



## Note no3

Issued  
12.12.2006

### Utilizing ICT in the SMEs in Southwest Finland

#### Background

Enterprise ICT (or in Finnish Yritys-ICT) was launched in April 2006. The objective for the project was to plan a service for SMEs which would help utilizing ICT in everyday business. The planning of the project was started already in autumn 2005 and a great help for doing that was received from the eBusiness (Fin. eLiiketoiminta) network ([www.eliketoiminta.com](http://www.eliketoiminta.com)). The particular network covers roughly half of Finland at the moment and there have been numerous ICT projects which have helped the local companies. From the beginning of 2006 ICT Turku Ltd. and Southwest Finland became the eighth bigger region of eBusiness network.

In Finland there have been going on similar projects (than Enterprise ICT) in eastern and middle parts already from 2002 and 2003 and they have been quite successful. But in Southwest Finland such projects have failed because the lack of interest from companies but now there were expectations that also a worthwhile project could be launched there too.

A preliminary study was also made in Turku region (LogOn Turus) which revealed that a great potentiality concerning ICT is needed or is around in small companies. The results of the study show that especially small companies do business using "the old way". In other words companies don't have computer systems but they use telephone, fax and traditional mail when communicating with each other. Also for example security issues have often been neglected or people simply don't know or care about them. In general, companies do not use ICT in their business very much and they need very basic support in ICT. As increasing competitiveness of companies through ICT is one of the goals in the Turku region development strategy, this measure is in line with the policies too.

There are various different ways about how companies can benefit from using ICT in their everyday business. The technology is not new anymore (far from that) but still the transition towards using even the basic it-tools has been really slow. The benefits of using ICT are however diverse and can be found from almost every field of work. From companies point of view

it is very possible to improve their competitiveness and found out new ways of doing processes or the simplest of tasks in a different, more effective way. The investments do not have to be huge but vice versa: it is a cheap investment when you think buying back-up software rather than losing all the data on your computer from the past few years. This has happened way too often!

E-mail replaces the traditional mail and you can get response to your message much faster. Furthermore all the necessary data can be maintained only for them who need it and the information is also available although you are not present at the office. The problem is often that companies want immediate results which can be often quite difficult to represent, but these couple of examples give a picture that the development does not have to relate ERPs and all sort of expensive issues which are targeted to big (and international) companies.

#### The concept

Altogether five consultancy companies were chosen to Enterprise ICT through an open tender. The consultants of these companies do the real field work in the SMEs and their work is paid through the project with the amount they announced in their offer.

The concrete service for the companies consists of one consultancy day. That includes that all the hardware, software and data connections etc. are gone through in the company and the linkage between them and the business are pointed out. After that the consultant writes down the weaknesses of the present view and seeks the points where there is room to improve and makes recommendations. That can include almost anything in the field of ICT: mobile solutions (reading email on the PDA while visiting some other company), security issues (virus protection, firewalls, back-up copies), the structure of the network (LAN/WLAN), other wireless solutions, web pages, electronic invoicing etc.

After writing down all the points, the report is sent to the company and it is gone through so everything will be understood correctly. Also some



M.Sc. Kalle Luhtinen

Phone +358 2 4101 620

Mobile +358 50 347 9541

Fax +358 2 4101 830

E-mail [kalle.luhtinen@ictturku.fi](mailto:kalle.luhtinen@ictturku.fi)



service providers are listed down to which the company could contact and continue the process. The outputs of the measure are two folded; first the companies will have knowledge of their current situation and secondly they will get concrete suggestions on how to improve that. Achieving these two the companies still need to carry out the suggestions from the consultants.

The package costs only 100 € for the companies while the market price is around 700€.

So far some 80 SMEs have ordered the service and about 40 of them have been consulted. In the end of 2006 the number should be about 60. The companies which have bought the Enterprise ICT service have been from various fields which was the objective too. There have been a golf club, driving schools, translation office, painting firm, accounting companies, advertising agency, a hotel, construction firms etc. And although the service is available no matter what size the company is, the real value can be archived when the company has fewer than 10 employees. When there is a bigger company in question, one consultancy day is too little to be able to go through the business and find the critical points to develop ICT. The aim for the project is to get 180 SMEs where the consultancy can be made until the end of 2007.

There will also be a feedback session a couple of months after the consultancy asking what actions they have taken and how beneficial they feel the project has been. Or if they have done anything, what is the reason for that.

## The benefits

With the help of (not even necessary modern) ICT, SMEs can save time and money, prevent people from doing unnecessary work (the information can be found in one place and it must not be inputted many times) and so on. It is also important that small companies can do business with the bigger ones which often have special requirements - a particular software or a certain standard to use. Potentially the efficiency of the companies will also increase leading to improved economic situation. In addition to that the SMEs will probably use services and buy products from other companies in the same region and also the ICT service providers will benefit.

If the companies are involved and carry out all the actions recommended, the sustainability of the project lies on the quality of work conducted by the consultants - how well they have been able to map out the situation and improvement potential in the companies in a short period of time. The companies will also receive information on development programs and concrete services offered by other agencies.

The overall budget for Enterprise ICT is over 300,000 € and the service is available until the end of 2007 as already mentioned. It is "open" to all SMEs in Southwest Finland, and the consulting work can focus on any aspect of ICT, be it basic technology or something more sophisticated. Enterprise ICT is financed by the EU (through LogOn Baltic), the City of Turku, the Regional Development Programme, the Centre of Expertise Programme and the bank Turun Seudun Osuuspankki.

## About author

Kalle Luhtinen is project manager at ICT Turku Ltd which is part of Turku Science Park. His territory at ICT Turku is to be the interface between companies and ICT services, service providers and other issues concerning ICT.

Kalle has graduated from Turku School of Economics and he still studies at Turku University. The main subject at both schools have related to ICT (Information System Science at the school of economics and information technology at Turku University).

Before starting his work at ICT Turku in the autumn 2005, Kalle has also worked as research associate and researcher at Turku School of Economics. He has lectured basic IT courses for students and has been one of the writers in LogOn Turus study which examined the ICT field in SMEs in the Turku region.



Developing Regions through Spatial Planning and Logistics & ICT  
Competence - 2006-2007

Baltic Sea Region INTERREG III B, Neighbourhood Programme  
Measure: 2.2. Creating sustainable communication links for improved  
spatial integration  
Community Initiative Programme 2000-2006

LogOn Baltic aims at improving spatial integration by transferring knowledge in ICT and logistics competence.

The main objective is to produce and disseminate information for regional development agencies on how to support enterprises in the participating regions in their effort to improve ICT and logistics competence, thus improving regional development.

## Contact:

LogOn Baltic Project Office

Turku School of Economics  
Rehtorinpellonkatu 3  
FI- 20500 TURKU  
FINLAND

[www.logonbaltic.info](http://www.logonbaltic.info)

[info@logonbaltic.info](mailto:info@logonbaltic.info)