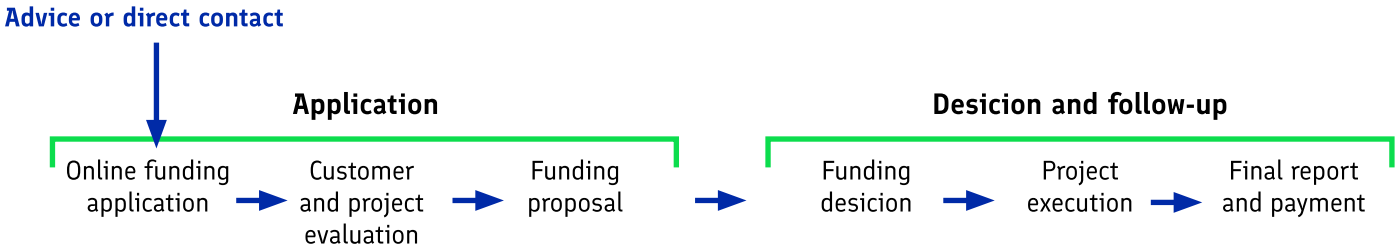
- **Who is it for?** Eligible companies are SME and mid-cap companies registered in Finland, seeking international growth, and meeting specific financial criteria such as Suomen Asiakastieto Oy's Rating of at least A[1]. The funding is available for companies that either have their own stand or participate in a joint stand at international trade fairs.
- **How much can recipients receive?** The maximum funding per trade fair project is EUR 15,000, with a minimum of EUR 1,000, covering up to 50% of eligible costs[2]. The funding is considered de minimis aid[3].
- **What are other requirements for the applications**? To qualify for the funding, at least four Finnish SMEs or mid-cap enterprises must apply for the same trade fair. [4] Applications must be submitted online to Business Finland before the start of the trade fair, and each company must submit its own application.
- **What does the funding cover, and how is it paid out?** The funding can be used for various trade fair-related expenses, such as registration, booking, floor area, design, decoration, technical orders, and freight costs. The service does not cover expenses such as salaries. The funding is paid in arrears ex post, thus companies must ensure sufficient self-financing for the project.

SERVICE PROCESS OF EXHIBITION EXPLORER

In this section, we will briefly review the service process of Exhibition Explorer. An overview of the entire process is illustrated in the figure below and is briefly elaborated upon in the following text.

1 The rating is a credit rating report that analyzes a company's financial and historical data. See Suomen Asiakastieto for more information.
2 Maximum funding per project was EUR 35,000 until the government decree (91/2024) entered into force March 1, 2024.
3 De minimis aid refers to public funding granted to companies, governed by the Commission Regulation (EU) No 2023/2831. The total amount of de minimis aid granted to a single company shall not exceed EUR 300 000 over any period of 3 years. See Business Finland for more information.
4 Fine art galleries can apply individually.

FIGURE 2 1: ILLUSTRATION OF THE SERVICE PROCESS OF EXHIBITION EXPLORER



The process for receiving support through the Exhibition Explorer funding goes as follows:

- **Online funding application.** First, the company submits its application through Business Finland's online portal. The application should itemize eligible costs (e.g. registration, booking, floor area, design, decoration, technical orders, and freight). Additionally, the company must define 2-5 participation goals, with at least one being measurable. The application must be submitted no later than the day before the trade fair begins.
- **Customer and project evaluation.** Next, Business Finland evaluates the application. This process starts once at least four applications for the same trade fair event have been received. An initial review ensures that the company meets basic eligibility criteria, such as being an SME or mid-cap company, having a minimum Rating Alfa of A, and being in the prepayment register. The company must also ensure it has not exceeded the EUR 300,000 de minimis funding limit over the past three years.
- **Funding proposal.** Based on the evaluation, Business Finland drafts a funding proposal, which outlines the maximum aid amount (up to EUR 15,000 per trade fair) and the eligible costs. This proposal undergoes an internal review to ensure compliance with funding terms and conditions.
- **Funding decision.** Following internal approval, a funding decision is made, and the company is notified through the online service. If approved, the company must agree to the funding terms and conditions.

- **Project execution.** The project starts from the date of application submission or a specified later date. The company then participates in the trade fair. Throughout the project, the company monitors its progress against the defined goals and keeps records of all eligible expenses.
- **Final report and payment.** After the trade fair, the company submits a final report detailing the incurred and paid expenses. This report also includes information on the achievement of the defined goals. Business Finland then verifies the expenses and goal achievements. Based on this verification, the funding (up to 50% of eligible costs) is paid in arrears.

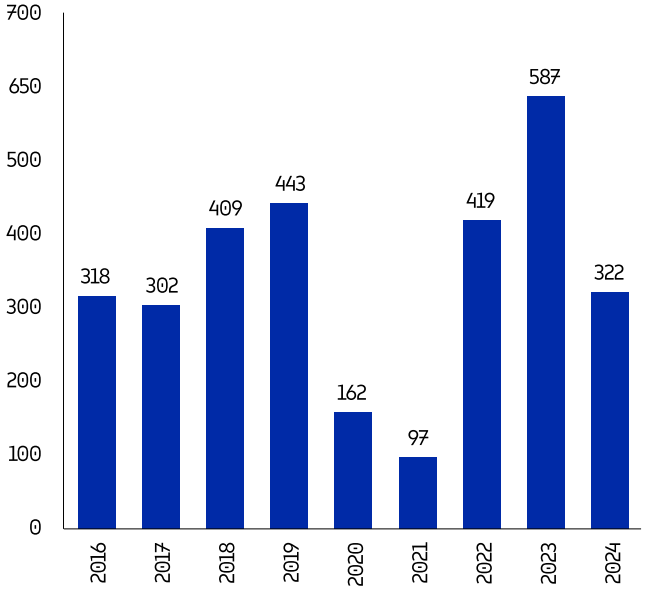
SIZE AND DISTRIBUTION OF GRANTS FROM EXHIBITION EXPLORER

In this section, we provide some descriptive statistics about the grants from Exhibition Explorer. Since 2016, the service has been a part of Business Finland's portfolio of export promoting funding services under the name Exhibition Explorer. We are therefore using statistics since 2016 up until June 2024.

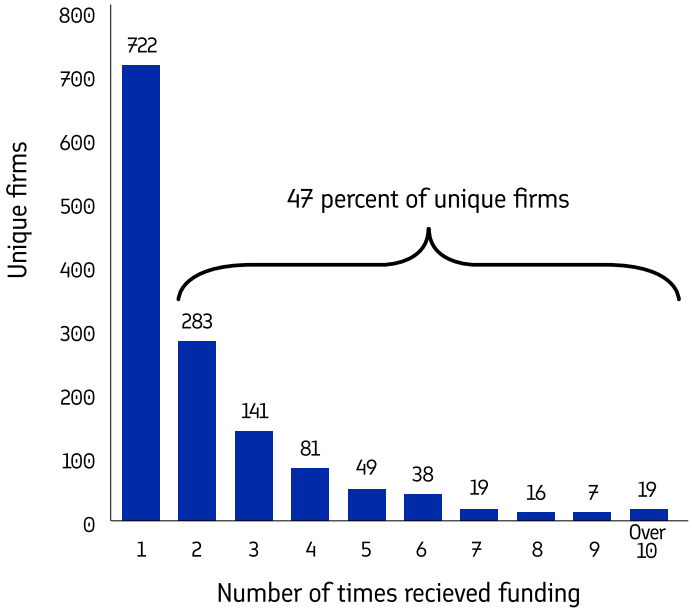
Since 2016, Exhibition Explorer has distributed over 28 million EUR in grants. Throughout this period, a total of 3,000 grants have been awarded. On average, the service has issued 340 grants per year, with annual distributions ranging from 587 to 97 grants. As illustrated in the left figure below, only 162 grants were awarded in 2020 and 97 in 2021, likely due to restrictions associated with the Covid-19 pandemic.

Business Finland has granted funding to almost 1,400 unique firms through Exhibition Explorer since 2016, where about half of the recipients have received funding more than once. As shown in the right figure below, most of the firms receiving funding multiple times have done so two or three times, while a few firms have received funding on larger number occasions. One specific firm has received funding 16 times, which is the highest number we observe. The share of firms who have received funding 10 times or more is less than 1 percent of the population of firms and does therefore not account for a significant share of the recipients.

FIGURE 2 2: LEFT: NUMBER OF GRANTS ISSUED PER YEAR THROUGH EXHIBITION EXPLORER. RIGHT: NUMBER OF UNIQUE FIRMS BY HOW MANY TIMES THEY HAVE RECEIVED FUNDING THOUGH EXHIBITION EXPLORER SINCE 2016. SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



** Data for 2024 cover up until June 2024.*

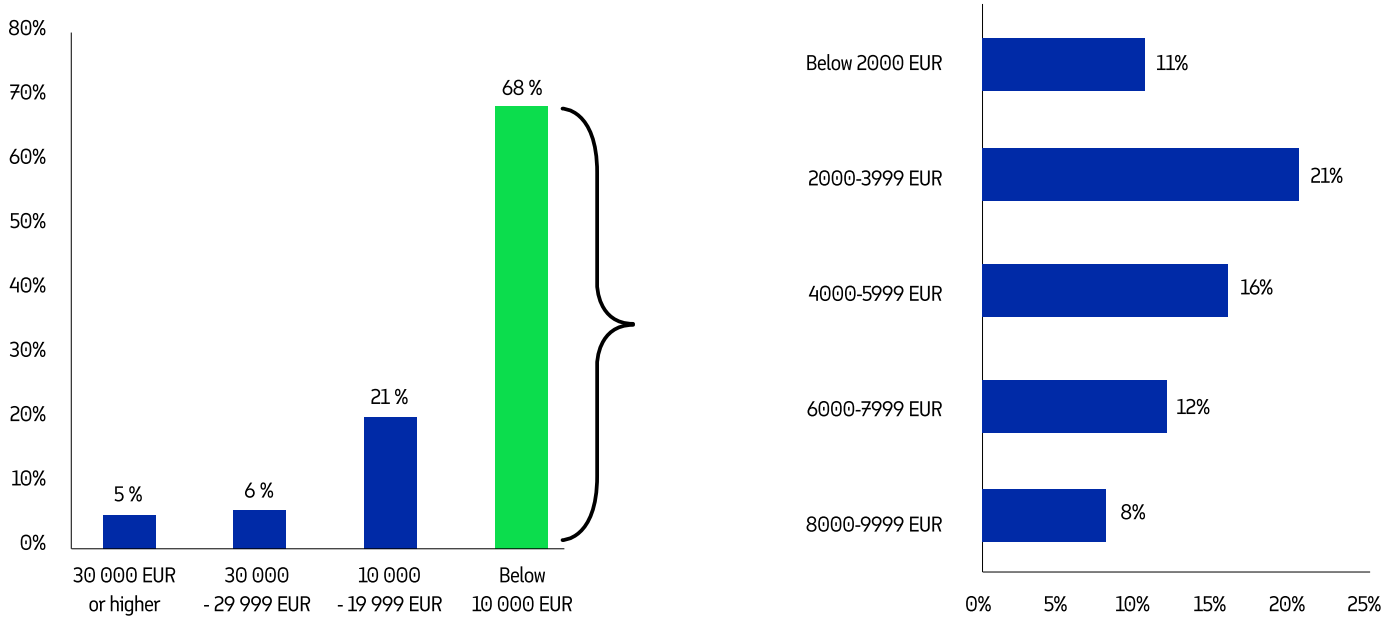


Each grant issued is on average around 9,000 EUR, while the median is 6,000 EUR[5]. The lower median implies that the larger grants are driving the average amount upwards.

As shown in the figure below, 68 percent of the allowed grants are below 10,000 EUR, with the most common size of the grants being between 2,000 and 4,000 EUR.

5 The maximum funding per project was 35,000 EUR up until March 1st, 2024. After the change previously this year, the maximum funding is reduced to 15,000 EUR per project. Yet, there are three observations with funding exceeding the previous cap of 35,000 EUR. We have included these observations as neither the total, median or average amount are notably affected by whether they are excluded or included.

FIGURE 2 3: LEFT: DISTRIBUTION OF GRANTS BY SIZE. RIGHT: DISTRIBUTION OF GRANTS BY SIZE AMONG GRANTS, SHOWING GRANTS OF LESS THAN 10 000 EUR ONLY.
SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



2.2. INFORMATION ABOUT GROUP EXPLORER

Group Explorer is a funding service provided by Business Finland, designed to help groups of international oriented companies explore joint business opportunities in international markets. The service support collaborative projects between enterprises to leverage synergies when exploring or creating business plans for expanding to new international markets and creating joint international networks. The recommended maximum duration of a project is one year.

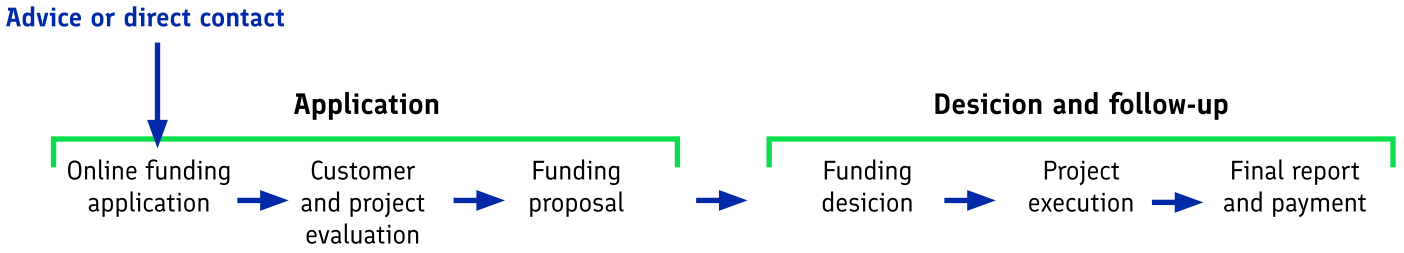
- **Who is it for?** Eligible companies are SME and mid-cap companies registered in Finland, seeking international growth, and meeting specific financial criteria such as Suomen Asiaktieto Oy's Rating of at least A.[6, 7], Each company must also have its own range of products and services and a dedicated team in Finland with at least two full time employees.
- **How much can recipients receive?** The funding covers 50% of approved costs of the collaboration, ranging from EUR 2,500 to EUR 20,000 per enterprise. It is considered de minimis aid and does not have to be repaid. [8] The service can also provide assistance in finding service providers in the markets subject to exploration.
- **What are other requirements for the applications?** The groups must consist of four to ten eligible SME and mid-cap companies. To receive funding, the project must have a joint project manager and a collaborative project plan. Each company submit their own application to Business Finland online.
- **What does the funding cover, and how is it paid out?** The funding can be used for activities related to planning, testing, mapping and networking in the process of expanding exports to new international markets. The service does not cover expenses related to R&D, product development or operational costs. The funding is paid ex post in arrears against actualized and paid expenses.

SERVICE PROCESS OF GROUP EXPLORER

As with Exhibition Explorer, in this section, we will review the service process of Group Explorer. An overview of the entire process is illustrated in the figure below and is briefly elaborated upon in the following text.

6 Previously, large companies could also be eligible for the funding service. This was changed in 2024.
7 The rating is a credit rating report that analyzes a company's financial and historical data. See Suomen Asiakastieto for more information
8 De minimis aid refers to public funding granted to companies, governed by the Commission Regulation (EU) No 2023/2831. The total amount of de minimis aid granted to a single company shall not exceed EUR 300 000 over any period of 3 years. See Business Finland for more information.

