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**THE ENTREPRENEURS AND THEIR ENVIRONMENT: THE
CASE OF NON-LOCAL ENTREPRENEURS IN ESTONIA**

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DECLARATION

I declare that I have compiled the paper independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

The document length is 10,900 words from the introduction to the end of summary.

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ABSTRACT

The primary aim of the study is to evaluate entrepreneurship in Estonia as done by foreigners thus examining how easy it is for foreign entrepreneurs to start and sustain their businesses in Estonia. This is done in comparison to how easy it is for local Estonian entrepreneurs to start and sustain a business. In order to appropriately collect accurate data, the study employs a qualitative research design because it helped to meet the research objectives. Respondents for the research include four foreign entrepreneurs from diverse countries who also operate diverse enterprises and three Estonian entrepreneurs who are a good representation of the entire population of interest. The researcher found out that though Estonia's market is relatively small, Estonia has one of the best environments for entrepreneurship. Estonia has an unrestricted start-up community that welcomes and urges entrepreneurship in addition to a responsive legal frame and culture that allows entrepreneurs to get permits with ease and to create and market goods and services without threats or uncertainties of patronage. This finding agrees with an assertion made by Parts (2013), that besides the entrepreneur's ability to find or develop an idea and passionately push the idea to the point of commencement the environment and the social norms, such as legal assistance in obtaining permits, finding operation premises and market information are imperative for the entrepreneur's success. This kind of social norm, legal framework and culture in Estonia for all entrepreneurs and aspiring entrepreneurs therefore makes entrepreneurship in Estonia safe and auspicious. It is however discovered that the entrepreneurs' main problems are finding the right people to work with them. Entrepreneurs therefore made several mistakes trying to find the right individuals to assign indispensable responsibilities.

Keywords: Business in Estonia, Difficulties of Non-local Entrepreneur, Frequent issues

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INTRODUCTION

Estonia from the last decade or so has positioned itself as a country for start-ups by attracting entrepreneurs from all over the world to start and own businesses in Estonia. Several incentives have been instituted from the legal framework, infrastructure, capacity building, citizenship, as well as start-up visas for young entrepreneurs to make Estonia their destination point for business (Venesaar, 2013, p. 35). A platform has been created for most of these entrepreneurs in that when they arrive in the country they are integrated, supported or partnered with local entrepreneurs to work on the start-up and launch it. The Mektory at TTU campus, LIFT99, etc. are just a few of the organizations which bring together seasoned entrepreneurs both local and foreign as well as students and starters to brainstorm and share ideas (Pastak, Kindsiko, Holvandus, Leetmaa, & Tammaru, 2016, p. 28). This is to help them understand their environment and limit the liability of being outsiders.

According to Ardichvili, Cardozo, & Sourav, (2003, p. 18), however, in the situation whereby an individual arrives in the country and wants to start a business without any local partner how would it work out? It is one thing to see something like a good business idea but how you see it might be different from how another person sees it. So, for the entrepreneur who arrives in Estonia with local language liability, social network liability, acceptability and trust liability, what are the chances of success? Another challenge is the buy-in of your solution construct or concept by those that have the problem you want to solve (Casson, 2003, p. 25). Having a seamless flow or understanding of the environment or the targeted market is essential. In summary, the problem is how to overcome the liability of being outsiders in an environment to have confidence as an entrepreneur to set up a business and operate successfully.

Though it might seem that the locals face the same challenges, some inherent, soft issues might play more to the benefit of the locals than foreigners. Some of those issues are the contacts or networks, the language, capital mobilization, trust issues, support services or getting trusted hands to join their team, etc (Austin, Stevenson, & Wei-Skillern, 2006, p. 45). Though there is not much research to establish these facts, the case of Mohammed Yunus, a successful entrepreneur from Bangladesh who according to Malnus (2016), is successful in business because of his familiarity with the challenges and opportunities available in his country, makes a good case.

Notwithstanding, several non-Estonians have been successful in starting businesses in Estonia and are gradually making inroads. As a foreigner and business student interested in starting a business-post studies, the author's purpose in undertaking this topic is to discover from other foreigners, who have successfully set up businesses in Estonia, how they overcome their liability of being outsiders to formulate the intention to set up and operate a business in a foreign land.

Having the confidence to generate an idea in a foreign land demands some external reviews or approvals which may be difficult to validate because of the liability of being outsiders. By conducting this exploratory work, the author aims to contribute to academic and empirical works on entrepreneurship in Estonia, the opportunities and challenges awaiting potential entrepreneurs. Additionally, the research aims to provide some practical recommendations on how to overcome the societal limitations in a foreign land to set up a business and operate successfully. The central research question for this research thus is what are the main opportunities, challenges and pitfalls that confronts a foreign entrepreneur doing business in Estonia? To answer this question, the thesis adopts a comparative approach by interviewing both foreign and local entrepreneurs to understand

- The entrepreneurial mindset needed for starting a new venture
- The ideas and opportunities for starting a business as a foreigner
- The role of formal education and opportunities in starting a business as a foreigner
- Understanding from both local and foreign entrepreneurs, the business climate and entrepreneurial challenges in Estonia

The work is structured as follows. The first chapter looks at the literature on entrepreneurship, the entrepreneurial invasion in Estonia and the mindset of an entrepreneur. The next chapter discusses the method used in collecting data for the analysis, the number of interviewees and the composition. In all seven (7) entrepreneurs were interviewed, three (3) of them are Estonian's and the other four (4) are foreigners from Russia, Brazil, Ukraine and Morocco with varied years of business experience. The third chapter looks at the analysis and the key findings of our interview with the entrepreneurs. The paper ends with a conclusion and recommendations as to what a prospective foreign entrepreneur in Estonia should look out for.

1. LITERATURE REVIEW

This chapter discusses the subject of entrepreneurship, the entrepreneur's mindset, key factors to success and possible pitfalls or challenges of entrepreneurship. The chapter explores the topics and sets the basis for the empirical part of this research.

1.1 Entrepreneurship

The first studies on entrepreneurship and small businesses in Estonia started in the Soviet period when the perestroika program was launched, which was looking for ways to stop economic stagnation. In the mid-1980s, the Government of Estonia, economists and managers started to seek possibilities for introducing more diversified organizational forms of production. In 1985, the fundamentals of state-owned enterprises (up to 50 employees) were worked out. Estonia in 1985 was the first in the Soviet Union where at the initiative of researchers from the Estonian Academy of Sciences Institute of Economics a standard design of economic activity fundamentals for small enterprises was inaugurated. In cooperation with practitioners, they started to experiment with setting up small enterprises in Estonia. The positive outcomes of this process served as a basis for the Council of Ministers resolution to permit state-owned small enterprises to be founded in all the Union republics. This initiative, as well as the contribution of Estonian scientists, was also valuable for the development and introduction of the principles of other forms of production which paved the way for other entrepreneurs to also set up businesses of their own. (Venesaar 2013, p. 29).

The entrepreneurial invasion and successful implementation of the enterprise reforms began the shift from a command to a market economy in Estonia and other parts in Central and Eastern European countries (Terk, 1991, Smallbone and Venesaar, 1999). The early days of the entrepreneurial journey were associated with conflicts between different social groups, such as the new entrepreneurs and old managers. Other related conflicts include the timing of the reforms and implementation approaches (Venesaar, 2013, p. 32). The conflicts between the new entrepreneurs and the old managers were not surprising because entrepreneurship and for that matter entrepreneurs have been viewed by many researchers in the field of entrepreneurship to have an alternate approach to business management from regular business managers. These alternate views or approaches by entrepreneurs were mostly new and unproven, radical and revolutionary and sometimes incomprehensible by "orthodox managers" which can be said to be risky yet exploratory.

Entrepreneurship can be very risky, unpredictable and full of uncertainties. The product or idea is new to the market; the management of such idea might not have any benchmarks at its inception; the regulations could change anytime; competition could disrupt the idea and plans of the entrepreneur. One could no longer predict what is about to happen at the next moment. Development in the crude oil industry is a classic example of the current trend of uncertainty and unpredictability of the market and the fortunes of entrepreneurship. The price of crude oil from 1970 to the year 2000 was relatively stable at \$20 to \$40 per barrel (Thomson Reuters DataStream, 2016). It was possible to plan and project the costs and returns of a venture operating in the oil industry in those years. From 2000 to now the price of crude oil has been highly unstable. In 2005 for example, the price shot up suddenly to \$140 per barrel and dropped back to \$40 within a matter of months (Thomson Reuters DataStream, 2016, p. 41). Any investor in the industry would have either gained or lost merely by hard luck. The micro and macroeconomic as well as the political instability in many places has also contributed to the business environment uncertainly. These uncertainties are what makes Entrepreneurship a risky venture.

Saras D. Sarasvathy during the preparation of her PhD thesis sought to answer the question “Is there any difference between expert entrepreneurs and non-expert entrepreneurs as concerns to how they would deal with risk and returns in highly uncertain situations?” She discussed in her principles of effectuation, that intentions are made up of attitude, social norms and self-efficacy. She further stated that attitudes are inbuilt, self-efficacy is self-developed and social norms are externally generated. It was discovered from her research that whilst expert entrepreneurs start their decision making from their means, non-expert entrepreneurs start from their goals (Sarasvathy, 2001, p. 21). This explains how entrepreneurs appreciate the risk. Entrepreneurs start their venture from the minimum amount of risk. The amount of risk that they could manage or handle. That means starting from known to unknown territory. The purpose is to be able to have the maximum amount of control over the occurrences or evolutions in the entrepreneurial process and to effectively or adequately manage them. Therefore, a venture that is started from an “unfamiliar territory” is worth investigating. Unfamiliar here means an environment that is not so familiar to the entrepreneur.

The territory in which the entrepreneur operates is the entrepreneurial environment. Vanesaar (2014, p. 28), observed three major conflicts that the early entrepreneurs in Estonia faced. The social group conflict (which can also be termed cultural conflicts); the problem of timing (which can also be looked at from the context of the market – the readiness of the market for the product or idea); and the implementation (the context of management). Other articles have also described

the entrepreneur's environment as an entrepreneurial uncertainty. The world is no longer as stable as it was in the past. New things are emerging every day. New technologies, discoveries, new happenings and so on. The evolution of things is more rapid now thus making the environment highly unpredictable and full of uncertainties (Bagheri & Pihie, 2014, p. 46). The fall of Nokia and Blackberry are classical examples of the risen uncertainty in the market. Both strong and successful mobile phone companies had poor business issues due to missing steps in catching up with the pace of technological and market developments: The failure of Nokia to adopt Android (smart) technology and Blackberry's failure to switch from the keypad to screen touch helped cause their downfall. This is the kind of environment that the entrepreneur must pitch their idea in. Because of the volatility of the environment, entrepreneurship is considered a risky venture.

