

Embassy of Brazil

Survey to Finnish high-tech companies

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taloustutkimus oy

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Introduction

Introduction

Purpose and methodology

- The purpose of the survey was to find Finnish High Tech SME's that are interested in co-operating with Brazilian investors or companies. Form of co-operation can for instance be joint venture, strategic alliance, ownership, merger or distribution of goods or services. Sample was acquired by Taloustutkimus Oy and sample quality check was carried out by Taloustutkimus Oy.
- The survey was carried out by using a combination of desk research and online survey. This report contains the results for the online survey. (The desk research was conducted and reported in fall 2012.) The questions in this online survey were designed in co-operation with Embassy of Brazil and Taloustutkimus Oy and the interviews were targeted via email to top management and owners of High Tech SME's.
- Sample for the survey was formed according to OECD classification of potential high-technology industries in NACE Rev. 2 classification system. As some of the high-technology industries are not included in NACE Rev. 2 classifications as such, we also contacted representatives of these industries (such as life science and cleantech) and asked them to send the survey link to companies in their industry. Our direct invitations were sent in batches to 1631 companies. In total, we received 81 answers for the survey.

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aged their hair
during past 5
years

07%

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of households
buy organic pork
regularly

of women
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power of anti-
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57%

of companies
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considering
switching bank

Introduction

Objective of the survey

- The objective of the survey was to study companies with significant potential for co-operation with Brazilian companies. To achieve our objective a survey introduction and screening questions were used to increase the quality and relevance of the respondents. I.e. the use of the results was clearly described in the intro:
 - The results will be utilised in two ways
 - Description of Finnish high-technology SME-companies for Brazilians
 - Launching partnerships between Brazilian and Finnish companies
- Furthermore, to increase target group's willingness to take part in the survey, the survey invitation and introduction was authorized using Taloustutkimus Oy's, Embassy of Brazil's name and reputation.

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06% of households buy organic pork regularly

75% of women believe in the power of anti-wrinkle creams

27% of Finns have had coverage problems with their mobile phone over the past year