FIGURE 2 4: ILLUSTRATION OF THE SERVICE PROCESS OF GROUP EXPLORER



The process of receiving support through Group Explorer goes as follows:

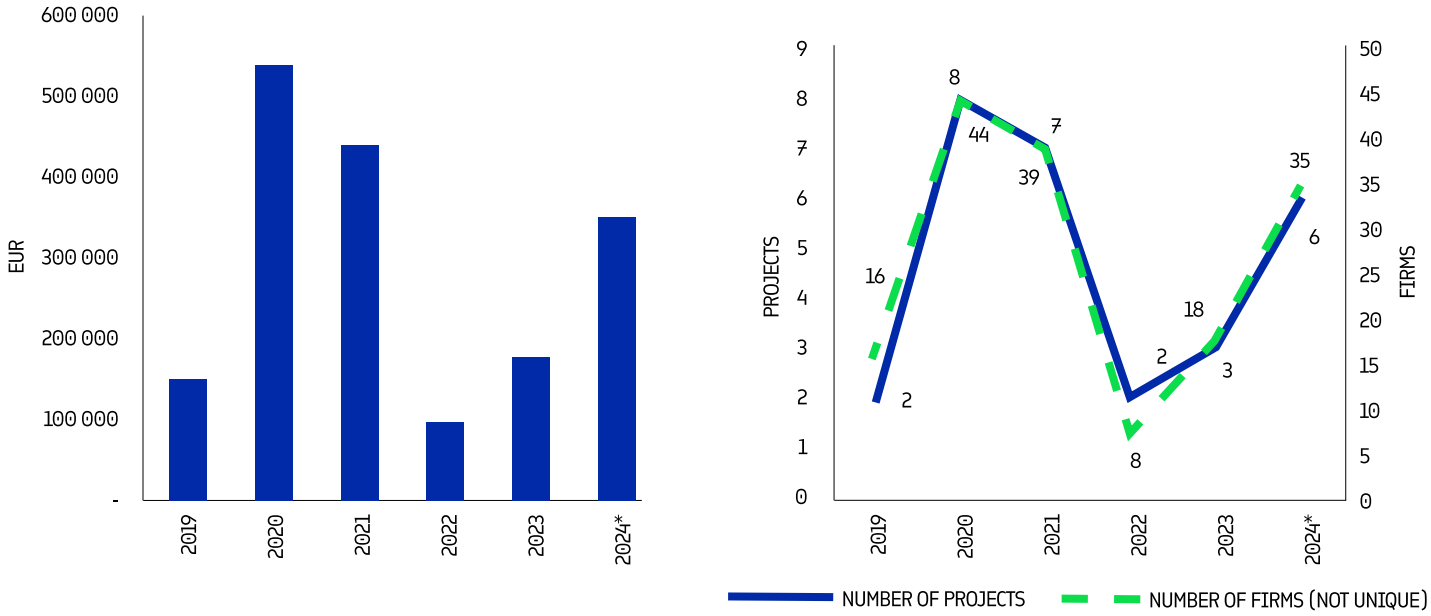
- **Online funding application.** First, each company in the group must submit their own application through Business Finland's online portal. The applications must be submitted within two weeks of the first company's submission and must include a joint project plan and other required appendices.
- **Customer and project evaluation.** Next, Business Finland evaluates the applications. Business Finland checks that each company in the group meets the criteria for the service, and if there are any financial or legal issues which may disqualify the applicant.
- **Funding proposal.** Once the applications are reviewed and deemed eligible, Business Finland prepares a funding proposal. This proposal outlines the terms and conditions of the funding, including the total amount of funding.
- **Funding decision.** Business Finland makes a funding decision based on the evaluation of the applications and the joint project plan. The companies in the group must then accept the proposal and the terms and conditions for receiving funding.
- **Project execution.** During the execution of the project the group must arrange project accounting and notify Business Finland of any significant changes, such as changes in the project manager or if an enterprise drops out of the project. The project involves carrying out the planned professional services and working towards the set goals.
- **Final report and payment.** At the end of the project the group must submit a final report detailing the project's implementation and costs. The funding is paid in arrears against actualized and paid expenses, based on the final report and the achievement of the project's defined goals.

SIZE AND DISTRIBUTION OF GRANTS FROM GROUP EXPLORER

In this section, we provide some descriptive statistics about the grants from Group Explorer during the period from 2019 to June 2024.

Group Explorer has supported 28 projects since 2019. In total, the projects have been granted 1.75 million EUR through Group Explorer. Funding per project is ranging from 12,000 EUR to 162,000 EUR. As shown in the figure below, the total of funds distributed through Group Explorer has varied a great deal since 2019, ranging from approximately 95,000 EUR in 2022 to almost 540,000 EUR in 2020. As of 2024, the annual amount of grants is on the rise. The variation between years is likely linked to the number of projects that have been funded.

FIGURE 2 5: RIGHT: TOTAL OF FUNDS (EUR) DISTRIBUTED THROUGH GROUP EXPLORER PER YEAR SINCE 2019. LEFT: NUMBER OF PROJECTS AND NUMBER OF FIRMS (NOT UNIQUE) RECEIVING FUNDS THROUGH GROUP EXPLORER PER YEAR SINCE 2019. SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



** Data for 2024 cover up until June 2024.*

The size of total funding awarded by Business Finland each year, corresponds with the number of projects being granted funding over the years, showing a quite strong variation across years. As illustrated in the figure above (left), the number of projects receiving funding through Group Explorer is ranging from two to eight projects annually. We find the same pattern for number of firms receiving funds as the number of groups being accepted, which is illustrated in the same figure above. In total, 161 enterprises have received funding through Group Explorer over the period, of which 145 unique firms have been participating in the projects. Note that groups consist of between four and ten firms.

3. CHARACTERISTICS AND DEMOGRAPHICS OF PARTICIPANTS IN EXPORT FUNDING 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 populous 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.

In this chapter, we will provide descriptive profiles of the users of the two funding services. We aim to present a clear picture of the participants by describing them along several key dimensions. Specifically, we will examine:

- **Company Size:** The distribution of users based on the size of their companies[9].
- **Geographic Location:** The regional distribution of the companies that utilize the funding services.
- **Industry Affiliation:** The sectors and industries to which these companies belong.
- **Export Focus:** The extent of their engagement in export activities.

9 Micro: less than 10 annual work units, with less or equal to 2 million EUR in annual turnover or balance sheet total. Small: less than 50 annual work units, with less or equal to 10 million EUR in annual turnover or balance sheet total. Medium: less than 250 annual work units, with less or equal to 50 million EUR in annual turnover or balance sheet total. The rest are categorized as large companies. Business Finland operates with a subgroup of large companies –

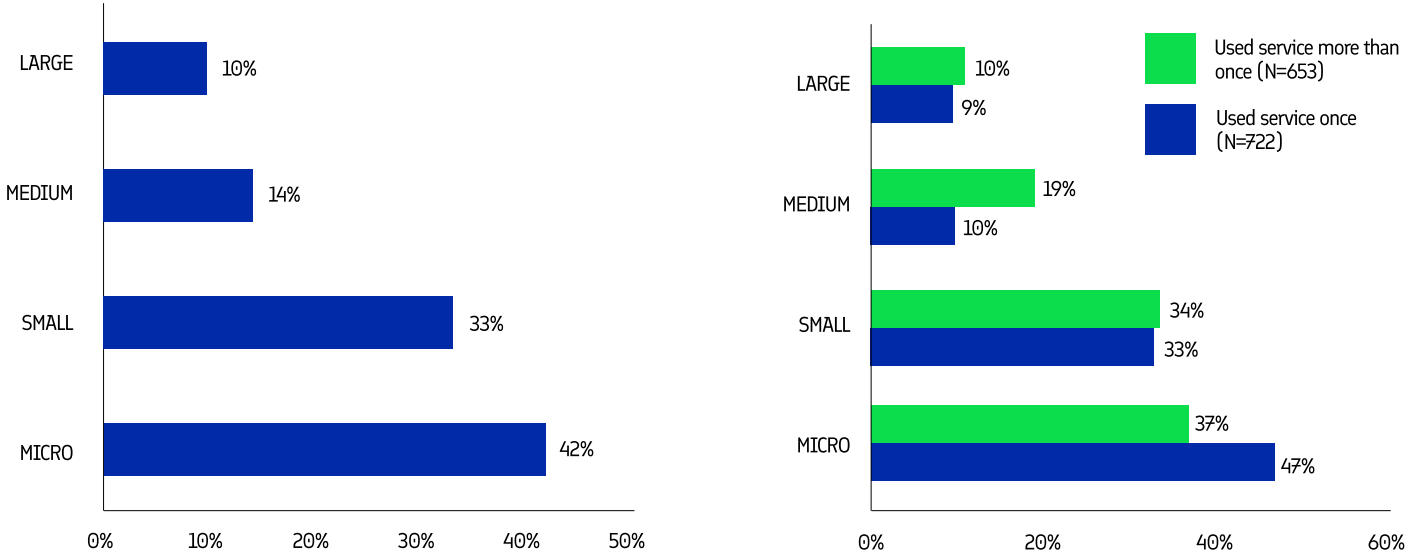
3.1. PARTICIPANTS IN EXHIBITION EXPLORER

As outlined in the previous chapter, approximately 1,400 companies have received funding through Exhibition Explorer since 2016. But who are the companies that have participated in Exhibition Explorer?

THE MAJORITY OF PARTICIPANTS IN EXHIBITION EXPLORER ARE RELATIVELY SMALL COMPANIES (SMALL AND MICRO)

The firms who have received grants are mainly categorized as micro (42 percent) and small (33 percent). Only a tenth of the firms are categorized as large, in which a substantial share (around 7⁵ percent) are so-called mid-cap companies. The figure below is illustrating the distribution of unique recipients by size of the firms.

FIGURE 3 1: LEFT: SHARE OF UNIQUE RECIPIENTS BY THE SIZE OF THE ENTERPRISES. RIGHT: SHARE OF UNIQUE RECIPIENTS OF GRANTS BY THE SIZE OF THE ENTERPRISES AND WHETHER THEY HAVE RECEIVED FUNDING ONCE OR MORE THAN ONCE. SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



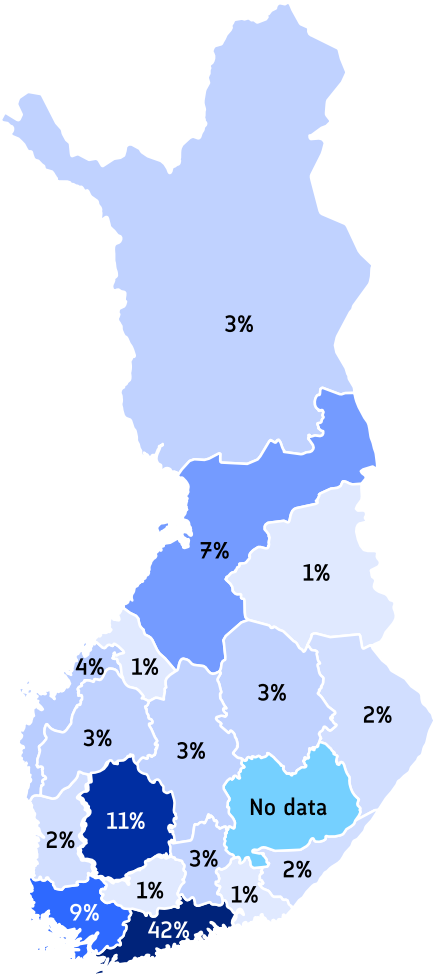
As mentioned in chapter 2, approximately half of the recipients have received funding from Exhibition Explorer more than once. We observe tendencies that larger companies are somewhat more frequently repeating the use of Exhibition Explorer. As shown in the figure to the right above, micro companies are somewhat less represented among the users who repeatedly use the service, and the medium sized companies are somewhat more represented among the users who repeatedly use the service.

EXHIBITION EXPLORER-RECIPIENTS ARE SPREAD ACROSS FINLAND, BUT SOMEWHAT CONCENTRATED IN POPULOUS AREAS

Companies from 18 of the 19 regions of Finland have received funding through Exhibition Explorer. More than half of the companies are from the regions of Uusimaa (Swedish: Nyland) and Pirkanmaa (Swedish: Birkaland). The shares of unique firms per region is illustrated in the figure to the right.

The unique recipients are also fairly concentrated in some selected municipalities. Half of the recipients are from five municipalities, in which Helsinki (in Uusimaa) and Tampere (in Pirkanmaa) alone accounts for more than a third of the unique recipients. The ten municipalities with the highest number of unique recipients are listed in Appendix A.

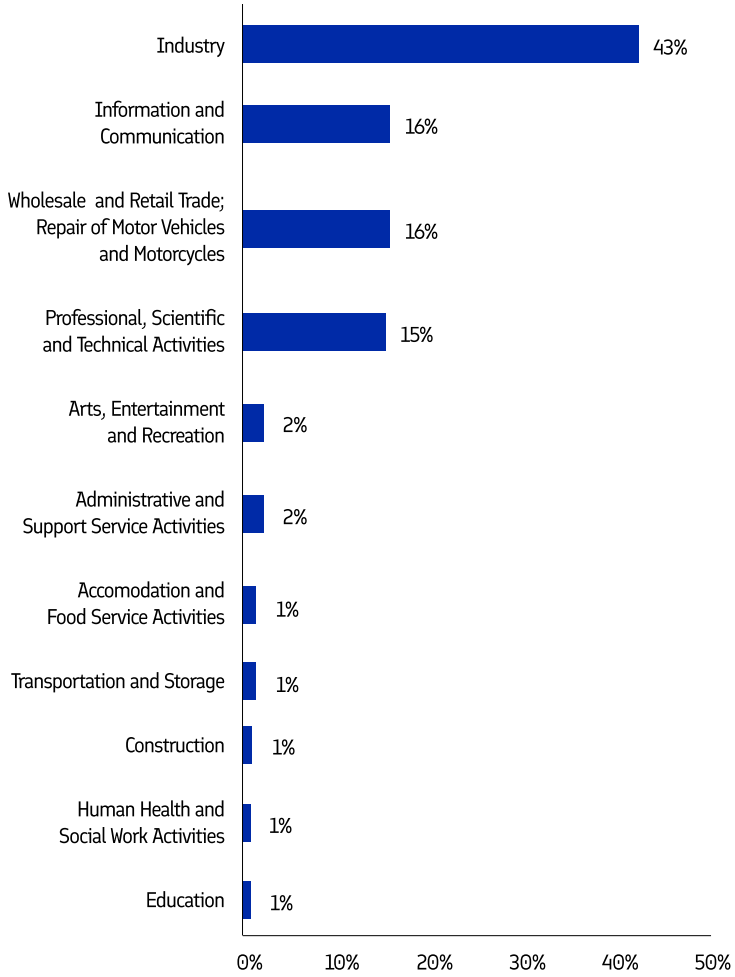
FIGURE 3 2: DISTRIBUTION OF EXHIBITION EXPLORER FUNDING RECIPIENTS IN FINLAND.



THE PARTICIPANTS OF EXHIBITION EXPLORER ARE TYPICALLY OPERATING WITHIN THE MANUFACTURING INDUSTRY

Most participants operate within the manufacturing industry, ICT, wholesale, and professional, scientific, and technical services. As illustrated in the figure below, the largest group of companies is within the manufacturing industry, making up 43 percent. These companies are distributed across various subcategories within the manufacturing sector. However, there is a concentration of companies in the manufacture of fabricated metal products and the manufacture of machinery and equipment.

FIGURE 3 3: SHARE OF UNIQUE RECIPIENTS OF GRANTS OF EXHIBITION EXPLORER PER SECTOR (NIVEAU 1). SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS

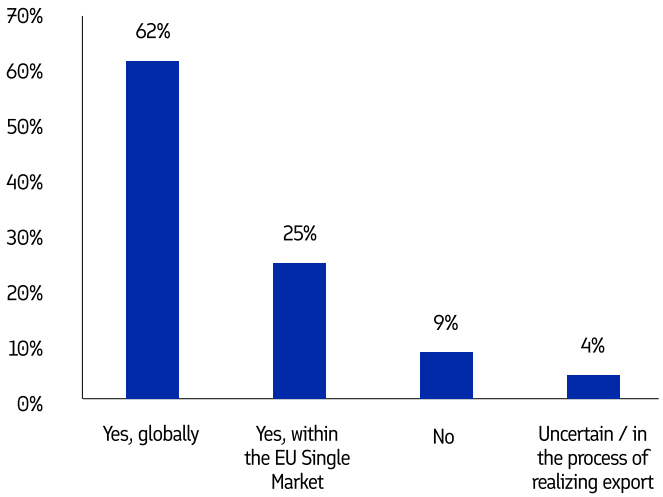


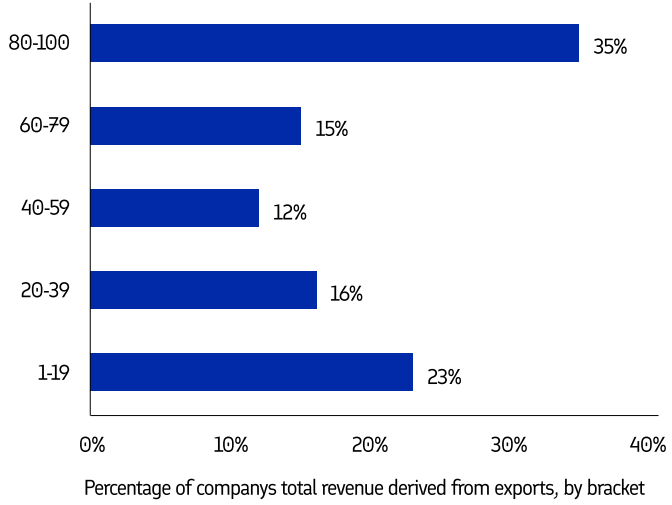
MOST PARTICIPANTS WERE ALREADY EXPORTING PRIOR TO RECEIVING FUNDS THROUGH EXHIBITION EXPLORER[10]

As illustrated in the graph below, most companies who received funding through Exhibition Explorer were already exporting products or services to foreign markets prior to participation in the funding service. Of these, 62 percent state that they also exported outside of EU. Less than a tenth of the recipients respond "No" to the question.