One strategy that successful entrepreneurs use to counter the volatile environment is the use of niche marketing. A niche is generally defined as a small specialized section of a population that a product, service or interest appeals to, however for the purpose of this work the author would define a niche as "a small focus group that is 'familiar' to the entrepreneur and the entrepreneur pitches his/her idea to, uses them as their first target to overcome their liability of being outsiders" (Casson, 2003, p. 38). The entrepreneur also uses this group to research and undertake the Build, Measure, Learn (BML) model.

The BML (Build, Measure, Learn) model developed by Eric Ries is a feedback loop – a cycle for self-correction and adjustment that compares and/or differentiate between actual and desired or optimal outputs - to validate learnings in the market. The cycle starts with the idea developed into a product (normally the basic minimal product) and offered to the market. The success or otherwise of the product is measured through data collection and hypothesis testing to inform what changes need to be done to the product for its success and wide acceptability. The process is done over and over until the desired result is achieved. Mark Zuckerberg (Facebook) started his business from his collage just as many others starting their business with their friends and family (Alas & Elenurm, 2010, p. 29). The idea behind this is the concept of minimum loss. "The challenge then is picking your partners and packaging yourself before committing capital", (Sarasvathy, 2001, p. 9). That is how the expert entrepreneurs put it during the "think aloud experiment" by Saras Sarasvathy when asked questions relating to risk management.

How does this process work with local entrepreneurs and/or foreign entrepreneur and how do the processes differ from each other? A classic example of how a local entrepreneur approaches entrepreneurship is Mohammed Yunus, a successful entrepreneur from Bangladesh, (Malnus, S,

2016). He was born and bred in a poor country with many ‘challenges. He acquired economic management skills from school and pursued further studies abroad in the United States of America. With the knowledge of his environment (the poverty and social deprivation), he used the skills he has acquired from school both at home and abroad as a tool to create a business opportunity out of his ‘immediate environment’ for the benefit of all. “He worked against poverty” (Malnus, S., 2016). The thrust of the illustration is that local entrepreneurs start from ‘problem to solution’. They scan their environment, find the challenges or opportunities then develop or acquire the solution to take advantage of the situation.

The foreigner’s approach is different. They start from a ‘solution to the problem’. According to Parts, (2013, p. 35), after graduating from Harvard University as robotic engineers, Keller Rinaudo, Keenan Wyrobek and William Hetzler set out to find a market for their technological skills and through that have set up Zipline International, a company that uses drones technology to deliver essential medical services. To explain it further, foreign entrepreneurs carry the solution they have in hand in search of a problem to solve. Lots of research and investments required to identify what the ‘problem’ or ‘opportunity’ is in a chosen environment and how the solution available addresses the identified ‘opportunity’.

Therefore, for an entrepreneur or someone to fly from his country to another country without any research or clear knowhow of the said country to start a business would be considered as committing capital before picking partners and/or packaging himself. It may be easier for a local entrepreneur than a foreigner to successfully start a business in the local setting because of the knowledge available to them which may not be readily available to the foreigner.

From the concept of entrepreneurship, various authors with diverse professions and varied backgrounds and experiences have given varied definitions to ‘the entrepreneur’ and various studies have been undertaken to reveal entrepreneurial successes and drawbacks in various countries as well as in Estonia. This aspect of the literature will present diverse comprehensive definitions of ‘the entrepreneur’ from the concept of entrepreneurship as identified by various authors with a discussion of a few entrepreneurial successes and drawbacks as observed in Estonia.

According to Seymour, (2011, p. 18), the concept of entrepreneurship was first established in the 1700s, and the meaning keeps evolving ever since. Whiles many simply equate it with starting one’s own business, most economists believe it is more than that. To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit (Venesaar, 2013, p. 25). Other economists emphasize the entrepreneur’s role as an innovator who

markets his innovation. Thus, entrepreneurs develop new goods or processes that the market demands and are not currently being supplied (Alvord, Brown, & Letts, 2004, p. 38). In the 20th century, an economist, Joseph Schumpeter (1883-1950) while defining an entrepreneur from the concept of entrepreneurship focused on how the entrepreneur's drive for innovation and improvement creates confusion and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." He explained further that the entrepreneur carries out "new combinations," thereby helping render old industries obsolete thus established ways of doing business are destroyed by the creation of new and better ways (Moog, 1998, p. 37).

1.2 The Entrepreneurial mind-set

The mindset of the entrepreneur refers to the intentions of the entrepreneur and there are three main things that form the intentions of the entrepreneur; they are the attitude of the entrepreneur, the self-efficacy (thus the effectiveness or usefulness) of the entrepreneur and the social norms of the entrepreneur (Begam, Kadir, Salim, & Kamarudin, 2004, p. 28). Attitude is inbuilt, self-efficacy is self-developed and social norms are externally generated. Having the confidence to generate an idea in a foreign land demands some external reviews or approvals which may be difficult to validate because of the liability of being outsiders. This aspect of the literature will discuss the three main factors that form the intentions of entrepreneurs; the attitude, social norms and self-efficacy (Bagheri & Pihie, 2014, p. 41).

After an entrepreneur has found or gotten an idea, thoughts of the several requirements, the various possible setbacks and various inadequacies in capabilities can kill the idea or vision of the entrepreneur however a major attitude which can hold the vision even to the very commencement of the journey towards its realization is passion. Passion is what gets entrepreneurs started and keeps them there. It gives entrepreneurs the ability to convince others to believe in their vision (Ardichvili, Cardozo, & Sourav, 2003, p. 27). According to the Research and Economic Team from Marketing and Public Affairs Committee, (2014, p. 46), though passion is a major pillar to entrepreneurship, it can't substitute for planning. Planning is what directs and guides entrepreneurs to reach the goal/vision, helping them to stay focused despite the several interruptions and distractions that comes the way of the entrepreneur and the business as well as getting others to look at their plans. Thorough planning therefore builds and improves the self-confidence of the entrepreneur which reduces uncertainty and the level of risk. It also comes from expertise. Self-confidence gives the entrepreneur the ability to listen without being easily swayed or intimidated. Bruyat & Julien, (2000,

p. 35), posits that "Smarts" is an American term that describes common sense joined with knowledge or experience in a related business or endeavour. The former gives a person good instinct, the latter, expertise. Many people have outstanding abilities which they don't recognize. "A person who successfully keeps a household on a budget has organizational and financial skills. Employment, education, and life experiences all contribute to smarts and every entrepreneur has these qualities in different degrees" (Moog, 1998, p. 42). But what if a person lacks one or more? Many skills can be learned. Or, someone can be hired who has strengths that the entrepreneur lacks. "The most important strategy is to be aware of strengths and to build on them. Entrepreneurship creates an opportunity for a person to contribute. Most new entrepreneurs help the local economy" (de-Montoya, 2000, p. 12). A few through their innovations contribute to society. One example is entrepreneur Steve Jobs, who co-founded Apple in 1976 and ignited the subsequent revolution in desktop computers. Some people evaluate the possibilities for jobs and careers where they live and make a conscious decision to pursue entrepreneurship (Lugus, Venesaar, & Vitsur, 1991, p. 55). No one reason is more valid than another; none guarantee success. However, a strong desire to start a business, combined with a good idea, careful planning, and hard work, can lead to a very engaging and profitable endeavour (Begam, Kadir, Salim, & Kamarudin, 2004, p. 36).

After a research conducted by the Research and Economic Analysis and Public Affairs on the successful and unsuccessful businesses, they were able to discover real answers to questions such as: What factors make some entrepreneurs more successful than others? What do they do differently? Do they have unique qualities that allow them to gain market share and increase profitability? At the end of the research, they discovered five major do's that are vital to the success or failure of some entrepreneurs and/or businesses (Affairs, 2014, p. 15).

Innovation matters: when identifying what separates the most successful businesses from all others (regardless of the business sector), the BDC/Nielsen survey results suggest that a wide variety of factors relating to innovation are important. Equally interesting is that these survey results mirror the findings of the last comparable research into Canadian SME performance, which used business data from the 1980s. Combined results of these two studies suggest that even if the global business environment has changed dramatically in the past generation, the positive relationship between innovation and the financial performance of businesses has been constant (Alas & Elenurm, 2010, p. 39). When the question of precisely what types of innovation matter most to business performance, three significant results emerged across all sectors. The most successful businesses offered new products and services more often. They adopted new technology more quickly. It was reported that innovative practices ranging from improving internal processes and enhancing internal

efficiency to adapting their business models were more important to their firm's success than did their counterparts (Kallam, Kolbre, Moller, Simson, & Venesaar, 2002, p. 28). After the research, five dos emerged.

1.3 Key factors for success

Research by Drucker (1985) and later by Bagheri & Pihie (2014) on what distinguish successful businesses from unsuccessful ones identified some key dos and don'ts in business. The five do and don'ts are enumerated as follows:

1. Always be innovative; make your achievements a steppingstone (always search for new things to be developed from your successes). That is to say invest in research and development or into absorptive capacity for exploitation of opportunities
2. Ask for outside advice consistently from people who both have adequate appropriate knowledge in the field and are passionate about it. It follows the general rule that, plans succeed when multitude of decent counsellors are involved.
3. Have a solid plan and measure your progress regularly.
4. Hire the best labour and keep them engaged it takes more than money.
5. Build strong relationships with your key suppliers.

Begam, Kadir, Salim & Kamarudin (2004) posits that these practices always create a statistical relationship between competitive position and best business practice. In other words, businesses that endeavour to be innovative, seek new knowledge consistently, plan and measure their success regularly, employs the best brains and keeps strong relationship with their suppliers enjoys better success than their compatriots that take these dos for granted.

1.4 The barriers and pitfalls in business

Beside the entrepreneur's ability to find or develop an idea and passionately push the idea to the point of commencement and even to the point of creating or developing a service, there are certain social norms (finding market information, operation premises, low-interest loans, legal assistance and consulting services) that are part of the mind-set or thoughts of the entrepreneurs (Parts, 2013, p. 52). According to Pasternak, Kindsiko, Holvandus, Leetmaa, & Tammaru, (2016, p. 37), research conducted in 1993 and 1994 involved 138 and 397 entrepreneurs, respectively. According to these

studies, the major obstacles to the development of enterprises were related to legislation (Amendments to legislation, bureaucracy, privatization and ownership), banking (high interests on loans and access to long term loans), taxes (income and value-added tax, market (low domestic purchasing power), and security. In these studies, the authors asked for public opinion about the government's attitude towards entrepreneurship and entrepreneurs. The overall opinion highlighted by interviewees regarding the local government's attitude and support towards entrepreneurs is somewhat negative as the entrepreneurs mainly talked about their negative experiences. This might be explained by the fact that all district governments of Tallinn have a small budget for facilitating entrepreneurship because the current issues addressed are tilted towards solving socio-economic problems (Tamm, 2004, p. 28).