04% of Finns support Finland joining NATO

27% of Finns have traveled to Sweden by boat over the past year

19% of Finns do not know who Stephen Flop is

48% of Finns are against additional use of nuclear energy

29% of companies are going to purchase a coffee machine yearly

14% of Finns do not use any organic products

14% of Finns read digital editions

12% of households do not use any organic products

14% of Finns read digital editions

20% of Finns support Finland joining NATO

04% of companies are currently considering switching bank

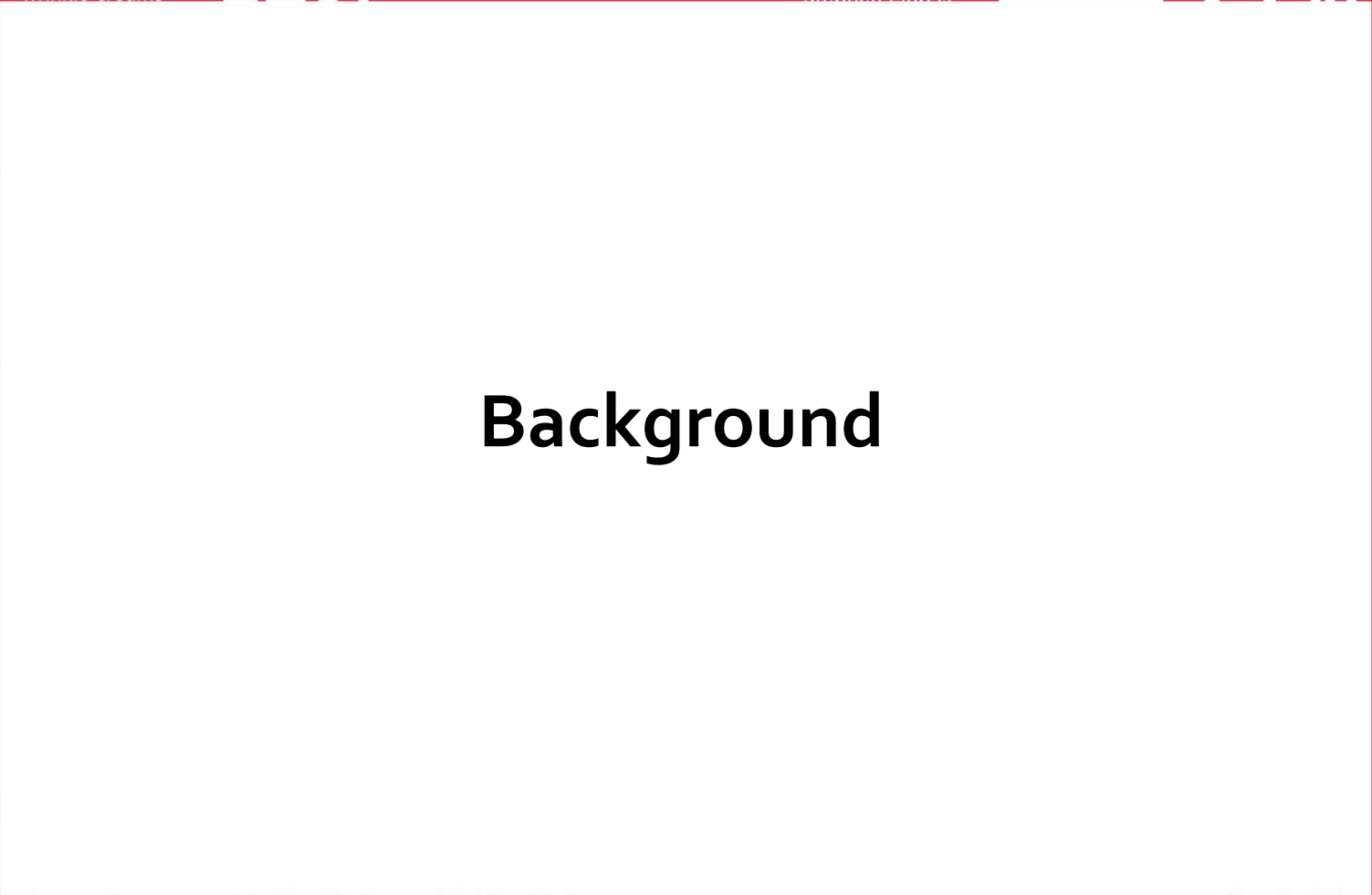
38% of Finns watch TV online

07% of box wine users are under 25 years old

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Background

37% of Finns watch TV online

01% the most important feature of a web store

21% of newspaper journalists use social media as information source

51% of adults have seen lottery advertising during past 6 months

28% of households have bought fair trade pineapples

20% of Finns support Finland joining NATO

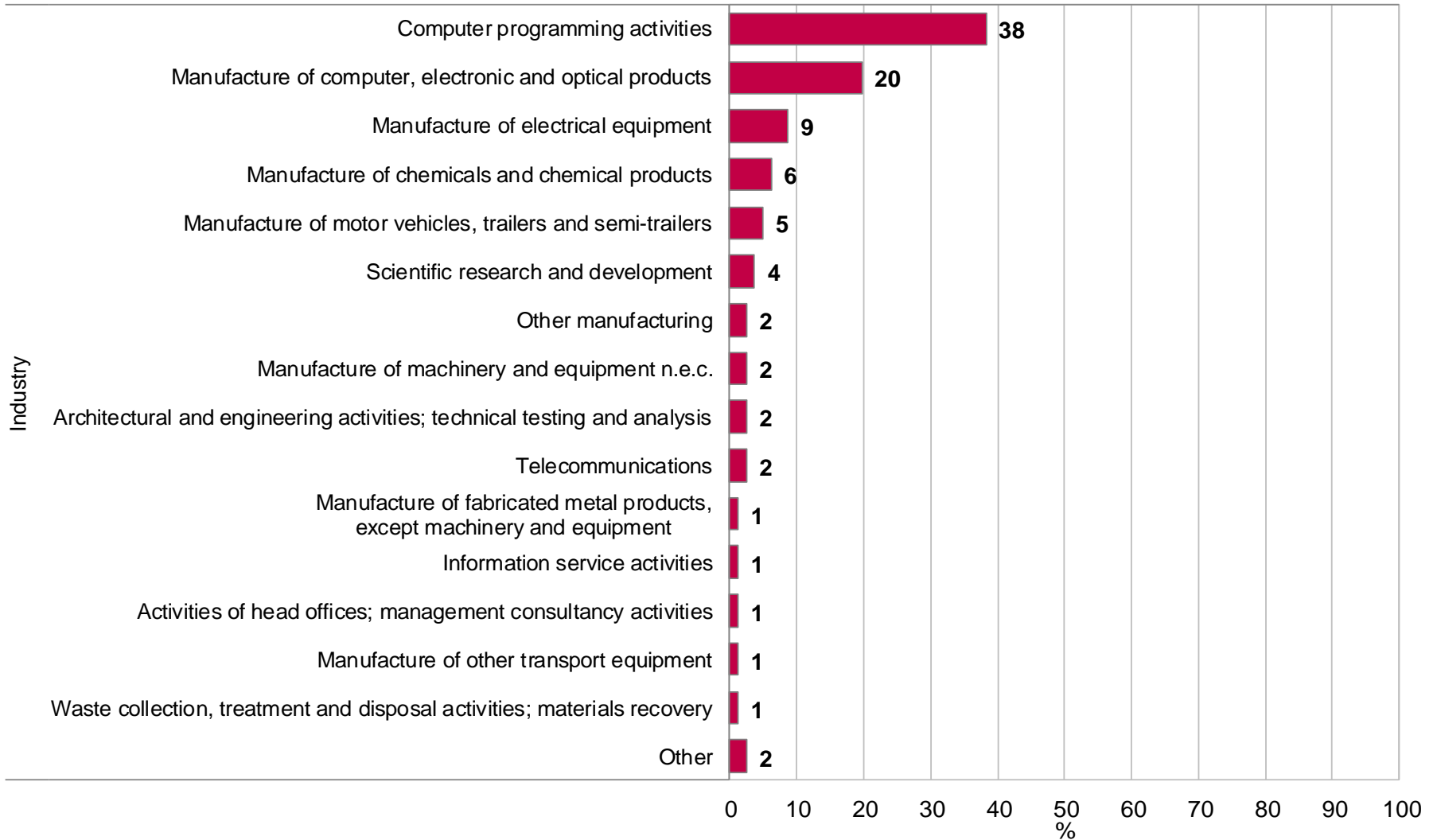
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Background information 1/3

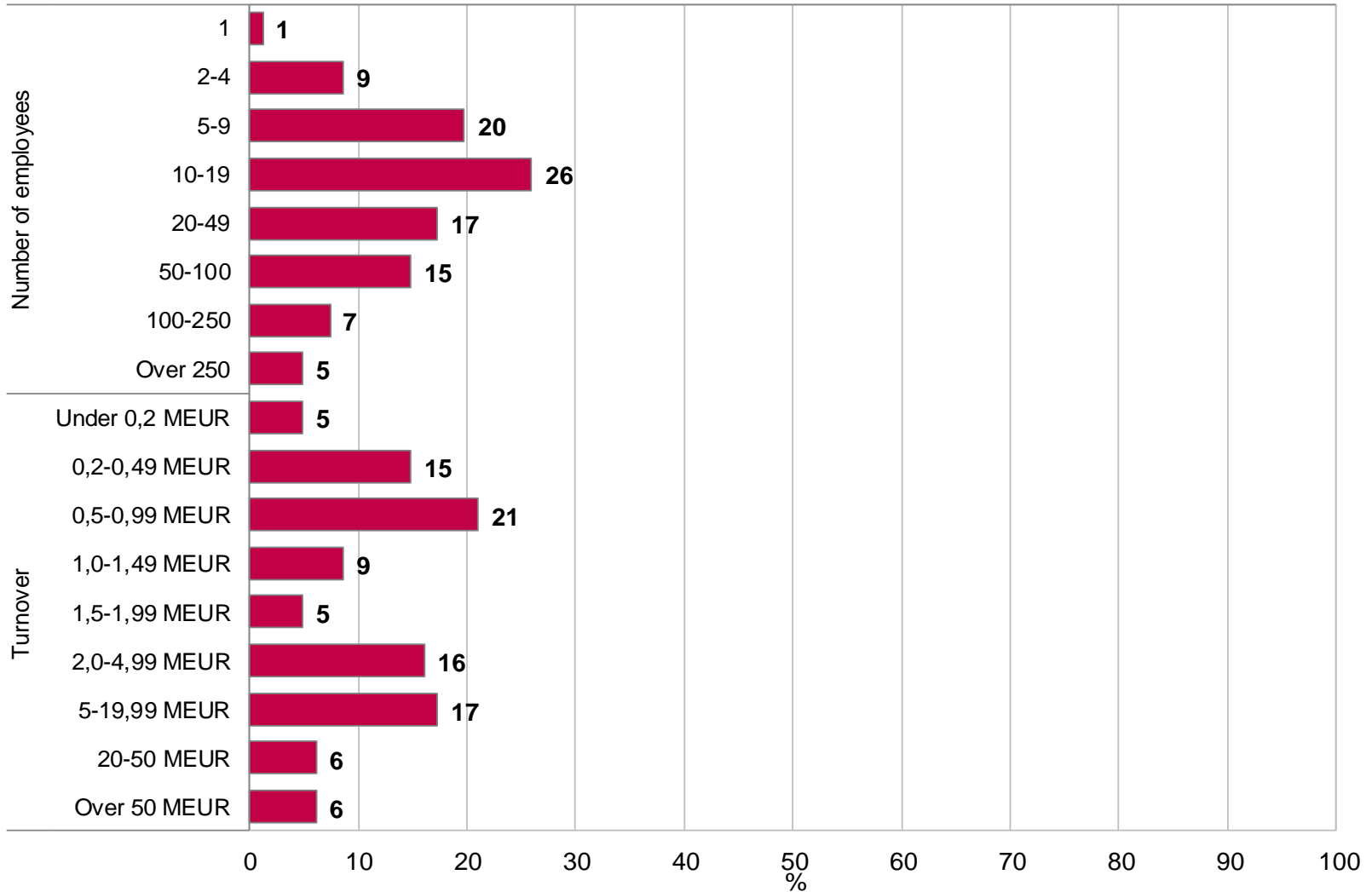
All respondents, n=81



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 07% of female decision-makers think companies' environmental...
 of households think convenience food's taste matches that of home-cooked...
 of households buy organic pork regularly...
 of women believe in the power of anti-wrinkle creams...
 57% of companies are currently considering switching bank...