On average the firms exporting before receiving funding through Exhibition Explorer state that the share of their company's total revenue being derived from exports were 53 percent before receiving the funding. As shown in the figure below, almost a third of the respondents cited that their company's exports accounted for between 80 and 100 percent of their revenues.

FIGURE 3 4: RIGHT: DID YOUR COMPANY EXPORT PRODUCTS OR SERVICES TO FOREIGN MARKETS BEFORE RECEIVING FUNDING THROUGH EXHIBITION EXPLORER? (N=116)
LEFT: BEFORE RECEIVING FUNDING, WHAT PERCENTAGE OF YOUR COMPANY'S TOTAL REVENUE (APPROXIMATELY) WAS DERIVED FROM EXPORTS? (N=101).
SOURCE: SURVEY BY MENON ECONOMICS.





10 The statistics we present in the following subchapter is based on the survey conducted by Menon Economics as a part of the evaluation, and not statistics on participants received from Business Finland.

3.2. PARTICIPANTS IN GROUP EXPLORER

As outlined in chapter 2, 161 grants have been awarded through Group Explorer, benefiting 145 unique companies. The participants have taken part in 28 group projects. But who are the groups and companies that have participated in Group Explorer?

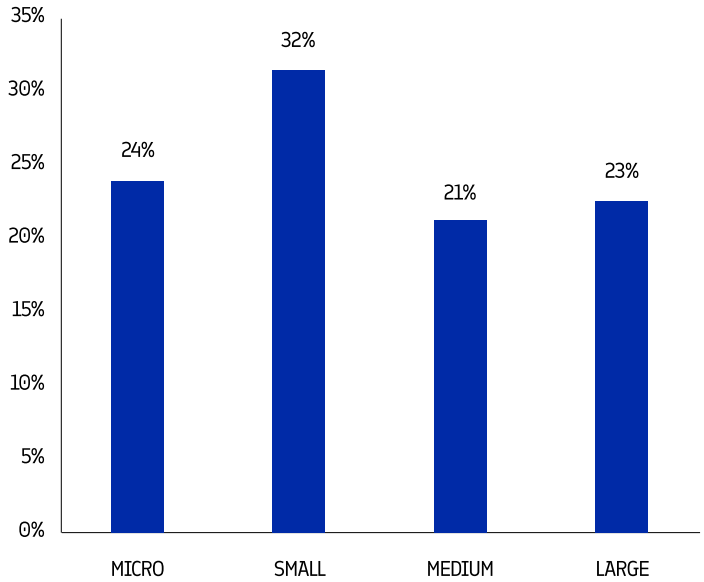
THE DISTRIBUTION OF PARTICIPANTS IN GROUP EXPLORER ACROSS COMPANY SIZES ARE FAIRLY EVEN

As shown in the graph below, the distribution of participants in Group Explorer across different company sizes is, on average, even. This means that no single category is significantly larger than the others. However, the distribution of companies by size is somewhat more skewed towards larger companies than Exhibition Explorer. This is as expected, as the service previously also have been targeting large companies[11].

GROUP EXPLORER-RECIPIENTS ARE SPREAD ACROSS FINLAND, BUT SOMEWHAT CONCENTRATED IN POPULOUS AREAS

The distribution of recipients geographically follows similar patterns for Group Explorer as for Exhibition Explorer: the participants of both services are spread across Finland. For group Explorer, enterprises from all 19 regions of Finland have received funding. The shares of unique firms per region is illustrated in the figure to the right.

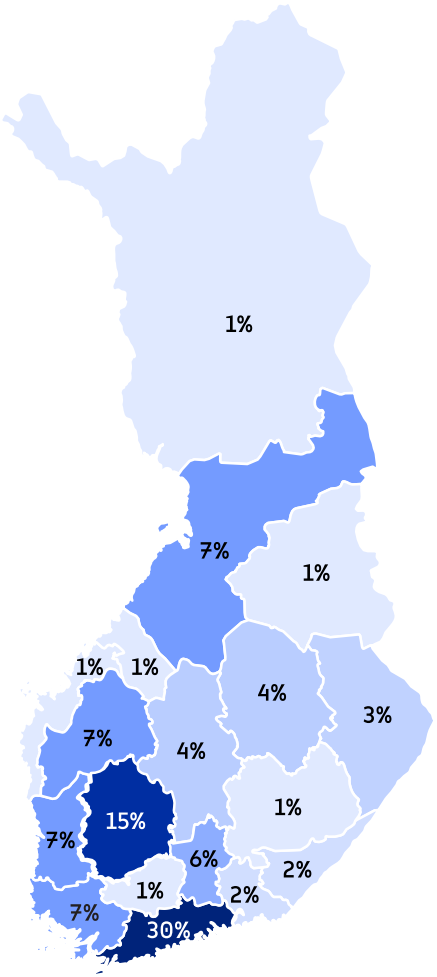
FIGURE 3 5: SHARE OF UNIQUE PARTICIPANTS BY THE SIZE OF THE ENTERPRISES. (N=145). SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



Even though the recipients are spread across Finland, we find a concentration around the larger cities and industrial areas of Finland. Half of the recipients are from six municipalities, where Helsinki (in Uusimaa) and Tampere (in Pirkanmaa) alone accounts for more than a third of the unique recipients. The ten municipalities with the highest number of unique recipients are listed in the table below. The ten municipalities with the highest number of unique recipients are listed in Appendix A.

11 As of 2024, large companies are no longer eligible for the service. Please note that the mid-cap companies are included in the large companies group. Mid-cap companies represent around 60 percent of the large companies.

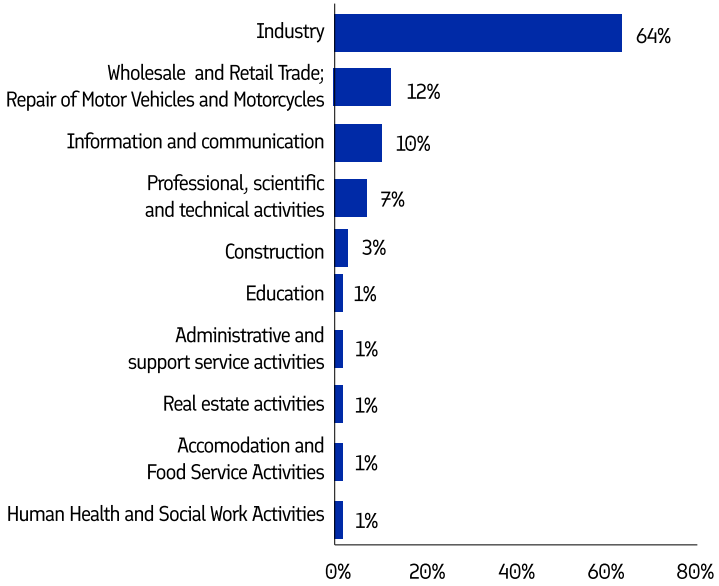
FIGURE 3 6: DISTRIBUTION OF GROUP EXPLORER FUNDING RECIPIENTS IN FINLAND.



THE PARTICIPANTS OF GROUP EXPLORER ARE TYPICALLY OPERATING WITHIN THE MANUFACTURING INDUSTRY

Most participants operate within the manufacturing industry, ICT, wholesale, and professional, scientific, and technical services, mirroring the pattern observed in Exhibition Explorer. The manufacturing industry represents the largest group, accounting for 64 percent of companies. Within this sector, companies are primarily engaged in the manufacture of machinery and equipment, fabricated metal products, food products, and wood.

FIGURE 3 7: SHARE OF UNIQUE RECIPIENTS OF GROUP EXPLORER PER SECTOR (NIVEAU 1). SOURCE: BUSINESS FINLAND, PROCESSED BY MENON ECONOMICS



PARTICIPANTS IN GROUP EXPLORER HAD LESS PRIOR EXPERIENCE WITH EXPORTING COMPARED TO RECIPIENTS OF EXHIBITION EXPLORER[12]

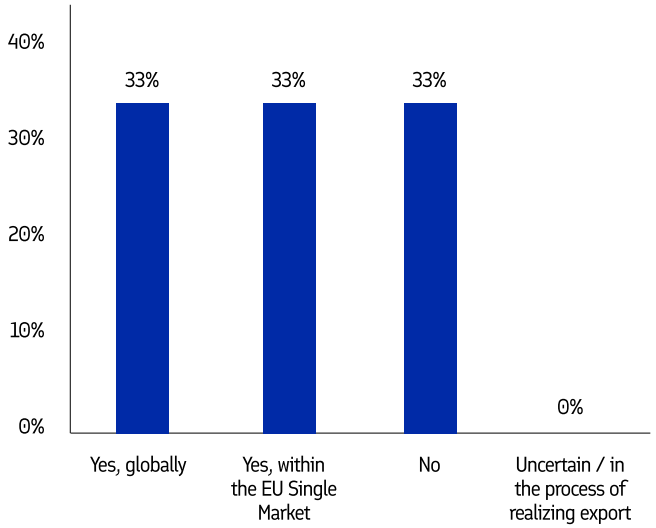
Among the participants in Group Explorer, two thirds of the respondents report that they were already exporting products or services to foreign markets prior to participation in the funding service, of which half of them to a global market. However, in contrast to the recipients of funds from Exhibition Explorer, one third of the firms report that they did not export prior to participating in Group Explorer.

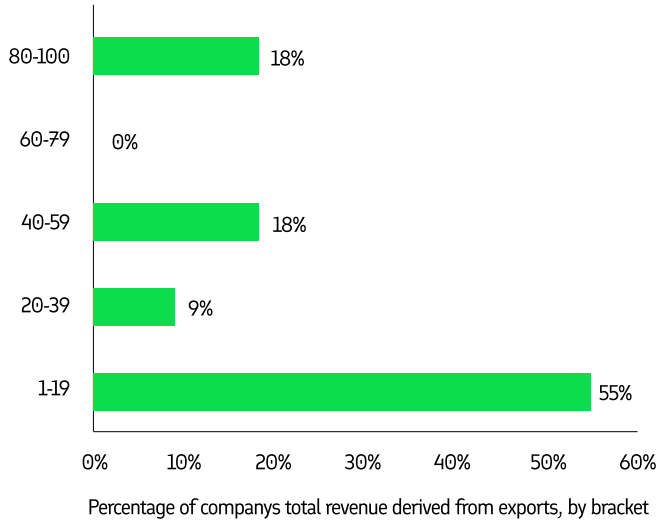
For those who exported prior to receiving funding from Group Explorer, the average share of their company's total revenue being derived from exports were 29 percent. Most of the firms exporting goods had relatively low shares of their revenues derived from exports, with numbers between 1 and 19 percent being the most common answers.

The share of firms exporting prior to receiving funds from Group Explorer and the distribution of shares of revenues from exports prior to receiving funds is shown in the figure below.

12 The statistics we present in the following subchapter is based on the survey conducted by Menon Economics as a part of the evaluation, and not statistics on participants received from Business Finland.

FIGURE 3 8: LEFT: DID YOUR COMPANY EXPORT PRODUCTS OR SERVICES TO FOREIGN MARKETS BEFORE RECEIVING FUNDING THROUGH GROUP EXPLORER? (N=18) RIGHT: BEFORE RECEIVING FUNDING, WHAT PERCENTAGE OF YOUR COMPANY'S TOTAL REVENUE (APPROXIMATELY) WAS DERIVED FROM EXPORTS? (N=11). SOURCE: SURVEY BY MENON ECONOMICS.





4. THE NEED AND DEMAND FOR GROUP EXPORT FUNDING SERVICES – RELEVANCE

The need for funding services such as Group and Exhibition Explorer can be measured by the reasons for applying (motivation) and what 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. If Exhibition Explorer had not existed, most participants indicated that they would have still attended B2B fairs, but with slightly less frequency. On the other hand, the outcomes for Group Explorer participants suggest a different dynamic. While these firms affirm that they would still pursue international business opportunities, they would typically do so individually or in smaller groups, rather than as part of a coordinated project.

The aspect of relevance is according to the OECD-framework an analysis of to which extent the objectives of the services are consistent with the requirements, needs and priorities. In this study, we asses this in relations to the users/customers need and demand for the particular funding service. To assess the relevance of the services we first analyze and discuss the motivation for applying for the grants. We then explore the additionality of such services, in other words, what would have happened if the particpants would not have had access to such funding services. An additional aspect of relevance is related to how the service is fitting into the landscape of other export services. This is emphasized in the next chapter (coherence).

4.1. MOTIVATION TO PARTICIPATE IN EXHIBITION AND GROUP EXPLORER

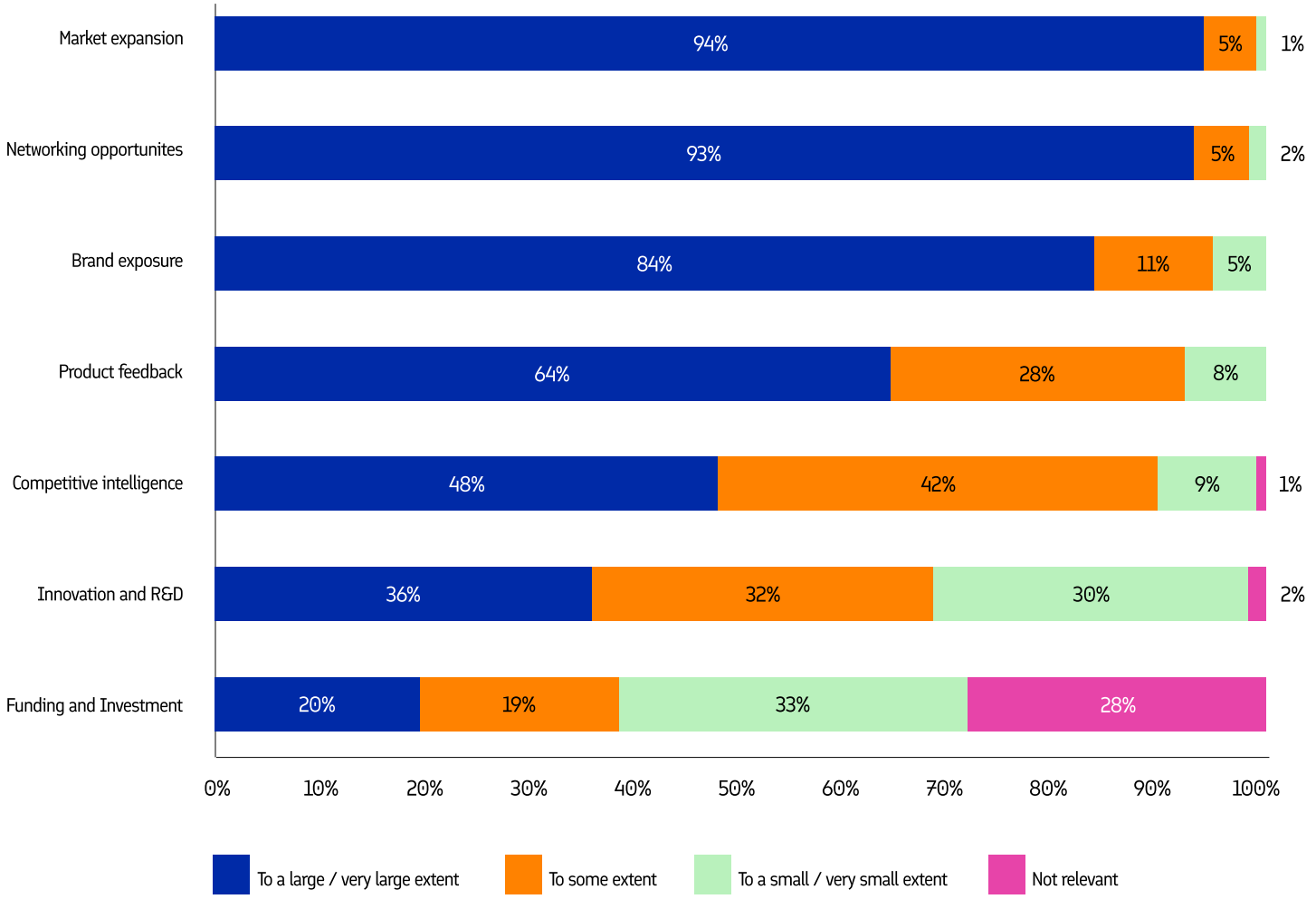
As presented in chapters 2 and 3, a large number of companies have utilized Exhibition and Group Explorer as funding services. It is intriguing to delve deeper into the reasons behind their decision to take advantage of these offerings. In the survey distributed to the users, they were asked to assess the objectives (needs and motivations) that prompted them to apply for support. The reasons why a company chose to apply, and thereby what their needs were, is crucial for understanding their perceived relevance of

the funding services, which in turn represents the demand. Their motivations for applying also influence their expectations and must be considered in light of the outcomes they have achieved. The connection to the latter will be further elaborated in chapter 6.