This aspect of the literature would centre on entrepreneurial failures; the don'ts in entrepreneurship. Starting from a general perspective to a narrowed approach as discussed by other authors and from practical experiences.

Many entrepreneurs master the day-to-day essentials of running their businesses but ultimately encounter financial difficulty. To understand why we closely examined 118 well-established companies in BDC's portfolio that had run into financial difficulty. On average, they had annual revenues of \$7.8 million and 56 employees and had been in business for over 20 years (Bagheri & Pihie, 2014, p. 62). The following five common don'ts emerged have been discovered as serious activities that can affect companies' failures on most occasions (Bagheri & Pihie, 2014, p. 28).

1. Don't rely on too few customers - diversify.
2. Don't underestimate the importance of effective financial management.
3. Don't leave contingency planning until it's too late.
4. Don't ignore what's happening in your market.
5. Don't wait too long to get help.

Various research has revealed innovation to be the single most important factor that led to business success and on the other hand, the significant activity which when ignored has a major capability to lead to the failure of businesses. While the business landscape has changed over time, the need to innovate has remained a constant. The don'ts highlighted are within reach of all entrepreneurs. However, as with any goal, success requires a conscious effort and frequent monitoring of progress because succeeding in business is not a hurry or a race; it's a journey and therefore by approaching it step-by-step with consistency, hard work and seriousness, an entrepreneur journeys gradually into success without any unnecessary stress and pressure generated and imposed by rush or haste (Alas & Elenurm, 2010, p. 55).

2. METHODOLOGY

This chapter defines the methods employed for the research work. It is expected to build up an understanding of the outcomes presented in the data collection and analysis stage in chapter four. In this chapter, the subtitles discussed are research design, population and sampling, instruments, data collection and analysis.

2.1 Short overview of Estonia as an Entrepreneurial Environment

Studies in Estonia over the years has revealed the state and environment of entrepreneurship which provides a guide to future entrepreneurs. Below is a description of a few.

According to Alan & Akerman, (2010, p. 9), after researching the choice of industry entrepreneurs in Estonia between 2004 and 2005, they identified that financial services represented 16.1% out of 3598 businesses established in 2004 with real estate, renting business representing 12.8%. The same paper, comparing 2005 to 2004 observed that construction recorded a huge increase to 17.1%, overtaking the financial sector as the largest percentage of businesses established in that year. The reason for the growth was not readily identified however it showed the dynamics and the concept of “new combinations” espoused by Moog, (1998, p. 57).

Regarding risk preference and levels of financial commitment and the scale of operation, Alan & Akerman, (2010, p. 36) observed almost 90% of all businesses established in 2004 and 2005 started with less than 5 employees. Only 3.3% of businesses started in those years started with 10 employees or more. This explains the fundamental nature of most businesses started in Estonia.

Another thing important in accessing the viability of entrepreneurship is the success rate of business in an environment. Alan and Akerman (2010, p. 39) observed that the businesses established in 2004 and 2005, the overall percentage of 90.3% of those businesses survived with the remaining 9.7% collapsing shortly after one year of operation. 11% of businesses in the financial sector collapsed whilst only 2.9 to 3.4% of businesses in the health and social enterprises failed to survive the early storms of entrepreneurship. (Alan and Akerman, 2010, p. 40). This explains that the success factor of doing business in Estonia is pretty much high and for that matter a favourable environment for doing business.

Business Ownership Composition

Pastak, Kindsiko, Holvandus, Leetmaa & Tammaru, (2016, p. 26) research or study on the experiences of businesses revealed that the composition of ownership of enterprises between 1991 and 2014 showed one-third of businesses are single ownership (one-man business), the second one-third are family ownership or family members coming together to set up business and the last one-third of businesses owned by partners (both local and foreign). The research further revealed a trend wherein the latter year's food and beverage businesses dominated the setups probably due to the increased presence of foreigners in Tallinn and increased population.

Consumer Responsiveness to new Businesses

Another interesting revelation from the study by Pastak, Kindsiko, Holvandus, Leetmaa & Tammaru, (2016, p. 38) was the nature of consumer responsiveness to new businesses. People living around Kalamaja in Tallinn were interviewed. Their responses showed that they are very much interested in how the product they buy was made. "There is demand for personal touch and diversity on one hand and on the other hand, the willingness to try diverse products and services" (Pastak, Kindsiko, Holvandus, Leetmaa & Tammaru, 2016). Thus success or acceptability of new business within the Kalamaja environment is dependent on the entrepreneur's diversity and consumer familiarity with the product or service provider.

2.2 Research Design

The purpose of this study is to discover from other foreigners who have successfully set up businesses in Estonia how they overcame their liability of being outsiders to formulate the intention to set up and operate a business in a foreign land.

The instruments employed for collecting data for this research was purely by use of interview. The interview was done face-to-face with the help of a guide. Interviewees were asked questions from their background, experience, challenges and opportunity in their entrepreneurial journey. The background questions enquired from interviewees their length of experience in the field of entrepreneurship, any formal education, if they had any prior experience before entering Estonia and what motivated them to venture into entrepreneurship. The idea of the background questions is to understand the context from which the interviewee responds to the questions being asked and to assist with the analysis. The responses were recorded and transcribed for the analysis.

This method was employed since it is easy and allows respondents to provide honest answers without any influence from the researcher who is to the foreigners an insider (thus a prospective foreign entrepreneur just like them) and to the locals a prospective entrepreneur who would become an entrepreneur like them with time though a foreigner. This, therefore, ensures fairness of data. The author used semi-structured interview targeted to respond accurately and adequately to the questions raised in the statement of the problem. According to Parahoo (2014), the research design must act as a guide in acquiring the relevant information related to the research question, thus making it possible to research in a better way. The researcher, therefore, chose this research design with the understanding that this will go a long way to achieve the purpose of the study. The interview guide is attached to the end of the thesis as an Appendix 5.

2.3 Population, Sampling Method and Sample size

The purposive sampling method was employed for this study. A sampling of the respondents was based on various decisive factors including people with expert knowledge of the research issue who have the capacity and the willingness to participate in the research. Due to this, as stated earlier, four foreign entrepreneurs from different foreign countries and in diverse industries in Estonia who have remained successful in business for some time to date were sampled. At least one participant each from four different industries were sampled. In addition to this, three Estonian entrepreneurs from different industries who have remained successful in business for some time to date were also sampled. One participant each from four different industries were sampled as respondents for the foreign entrepreneurs in Estonia. The researcher is certain that the above groups of people sampled have adequate, accurate and required information for the research process and therefore are the most appropriate sample for this study.

Therefore, the sample for the study is made up of 4 foreign entrepreneurs who have set up businesses successfully in Estonia and 3 locals (Estonians) who have set up businesses successfully in Estonia. The 4 foreigners interviewed were selected from four different chambers of commerce from different industries; at least a participant each from an industry. The foreigners are from Russia, Brazil, Ukraine and Morocco. Likewise, the local (Estonian) entrepreneurs that would be interviewed would be selected from different industries. The researcher was not necessarily interested in the age of the participants; however, the years of experience as entrepreneurs was important. Thus, the researcher selected the participants who have started and remained in business successfully for a considerable time. The four (4) foreign and three (3) local (Estonian)

entrepreneurs were selected from different industries to ensure objectivity of the findings and to measure the success of businesses set up by foreigners in Estonia and which industries most foreign entrepreneurs in Estonia are likely to be successful in.

As stated earlier, the interviewees sampled from local Estonian entrepreneurs while another four respondents were sampled from foreign entrepreneurs from diverse countries who are in varied industries. The foreign respondents were from Russia, Ukraine, Morocco and Brazil. The interviewees were varied in ages as well as in the number of years in business as entrepreneurs. All the respondents could speak the English language and therefore the researcher did not need to employ the service of someone who could translate any of the questions or assist in communication. Out of the seven interviewees, one was between ages 25 and 29 years, the next four interviewees were between the ages thirty and thirty-four years, and each of the last 2 interviewees was between the ages 35 and 40 years and 41 and 50 years respectively. Of the total population of interviewees three were Estonian nationals and the remaining four were foreign nationals. These interviewees have been entrepreneurs for a varied number of years between two and fifteen years.

Interviewees were chosen from all the four groups of ages stated above due to first, the different levels of knowledge and experience acquired by these different groups of ages in life as individuals as a result of the various stages and phases of life experiences. Secondly, the choice of the interviewee from these different groups of ages was also as a result of the different levels of experience acquired by the respondents as entrepreneurs and the different levels of experience acquired by them in their various unique firms/businesses.

2.4 Data analysis

In collecting data with interviews, semi-structured interviews were conducted. In this type of interview, structured questions are asked together with open-ended ones (Mugenda & Mugenda 1999). This method was appropriate because it provided the researcher with guideline questions and freedom to the participants for more insightful information indispensable to the research. The interview guide was in three sections. The first section was used to collect the personal data of the participants, which included an introduction (identity – name, nationality, gender and age of the participant), how long the participant had been an entrepreneur, where the participant commenced entrepreneurship and also how the participant developed the intention.

The second segment sought information on the opportunities that the participants identified for which they decided to set up a business in Estonia, the legal framework with reference to setting up their enterprise (thus how easy or difficult it was), the social and cultural responsiveness to the business, the general business climate, the responsiveness of financial institutions to release funds for the running of the business as well as the general challenges and further opportunities open to the business.

The final segment collected data on the mistakes and pitfalls the participants did encounter and how they dealt with them, the advice they gave to new entrepreneurs in Estonia especially foreign entrepreneurs and finally general experiences the participants would gladly share with new entrepreneurs in Estonia based on the subject under study. The interviews were recorded with the permission of the interviewees. The recorded audio was then transcribed, transferring the answers provided by interviewees on a response sheet to be used for the analysis. Attached in appendix A to I is the specimen for the interview guide, the response sheet and the individual response sheets. For the essence of anonymity, names of interviewees were replaced with Interviewee A, Interviewee B, Interviewee C, Interviewee D, Interviewee E, Interviewee F and Interviewee G accordingly.

The research analysis involved the use of both the data obtained from the interviews as well as insight from the theoretical perspective. Also, the researcher's observations of how various industries in Estonia owned by foreigners are doing as compared to how various industries in Estonia owned by Estonians were included in the study. The researcher used the qualitative method of data analysis because it aims at uncovering and understanding the big picture by using the data to describe the phenomenon and what it means.