Background information 2/3

All respondents, n=81



20% of Finns support [unreadable]

07% of female decision-makers think companies' environmental [unreadable]

of households think convenience food's taste matches that of home-cooked [unreadable]

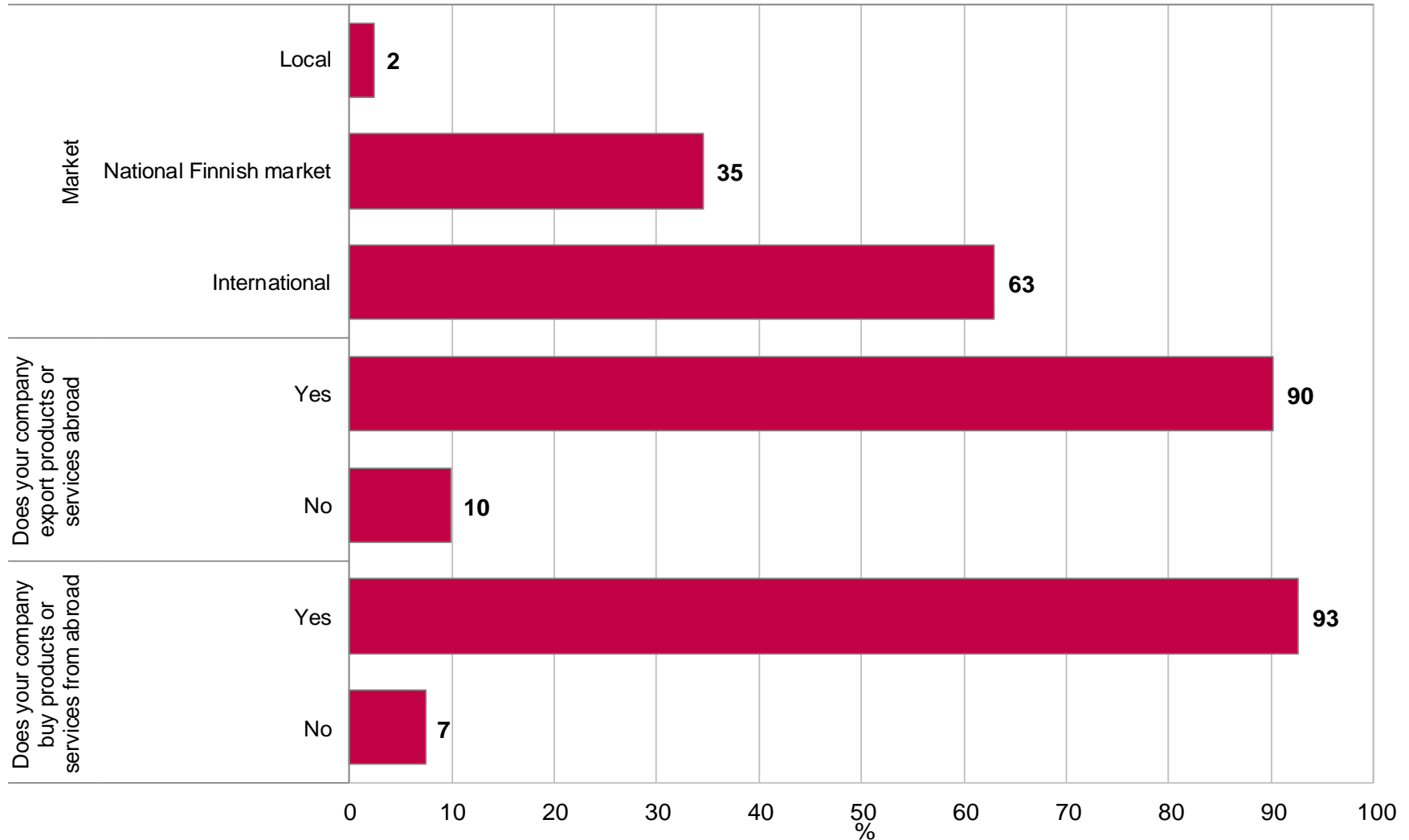
of households buy organic pork regularly [unreadable]

of women believe in the power of anti-wrinkle creams [unreadable]

57% of companies are currently considering switching bank [unreadable]

Background information 3/3

All respondents, n=81



Summary 1/2

- Approximately 2/3 of respondents have considerable interest towards business opportunities with Brazilian companies and/or organisations
 - 67 % thinks their company is prepared to commence co-operation with Brazilian companies
 - 63 % of respondents consider Brazil the most or 2nd most interesting market area. (Please note that this cannot be generalized to all Finnish High-Tech SME's)
- Significant number of mentioned companies come from ICT sector (software developers, manufacturers of electronic and optical products etc.)
- Despite wide interest towards co-operation only 29 % of the respondents are operating in South America. This clearly indicates that there is a need for actions that would increase co-operation between Finnish and Brazilian companies

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Summary 2/2

- From the respondents point of view the best way to commence co-operation is clearly through joint ventures
 - 6 out of 10 respondents consider joint ventures as most interesting form of co-operation
 - 2nd most interesting forms are Investors (33 %) and export partnerships (37 %)
- Main barriers of entry to Brazilian market are distance, different time zone and differences in language, cultural issues, legislation and attitudes. Also, customs tariffs and especially lack of contacts and are seen as very concrete issues preventing entries.

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Suggestions and recommendations

- As result of the survey Taloustutkimus has listed 81 companies out of which 56 companies
 - Are willing to take steps towards Brazilian market
 - Have described what kind of technologies or innovations they could offer for the co-operation. In addition majority of these have written what issues they consider as barriers of entry
 - Have given full contact information
- Embassy of Brazil could invite these companies take part in events and/or seminars. Moreover, information of Brazilian trade and investment organisations with listings of potential partner companies could be sent to these companies via mail or email
- Embassy of Brazil may publish the results of this survey but unfortunately the contact information must be used with more sensitiveness. Taloustutkimus and Embassy of Brazil will discuss the use of the contact information in more detail during the presentation of results