OBJECTIVES FOR APPLYING FOR EXHIBITION EXPLORER

The primary reasons companies chose to apply for support from Exhibition Explorer were market expansion and networking opportunities. As illustrated in the figure below, approximately 95 percent of respondents cited these as significant or very significant motivational factors. The former, market expansion, refers to identifying and pursuing potential sales opportunities abroad, while networking opportunities involve establishing contacts with potential clients, partners, and investors. At the other end of the spectrum, reasons such as funding and investment (attracting investors), innovation/R&D, and competitive intelligence were less frequently cited as motivations for seeking support. These findings align with the service's objectives, which focus on facilitating activities and interactions typical at B2B fairs, whereas attracting investors and finding innovation and R&D opportunities are less central aims of these conferences.

FIGURE 4 1: TO WHAT EXTENT WERE THE FOLLOWING OBJECTIVES (NEEDS AND MOTIVATIONS) RELEVANT FOR YOUR COMPANY TO APPLY FOR A GRANT FROM EXHIBITION EXPLORER? SOURCE: SURVEY BY MENON ECONOMICS. N = 117



TEXTBOX 4 1: EXPLANATION OF MOTIVATIONAL FACTORS OF EXHIBITION EXPLORER

The respondents were asked to state whether the following needs and motivations were relevant for their application to Exhibition Explorer to a very large, a large, some, a small or very small extent:

- **Market expansion:** To identify and pursue potential sales opportunities abroad.
- **Networking opportunities:** To establish contact with potential clients, partners, and investors.
- **Brand exposure:** To increase brand visibility and recognition in the international market and showcase products or services to a wider audience.
- **Competitive intelligence:** To gather information on international competitors, and to stay informed about trends and advancements in the industry.
- **Product feedback:** To receive feedback on products or services from an international audience and understand the needs and preferences of potential customers in different markets.
- **Innovation and R&D:** To identify opportunities for collaboration in research and development.
- **Funding and investment:** To attract investors and secure funding for business expansion.

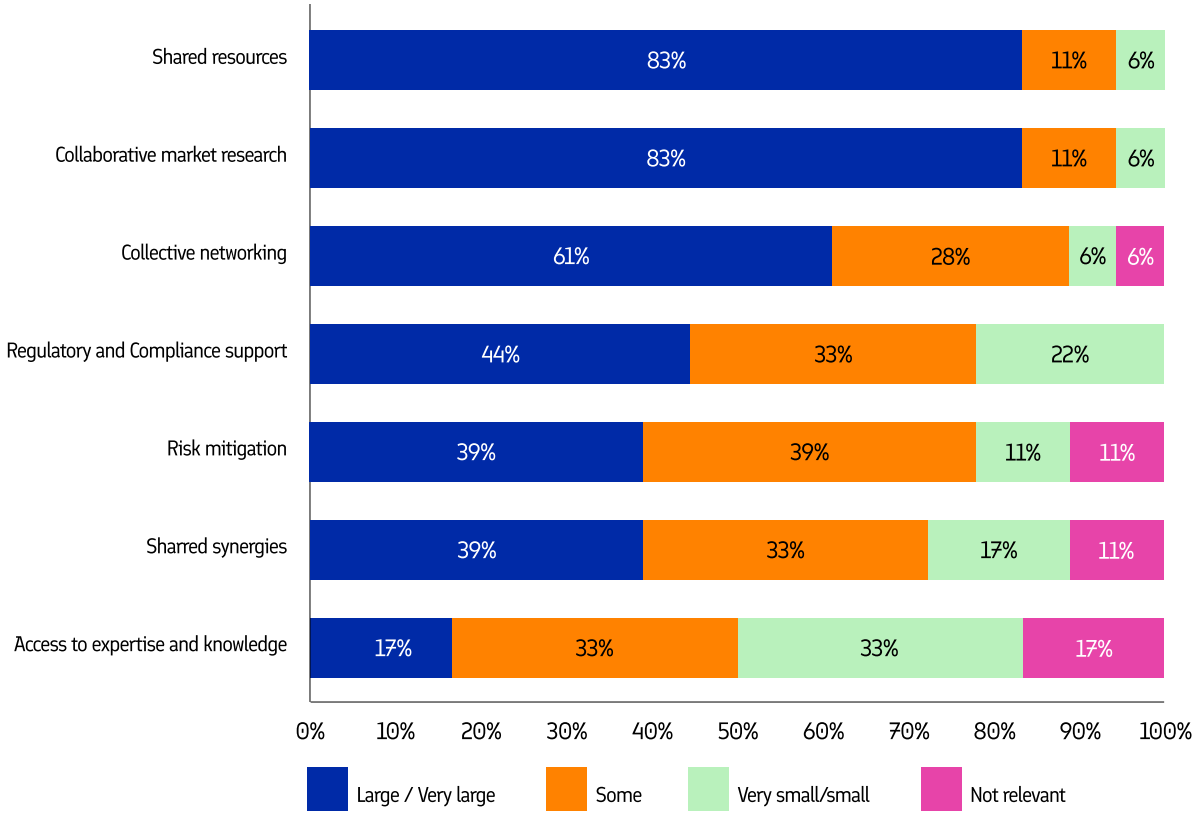
OBJECTIVES FOR APPLYING FOR GROUP EXPLORER

The primary reasons companies chose to apply for support from Group Explorer were to share resources in exploring international business opportunities and to do collaborative market research in international markets. As shown in the figure below, approximately 80 percent of the respondents cited sharing resources to be a significant or very significant motivation for participating in their group project. Collaborative market research is stated to be equally important. These objectives entail companies to join forces to investigate market expansion and business opportunities abroad. Collective networking is stated to be the third most important objective, which implies to collectively establish connections with potential international clients, partners, and investors. These findings are aligned with the objectives of Group Explorer, which is designed to aid the recipients to explore joint business opportunities and creating joint international networks.

At the other end of the spectrum, access to expertise and knowledge appears to be less of a significant motivation for companies applying for funding through Group Explorer. By accessing expertise, we imply the acquisition of specialized knowledge, skills, and expertise from within the group. This suggests that the specialized expertise of other companies is not as critical, with an alternative being the use of external experts. However, it is more surprising that shared synergies are such a low motivation for com-

panies. This is one of the fundamental ideas behind Group Explorer, which aims for companies to leverage synergies in the process of internationalization. This could indicate that companies are more focused on other factors than which companies they have the greatest synergies with, or it may reflect a lack of awareness and a common conceptual framework regarding synergies—a term often viewed as a technical concept from the literature on collaboration.

FIGURE 4 2: TO WHAT EXTENT WERE THE FOLLOWING OBJECTIVES (NEEDS AND MOTIVATIONS) RELEVANT FOR YOUR COMPANY TO APPLY FOR A GRANT FROM GROUP EXPLORER? SOURCE: SURVEY BY MENON ECONOMICS. N = 18



TEXTBOX 4 2: EXPLANATION OF MOTIVATIONAL FACTORS OF GROUP EXPLORER

The respondents were asked to state whether the following needs and motivations were relevant for their application to Group Explorer to a very large, a large, some, a small or very small extent:

- **Collaborative market research:** Jointly conduct market research and feasibility studies in international markets.
- **Shared Resources:** Pool resources and expertise for a more cost-effective exploration of international business opportunities.
- **Shared Synergies:** Leverage the combined strengths and capabilities of the group members.
- **Collective Networking:** Collectively establish connections with potential international clients, partners, and investors.
- **Risk Mitigation:** Share and mitigate the risks associated with entering new international markets, and to benefit from a collective approach to handling market entry challenges and uncertainties.
- **Access to Expertise and Knowledge:** Gain access to specialized knowledge, skills, and expertise from within the group.
- **Regulatory and Compliance Support:** Collectively navigate international regulatory requirements and compliance standards.

4.2. OUTCOMES IN THE ABSENCE OF FUNDING THROUGH THE FUNDING SERVICES

To assess the relevance of the two funding services, as well as considering the outcomes they have achieved, it is crucial to examine what the users would have done if Business Finland's offerings did not exist. If users of Exhibition Explorer would have attended the same number of B2B fairs, and Group Explorer participants would have pursued the same business opportunities in markets together with others, this would indicate that the services might be redundant and/or targeted at the wrong users. Therefore, we aim to investigate the additionality of these services, specifically the extent to which they lead to more participation in B2B fairs and exploration of joint business opportunities that otherwise would not have occurred.

ADDITIONALITY OF EXHIBITION EXPLORER

According to the respondents, the funding through Exhibition Explorer is indeed a contributing factor to participate in international B2B-fairs. This is supported by the fact that a large majority of the respondents state that they would have attended in either less (71 percent) or no (15 percent) international B2B-fairs in the absence of the funding service. This is illustrated in the graph below and indicates the need for such services to attend B2B-fairs. However, 14 percent state that would attend the same number of fairs. Thus, implying that that the funding service is targeting some of the wrong users.

FIGURE 4 3: WITHOUT FUNDING FROM BUSINESS FINLAND'S INITIATIVE EXHIBITION EXPLORER, THE COMPANY I REPRESENT WOULD HAVE ATTENDED...
SOURCE: SURVEY BY MENON ECONOMICS. N = 117

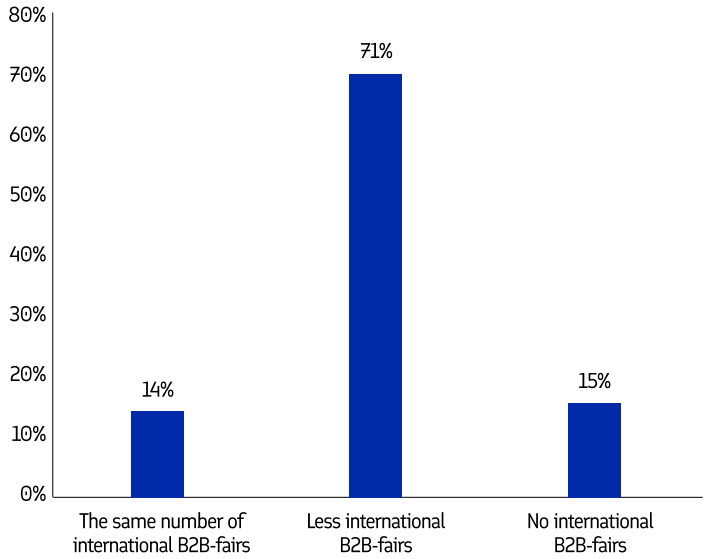
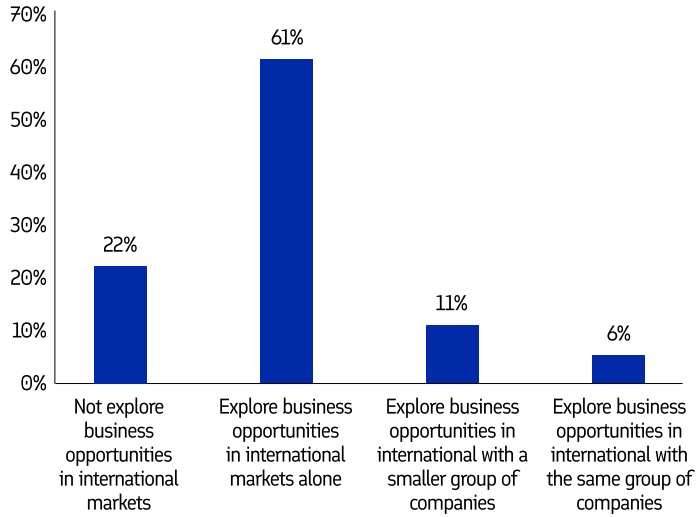


FIGURE 4 4: WITHOUT FUNDING FROM BUSINESS FINLAND'S INITIATIVE GROUP EXPLORER, THE COMPANY I REPRESENT WOULD...
SOURCE: SURVEY BY MENON ECONOMICS. N = 18



ADDITIONALITY OF GROUP EXPLORER

What is the additionality of Group Explorer? Our analysis of the survey data indicates that the absence of Group Explorer funding would predominantly affect whether companies collaborate in exploring opportunities in international markets. This is clearly evidenced by the majority stating that, in such a scenario, they would explore business opportunities in international markets alone (61 percent), and some indicating they would do so with a smaller group of companies (11 percent). Only 6 percent respondents mentioned that they would explore international business opportunities with the same group of companies. Therefore, Group Explorer has a significant impact on fostering collaboration. Additionally, we found that a segment of respondents (22 percent) stated that they would not have pursued international opportunities at all, thus lacking an export focus. For this group, the service also acts as a catalyst for international expansion.

5. HOW THE GROUP FUNDING EXPORT SERVICES FIT INTO THE EXPORT SUPPORT LANDSCAPE IN FINLAND – COHERENCE

Group Explorer and Exhibition Explorer are somewhat different in what phases of export development they are designed to assist in. 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.

In this section, we will assess how Exhibition Explorer and Group Explorer, two group export funding services offered by Business Finland, fit into the landscape of export instruments provided by Business Finland and Team Finland. Thus, the analysis explores the OECD pillar of coherence. First, we discuss the specific functions of Group Explorer and Exhibition Explorer, highlighting the areas they fund within the context of export activities. We will then present the landscape of export services of Business Finland and analyze how these two group export funding services integrate into the broader landscape of Business Finland and Team Finland. Finally, we will investigate the specific needs of the participants after joining the two funding services.

5.1. WHICH PHASES OF EXPORT ACTIVITIES ARE GROUP EXPLORER AND EXHIBITION EXPLORER PRIMARILY ADDRESSING?

Group Explorer and Exhibition Explorer are somewhat different in what phases of export development they are designed to assist in. While Group Explorer function as a service to ease market entry in international markets, Exhibition Explorer is more catered towards promoting more mature exports.

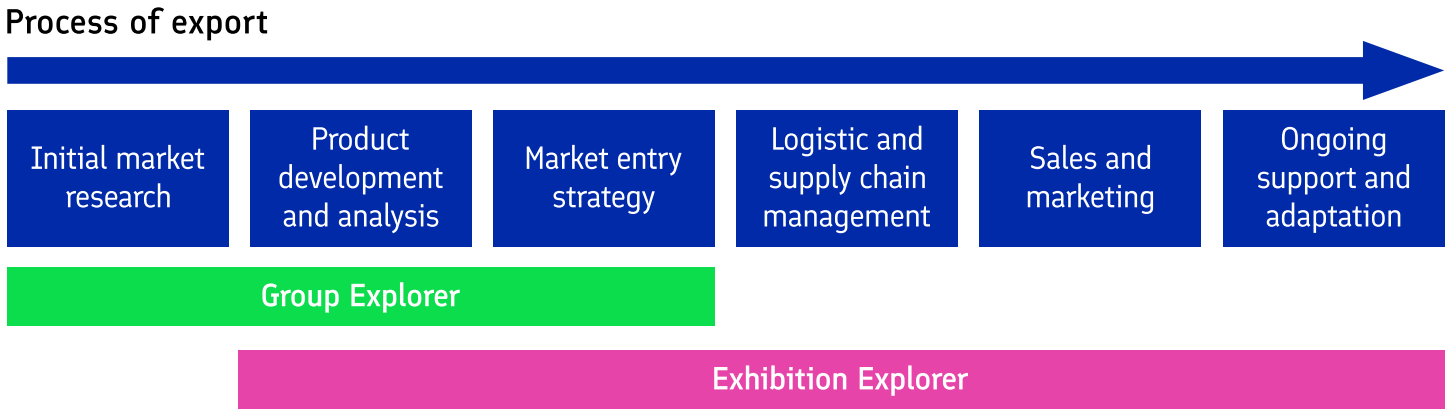
Group Explorer as a market entry service: Group Explorer serves as an initial market research tool, focusing on foundational work such as assessing market potential and mapping distribution networks. This is reflected in the activities supported by the funding, which are primarily aimed at conducting market potential assessments, exploring distribution networks, and similar tasks. This is highlighted by the fact that many companies participating in Group Explorer did not engage in exporting before joining the group (as referenced in Chapter 3). This is further emphasized by the results achieved by companies that have participated in Group Explorer (see Chapter 6), where participants frequently identify a need for continued R&D and innovation after their involvement. This export activity often follows the initial market research, during which companies recognize the need to adapt their products for new markets.