3. RESULTS AND DISCUSSION

This chapter presents the data collected from the sample population through interviews and analysis of the data obtained via questionnaires. This is done by presenting the various questions that were asked during the interviews as clearly outlined in the question guide for the interview and then identifying the responses of various interviewees to the questions to discover opinions of the respondents on the various subjects presented by analysing the results identified. The main objective of the study is an examination of entrepreneurship in Estonia by foreigners (thus examining how easy it is for foreign entrepreneurs in Estonia to start and sustain their businesses in Estonia). This would be done in comparison to how easy it is for local Estonian entrepreneurs to start and sustain businesses.

3.1 Entrepreneurial mind-set

When interviewees were asked questions such as: what motivated them to decide to embark on entrepreneurship in Estonia, how they developed the entrepreneurial intention, whether their friends, close associates and social club members had had any influence on their entrepreneurial intentions – their encouragements or otherwise and also how their personality, hobbies and strengths had contributed to their entrepreneurial intentions, it was realised that while most of the respondents (both Estonians and foreigners) ventured entrepreneurship either as a result of passion or as a result of a quest to invent something to provide solution to a peculiar problem, few found themselves in business or entrepreneurship either as a result of their immediate environment either colleagues who were into business and they naturally or automatically joined in the business and with time developed the passion to do something, thus set up a business for various reasons. Though almost all the respondents had formal or some sort of education in either entrepreneurship, business administration or business management, most of them had had to study these topics as a result of their passion or an intention to invent something to either solve a personal problem or fulfil an individual passion. Interviewees were asked questions such as:

- a. To what extent has your educational background contributed to your entrepreneurial intentions?
- b. What about your friends, close associates and social club members (How has been their influence on your entrepreneurial intentions – their encouragements or otherwise)

- c. What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

Their responses are summarized in the chart below. From the responses we observed that three of the interviewees entered entrepreneurship by virtue of their attitude and the remaining four ventured into entrepreneurship by virtue of self-efficacy. In addition, all seven interviewees emphasized the role of societal factors or colleagues in their pursuit of entrepreneurship. The chart below is a representation of the results realized.

Figure 1. Entrepreneurial Mind-set

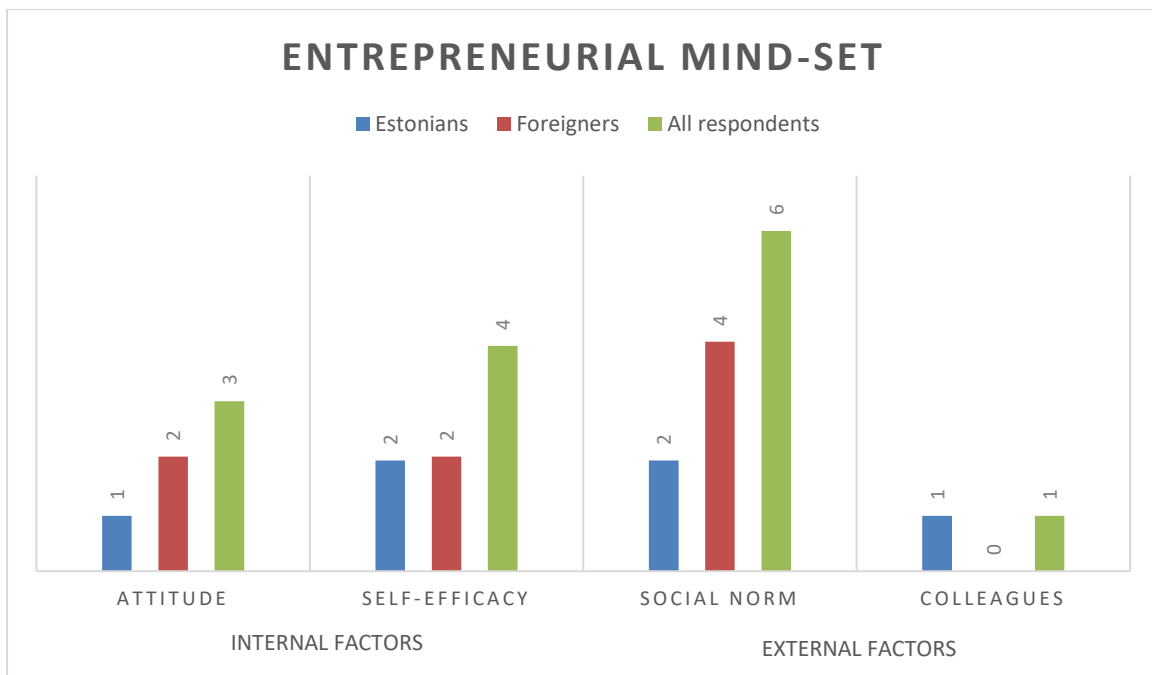


Figure 1: Entrepreneurial mindset

Source: Composed by the author

Figure.1 shows that one-seventh of the interviewees (ie. one Estonian entrepreneur) chose to start their business as a result of their attitude (passion), two other interviewees who are foreigners (ie. two foreign entrepreneurs) also chose to start their businesses as a result of their passion. In all three of the interviewees (two foreigners and one Estonian) became entrepreneurs due to their passion. The diagram shows also that, two of the interviewees (who are Estonians) started their businesses in response to an individual challenge they tried to find a solution to while two other interviewees (who are foreign entrepreneurs) started their businesses to change a situation they found themselves that they disliked. In all, four of the interviewees (representing four of the respondents; two

Estonians and two foreigners) became entrepreneurs as a result of self-efficacy thus an individual ability to innovate.

The diagram further shows that two of the interviewees (who are Estonians) chose to start their own business because it is easy as Estonians due to the availability and presence of the start-up community in Estonia. Also, four of the interviewees (who are foreigners) travelled to Estonia to set up their businesses due to the start-up community in Estonia in addition to a start-up visa that is given to foreign entrepreneurs that intend to enter Estonia to start a business. In all, six interviewees (made up of two Estonians and four foreigners) revealed that they became entrepreneurs due to the social norm, thus the friendly start-up community in Estonia that supports and motivates entrepreneurship. Finally, one interviewee (who is an Estonian) stated that she started a business as a result of colleagues in school who were vigorously engaged in their businesses which they joined and learned from without any deliberate effort or decision to become entrepreneurs.

The author realised both internal and external factors contributed to interviewees venturing into entrepreneurship. Sarasvathy (2001) identified attitude, self-efficacy and social norm as the key factors driving one into entrepreneurship. The author categorizes these factors as internal and external. Internal are the entrepreneur's attitude and self-efficacy whilst the external factor is the social norm. From the data presented, the factor that led to most of the interviewees (all the four foreigners and 2 of the Estonians) becoming entrepreneurs is the quality and receptive social norm in Estonia thus the start-up community in Estonia. Here is what interviewees had to say about the social norm:

In the business, Estonia is not a big market. So we not targeting Estonia. Just other European countries and UK, USA except southern Europe. so its not that different. (interviewee A)

Estonians since I built it in Estonia. They are responsive to it. If you understand how locals thinks it gives you the advantage to build business for locals. (interviewee B)

My clients are from 38 countries, including from Estonia. Estonians are very easy to communicate with, just like everything in the country, things are transparent, simple and straight-forward. My personality aligns a lot with the local culture, so I love having my business here. I'm a great fan of the country. (interviewee F)

They are very receptive when it comes to Technology. When you go to start up events you see people from government, regular people (interviewee G)

The second major factor that led to the entrepreneurial intention or mind-set is the interviewees' self-efficacy, thus the ability of interviewees (four out of the seven interviewees; two Estonians and two foreigners) to innovate. The other three interviewees (two foreigners and one Estonian) chose to become entrepreneurs due to their attitude, thus their passion. In addition, one interviewee commented that apart from attitude, self-efficacy or social norm, what secondarily aided their current status as entrepreneurs is their colleagues. The inspiration and support of their colleagues who were already in entrepreneurship and whose activities or work served as examples and motivators to discover the inner ability for entrepreneurship and to pioneer their entrepreneurial journey. Though some other respondents whose mind-set were formed by the other factors that they had friends and colleagues who encouraged them to pursue entrepreneurship, they were not the primary factors to their decision to becoming entrepreneurs.

I owe a lot of my courage to a friend who have been an entrepreneur forever. He studied political science. I got a lot of mentoring from him about setting up the company and doing taxes. Also, my mother is an entrepreneur since 1992. The support from home is good. She's an architect (interviewee A)

Most of my friends aren't entrepreneurs, however they have always been encouraging and interested in my venture developments. I have been building new friendships within the start-up ecosystem because currently it is the environment, I am involved the most now. My friends who are entrepreneurs usually know how more in-depth information about building a business so the conversation about business topics can go deeper and we can share experiences, which can be useful. (interviewee F)

Many people support this idea. They see it as an interesting adventure working for yourself. Small businesses are growing daily in Estonia. (interviewee E)

From the data, despite the attitude (passion) and the self-efficacy (the ability of the Estonians to innovate) most of them (2) chose to start their businesses as a result of the social norm (the start-up community) in Estonia. It is however interesting despite the flamboyant start-up community in Estonia, one Estonian chose to start a business due to a different reason rather than the social norm. This same reason, however, makes it unblemished that Estonia is a very receptive country for foreign entrepreneurs because while two out of the three Estonian respondents became entrepreneurs as a result of the social norm, all the four foreign respondents became entrepreneurs in Estonia not primarily because of their attitude or even their self-efficacy. All of them became entrepreneurs in Estonia as a result of the quality social norm in Estonia. Another factor to be noted is the fact that the four foreigners are from four different countries (thus four diverse nationals). It

shows also that the social norm in Estonia is transparent, scrupulous and impartial. Estonia as a nation has systems and subjects (Estonian citizens) who do not favour entrepreneurs from some foreign countries while discriminating against foreigners from other countries. It is insightful also to note that the respondents revealed that Estonia gives a start-up visa to all foreigners who enter the country intending to start a business. Finally, it can be noticed looking at the age ranges of the respondents that most of the foreigners could not start their own business without a receptive social norm despite their passion and ability to innovate.

3.2 Training and Prospects

When respondents were asked questions including whether they had any formal education in entrepreneurship (thus their educational background, discipline/specialization); to what extent their educational background contributed to their entrepreneurial intentions; what opportunities they identified for which they decided to set up or start the business in Estonia; how they would describe the legal framework with reference to their setting up and also the social and cultural aspects (thus how responsive the Estonians were to their business with regards to who were their main clientele base), the following was realised. Below is a chart which reflects what was realized.