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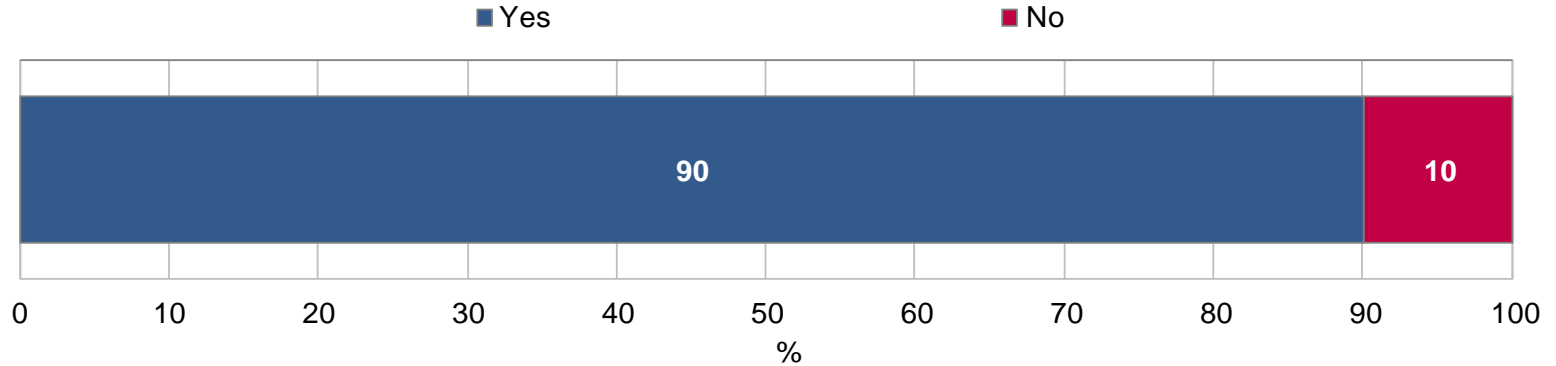
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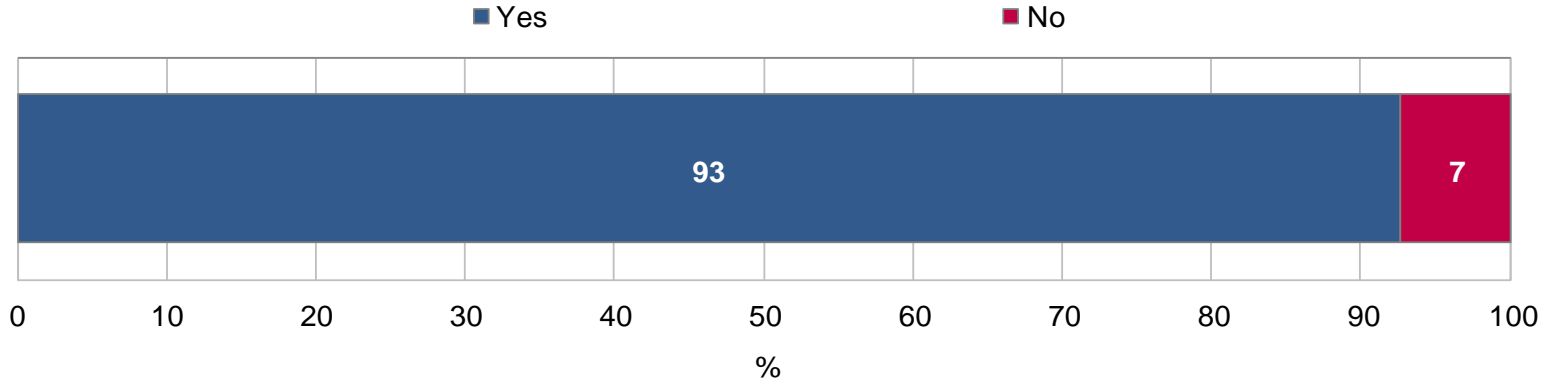
Does your company export products or services abroad, either by exporting them yourselves, or as a part of the product package of another domestic company?

All respondents, n=81



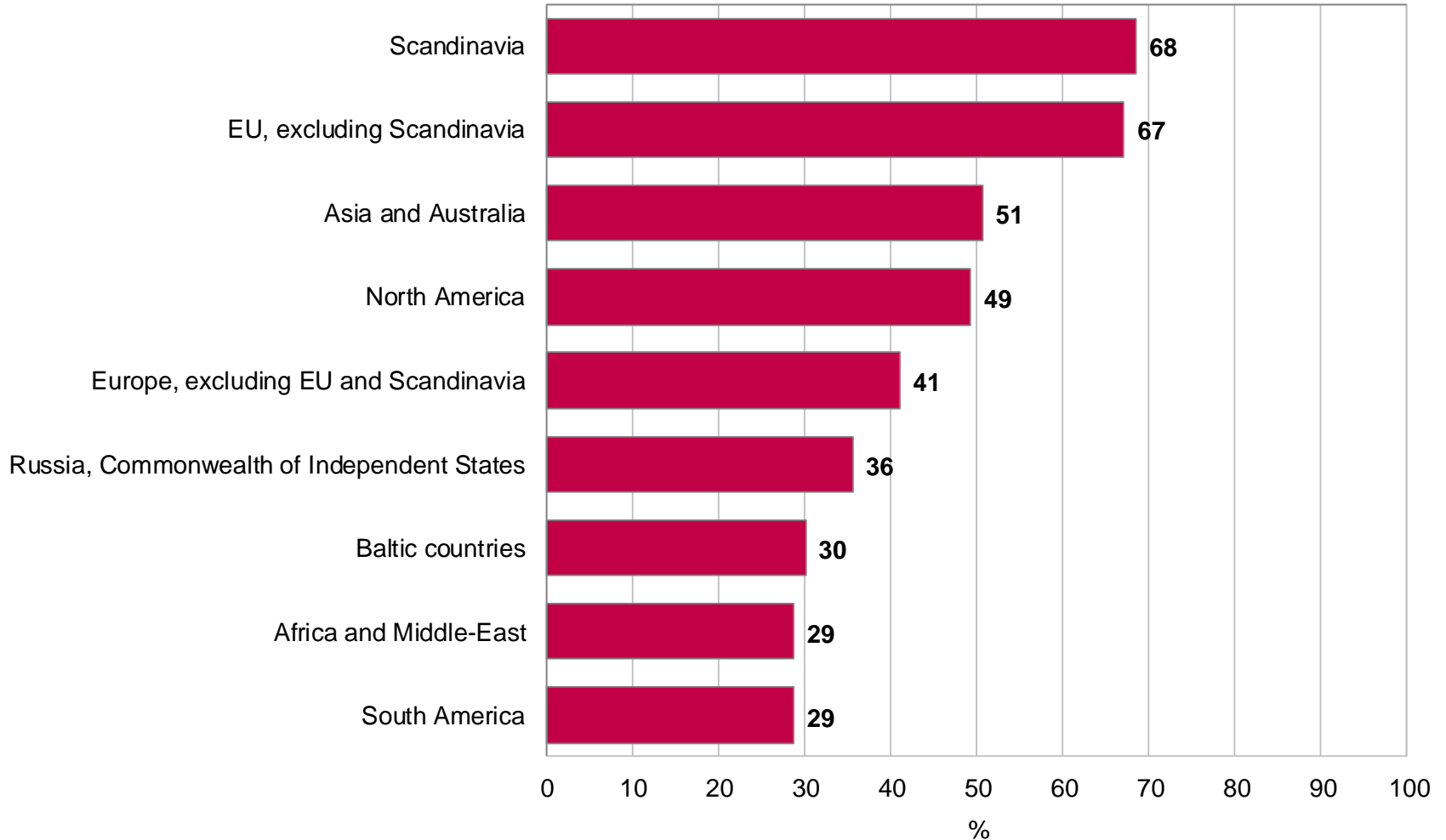
Does your company buy products or services from abroad?