Exhibition Explorer as mainly an export promotion service: Exhibition Explorer, on the other hand, focuses on building networks and enhancing branding efforts. While this can be seen as an initial export activity, it can also occur in parallel with other export-related activities such as: market research, product adjustments to ensure relevance in new markets, and during ongoing export operations. Thus, Exhibition Explorer addresses the development of branding and networking both during the developmental phase leading to export and when companies are already established exporters in one or more markets. This is both reflected in the fact that many firms use this funding service repeatedly (see Chapter 2), as well as that a larger share of the respondents were already exporting before (and while) receiving this funding (see Chapter 3). However, Exhibition Explorer provides funding to one of many export activities that can be undertaken to improve branding and increase networking.

The figure below illustrates the export process, highlighting the role of both services in facilitating different export activities.

Between the Group Explorer and Exhibition Explorer there are some overlaps between users. We find that 31 unique firms have received funding from both Exhibition and Group Explorer. Due to the number of recipients of Exhibition Explorer, the overlap from this service is quite small. However, for Group Explorer this implies that 20 percent of the recipients have also received funding from Exhibition Explorer.

FIGURE 5 1: ILLUSTRATION OF KEY EXPORT ACTIVITIES IN THE EXPORT PROCESS.



5.2. THE LANDSCAPE OF EXPORT SERVICES IN FINLAND

The landscape of export services in Finland encompasses mainly the efforts of two key bodies: Business Finland and Team Finland.

- **Business Finland:** Business Finland is the primary government agency responsible for funding and supporting innovation, research, and development. It offers a wide range of services including financial support, advice, and internationalization services to businesses and research institutions. Export and internationalization services is one of four key fields of Business Finland, in addition to RDI-funding, Startup Programs and Accelerations, as well as sector-specific initiatives.
- **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 (see textbox below for a overview of their service offerings). The services are created for companies seeking to internationalize. The network consists of organizations
such as the Ministry of Economic affairs, the Ministry of Foreign Affairs, Business Finland, and more. Team Finland operates more than 80 local teams worldwide, bringing together Finnish authorities, publicly funded organizations, and other key actors in each region. In Finland, the network includes 18 local teams across various counties.

In addition, there are several other bodies relevant to the Finnish innovation system both on national and regional level, such as the Finnish Innovation Fund (Sitra), Finnvera, the ELY centers, VVT (Technical Research centerof Finland), TESI (Finnish Industry Investment Ltd)

We present an overview of the service offerings of Team Finland in the following textbox, where the six first bullet points are connected to Business Finland's offerings.

TEXTBOX 5 1:
SERVICE OFFERINGS OF TEAM FINLAND

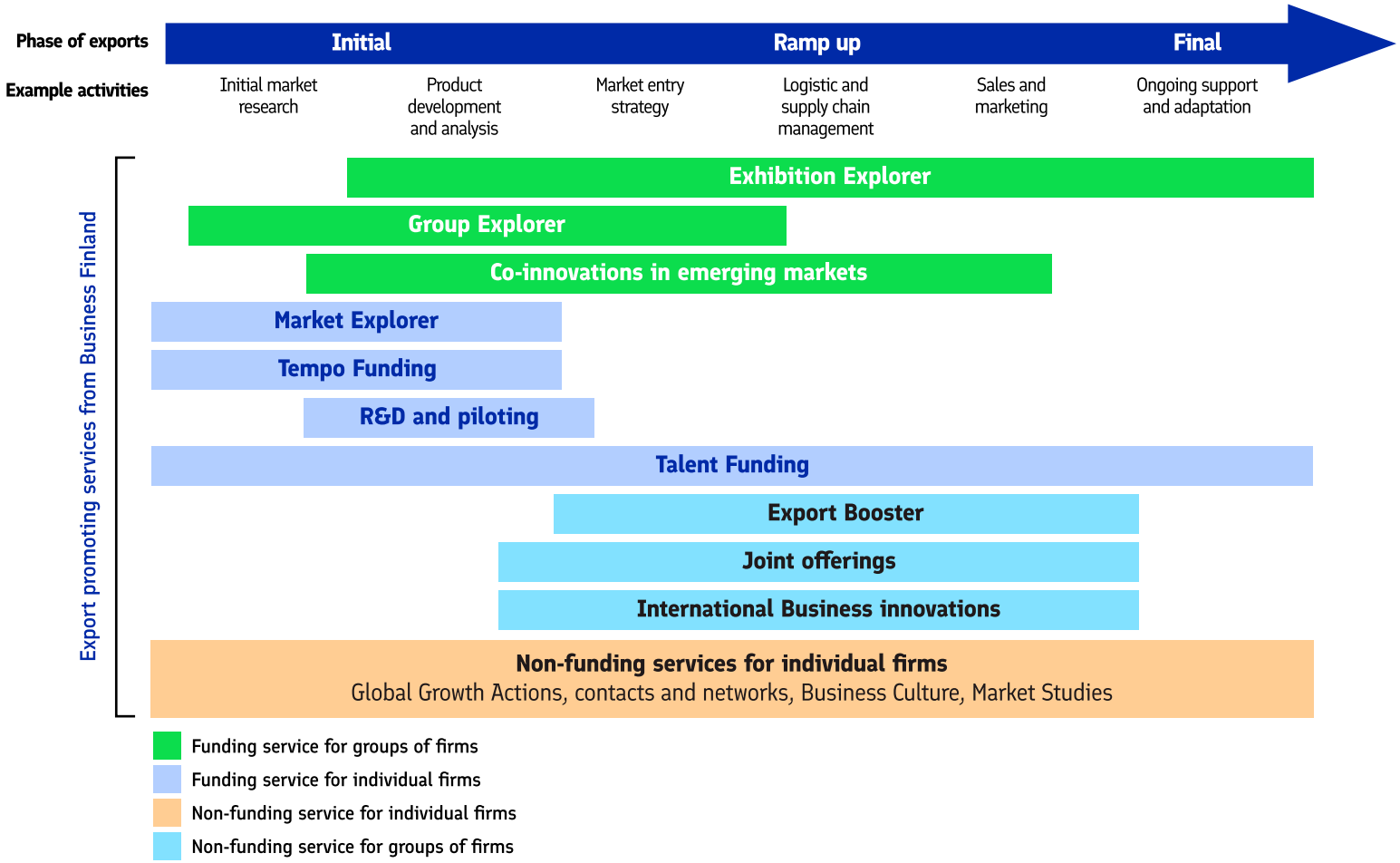
- Advisory services for internationalization
- Support for international networking and establishing contacts
- Services to improve internationalization capabilities and competence
- Funding services for internationalization
- Market and operating environment information
- Funding for research and development
- Guidance on trade barriers
- Tourism promotion services
- Services for foreign capital investors and enterprises investing in Finland

As mentioned above, one of Business Finland's key fields is related to export and internationalization services. They offer 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. These services can be explored and categorized along many different dimensions.

- Export phase (as well as technology readiness/ market maturity): **Market entry versus export promotion**
- Type of service: **Funding versus non-funding**
- Type of service: **Individual or collaborative (groups)**

When looking at these dimensions, we can illustrate the different programs/services of Business Finland as in the following figure. A full review of the different programs/ services are listed in Appendix C. 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.

FIGURE 5 2: ILLUSTRATION OF HOW BUSINESS FINLAND'S SERVICE OFFERINGS COVER DIFFERENT PHASES OF EXPORT DEVELOPMENT.



In the following sections we summarize the services illustrated in the figure, including how they overlap with Group Explorer. In general, Exhibition Explorer exhibits less overlap. While most services can be quite broad, Exhibition Explorer caters towards a very specific activity (attending fairs). Therefore, we focus in this section on the potential overlap with Group Explorer.

POTENTIAL OVERLAP WITH OTHER EXPORT FUNDING SERVICES OF BUSINESS FINLAND

In addition to Group Explorer and Exhibition Explorer, Business Finland offer five export-oriented funding services. These services primarily support individual firms in the early stages of entering foreign markets, generally being more geared towards supporting research, development, and innovation as well as market research. Other distinctions between the services are their design and target beneficiaries. The services are listed below.

- **Co-innovations in emerging markets** is a group-based service designed to help companies to co-develop and co-create sustainable innovations together with local partners in emerging markets. The solutions address specific development targets in the market of interest and must be linked to a R&D project supported by Business Finland.
- **Market Explorer** assists individual SME/midcap companies in the idea or pilot stage by focusing on market entry strategies.
- **Tempo Funding** assists individual startups to carry out initial market research and product development.
- **Research, Development and Piloting** is divided into two services respectively targeting individual SME/midcaps and large companies. The service offer grants and loans for development and piloting projects.
- **Talent Funding** provide means for SME/midcaps to improve the internationalization skills of their staff. The service is applicable regardless of phase of export.

There is some overlap between Group Explorer and some of the other funding services. 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.

POTENTIAL OVERLAP WITH EXPORT NON-FUNDING SERVICES FOR INDIVIDUAL FIRMS

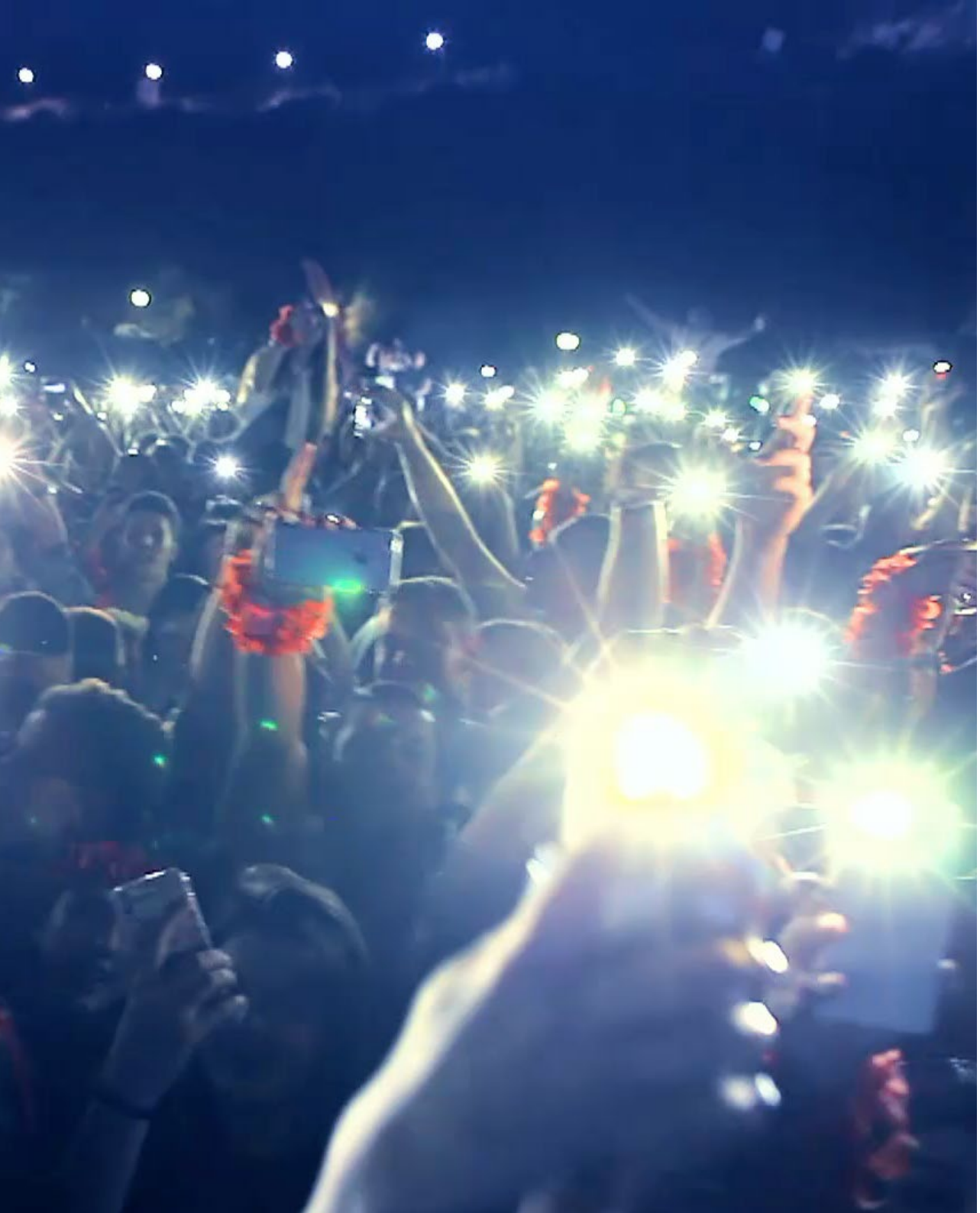
Business Finland's non-funding services for individual firms span the entire export journey, from initial market entry to follow-up activities. The services are available for a wide range of firms. The services are listed below.

- **Global Growth Actions** aids in crystallizing beneficiaries' business plan and validating their market section. The service is targeting both companies entering new markets and companies who are already established in foreign markets but who are underperforming.
- **Contacts and networks**, Business Finland assist in finding the right contacts, stakeholders and reliable service providers in foreign markets.
- **Business Culture** provide firms guidance on local business practices. The service targets companies in both early and late market entry stages.
- **Market Information** services provide valuable industry-specific studies and market assessments, which are particularly useful at the early phases of export.

There is some overlap between Group Explorer and the individual non-funding services. Individual non-funding services are providing information, contacts networks and help with business plans, which are all points which group projects in Group Explorer may address. Again, an important distinction is that Group Explorer is designed to provide these things through synergies between the participants. Also, the non-funding services can complement the funding services by delivering critical insights and connections which may not be achieved in the particular group formation in a project in Group Explorer.

POTENTIAL OVERLAP WITH EXPORT NON-FUNDING SERVICES FOR GROUPS OF FIRMS

For constellations of firms (groups), Business Finland offers non-funding services aimed at capitalizing on large-scale market opportunities by forming tailored collaborations with joint offerings. The services Export Booster, International Business Innovations, and Joint Offerings are all assisting groups of firms in larger international business opportunities. These services focus on creating new joint value propositions instead of product development and provide long-term support for market-ready products. However, as International Business Opportunities and Joint Offerings include creating offerings, and products and services may be altered during this stage, these programs are in a sense also covering late stages of product development.



There is less of an overlap between Group Explorer and non-funding group programs, as these designed for large-scale market opportunities and collaboration for joint offerings. This is also illustrated by looking at the users of the five services[13]:

- **Exhibition Explorer.** Of the approximately 1,400 unique firms that have received funding from Exhibition Explorer, 48 of these have also received services from a non-funding group export service. Thus, the overlap is 4 percent.
- **Group Explorer.** When looking at the 145 unique firms that have received funding from Group Explorer, only 6 of these have participated in a non-funding group export service. Which results in an overlap of 3 percent.

Overall, the overlap between the funding and non-funding group export services are quite small. In addition, there is no indication of overlap between services for groups.

13 Please note that Menon Economics have received this information from the parallel evaluation. However, we do not have information related to which of the non-funding group export service there is an overlap with, as well as if the non-funding service was received before or after Exhibition Explorer or Group Explorer.

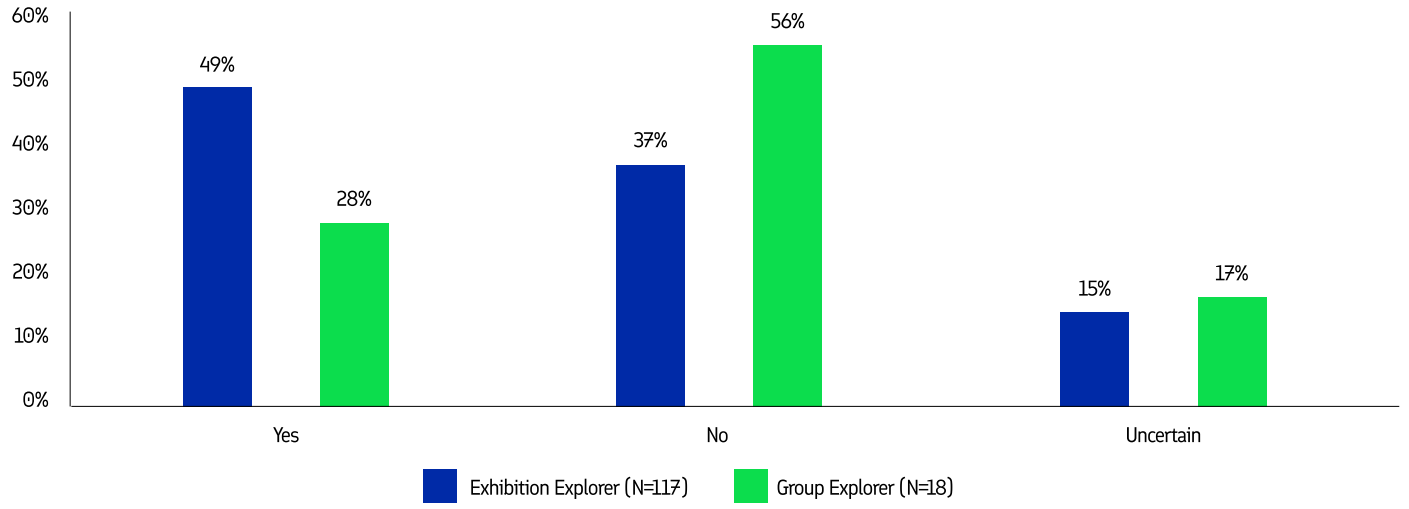
5.3. WHICH EXPORT SERVICES HAVE BEEN BENEFICIAL FOR PARTICIPANTS IN GROUP EXPLORER AND EXHIBITION EXPLORER?