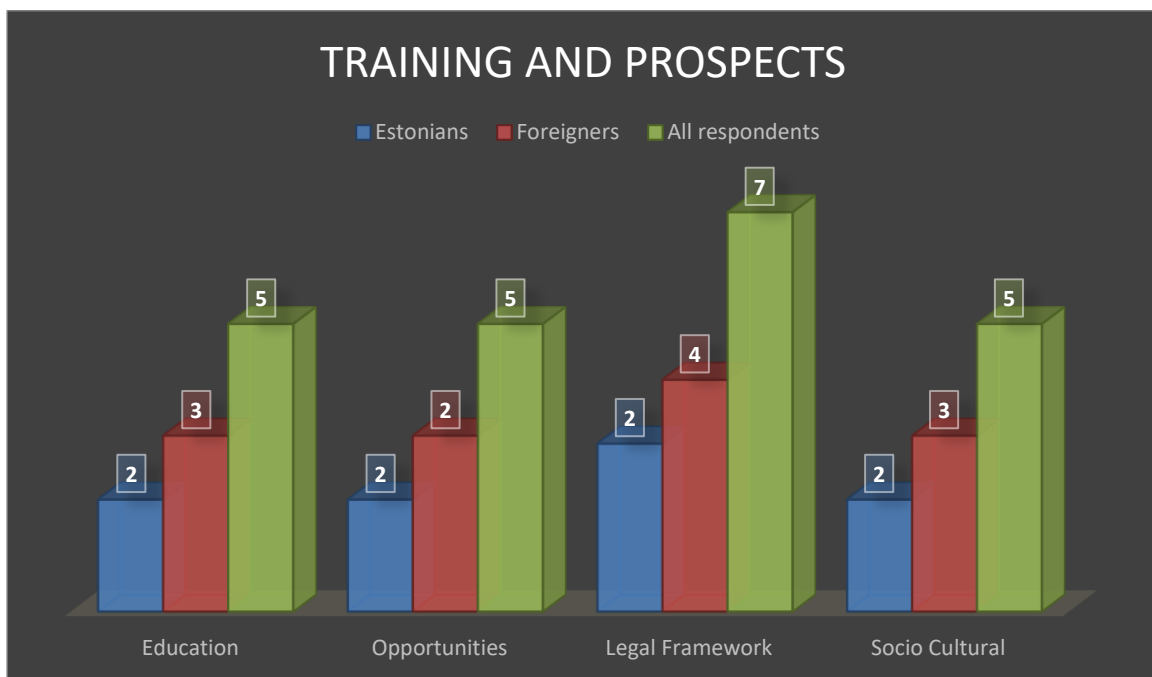


Figure 2. Training and Prospects

Source: Composed by the author

As represented by the diagram figure 2., two Estonian entrepreneurs had either graduate or undergraduate education in business administration or school management which is a major contributing factor to their firm. Three of foreign entrepreneurs also had education in business administration. In all five interviewees, two Estonians and three foreigners, had education in line with their entrepreneurial endeavour.

I went to the business school after high school and most of the people there in the early years of Estonia independence are pretty much entrepreneur and it was during my first year when I put up the goal with my friends. We travelled to Russia and bought chips and parts of computer and built simple computer and sold them in the dorm. (interviewee B)

My business is 100 percent built online education. Like am a professional, I know how to do business and I do business. (interviewee E)

Also, two Estonian entrepreneurs affirmed that their pursuance of entrepreneurship was enhanced by the opportunities of a comfortable life, good transportation, everything online and less paperwork, besides describing Estonia as a tax paradise

The life was much cheaper when I launched the business. It's like a tax paradise in Europe. (interviewee C)

Setting up business is really easy in Estonia. It was very difficult in Czech Republic everything is done online. (interviewee A)

In similar fashion, three out of the four foreign entrepreneurs also stated that though Estonia has a small market, however, they chose to do business in Estonia because setting up a business is really easy in Estonia with everything done online and the quality economical tax system, they chose to do business in Estonia.

The opportunities of comfortable life. Good transportation, everything online, less paper work. (interviewee D)

Estonia is not my market entry, it was just a strategic and financial decision. Estonia is a lovely country, but a small market, so other reasons, such as the tax system and the start up ecosystem is what incentivised me to have my business here. (interviewee F)

It is was no problem. It's like Estonia is the best. Compare to other country they are not technophobic and ready to Test Technology. (interviewee G)

We can thus conclude that out of the seven entrepreneurs interviewed, five interviewees (two Estonians and three foreigners) chose to start their business in Estonia as a result of the opportunities. Meanwhile, the other two interviewees (one Estonian and one foreigner) had a similar reason; they didn't commence their business as a result of an opportunity. According to this group, having lived in Estonia for more than 2 years so they chose to start a business as a result of their passion and ability to innovate. Also considering their passion matched an opportunity they identified, they settled on investing in it. All the seven interviewees (three Estonians and four foreigners) described Estonia's legal frame as flexible, quick and straight-forward.

I had to go through a notary and 3 days to get appointment with notary and the day after my company was created. Its super-fast done in a traditional way.

Opening account with the bank was like an interview all over again just to know if what I am doing is legit. Took 3 weeks before the company was finally opened. That was the only challenge (interviewee G)

It was really easy and uneventful. Estonia is not bureaucratic, and things are quick and straight-forward here. Love it. (interviewee F)

Finally, with the social and cultural aspects, two Estonian entrepreneurs and three Foreign entrepreneurs (all having their clientele base as Estonians and foreigners) stated that Estonians are as nice and comfortable to do business with as their systems; responsive to their goods and services. From the data, it is obvious most of the Estonian and foreign respondents (two Estonians & three foreigners) had formal education which indicates their preparedness for entrepreneurship. Secondly, most of the Estonian and foreign respondents (two Estonians and three foreigners) affirmed that they commenced their business as a result of certain varied opportunities (comfortable life, good transportation, everything online and less paperwork and minimal tax burden) that were in Estonia. Interestingly. All the respondents admitted that the legal framework in Estonia is so conducive and friendly to both citizens and foreigners. Also, most of the respondents (two Estonians and three foreigners) affirmed that the Estonians and their culture welcomes and receives foreign entrepreneurs warmly showing clearly that Estonia and her subjects/citizens are entrepreneurship friendly not only to their neighbouring Estonians but also to foreigners from different countries. Thirdly, the information above reveals the fact that diverse factors combine to enable entrepreneurship. From the above data, most of the entrepreneurs both the Estonians and the foreigners despite their education probably couldn't have started a business in Estonia had there been limited or no opportunities. More interestingly, for the foreigners, even though they clearly stated that Estonia had a small market, it was also unblemished that Estonia despite the small market

created and made available some opportunities for foreigners to start a business. It is obvious from the data as affirmed by all the respondents that the legal framework of Estonia welcomes and encourages entrepreneurs from every nation. Estonia grants permits easily and quickly to entrepreneurs with no restrictions. It means that despite the education of the respondents and the opportunities that were available in Estonia, entrepreneurship would have been impossible without a legal permit by the systems of the country. Finally, goods and services are created and made to benefit people within a socio-cultural setting. Without the responsiveness of the people in Estonia, these respondents couldn't have become entrepreneurs. It must be noted here that Estonia is made up of not only Estonians but also foreigners from several countries. However due to the responsive socio-cultural environment which places no restriction on goods and services to no one (neither Estonian citizens nor foreigners) goods and services created by diverse entrepreneurs from several nations are received and patronised in Estonia, making entrepreneurship in Estonia not only possible but joyful and profitable for not only Estonians but citizens of other countries.

3.3 Estonia's business climate and entrepreneur challenges

To find out the general climate of business/institutional responsiveness in Estonia, the willingness of the banks to aid foreigners financially through loan acquisition by foreigners was assessed. Also, the general and specific challenges foreign entrepreneurs face as compared to local Estonian entrepreneurs was assessed. The following questions were asked:

1. What's the general business climate (relationship with suppliers and workers)?
2. How responsive are financial institutions to foreign entrepreneurs in Estonia and how difficult or easy is it to secure loans from the banks and financial institutions as foreign entrepreneurs in Estonia?
3. Is the interest rate business-friendly?
4. What are the challenges that foreign entrepreneurs in Estonia are faced with?
5. "Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?"

The findings for the above research interrogations are first represented with a chart and then interpreted.

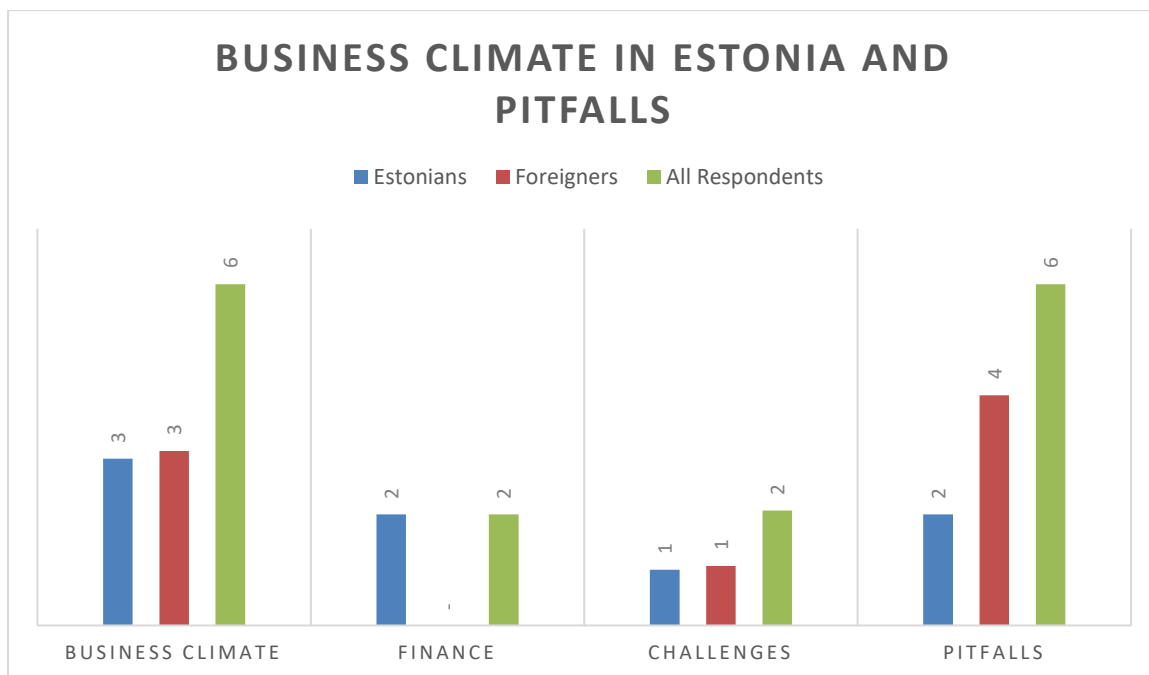


Figure 3. Business climate in Estonia and Pitfalls

Source: Composed by the author

From the above diagram, six interviewees (three Estonians and three foreigners) affirmed that Estonia has a great business climate. Suppliers and workers delivered perfectly, and business was in a perfect state and on the move.