All respondents, n=81



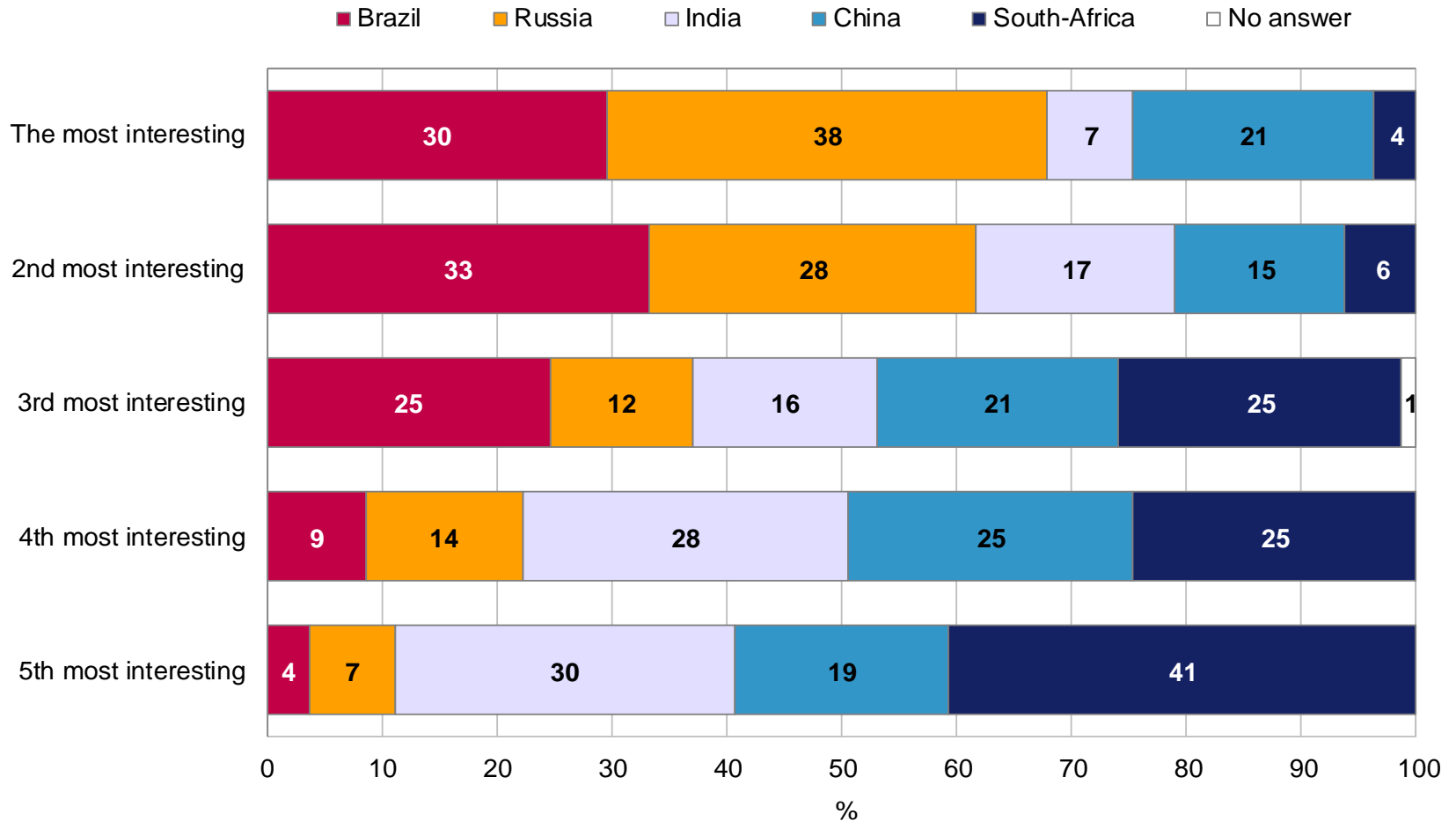
**You told that your company exports products or services abroad.
Which areas are your export activities directed to?**

Exports products or services abroad, n=73



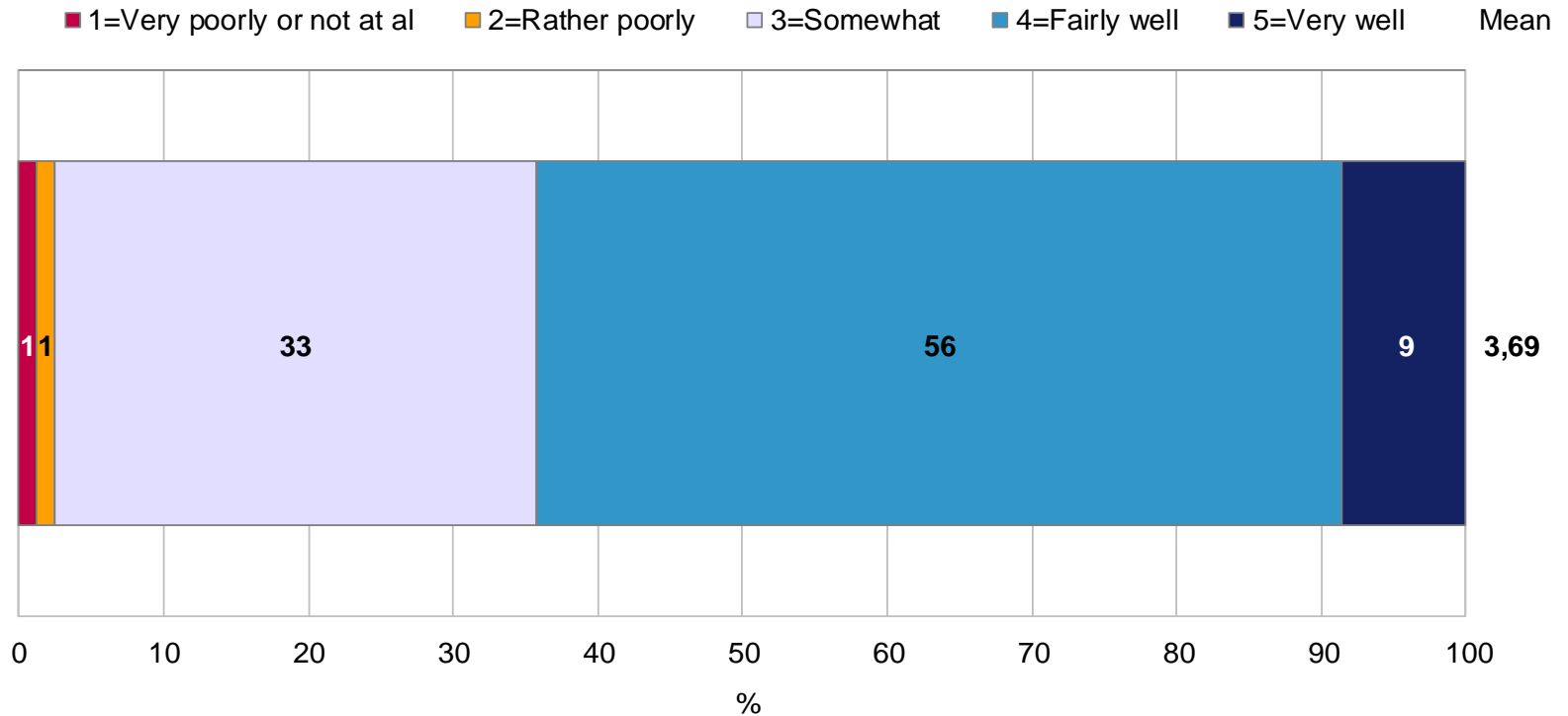
How interesting do you feel the following market areas are from the point of view of your company's business operations?