To further explore how Group Explorer and Exhibition Explorer fit into the landscape, we also have investigated the specific needs of the participants after joining the two funding services.

The extent to which users of Exhibition Explorer and Group Explorer have identified a need for further export promotion assistance, as well as the type of assistance required, can provide insights into how these programs fit within the overall export promotion landscape. This analysis can clarify the connections between initial support received from these programs and the subsequent export-related needs they have helped to identify.

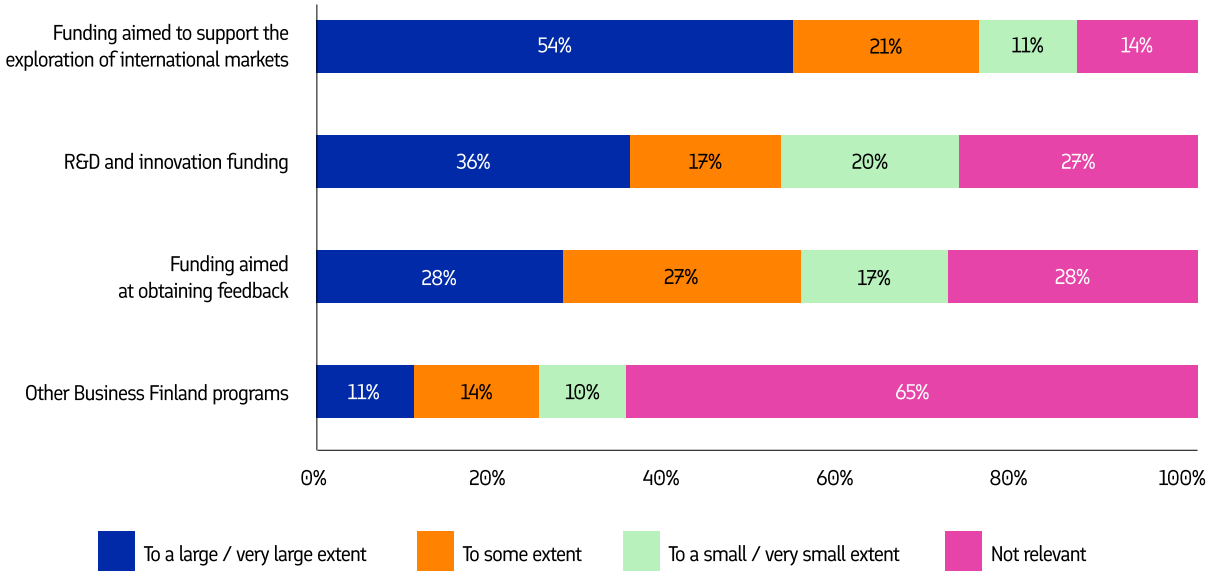
As shown in the graph below, approximately half of the recipients of Exhibition Explorer have received further assistance from export promotion services, either from Business Finland or Team Finland. For Group Explorer, the share is 28 percent. This suggests a general need for further export assistance when using these services. Nevertheless, almost 60 percent of Group Explorer participants report that they have not received further assistance. Since Group Explorer is often related to initial export activities, we might have expected a larger share of respondents to seek additional assistance after ending the project. There could be several reasons for not observing this in our results. Firstly, it may be because Group Explorer is a relatively new initiative, with many projects only recently being finalized. Further export efforts, and thus further assistance, would require more effort and planning, which may not be initiated immediately. This could indicate that more participants plan to utilize additional export promotion services but have not yet commenced. Secondly, the result may stem from the identified need for other types of services not directly related to export, as part of preparing for potential export. This could include areas such as product development.

FIGURE 5.3: AFTER ATTENDING EXHIBITION EXPLORER/GROUP EXPLORER, HAS YOUR COMPANY RECEIVED ANY FURTHER ASSISTANCE FROM EXPORT PROMOTING SERVICES OF BUSINESS FINLAND OR BEEN CONNECTED TO OTHER EXPORT SERVICES WITHIN TEAM FINLAND? SOURCE: SURVEY BY MENON ECONOMICS



What type of services have been beneficial for the companies' internationalization efforts after receiving funding from either Exhibition Explorer and Group Explorer? For Exhibition Explorer, the respondents highlight especially the benefit of funding aimed at supporting the explora-tion of international markets, in addition to R&D and inno-vation funding. The latter is typically aimed at product development. This is illustrated in the graph below. For Group Explorer, the number of respondents to this question is low, and thus it is difficult to draw any conclusions. However, we see a tendency towards the same pattern as Exhibition Explorer.

FIGURE 5.4: TO WHAT DEGREE HAS THESE SERVICES BEEN BENEFICIAL FOR YOUR COMPANY'S INTERNATIONALIZATION EFFORTS AFTER ATTENDING EXHIBITION EXPLORER? SOURCE: SURVEY BY MENON ECONOMICS. N=72



TEXTBOX 5 2: EXPLANATION OF INTERNATIONALIZATION EFFORTS OF EXHIBITION EXPLORER AND GROUP EXPLORER

The respondents were asked to state which of these services had been beneficial for their company's internationalization effort after attending either Group and Exhibition Explorer, to a very large, a large, some, a small or very small extent:

- R&D and innovation funding
- Business Finland programs (e.g., Decarbonized Cities Finland, Decarbonized Marine and Ports, Health 360 Finland, etc.)
- Funding aimed at obtaining feedback from potential customers and mapping the product's demand and functionality in the international market
- Funding aimed to support the exploration of international markets

6. THE ACHIEVEMENT OF RESULTS AND DELIVERABLES – EFFECTIVENESS

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 to engage in the service. Another important outcome for users has been related to increased growth through the promotion of products and services at B2B fairs. For Group Explorer participants, the most important outcomes of receiving funding and completing such projects have been gaining 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. Increased growth is also one of the more highlighted outcomes. This is connected to the specific companies, and may imply increased growth in relation to export, turnover or number of employees. However, it is important to note that such effects are also a result of other factors and activities of a company.

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. Another finding is the high level of interaction among the participating companies during the conferences, regardless of their stand arrangements. For Group Explorer we investigate the collaboration within the groups, and the

respondents' experience are divided when looking at the successfulness of these collaborations. While just under a third found the collaboration to be successful, approximately 40 percent reported that the collaboration was unsuccessful. This aspect is also revealed when looking at whether the collaboration continued after the project ended. Over half of the respondents mentioned that they continued the collaboration, but only with some of the original group members. These results indicate that the success of the collaborative activities, and the continuance of these collaboration, are somewhat poor for Group Explorer.

In this chapter, we will examine three key aspects of the funding services. First, we will analyze what participants have achieved by taking part in the services (results and deliverables). Then, we will look more closely at how the participants in the two services have been collaborating. Finally, we will assess certain organization aspects of the services, including access to information for users and the use of external project manager (orchestrator) for Group Explorer.

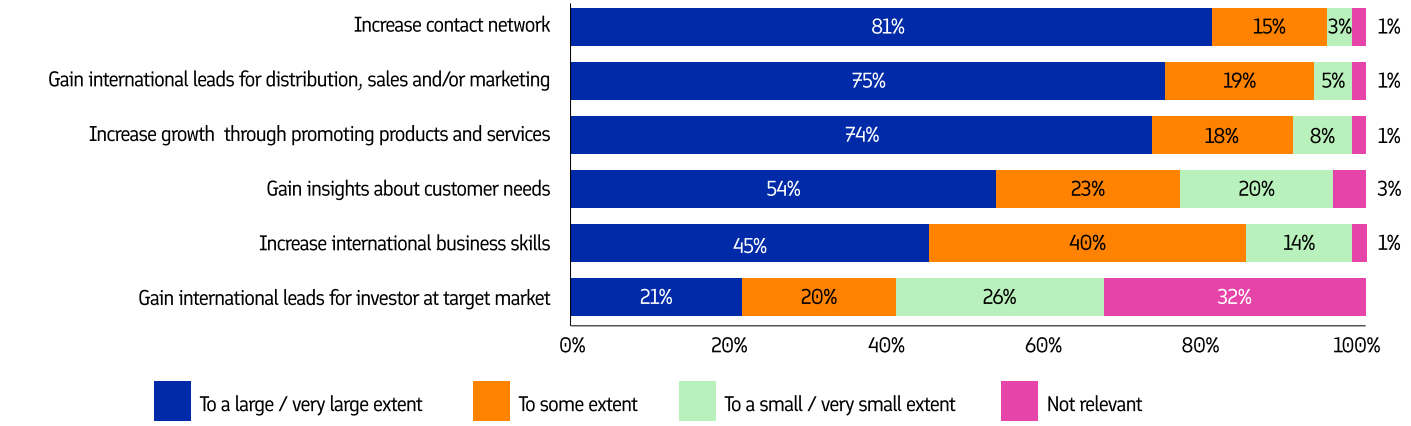
6.1. WHICH RESULTS HAVE BEEN ACHIEVED THROUGH THE FUNDING SERVICES?

In this section, we present the results achieved by users of the two funding services, Exhibition Explorer and Group Explorer. The findings primarily stem from our analysis of data collected through surveys administered to the users of these services. We will highlight the key outcomes that participants have experienced as a direct result of receiving funding and being able to carry out the associated activities. It is important to note that this section focuses on the immediate benefits and main results of the funding assistance, rather than examining the long-term effects of their participation.

RESULTS OF PARTICIPATING IN B2B-FAIRS WITH SUPPORT FROM EXHIBITION EXPLORER

The most significant outcome for companies that have received financial support from Business Finland to participate in B2B fairs is related to networking and establishing connections. This is supported by the fact that a substantial majority report that participation has greatly or very greatly expanded their network (81 percent) and generated international leads (75 percent). This aligns closely with the primary motivational factor for users to engage in the service.

FIGURE 6 1: TO WHICH EXTENT DID ATTENDING B2B-FAIRS WITH FINANCIAL SUPPORT OF BUSINESS FINLAND HELP YOUR COMPANY TO...
SOURCE: SURVEY BY MENON ECONOMICS (2024). N = 117



Another important outcome for users has been related to increased growth through the promotion of products and services at B2B fairs. A full 74 percent report having experienced this to a great or very great extent. 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. This increased growth as a result likely builds upon the other outcomes achieved, such as an expanded network and gaining international leads for distribution, sales, and/or marketing.

In addition to this, approximately half of the respondents also report that participation has contributed to gaining increased insights into customer needs and acquiring international business skills. One reason why the former (insight into customer needs) is not higher could be related to the fact that these are B2B conferences. For some sectors that sell directly to consumers (i.e., where other businesses are not their customers), there will be less opportunity to gain this insight through B2B fairs. This is also supported by the fact that 20 percent reported experiencing this to a small or very small extent through B2B fairs supported by the Exhibition Explorer, which is a relatively high proportion compared to the other types of outcomes we are examining here.

There are also some outcomes that participants report experiencing to a lesser extent. For example, only 21 percent stated the same about gaining international leads for investors in the target market. This aligns with the fact that securing investments was considered a less important motivational factor. Attracting investors requires significant effort from companies and involves more than just participating in B2B-fairs. This is further supported by the fact that 26 percent reported experiencing this to a very small or small extent, which is the highest proportion among the outcomes we are investigating.

TEXTBOX 6 1: EXPLANATION OF OUTCOMES/RESULTS OF EXHIBITION EXPLORER

The respondents were asked to state whether attending B2B-fairs with financial support from Business Finland helped their company to achieve the following objects to a very large, a large, some, a small or very small extent:

- Gain international leads for investor at target market
- Increase international business skills
- Gain insights about customer needs to be utilized in your company's product/service development (R&D)
- Increase growth through promoting products and services at target market
- Gain international leads for distribution, sales and or marketing at target market
- Increase contact network

RESULTS OF PARTICIPATING IN GROUP EXPLORER

For Group Explorer participants, the most important outcomes of receiving funding and completing such projects have been gaining 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 a significant result in light of the service's objectives. An important factor of this is related to deepening their understanding of the markets and market mechanisms. Increased growth is also one of the more highlighted outcomes, as illustrated in the graph below. This is connected to the specific companies, and may imply increased growth in relation to export, turnover or number of employees. However, it is important to note that such effects 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. Second, the results are less often related to specific collaboration aspects, such as increased cooperation and expanded networks. We elaborate on these two findings below:

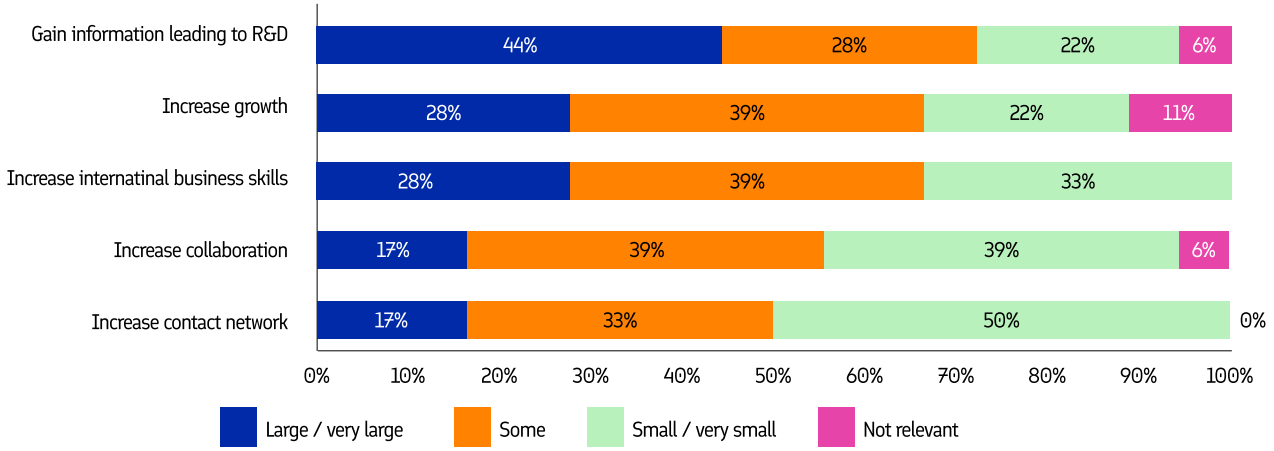


FIGURE 6 2: TO WHICH EXTENT DID ATTENDING THE GROUP EXPLORER HELP YOUR COMPANY TO... SOURCE: SURVEY BY MENON ECONOMICS (2024). N = 18

- Participants in Group Explorer report fewer achieved results compared to participants in Exhibition Explorer. While between 50 to 80 percent of participants in Exhibition Explorer report significant results regarding each objective, the proportion is only up to 44 percent for Group Explorer participants. 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 fairs, where the results should arguably be less significant.

- As illustrated in the figure above, fewer participants report results related to increased networking and collaboration. 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. We will elaborate more on this in section 6.2 below. Regarding less 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. The respondents do indeed report that the funding is primarily spent on activities related to analysis and mapping. A more in-depth description about how the groups have utilized the funds is given in Appendix B. Another aspect that is important to note in this regard 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. Thus, the outcome of collaborative aspects and efforts can be viewed as high in this regard.

TEXTBOX 6 2: EXPLANATION OF OUTCOMES/ RESULTS OF GROUP EXPLORER

The respondents were asked to state to what extent attending Group Explorer helped their company to achieve the following objectives to a very large, a large, some, a small or very small extent:

- Gain information about customer needs that led to product or service development (R&D) after the project was completed
- Increase growth
- Increase international business skills
- Increase collaboration with relevant Finnish companies
- Increase contact network

6.2. COLLABORATION WITHIN THE TWO FUNDING SERVICES

In the following subchapter, we will shed light on the aspect of collaboration within the two funding 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.
- For Group Explorer, we will first explain the group composition (based on descriptive statistics), and then examine how they were formed, the extent to which participants have considered the collaboration successful and whether the collaboration has continued post-project.