The business environment here is great. I don't remember the last time someone refuse to pay the bill or try to cheat. In small country like this, your reputation is at stake (interviewee B)

The relationship is pretty simple. Employing a person is pretty straight forward. It's very simple and accounting is very easy. (interviewee A)

The general climate in Estonia, good relationship with my suppliers and workers.

I do know use credit providers. (interviewee C)

Half of the foreign interviewees could not say much about the general business climate concerning the suppliers and workers because their business which was textbooks distribution faced some challenges with the time of the arrival of the textbooks which caused issues with the suppliers as a result of the late arrival of the products. Only two interviewees who were Estonians could comment about the responsiveness of the financial institutions and the flexibility of loan acquisition from the financial institutions with a favourable interest rate. This is probably because five of the interviewees (one Estonians and four foreigners) relied on either personal savings or investments

or loan from relatives and as a result didn't need a loan from any financial institution in Estonia. As a result, they had no idea about the responsiveness of the financial institutions to either local (Estonian) entrepreneurs or foreign entrepreneurs.

Additionally, two interviewees (one Estonian and one foreigner) affirmed that they had some challenges. They enumerated the challenge as having difficulty with the small size of the Estonian business market and particularly a challenge with language and cultural difference at the beginning. They had since appropriately and adequately acquainted themselves with. The other five interviewees (2 Estonians and 3 foreigners) did not have any challenge doing business in Estonia because in their statement, once an entrepreneur is adequately and appropriately equipped for business every unexpected occurrence is a platform for a discovery and not a space for fault finding or blame or a grounds for excuse generation. This means therefore that in business every challenge is an occasion or an opportunity for discovery of strength, skill, ability etc. One Estonian stated categorically that living in a foreign country is very hard because he had lived in Finland, Czech Republic and Germany and it was difficult to even open a bank account because he had no address and had no salary because he was not working for any institution. He had a feeling that it is a great privilege to do business in Estonia and therefore there were no grounds for any challenges. Fourteen of the respondents (all Estonians) didn't have an answer for this question of whether they had faced challenges stating that "this question needs to be defined." However, six of the interviewees (2 Estonians and 4 foreigners) affirmed that they had made several mistakes which had to do with finding the right people to work with or who to entrust responsibilities. As a result of these mistakes they made, they advised that mistakes are part of every enterprise and therefore if or when one is a beginner in entrepreneurship, he/she should run a test fast by starting a business immediately they have the slightest chance, fail fast to avoid wasting one's time building something forever. This is because everyone is talking about a business, they are going to launch but in their opinion, one should think there are fewer people capable to run a business. Maybe a prospective entrepreneur should join a company and learn before creating something. And no one should ever give up because "you will mess up at some point so don't give up."

They also added that there are some good reliable sources for accounting and legal advice online which entrepreneurs whose venture concerns more of accounting can get assistance from.

CONCLUSION

The preceding chapter provides a summary of the thesis, recommendation and conclusion. The presentation and analysis of the data collected from various respondents on The Entrepreneur and his/her Environment: The case of non-local entrepreneurs in Estonia, this chapter outlines the principal findings from the analysis together with the recommendations which agree with the findings as well as the conclusion of the research.

The study was primarily to discover from other foreigners, who have successfully set up businesses in Estonia, how they overcome their liability of being outsiders to formulate the intention to set up and operate a business in a foreign land. The study started with an introductory chapter which stated the problem of the study, the significance of the study and gave an outline for the study. The second chapter examined related literature in the area of the study. This was followed by the research methodology in the third chapter. Seven entrepreneurs with varied years of experience and age were selected to participate in this research. They were taken through an interview session, their responses recorded and transcribed onto an answer sheet that was used for the analysis. The author adopted a qualitative approach to data analysis and presented the findings in both textual and graphical presentation. The research findings of the literature review and qualitative study were assessed against the research objectives set out at the beginning of this research. The research findings and discussions of this study are presented below to provide an understanding of the business climate including the cultural responsiveness and legal responsiveness of Estonia to foreign entrepreneurs and their businesses in the country. It was revealed that Estonia as a nation is one of the most conducive nations to do business by entrepreneurs from all other countries besides Estonia.

The data for this study was gathered from four foreign entrepreneurs from different foreign countries and in diverse industries in Estonia as well as three Estonian (local) entrepreneurs from different industries. Both groups have remained successful in business for some time to date. The profile of Estonia with regards to how conducive the country is for foreign entrepreneurs besides local entrepreneurs is discussed in chapter one. In chapter two (the literature review), all the factors that contribute to effective and successful entrepreneurship (thus the mind-set of the entrepreneur) in general as well as the factors that make foreign entrepreneurs in Estonia effective and successful as compared to Estonian entrepreneurs including the mind-set of the Estonian and foreign entrepreneurs, the training and prospects and the business climate in Estonia were discussed. Also,

the challenges faced by Estonian entrepreneurs as compared to the challenges faced by foreign entrepreneurs as well as the pitfalls faced by especially foreign entrepreneurs and proposed solutions were discussed.

Firstly, the researcher found out that though Estonia's, market is relatively small, Estonia has one of the best environments for entrepreneurship. Estonia has an unrestricted start-up community that welcomes and urges entrepreneurship besides the responsive legal frame and culture that entrepreneurs to get a permit with ease and to create and market goods and services without threats or uncertainties of patronage. This finding agrees with an accession made by Parts (2013), that besides the entrepreneur's ability to find or develop an idea and passionately push the idea to the point of commencement and even to the point of creating or developing a service, the environment and the social norms such as (legal assistance thus obtaining permit, finding operation premises, market information) are imperative for the entrepreneur's success. This kind of social norm, legal framework and culture in Estonia for existing entrepreneurs and aspiring entrepreneurs, makes entrepreneurship in Estonia safe and attractive.

Secondly, the research also revealed that the welcoming and enabling entrepreneurial environment in Estonia is foreigner-inclusive therefore allowing foreign entrepreneurs (thus entrepreneurs from outside Estonia) to start, build and own business/businesses in Estonia. Complementarily, the Estonian government has set up a conducive and friendly legal framework in Estonia which give foreign entrepreneurs in Estonia a start-up visa and easy and quick permit to establish the business. In addition to this, the cultural setting of Estonia gives foreign entrepreneurs a sense of safety and confidence to establish businesses with the optimism of patronage.

Thirdly, the research revealed that entrepreneurs emerge successfully as a result of several factors. Despite the indispensability of conducive environment, accommodating legal framework and a peaceful responsive multicultural environment, the education, training and experiences of the entrepreneur in his/her field of business are imperative to the success of his/her business. Each of the entrepreneurs both the Estonian and the foreign entrepreneurs had an appreciable education, training and experience which aided them in their field of business. Those who did not have special knowledge in their field of business had a form of training and experience that gave them adequate and appropriate expertise of their business. Few of the foreign entrepreneurs who had come to Estonia-as entrepreneurs to do business had a little very little knowledge and understanding of the

Estonian language and culture. This made it a bit difficult to easily and swiftly penetrate through the market as a result of the communication gap and cultural adjustment.

Lastly, it was also revealed that it is difficult finding the right people to work with or entrust responsibilities. As a result of these most foreign entrepreneurs in a country made several mistakes finding the right people to work with or entrusting valuable responsibilities to. Though it is difficult for even local entrepreneurs to find the right people to work with, it is even more difficult for entrepreneurs who have never lived where they intend on establishing a business and to have no knowledge of the kind of people that show up for employment when foreign entrepreneurs set up businesses in a country.

Recommendation and conclusion

From the research, the author observed the following which he considers valuable for recommendation. The author identifies the following measures helpful to entrepreneurs in their quest to set up a business in foreign countries:

- When one is a beginner in entrepreneurship, he/she should run a test fast and fail fast to avoid wasting one's time building something forever which may end up failing.
- A prospective entrepreneur should join a company and learn before creating something.
- Every prospective entrepreneur should expect to mess up at some point in time so that he/she will prepare to press on rather than giving up.
- There are some good reliable sources for accounting and legal advice online which entrepreneurs whose venture concerns more of accounting can get assistance from.

In conclusion, the research gave evidence of the entrepreneurial friendliness and welcoming business environment of Estonia. The opportunities available seems to outweigh the challenges in setting up a business as a foreign entrepreneur in Estonia. Everyone interested in setting up a business in Estonia is welcomed, the facilities and infrastructure is welcoming and conducive. The challenge of language and the need to invest time to understand the Estonian culture and environment is critical for the success of any entrepreneur in Estonia. By way of recommendation for future studies, the author recommend that the study should be expanded to include how foreign entrepreneurs in other cities and towns in Estonia are faring concerning their businesses and entrepreneurship in general

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APPENDICES

Appendix A – Interview Guide

Questionnaires for semi structured interviews with interviewees.

Section I

Questionnaire- Entrepreneurship

2. Introduction – Please name, nationality, gender, age (if willing to share)
3. How long have you been an entrepreneur?
4. Is Estonia your first shot at entrepreneurship?
5. What motivated you to embark on entrepreneurship in Estonia?
6. How did you develop the intention?
 - a. Any formal education in entrepreneurship? What is your educational background, discipline/specialization?
 - b. To what extent has your educational background contributed to your entrepreneurial intentions?
 - c. What about your friends, close associates and social club members (How has been their influence on your entrepreneurial intentions – their encouragements or otherwise)
 - d. What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

Now let's come to the setting up of the business

1. What opportunities did you identify for which you decided to set up or start the business here in Estonia?

2. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience regarding the challenges and opportunities....
3. What about the social and cultural aspects? How responsive are the Estonians to your business? Who are your main clientele base? Are they locals or foreigners.
4. What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?
5. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc
6. What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.
7. In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner? If yes what are they?

Mistakes and Pitfalls

1. What mistakes and pitfalls have you encountered and how did you deal with them?
2. What advice would you have for any new entrepreneur in Estonia?
3. What other experiences would you like to share?

APPENDIX B – INTERVIEWEE A

Response sheet for Johanna Riismaa an Estonian entrepreneur in Estonia

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Johanna Riismaa

AGE: 36

NATIONALITY: Estonian

GENDER: Female

Q1 How long have you been an entrepreneur?

Registered my first business 2008

Q2 Is Estonia your first attempt at entrepreneurship?