All respondents, n=81



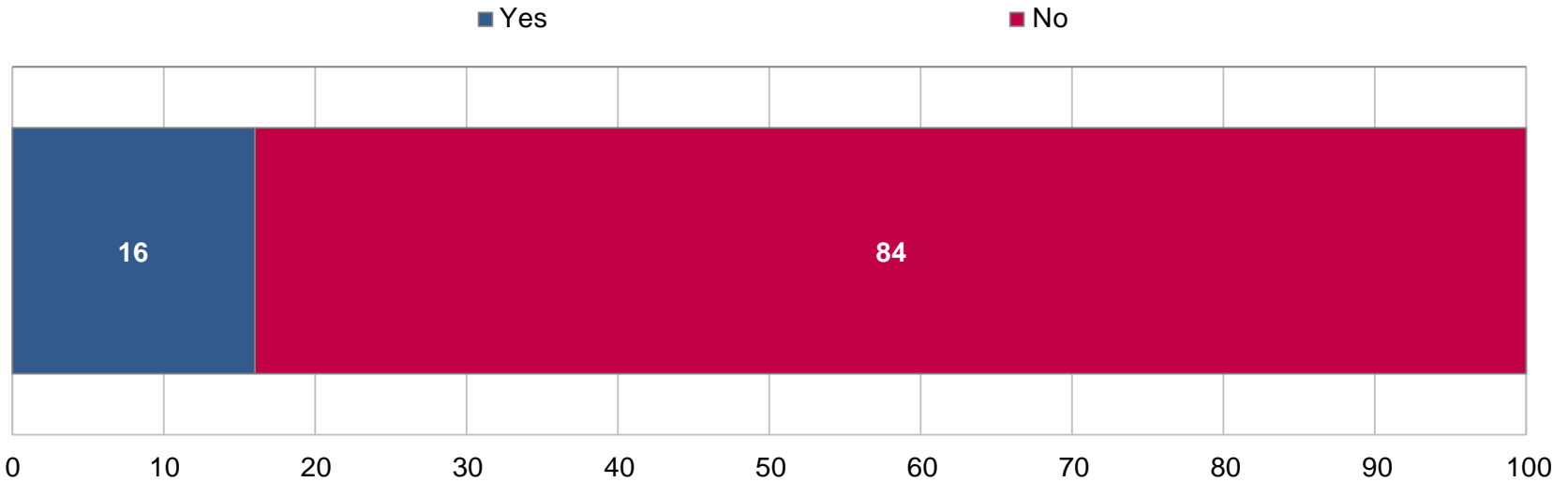
How well do you know the public internationalisation services provided for companies? (Finpro, Finnvera, Centres for Economic Development, Transport and the Environment, Tekes, chambers of commerce, Viexpo, Musex)

All respondents, n=81



Does your company have co-operation with Brazilian companies?

All respondents, n=81



What kind of co-operation?

- Brazilian retailer (2x companies) %
- Part of the same international network of cultural management consultants
- Technology partnership
- Scouting for sales co-operation
- Small scale product deliveries
- Mapping out the market
- About 25% of the turnover comes from Brazil, from the largest media companies of Brazil
- Our company has sold our products to the Brazilian market for the last 5 years.

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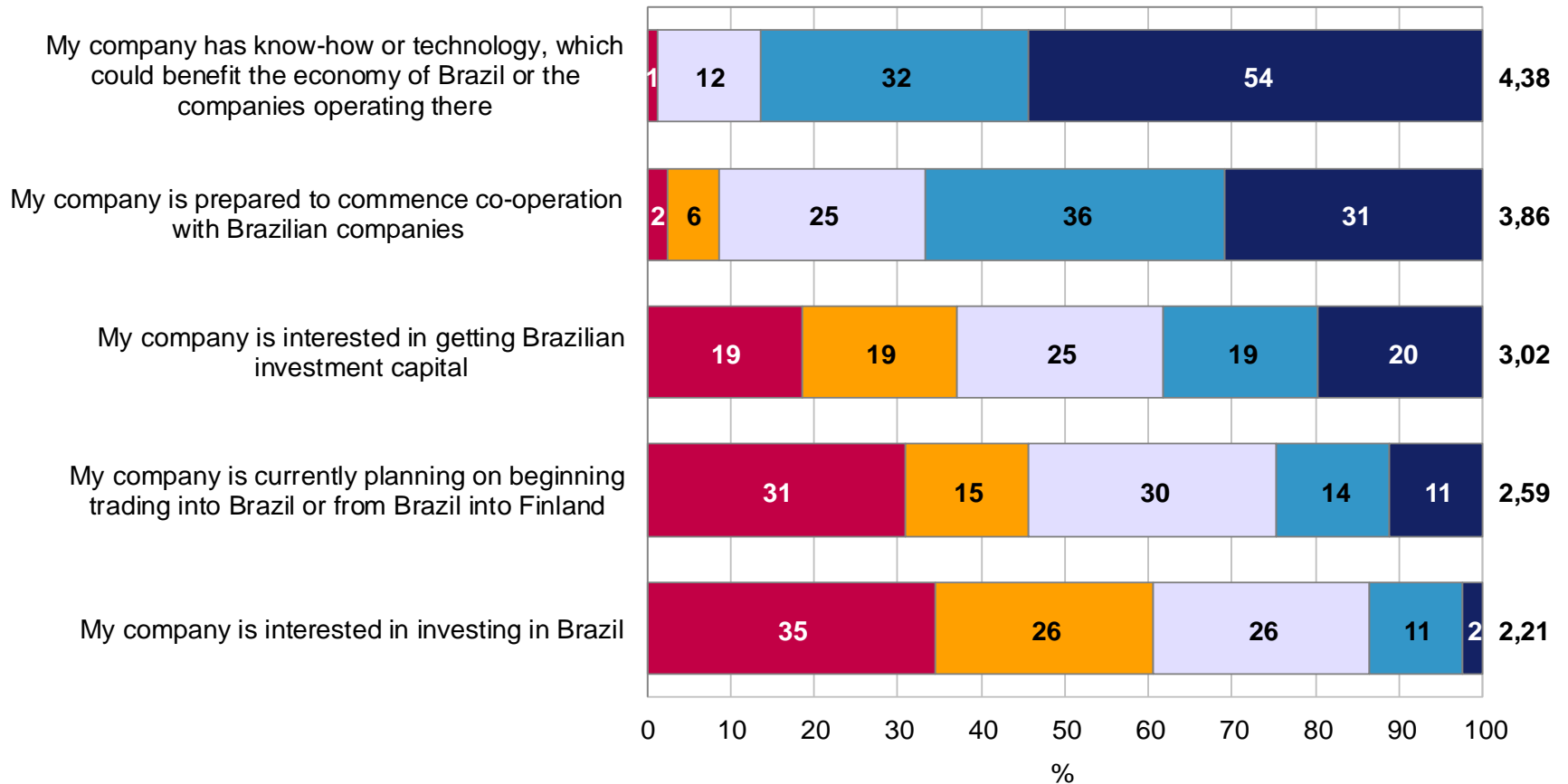
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Co-operation with Brazilian companies