COLLABORATION AND COLLECTIVE PRESENCE WITHIN EXHIBITION EXPLORER

The figure highlights the level of collaboration and collective presence among funded companies at these events. An overarching finding is that companies showed nearly equal preference for separate and joint stand arrangements, with a slight majority opting for separate stands. Specifically, 52% of the companies chose separate stands[14] , while 48% decided to exhibit jointly.

The firms who have shared a joint stand are stating a variety of reasons and benefits of sharing stands with other Finish companies. The most common reason is the increased visibility and branding sharing stands brings. The visibility the Finish pavilion is offering has helped attracting a broader audience and has helped building credibility to the firms joining the stand. The financial aspect is the second most common reason the firms are stating as reasons for sharing stands. Several firms are bringing up cost savings and efficiency. Some firms are stating that they would not have been able to cover the costs of participation without the option of sharing stands. Other reasons to share stands include reduced administration and organization efforts, or that it is required by Business Finland. Three firms are also highlighting that the quality of the Finnish pavilion in particular.

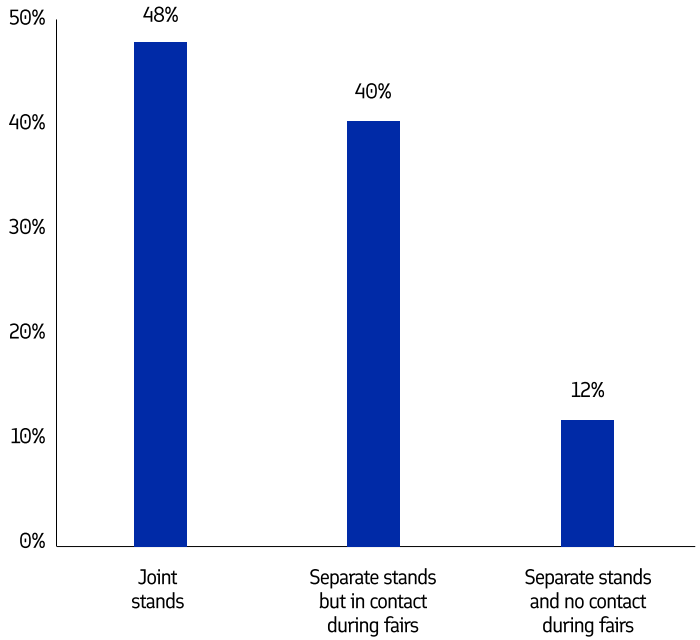
The firms who did not share stands with the other Finnish firms during the stands are also mainly stating reasons related to visibility and branding. These firms are stressing that the separate stand is enabling the firm to be more precise in targeting their target audience, or that they have a placement of the stand that is preferred to the options for sharing a joint stand. These firms are typically stating that a separate stand is beneficial for their presentation, brand recognition or position at the fair, for instance as it enables them to match their branding to their

14 Illustrated by separate stand but in contact during fairs (40 percent) and separate stand and no contact during fairs (12 percent).

specific customer base. For instance, some of the firms are stressing that other Finnish companies are not sufficiently matching their image.

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). This indicates that even with the physical separation at their stands, companies recognized the importance of networking, sharing insights, and possibly exploring collaborative opportunities as they navigated the fair. In contrast, only 12 percent of the companies indicated that they had not been in contact with other participants. This minority might have had specific reasons for limited interaction, such as time constraints, competitive considerations, or differing business goals.

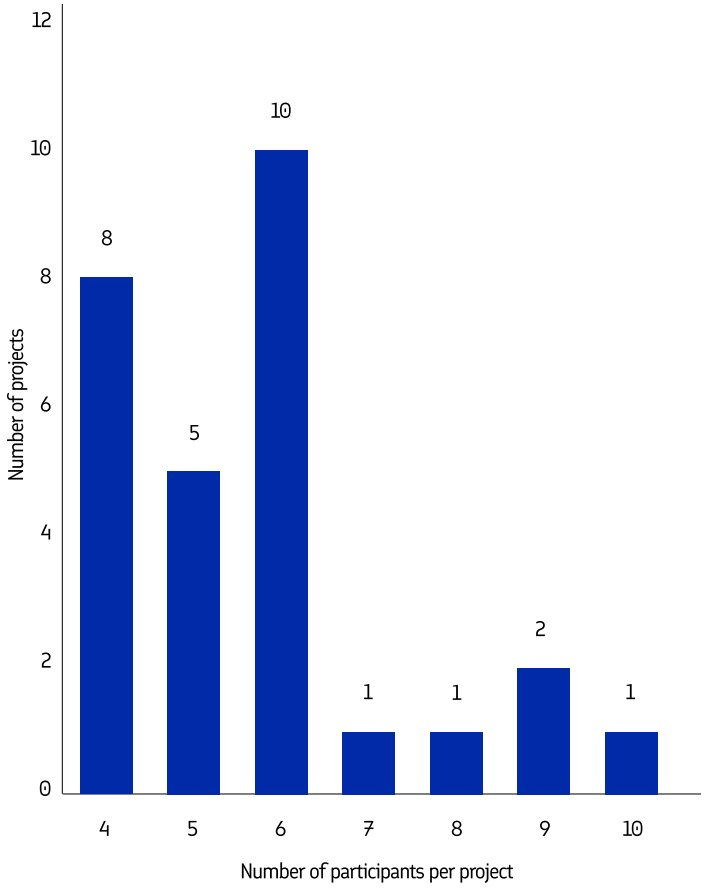
FIGURE 6 3: TO WHICH EXTENT THE EXHIBITION EXPLORER PARTICIPANTS HAD JOINT VERSUS SEPARATE STANDS, AND WHERE IN CONTACT OR NOT DURING THE B2B-FAIRS. SOURCE: SURVEY BY MENON ECONOMICS (2024). N = 117



COLLABORATION OF THE GROUPS WITHIN GROUP EXPLORER

As presented in chapter 2 and 3, 28 projects have been supported through Group Explorer over the period. Business Finland requires that projects consist of between 4 to 10 participants. As illustrated in the figure below, each Group Explorer project on average comprises 4-6 participants. This means that most groups are small according to the requirement, and few projects reach the 10-participant limit.

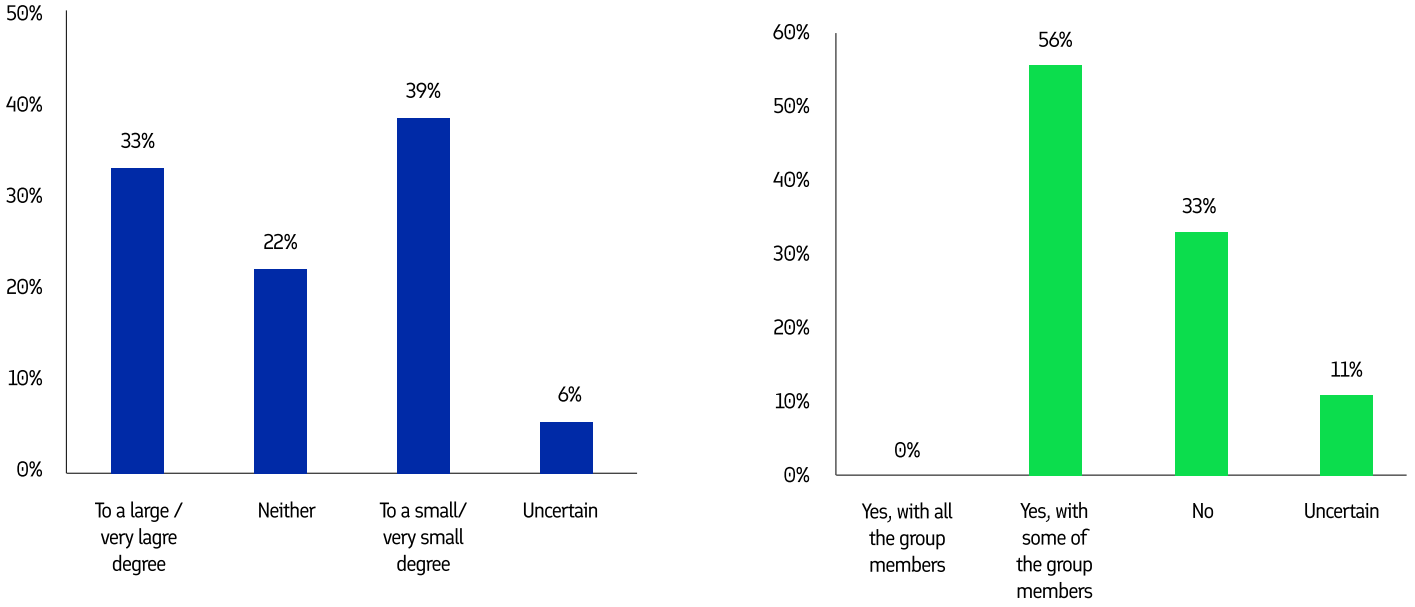
FIGURE 6 4: NUMBER OF GROUP EXPLORER-PARTICIPANTS PER PROJECT. SOURCE: BUSINESS FINLAND (2024), PROCESSED BY MENON ECONOMICS.



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. About half of the respondents mention such third party. The remaining respondents were invited by the group or a participant in the group, or by the external consultant of the group.

An important aspect in this context is whether the participants perceived the collaboration as successful. Effective collaboration is crucial for ensuring agreement on which activities to prioritize and implement in the project (i.e., planning and operational work within the project), and thus it significantly impacts the outcomes that participants achieve from their involvement (the latter was discussed in subchapter 6.1). As illustrated in the figure below, respondents' experiences are divided. While just under a third found the collaboration to be successful, approximately 40 percent reported that the collaboration was unsuccessful. This finding supports the notion that fewer participants report having achieved significant results from participating in a Group Explorer project (as presented in subchapter 6.1).

FIGURE 6 5: 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



What happened to the collaboration thereafter? Just under a third reported that the collaboration did not continue after the project concluded. We do not find a pattern that these respondents were predominantly from group collaborations that were classified as less successful. As shown in the figure above (left), over half of the respondents mentioned that they continued the collaboration, but only with some of the original group members. This suggests that the perception of the collaboration's success likely varies among group members, with some benefiting more than others. This disparity is likely related to the differing opportunities each company identified in the specific market. Additionally, it may also be influenced by the types of activities conducted and the level of involvement each company had.

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. One respondent highlighted that the group members were competitors, or that they operate in the same value chain, making collaboration more challenging. This is in line with an interview we conducted, where the respondent was clear that the companies had limited collaboration due to graded corporate information. Other reasons are amongst others that the participant gained the information they needed, or that the deliverables in later stages of the project didn't match their needs.

6.3. ASPECTS RELATED TO THE ORGANIZATION OF THE TWO FUNDING SERVICES

The organization of a service plays a critical role in influencing its implementation and the resulting outcomes. A well-structured service can facilitate smooth operations and enhance effectiveness, while poor organization can hinder progress and reduce impact. To assess the organizational aspects, we will explore two dimensions:

- **Availability and access to relevant information** about the funding and application process for Exhibition Explorer and Group Explorer.
- The need and use of an External Project Manager (**Orchestrator**) for Group Explorer.

Lastly, we provide an overview of feedback received from users related to application and organization of the two funding services.

AVAILABILITY AND ACCESS TO RELEVANT INFORMATION ABOUT THE FUNDING AND APPLICATION PROCESS

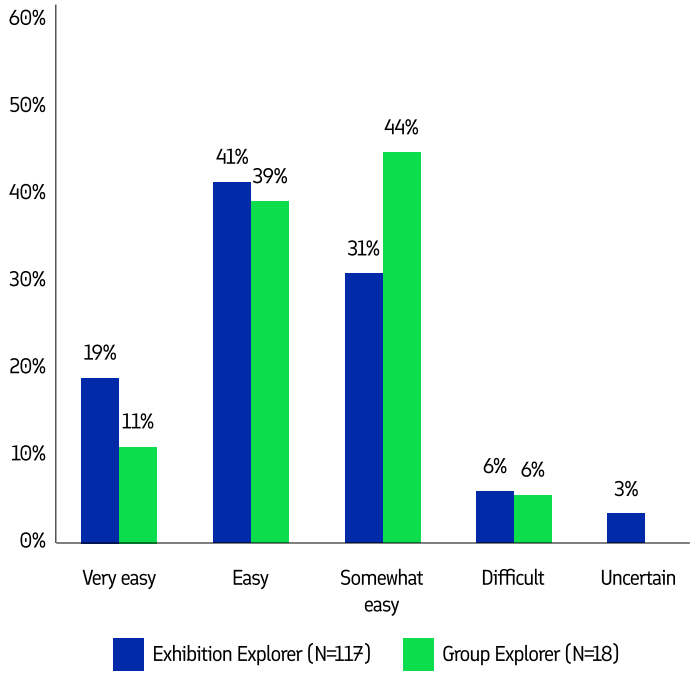
The availability and access to relevant information regarding the funding and application process for funding services like Exhibition Explorer and Group Explorer are crucial for several reasons. Firstly, access to clear and comprehensive information builds trust among potential applicants. When the application and funding processes are transparent, applicants can better understand the criteria and expectations. This transparency reduces uncertainties and encourages more organizations to apply. Secondly, with access to the right information, applicants can make more informed decisions about their participation. They can determine the alignment of their projects with the services' goals, ensuring they submit applications that are genuinely relevant and supportive of Business Finland's objectives. This leads to higher quality applications that are more in line with the services' aims, ultimately resulting in more successful outcomes. Thirdly, the availability of information does not just aid in the application phase but

also in the effective implementation of projects once funding is secured. Guidance documents, FAQs, and detailed application instructions ensure that funded projects adhere to compliance requirements and guidelines, which fosters more successful outcomes.

Given these points, how did participants perceive the availability and access to relevant information about the funding and application process?

- For Exhibition Explorer, respondents generally find that the relevant information is easily accessible. 60 percent of respondents indicated that accessing the information is easy or very easy[15]. Only six percent of respondents stated that accessing the information was difficult.
- For Group Explorer, we observe a similar pattern. However, due to the more complex nature of this funding service and the larger requirements applied to the application process, fewer respondents found it 'very easy' compared to Exhibition Explorer.

FIGURE 6 6: HOW DID YOUR COMPANY FIND THE AVAILABILITY AND ACCESS TO RELEVANT INFORMATION ABOUT THE FUNDING AND APPLICATION PROCESS OF EXHIBITION EXPLORER/GROUP EXPLORER?
SOURCE: SURVEY BY MENON ECONOMICS (2024).



15 Approximately 20 percent found it very easy, and approximately 40 percent found it easy

THE NEED AND USE OF AN EXTERNAL PROJECT MANAGER (ORCHESTRATOR) FOR GROUP EXPLORER

In the Group Explorer service, it is a mandatory requirement for all projects to have an external project manager. This orchestrator is crucial for ensuring the project's smooth execution and achieving set objectives. Among the respondents, nearly all indicate that they recognize the need for such a function in their projects (89 percent). This widespread acknowledgment underscores the value placed on having an experienced and objective third party to oversee and manage project activities.

External project managers are typically utilized for a variety of tasks within Group Explorer projects. The graph below illustrates the primary functions they perform. Most groups are using the orchestrator to aid in organizing and facilitating the meetings within the group (83 percent), as well as helping the group to network with partners and influencers (72 percent). The managers are also commonly utilizing the manager to help with administrative tasks related to the application and reporting to Business Finland.