Yes

Q3 What motivated you to embark on entrepreneurship in Estonia?

It's much easier for me since I'm Estonia National

Q4 How did you develop the entrepreneurial intention.

No formal education in entrepreneurship.

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

Theatre tech at Art University Finland.

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

Theatre is an information of everything. You always work with people. Especially the production level. I think this distinguish me to my style of working a lot

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

I owe a lot of my courage to a friend who have been an entrepreneur forever. He studied political science. I got a lot of mentoring from him about setting up the company and doing taxes. Also my mother is an entrepreneur since 1992. The support from home is good. She's an architect

Q8 What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

My hobbies have radically change during this journey. You have different timeframe from everything. I play golf now.

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia? Setting up business is really easy in Estonia. It was very difficult in Czech Republic everything is done online.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities.

As a citizen I don't have any obstruction setting up anything here.

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business?

In the business, Estonia is not a big market. So we not targeting Estonia. Just other European countries and UK, USA except southern Europe. so its not that different.

Who are your main clientele base? Are they locals or foreigners. Foreigners

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw? The market opportunity.

We are building a product that solves a problem I had.

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc.

The relationship is pretty simple. Employing a person is pretty straight forward. It's very simple and accounting is very easy.

Q14 what about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

As an Estonian, it's much easier for me because they can check my credit history and they know where I am. But I finance my business by myself.

Getting money in Estonia is not easy from VC funds. Because there is no much money around. I don't have any idea if it's because of being local or foreigner. It's good to have an Estonia in the company

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner? If yes what are they?

Living in a foreign country is very hard. I have lived in Finland, Czech Republic and Germany. It's difficult to open a bank account because no address, no salary.

I have a feeling that I am more privilege to do business in Estonia.

And I think your community in the country are going to help you as a foreigner.

MISTAKES.

Everyday. I don't know how to answer to this question

ADVICE

For local there is a lot of help you can get. Its made really easy for local and everyone is supporting.

For a foreigner is probably not easy. I think the start up scene is really happening. And there are company that you pay and help you set up a company here. And there are so many entrepreneur clubs and they are in English.

People in Estonia are a bit Chillax. They come to events.

APPENDIX C – INTERVIEWEE B

Response sheet for Aleksander Gansen, an Estonian entrepreneur in Estonia

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Aleksander Gansen

AGE: 46

NATIONALITY: Estonian

GENDER: Male

Q1 How long have you been an entrepreneur?

I have been an entrepreneur all my life after high school which means 30 years of my life I have been doing business

Q2 Is Estonia your first attempt at entrepreneurship?

My first attempt was few years before Estonia gain its independence. I was buying fabric in Estonia and sending to sf Petersburg and I sold it at the local marketplace.

Q3 What motivated you to embark on entrepreneurship in Estonia?

It was freedom of choice because I have seen my parent work 9 to 5 or even longer hours. I hate that someone will have to decide for me when I can work or have time with loved ones.

A lot of stuff. It was easier to move to Estonia, they have a start-up community and start up visa. I love the start-up culture more here compare to Germany.

Q4 How did you develop the entrepreneurial intention.

I went to the business school after high school and most of the people there in the early years of Estonia independence are pretty much entrepreneur and it was during my first year when I put up the goal with my friends. We travelled to Russia and bought chips and parts of computer and built simple computer and sold them in the dorm.

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

Yes, I went to Tartu University Partner College as business administrator

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

I would say that as I learned entrepreneurship from early state business men in some case my knowledge on the subject was more practical and advanced in the University. I learn a lot of technics that can improve your result but the major thing that helps is your attitude and they don't tech this in business school

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

I would say that 99% of my friends are business owners and moved on to lead some corporation or work for the government but it was my decision more than 13 years ago to surround myself with likeminded people. I am also a leader of start-up leaders club in Estonia.

Q8 What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

Reading and sport. I do like roller skating, travelling. My grandma force me to read at age of 7 and since then I have always read lot of books

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

I actually never spend my time identifying them. I live here and build my family here. Although there is less opportunity than bigger market. But I prefer to create my business here. My families are all here in Estonia

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities.

For us as native it always just a part of life and it becomes easier and easier every year.

It's so easy to create a company today like 7 minutes online and 5 minutes to open a bank account.

Was very complicated to start and close the company in Finland

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business?

Estonians since I built it in Estonia. They are responsive to it. If you understand how locals think it gives you the advantage to build business for locals.

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?

My business was built around a practical problem that I have been experiencing and I want to solve it for other people.

Business is helping other people to solve their problem and if you do it well you will get paid for it

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc.

The business environment here is great. I don't remember the last time someone refused to pay the bill or try to cheat. In small country like this, your reputation is at stake

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

It's not difficult to secure a loan from the bank. When you talk about start-up there are not much venture capital in this country but it's much more than before. I think you can get seed fund here if you have a good idea. If you are a foreigner, they learn to know you. I think it doesn't play a big role if you are from Ukraine, India or somewhere else if the business is valid and you can prove your concept you will find your capital

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes what are they?

One thing that is a challenge for international service is that the market is very small. You can do your validation in some feed to know how established market it. It's easy to bring talent in and start your company here

MISTAKES.

Well I have done so much of them because this is the only way to learn things and what I leant the most is the right cofounder. It's very easy to share the bite when there is nothing to share. But hard to share responsibilities later in the same amount. I will never start a company with more than one cofounder or give away decision making and control in the first year. I will never take more money as an investment than I need, I would fire people who are not delivery much faster.

ADVICE

If you are a start-up, run your test fast, fail fast. Don't waste your time building something forever. Everyone is talking about a business they are going to launch but I think there are less people capable to run a business. Maybe join a company and learn before creating something. Never give up because you will mess up at some point. So don't give up

I value freedom of choice, speech and moving around my planet and whoever tries changing that will become my enemy.

It is easy to share advice but can you live by the advice?

I spend maximum time with people I love and do what I want.

APPENDIX D – INTERVIEWEE C

Response sheet for Sergei Sergejev, an Estonian entrepreneur in Estonia

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Sergei Sergejev

AGE: 32

NATIONALITY: ESTONIAN

GENDER:

MALE

Q1 How long have you been an entrepreneur?

I own my company for 6 years. Before I was an entrepreneur for 10 years

Q2 Is Estonia your first attempt at entrepreneurship?

I live here all my life and this is the first attempt

Q3 What motivated you to embark on entrepreneurship in Estonia? Enough of the market knowledge and experience

To make money, be independent and learn something new

Q4 How did you develop the entrepreneurial intention?

It comes to me naturally

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

Marine Engineer, not related at all

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

Of course my first education has impact in launching the business.

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

The environment around has a great influence to activity and business as well

Q8 What about your hobbies and personality? How would you describe your strengths and how?

They've contributed to your entrepreneurial intentions?

My hobbies are not related directly to my activities at the moment.

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

The life was much cheaper when I launched the business. It's like a tax paradise in Europe.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities

It is very easy, it was done and in 2 days it was approved. No problem at all

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business?

Who are your main clientele base? Are they locals or foreigners

I am working with Estonians and foreigners as well. There are some cultural differences.

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?

It was a mixture of my own knowledge and I require people around me

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc

The general climate in Estonia, good relationship with my suppliers and workers.

I do know use credit providers.

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

I do not need any loan, I have my own investment and I have good relationships with my financial partners in banks and venture capital is not for me.

There is no good response to foreigners

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes, what are they?

This question needs to be defined.

Personality plays a great role in business.

APPENDIX E – INTERVIEWEE D

Response form for Yulya Luchkova a Ukranian entrepreneur in Estonia

Section I

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Yulya Luchkova

AGE: 27

NATIONALITY: UKRAINE

GENDER

FEMALE

Q1 How long have you been an entrepreneur?

SINCE AUGUST 2017

Q2 Is Estonia your first attempt at entrepreneurship?

Yes

Q3 What motivated you to embark on entrepreneurship in Estonia?

I wanted to open my own studio because I am a dancer. I didn't like the dance studio I was working because it was supper unclean and I was tired to be there so I decided to open my own studio

Q4 How did you develop the entrepreneurial intention?

I think I hated dirty place so much which was my old studio

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

Social worker, I like to help people and their problem.

Q6 To what extent has your educational background contributed to your entrepreneurial intentions? I work with kids and adults and help them with their problems

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

My friends are in Ukraine. So it's only me

Q8 What about your hobbies and personality? How would you describe your strengths and how?

They've contributed to your entrepreneurial intentions?

My personality is very strong. I like art. But didn't help me in business. What helped me is my desire and ambition

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

The opportunities of comfortable life. Good transportation, everything online, less paper work.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities

Very easy, it was 2 hours with consultation by phone and cost only 180 euro.

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business?

I hate people using emails. I hate emails. People are conservative and don't like some kind of dance.

Who are your main clientele base? Are they locals or foreigners.

My clients are mostly adults

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw? Its base on my own strength because I like to dance

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc.

I don't have much workers just 3. They are all Estonia. I like them as a professional.

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

I didn't take loan from the bank because it wasn't a good choice. I take a loan from relative.

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes what are they?

Only one which is language. But not too much cultural difference.

I don't need to pay tax for myself for a year because I didn't take salary which is good compare to Ukraine. For me it was really great so far.

MISTAKE MADE

The main mistake is I didn't make contract to my clients and some came without paying.

I didn't know it's prohibited to take photo and video to post on Facebook.

ADVICE FOR ENTREPRENEURS

Don't be afraid to open a business, have a good friend to loan you money.

I like to share for me it is really easy to open a dance studio.

APPENDIX F – INTERVIEWEE E

Response form for Olga Kalita, a Russian entrepreneur in Estonia

Section I

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Olga Kalita

AGE: 30

NATIONALITY: RUSSIAN

GENDER:

FEMALE

Q1 How long have you been an entrepreneur?

This year (5 Months) but started working for myself a couple of years ago.

Q2 Is Estonia your first attempt at entrepreneurship?

NO, i didn't move to Estonia to start up a business. BUT technical I started my business here but I can do the same thing in other country

Q3 What motivated you to embark on entrepreneurship in Estonia?

Enough of the market knowledge and experience. This is the next step in the development of my career. I have enough professional experience and Entrepreneurship degree now with I have knowledge of the local market and the administrative part of my business because I was a Director of a school in Moscow.

Q4 How did you develop the entrepreneurial intention?

I would say for my profession, just working for someone is a lazy way and I am not for lazy way. It's more interesting and challenging when you do it yourself.

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

I have a Master Degree in International Business Administration.

5 years in Business English, here in Estonia is considered as Bachelor's degree and Master's Degree in English.

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

My business is 100 percent built online education. Like am a professional, I know how to do business and I do business.