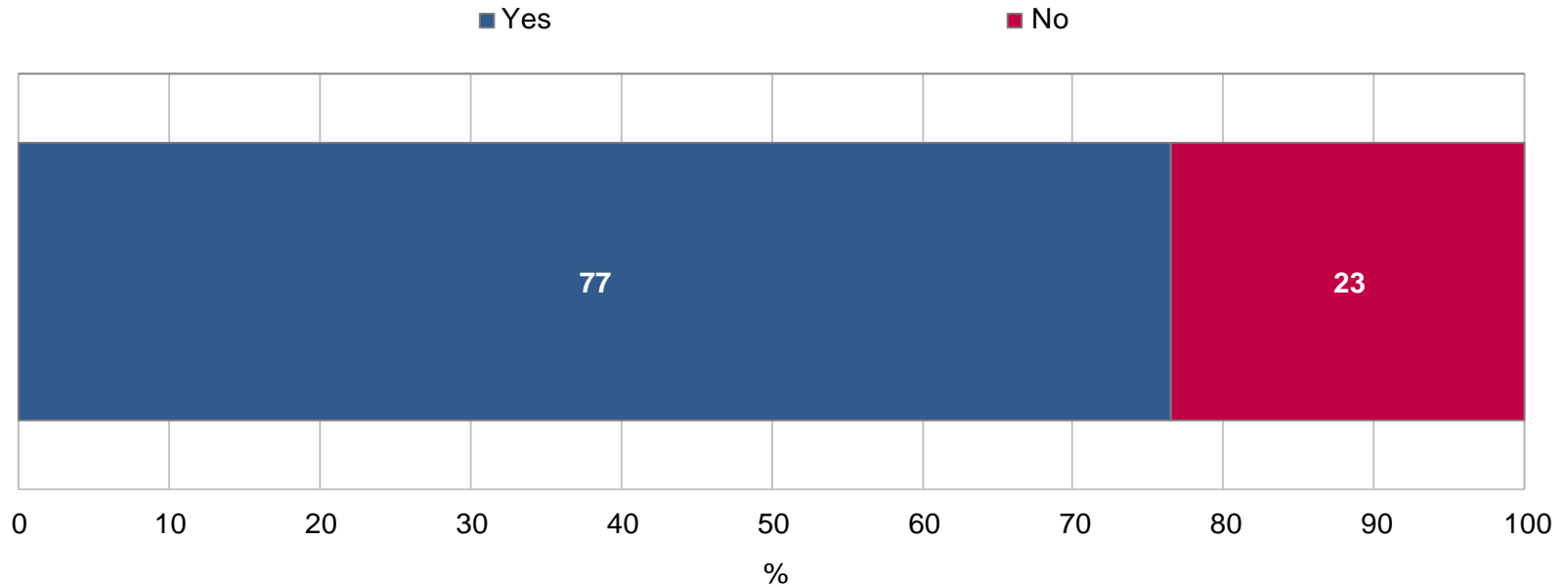
All respondents, n=81

■ 1 Statement fits very poorly or not at all ■ 2 ■ 3 ■ 4 ■ 5 Fits very well Mean



Is your company interested in external funding in the next 24 months?