FIGURE 6 7: WHAT KIND OF SERVICES DID YOUR COMPANY GROUP BUY/USE FROM THE EXTERNAL PROJECT MANAGER? SOURCE: SURVEY BY MENON ECONOMICS. N = 18

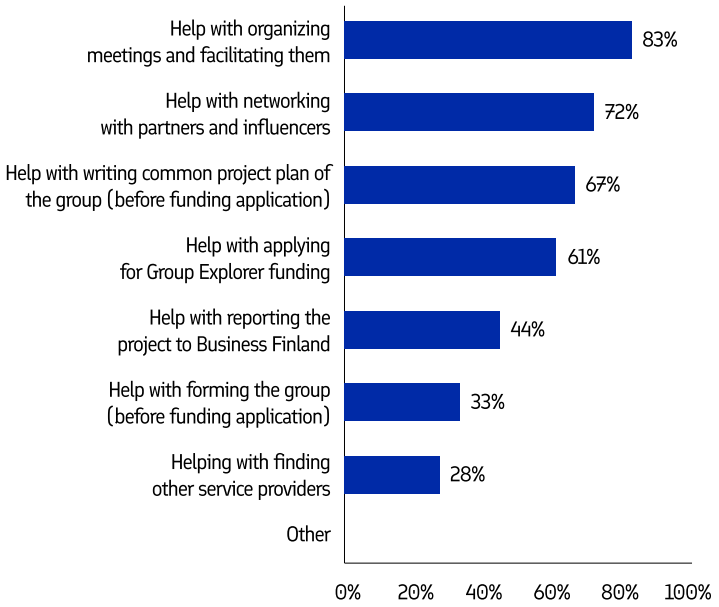
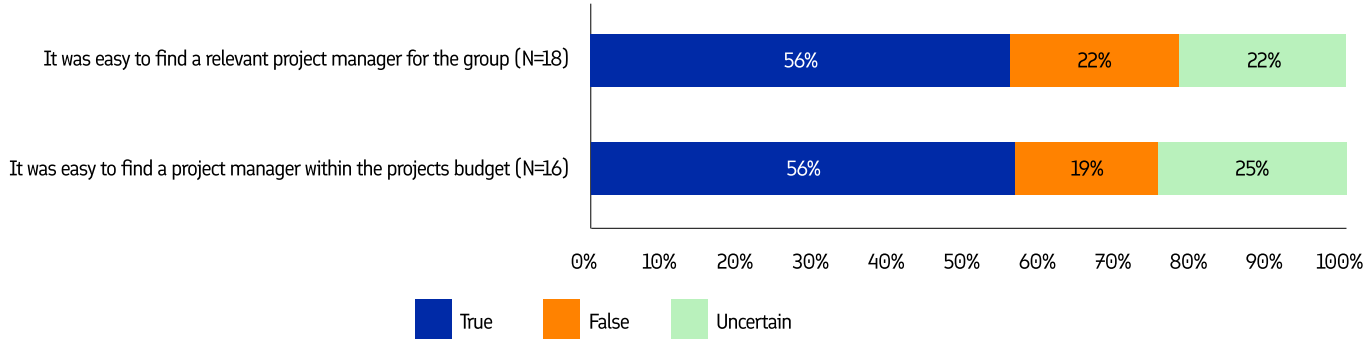


FIGURE 6 8: WHICH OF THE FOLLOWING STATEMENTS IS TRUE OR FALSE RELATED TO FINDING AN EXTERNAL PROJECT MANAGER. SOURCE: SURVEY BY MENON ECONOMICS.



Participants in the service have highlighted three specific skills that are particularly important for an external project manager to possess. These skills are viewed essential for the project manager to effectively coordinate and drive project success.

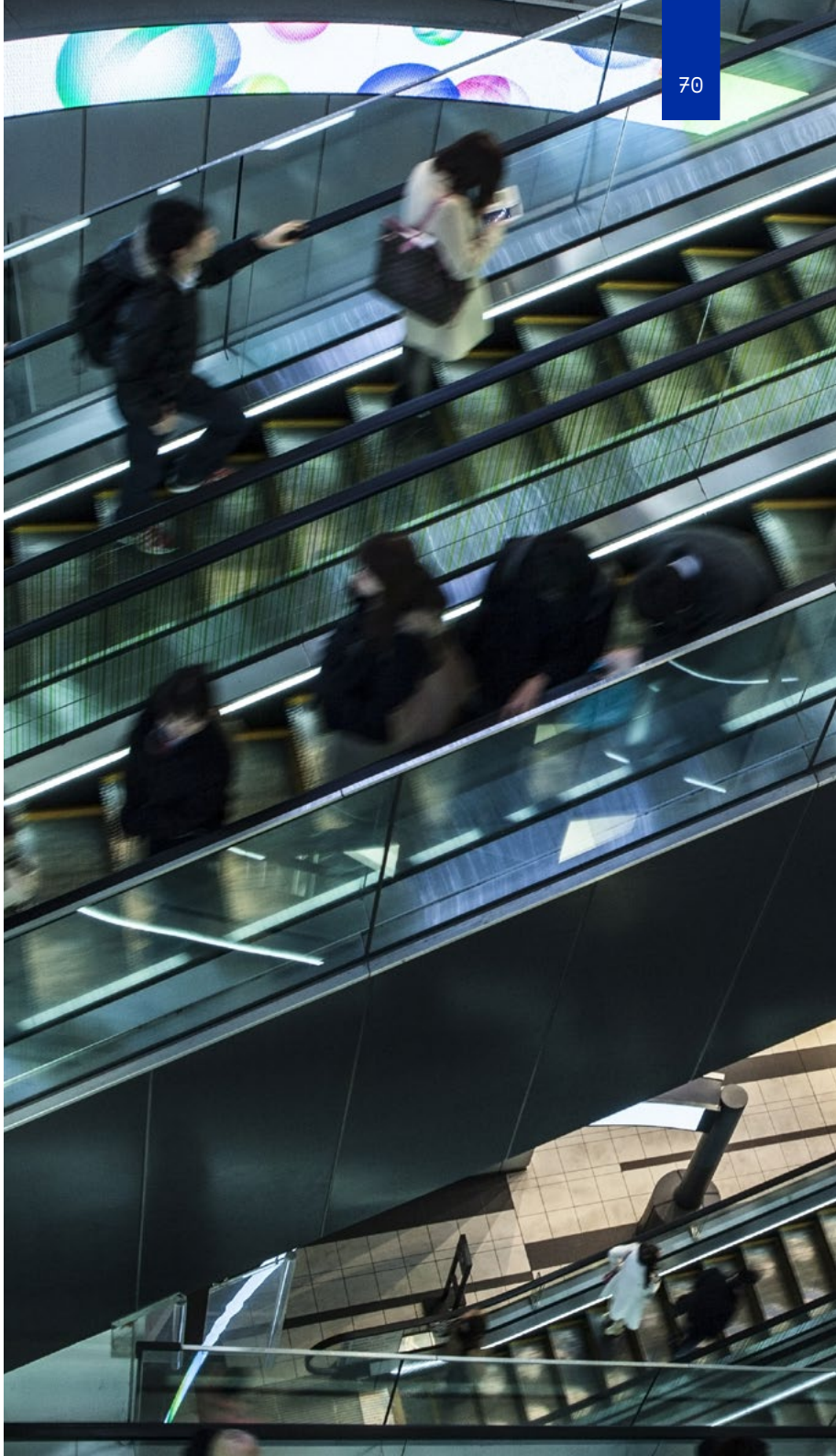
- **Networking Capabilities:** The ability to build and maintain valuable relationships is crucial. A project manager with a strong network can connect the project with key stakeholders and resources.
- **Communication Skills:** Effective communication is vital for ensuring that all participants are aligned and informed. A skilled communicator can navigate complex interactions and facilitate clear dialogue.
- **Market Knowledge:** Understanding the market landscape allows the project manager to make informed decisions and provide relevant insights that can guide the project towards its goals.

Despite the recognized importance of having a skilled project manager, finding a suitable candidate can present challenges. Approximately half of the respondents reported that it was easy to find a relevant project manager. Furthermore, there does not appear to be a significant issue in finding someone within the allocated budget. However, 22 percent of the respondents did experience difficulties in identifying a relevant project manager. 19 percent also found it difficult to find a project manager within the budget of the project. Given the relatively small sample size and marginal differences, it is important to interpret these findings with caution, as the evidence base is somewhat limited.

FEEDBACK FROM USERS RELATED TO THE ORGANIZATION AND APPLICATION PROCESS

The most common constructive feedback regarding the application process and administrative burden for Exhibition Explorer is that it more guidance, particularly concerning the reporting and estimating costs would ease the process. Some respondents are also pointing out that the requirement of there being at least four Finnish companies having to apply for funding for the same fair is making the process more challenging. Feedback from these respondents is that there is lack of transparency regarding how many other companies are applying for funding for the same fair. However, Business Finland has recently implemented a new service informing applicants how many other firms have applied for the same fair, aiming to improve the issue.

Only a few respondents of Group Explorer have given feedback to the application process and administrative burden. One respondent is pointing out that the application process is unnecessary slow, and that there is not always need for external consultants for these projects. Another respondent is pointing out that the process of market expansion is a long-lasting process, and thus that funding should last longer.



7. THE RELATIVE ADMINISTRATIVE BURDEN OF APPLYING AND PARTICIPATING IN THE TWO FUNDING SERVICES – EFFICIENCY

This chapter evaluates the efficiency of Exhibition Explorer and Group Explorer, focusing on the participants' perceptions of the administrative burden. 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.

The efficiency pillar in the OECD framework concerns the relationship between resources allocated and results achieved. To conduct a thorough investigation of this, detailed data on time expenditure is necessary. Due to the limited scope of this study, we have not collected data from Business Finland regarding their administrative input (resources) for the two funding services. For the same reason, we have not asked the service users to estimate their own time spent, but rather asked them to indicate the degree to which they would characterize the administrative burden of applying for and participating in these two services. Consequently, this chapter presents only an overall assessment of efficiency based on their relative evaluations.

Overall, we find that the administrative burden of the two services is perceived as small or somewhat small.

- Half of the respondents regarding Exhibition Explorer state that the administrative burden is somewhat small, and about a third state that it is small or very small. Twelve percent of the respondents indicate that the burden is large or very large.
- We find a similar pattern for the administrative burden of Group Explorer. We observe a tendency of slightly more respondents stating that the burden is large or very large, and fewer stating that the burden is small or very small.

Even though the pattern suggests a general perception that the burden is manageable, it is crucial to note that responses are relative to what they receive in return for this process. The administrative burdens of the two services differ, with the Group Explorer service having a larger burden than the Exhibition Explorer service. This is also reflected in the small tendency that a higher share of participants in the Group Explorer service is viewing the burden as larger compared to those in the Exhibition Explorer service. However, it is important to interpret these findings with caution given the relatively small sample size. The response regarding the administrative burden is shown in the figure below.

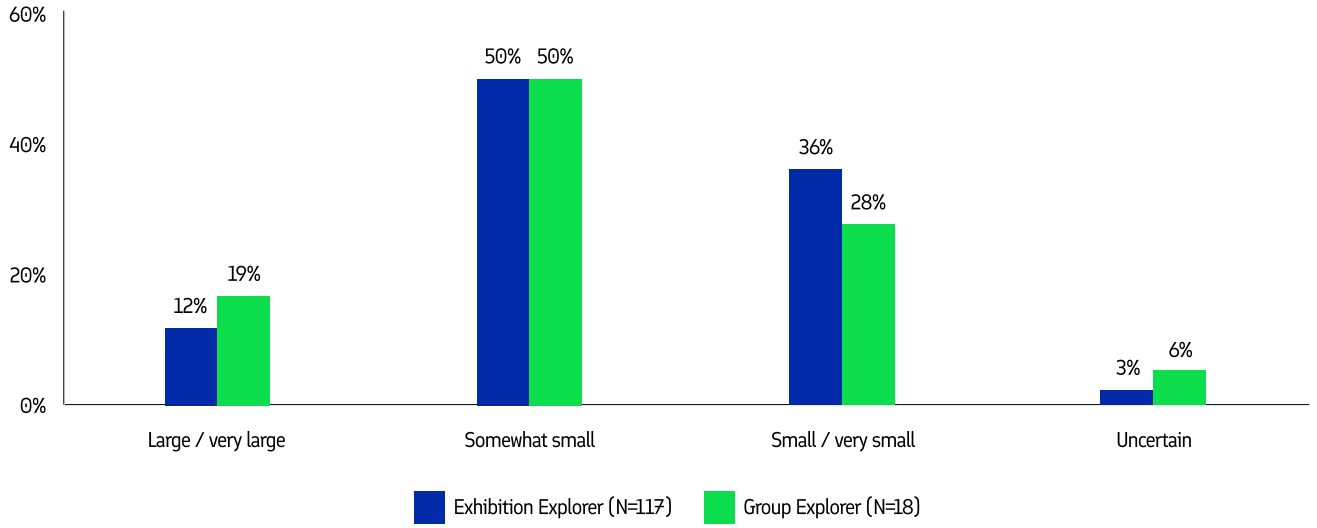


FIGURE 7 1 HOW WOULD YOU CHARACTERIZE THE ADMINISTRATIVE BURDEN ASSOCIATED WITH APPLYING AND PARTICIPATING IN EXHIBITION EXPLORER/GROUP EXPLORER? SOURCE: SURVEY BY MENON ECONOMICS (2024).

8. THE PERSPECTIVE OF SUSTAINABLE DEVELOPMENT – SUSTAINABILITY

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. 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.

Sustainability is one of the pillars in the OECD framework adopted for our analysis. This framework guides the assessment of how the perspective of sustainable development manifest in the two funding services. To assess this, we will focus on two factors who can help highlight the aspect of sustainability:

- Assessment of possible long-term impacts of the two funding services
- Continuation of collaboration in Group Explorer beyond the lifecycle of the projects

ASSESSMENT OF POSSIBLE LONG-TERM IMPACTS OF 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 manifests through the gradual development of business relationships, brand recognition, and market presence. In other words, participation in B2B-fairs provide valuable opportunities for initial exposure and networking. However, we consider the long-term effects on outcomes like increased export from activities tied to B2B-fairs as limited. This is because achieving long-term impacts on export requires significant effort across numerous dimensions beyond participation in B2B-fairs. This includes, comprehensive market research, product adaptation, supply chain optimization, and ongoing relationship management.

Group Explorer provides substantial initial funding, which are generally used for preliminary market analysis, distribution network evaluations, and other foundational assessments in new markets. While these efforts lay critical groundwork, achieving long-term export results necessitates continued investment and actions by the companies themselves. Thus, to succeed with exporting, companies need not only to develop an understanding of target markets and consumers, but they often have to adapt products and services to local preferences and establish efficient distribution and supply chain networks (among others).

CONTINUATION OF COLLABORATION IN GROUP EXPLORER BEYOND THE LIFECYCLE OF THE PROJECTS

For Group Explorer, a key aspect of sustainable development is the continuation of collaborations beyond the project's conclusion. As presented in chapter 6, our findings indicate that the success of the collaborative activities, and the continuance of these collaboration, are somewhat poor for Group Explorer. This was highlighted by the fact that about 40 percent of the respondents found the collaboration unsuccessful, and a third did not continue post-project. This finding must also be viewed in context of the participants' primary motivation for joining a Group Explorer project. We find, as outlined in chapter 4, that the main motivational factors were shared resources, and not leveraging synergies. This suggest that fewer commercial relationships were established during the group projects. Commercial relationships are vital when collaborating in joint business internationalization efforts because they enable the leveraging of synergies by allowing partners to build on each other's strengths. These relationships help identify and capitalize on common opportunities, enhancing the potential for mutual growth and success in global markets. Furthermore, they foster trust and deepen connections between partners, creating a solid foundation for ongoing cooperation and sustained competitive advantage in international business.

9. CONCLUSION

EXHIBITION EXPLORER

Exhibition Explorer is an export funding service that has, over the years, provided substantial financial support to numerous companies for participating in international B2B fairs. In total, 28 million EUR has been allocated to approximately 1,400 companies. A significant percentage of these companies (47 percent) have received support from Exhibition Explorer more than once. This underscores an essential aspect of this type of export activity: building strong relationships, enhancing company branding, and establishing presence in new markets takes time. It often requires multiple attendances at B2B fairs over several years.

Exhibition Explorer is classified as a group export service since it necessitates that at least four Finnish companies participate in a specific fair for funding eligibility. Despite no other requirements for collaboration, our findings show that over 80 percent of participants made contact during fairs, with about half sharing joint stands. The primary outcomes highlighted by participants are an increased contact network, gaining international leads, and growth—which align with the reasons they sought support from the service. While these findings underscore the relevance of Exhibition Explorer as a service, only a small proportion (15 percent) stated they wouldn't have participated in fairs at all without the support. However, Exhibition Explorer appears to significantly impact the number of fairs attended, as 71 percent reported they would have attended fewer fairs without its support.

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, international 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

Group Explorer is designed to support groups of companies in exploring joint business opportunities in international markets through collaborative projects that last one year, utilizing synergies in developing business plans and establishing international networks. This differentiates Group Explorer from Exhibition Explorer in terms of the export development phases the services target. While B2B fairs (Exhibition Explorer) are relevant during all export phases, Group Explorer activities are related to market entry in international markets.

Since 2019, Group Explorer has supported 145 companies across 28 projects with a total funding of 1.75 million EUR. Although this represents significant funding, the average grant size is similar to that of Exhibition Explorer. This may explain why Group Explorer shows fewer results compared to Exhibition Explorer. For instance, although participants of Group Explorer pointed out contributions to gaining information leading to R&D, increased growth, and enhanced international business skills, fewer report achieving significant results compared to Exhibition Explorer. An additional factor is the collaboration aspect: Around 40 percent reported it as unsuccessful, and a third indicated that the collaboration did not continue after the project's conclusion. While over half maintained collaboration, it was only with some of the original group members. 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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