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

Many people support this idea. They see it as an interesting adventure working for yourself. Small businesses are growing daily in Estonia.

Q8 What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

My business started at a very early age of my son. So it's my business, me and my son. I don't have free time because I just work, business and take care of my son

Previous hobbies before my kid are playing the drums, with a team playing other instruments, doing yoga, swimming.

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

I moved here 4 years ago and I live here. So not applicable to me.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities

It is very easy, like 1, 2, 3 it's done and in 10 minutes you will get it approved. All legal documents are in English as well.

Q11 What about the social and cultural aspects? How responsive are the Estonians to your business?

Who are your main clientele base? Are they locals or foreigners?

My clients are locals and new immigrants and mainly Russians.

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?

This is just my profession and I saw the market opportunity

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc.

There are lot of companies who do the same with me but I can't say I feel any harsh competition.

Estonia is an E-country and if you need anything electronically its instant but if its paper base or physical, delivery takes forever. For my text books delivery, it takes about a month to get here. So suppliers this is a problem.

Currently am looking for colleague to work with but I think it's not going to be easy because of the qualification might not be what I need and the market is rather small and all good teachers are quite busy. For partner service for the web builder I am using wix.com which is convenient for me and easy to set up. Also locally I ordered TERMINAL to take payment on the go. It's very good and I got it within a day

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

I didn't take a fund so I cannot comment here

Q15 in general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes, what are they?

I am still aware I am different because others have been here for a long time. So its good

I am new here compare to the locals that already have the knowledge of the market

But I worked in a much more developed environment in my profession because the quality of teaching in Moscow is higher than here. So it makes me look very good in the market because of my experience.

Many teachers working in local schools here if selected randomly, you will discover that many of them are more advanced in years and that's why they are using some old material or old dynamic.

But in Moscow their language teachers are very young like 25 to 30 years old, dynamic and learning new methods, going to all kind of seminars. I am taking about the private sector not school teachers.

So here it's a bit different, we lack network of teachers and professional seminars because all these will help with personal development.

So all experience from other places gave me the benefit and upper edge.

Advice for other entrepreneurs

You need a legal consultant or lawyer to make everything correct from the beginning to avoid a legal pit falls.

You really need an accountant. Lot of accounting to be done. You need an entrepreneurial account for a small business to help you with less accounting processes.

Other experience to share for non-local

There are some good reliable sources for accounting and legal advice online. For now, there are problems with bank accounts so before doing anything do your research. E-Residency is also available and you can run your business from anywhere in the world.

APPENDIX G – INTERVIEWEE F

Response sheet for Karen Roosileht, a Brazilian entrepreneur in Estonia

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Karen Roosileht

AGE: 31

NATIONALITY: Brazilian GENDER: Female

Q1 How long have you been an entrepreneur?

I am the founder and CEO of Tutor.id - a tutoring marketplace that connects tutors and students while enabling tutors to build tutoring businesses.

Since I was 16-years-old, although at an even younger age I already had interest in creating my own solutions to problems around me. In my head I wanted to be an “inventor” or “scientist”- the usual type of creators shown in cartoons.

Q2 Is Estonia your first attempt at entrepreneurship?

No, I had this my first entrepreneurial experience in São Paulo, my hometown.

Q3 What motivated you to embark on entrepreneurship in Estonia?

The blossoming start up ecosystem, tax system, talent, cost of setting up a business and finding highly skilled talent.

Q4 How did you develop the entrepreneurial intention.

I didn't know the term “entrepreneur” back then, I was too small. I knew, though, that I had interest in building something myself. I was a very proactive child always seeking to solve problems.

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

I am a Bachelor & Master's in Social Sciences. I did some Business Administration classes at University, so I would say I have partial formal education in the matter.

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

My education provided me with good critical thinking and analytical skills.

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

Most of my friends aren't entrepreneurs, however they have always been encouraging and interested in my venture developments. I have been building new friendships within the start up ecosystem because currently it is the environment I am involved the most now. My friends who are entrepreneurs usually know how more in-depth information about building a business so the conversation about business topics can go deeper and we can share experiences, which can be useful.

Q8 What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

I am analytical, goal-oriented, data-driven and a problem solver, but that doesn't mean I don't use my intuition, I try to combine the gut-feeling into my decisions. I am also very bold and I am not afraid to try an approach or solve a problem on an angle that wasn't explored before. I also don't mind taking risks and these characteristics fit into my entrepreneurial journey

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

Estonia is not my market entry, it was just a strategic and financial decision. Estonia is a lovely country, but a small market, so other reasons, such as the tax system and the start up ecosystem is what incentivised me to have my business here.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities.

It was really easy and uneventful. Estonia is not bureaucratic and things are quick and straight-forward here. Love it.

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business? Who are your main clientele base?

My clients are from 38 countries, including from Estonia. Estonians are very easy to communicate with, just like everything in the country, things are transparent, simple and straight-forward. My personality aligns a lot with the local culture, so I love having my business here. I'm a great fan of the country.

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?

My passion for education is what inspired me to open a business and it turns out it is a very profitable market. 200 Billion Dollar industry all over the world.

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc

Business climate is great. Knowing the culture makes it easy to communicate. I don't expect that being in Estonia people will have to adapt to my communication style. I am respectful and considerate enough to learn how Estonians communicate and adapt my speech to my audience.

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

I haven't tried having loans yet because I had my funds from an Angel Investor. Foreigners, as long as they know how to communicate with the local culture, should have no problems to be treated equally - Estonians are very straight forward and easy to understand. VCs are used to talk with people from all over the world, so they should be a bit more culturally aware of the different communication styles, but I have never had any problems in terms of that.

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes what are they?

This is a label that I don't believe. If you are good, it doesn't matter who you are. I don't support this argument or hide behind the label that I am a foreign female founder. I am a founder, and that is how I define myself. I have positioned myself as a competent professional, and have never been treated different because of that.

MISTAKES AND PITFALLS

1. What mistakes and pitfalls have you encountered and how did you deal with them? I have learned how to manage different people into a team.

2. What advice would you have for any new entrepreneur in Estonia? In my opinion, to succeed in Estonian business environment, learn the culture for better communication - that will open many doors. Estonians know how to appreciate the silence, simplicity, honesty and straight-forwardness.

3. What other experiences would you like to share?

Not Answered

APPENDIX H – INTERVIEWEE G

Response form for Youssef El Moumni, a Moroccan entrepreneur in Estonia

Section I

RESPONSE SHEET

Questionnaire- Entrepreneurship

NAME: Youssef El Moumni

AGE: 30

NATIONALITY: Moroccan

GENDER: Male

Q1 How long have you been an entrepreneur?

2 years

Q2 Is Estonia your first attempt at entrepreneurship?

Yes, and no. I started working on creating my company in Berlin. I was building something while still working. But came to Estonia to create a company

Q3 What motivated you to embark on entrepreneurship in Estonia?

A lot of stuff. It was easier to move to Estonia, they have a start-up community and start up visa. I love the start-up culture more here compare to Germany.

Q4 How did you develop the entrepreneurial intention.

Since I was a kid I always tell people I want to be an inventor, I want to create something so that's kind of what drove me into that scene. I don't like working in a company.

Q5 Do you have any formal education in entrepreneurship? What is your educational background, discipline/specialization?

No formal education in that field.

I have a research Masters in IT and image processing.

I was part of a small incubation program so I kind of learn about entrepreneurship in the incubator

Q6 To what extent has your educational background contributed to your entrepreneurial intentions?

The research did not contribute in a different way. But actually going to that field actually made me realise I don't want to do that.

Q7 What about your friends, close associates and social club members (What and how have been their influence(s) on your entrepreneurial intentions – their encouragements or otherwise)

So the most successful person in my family is an entrepreneur. Maybe it actually contributed without me knowing. My friends actually think I am crazy to quit my job in Berlin and start my own company. Also, I had a lot of friend as entrepreneur and that actually help me and motivated me.

Q8 What about your hobbies and personality? How would you describe your strengths and how they've contributed to your entrepreneurial intentions?

For me I like to create and one of my hobbies is to play electric guitar and keyboard. I create my own sounds. And I think it helped me to create my own business. I like to create mobile app. I love travelling.

Now let's come to the setting up of the business

Q9 What opportunities did you identify for which you decided to set up or start the business here in Estonia?

It is was no problem. It's like Estonia is the best. Compare to other country they are not technophobic and ready to Test Technology.

Q10. How would you describe the legal framework with reference to your setting up? How easy or difficult was it? Share your experience about the challenges and opportunities.

I had to go through a notary and 3 days to get appointment with notary and the day after my company was created. Its super-fast done in a traditional way.

Opening account with the bank was like an interview all over again just to know if what I am doing is legit. Took 3 weeks before the company was finally opened. That was the only challenge

Q11 What about the social and cultural aspects?

How responsive are the Estonians to your business?

They are very receptive when it comes to Technology. When you go to start up events you see people from government, regular people

Who are your main clientele base? Are they locals or foreigners.

My clientele base is international. Estonia is very good to test the market but I will say it is good to go international.

Q12 What informed your choice of business? Is it based on your own strengths or because of the available market opportunity you saw?

It was kind of both I know virtual reality since I was a kid. I combined my knowledge and decided to create a business out of it. The VR as been struggling because it lacks content and I saw the opportunity

Q13. What about the general business climate – relationship with suppliers, workers (locals or foreigners and their general attitude), credit providers or partner services, competition, etc.

I don't have any competition and when it comes to relationship I am not doing any hardware so there are no suppliers. I have collaborated with corporations and they have been helping me during the pilot. And for hiring people I have been working a lot by my own so I haven't dealt a lot with staffs.

Q14 What about the finance? How difficult or easy to secure loans from the banks and financial institutions. What about the venture capital providers? How responsive are they to you as a foreigner? The interest rates, etc.

I haven't looked into bank loans. I am not looking for investment because I have my own personal savings. I have had friends struggling to raise money with their money. And I have investors telling me when we can invest. They are people willing to invest but they are careful where they invest.

Q15 In general, what has been your challenges or opportunities so far? Have you ever had the feeling that some challenges or opportunities you encounter are because of you being a foreigner?

If yes what are they?

Been in foreigner didn't affect anything. Everyone speaks English. It's levelled. People like what I am doing and it's been easy. Also you need to get stuff done. They won't help you just because you are a foreigner

MISTAKES.

Biggest mistake is actually trying to force having teammates. Having the wrong team actually slowed me down. It's good to have teammate but don't force it when they are driving you back.

Also in the beginning I want to do everything but it's not easy you just need to focus on one thing.

ADVICE

Attend events, talk to people, people are willing to help. Network is super important and be willing to continue the hard work.

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