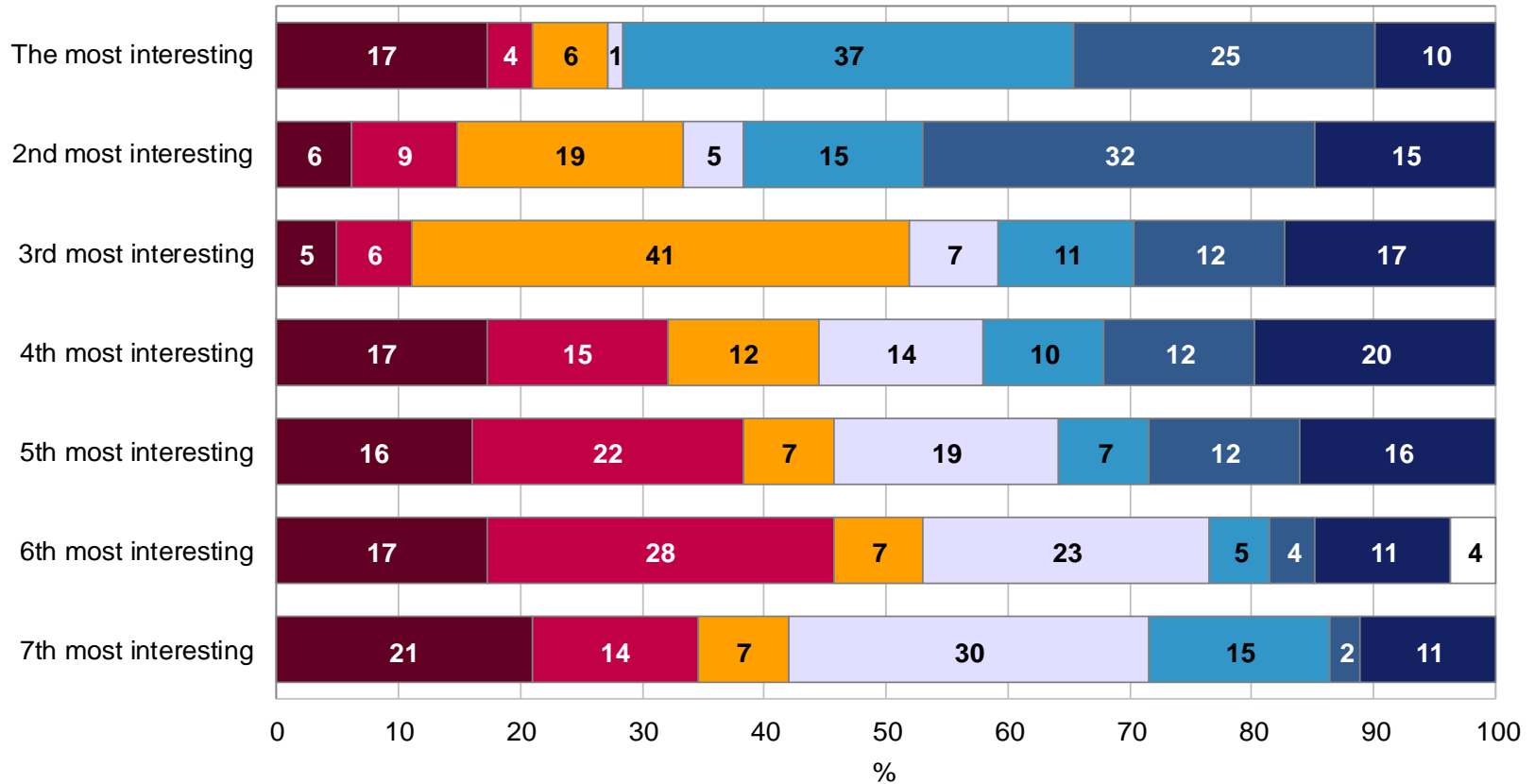
All respondents, n=81



How interested are you in the following funding sources?

All respondents, n=81

■ Banks ■ Finance companies ■ Finnvera ■ Insurance company/ Pension insurance company ■ Equity investor ■ Tekes ■ Centre for Economic Development, Transport and the Environment □ No answer



Special strengths of Finland as a target for Brazilian high tech investors

Summary of open answers:

- High class technology know-how and quick, nimble teams. Functional products and reliable delivery.
- Strong basic know-how and problem solving skills, creative way to take care of problems, which gives the customer genuine benefits. Honesty and cost effectiveness.
- Clear legislation. No corruption. Neutral position in the world politics. Good technical infrastructure. High level education and innovative companies.
- The good reputation of Finnish experts and products around the world.
- Cleantech know-how
- Telecommunication technology, mobile know-how, ICT in general.
- Closeness of the Russian market and North-European market.

Quotes from respondents:

- *"High quality, reliable delivery, technology which is not available elsewhere."*
- *"Unique technological solutions, with which the return for investment is rapid and profitable."*
- *"Cost-effective, value-adding and savings bringing comprehensive IT-services for bioenergy/forestry industry, implemented in consortium with 2-4 leading IT companies."*
- *"New innovations from reliable partners, whose home market is too small."*

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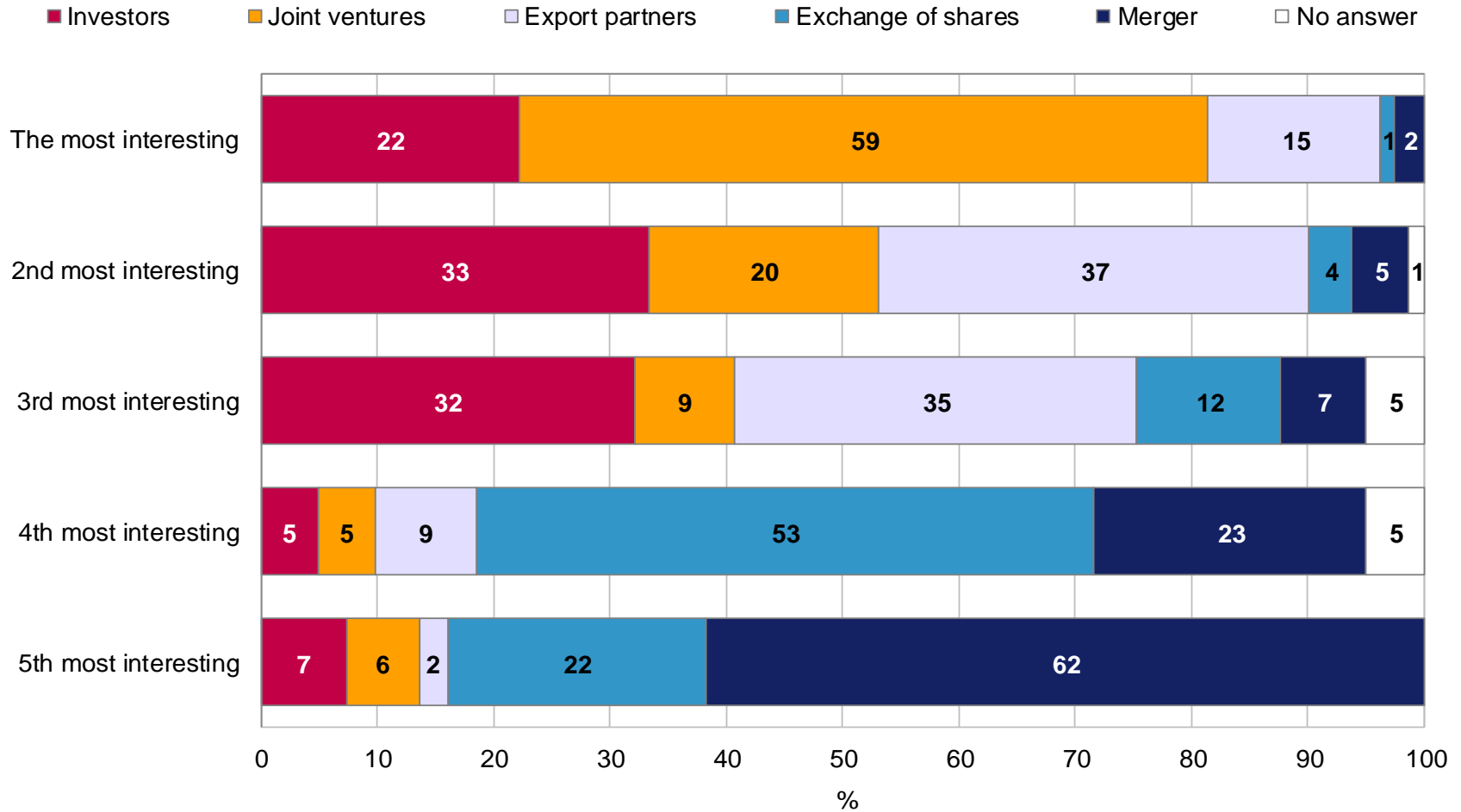
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How interested are you in the followg forms of co-operation?

All respondents, n=81



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Main barriers to co-operation with Brazilian companies

Summary of open answers:

- Distance and different time zone.
- Differences in language, cultural issues, legislation and attitudes .
- Lack of contacts and knowledge about the market or Brazilian R&D.
- Taxation and protective customs tariffs in Brazil.
- Finding the right partner.

Quotes from respondents:

- *"Time zone. Travel. Costs of travel for growth enterprises, who don't themselves have enough capital for it. Possibly also language skills."*
- *"Distance and duration of flights, time difference. But if contacts are good and reliable, lots of good can be done by e-mail and flexibility."*
- *"We haven't found a co-operation partner. We tried to find a steel wholesaler in the years 2008-2009 and changed into trying to find an agent in the years 2010-2011. We found neither."*

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