

LAPLAND

1. Title of the practice

SAFELY IN RUSSIA

– CORPORATE SAFETY AND SECURITY MANAGEMENT IN FINNISH-RUSSIAN TRADE

2. Practice theme/issue tackled by the practice

Corporate security is an important part of business management, quality management and risk assessment work in companies. Corporate safety and security are approached from a slightly different viewpoint in Russia than they are in Finland or the Western countries in general. What comes to corporate risk environment, there are very often considerable differences between the EU and regions on the other side of EU's external border. Usually, regions outside the EU are ranked to have increased risks. Historical processes and cultures have affected on the formation of corporate safety and security climate. Image of security on the other side of the border sometimes doesn't reflect the reality. Also the definition on corporate risks varies, immediate risk scale is different and the practical procedures of risk prevention differ. Corporate safety and security model CBC, developed by Finnbarents contributes to minimization of business and incident risks in companies conducting CBC trade. The two phased model consists of a basic study and training module. The first phase gives us scrutinized data and tested information on the real safety and security situation. The other module in its turn disseminates the verified information to SME's and other interested parties.

3. Objectives of the practice

The practice in question aims at minimization of corporate risks when conducting business across the border to more challenging regions from safety and security point of view. One of the most frequently asked questions among Finnish entrepreneurs is how to find a reliable and desired partner in Russia. The practice is to tackle this problem by offering procedures, network and tested information for the disposal of SME's. The practice is developed first of all for CBC trade. SME's are in the need of safety and security assistance due to the lack of own resources to properly focus on risk management. The practice is part of larger framework, namely quality management and capacity and skills upgrade of SME's. In addition to business from Finland to Russia it was equally important to assist SME in Russia to operate in Finland safely. Opening the corporate security definition for Finnish and Russian companies helped to understand the content in equally and in the same way.

4. Location

The practice is developed jointly with stakeholders, developers and companies in Finnish Lapland and Murmansk region Russia. Also Oulu region in Finland and Komi Republic together with St. Petersburg have been involved with the practice occasionally.

5. Detailed description of the practice

Origin

After the dissolution of the USSR, trade between Finland and Russia transformed from state-based contracts to business to business procedures. More and more SME's were involved with Russian trade. It was soon realized, among companies as well as public law enforcement authorities, that there was a lack of reliable security information for SME's, inexistence of safety and security networks across the border and inaccessible training procedures in the sphere of corporate safety and security. SME's had already encountered safety and security incidents due to insufficient preparedness and risk management.

Timescale

Finnbarents started the EU funded project on title Doing Business Safely in Russia in 2004. The project entailed the second phase that lasted till October, 2008.

Bodies involved / implementation

Lead Partner and Coordinator represented universities and project organizations
- Finnbarents acted as the Lead Partner of the project
- Socium+ in Murmansk was coordinator in Russia

Pilot companies and project partners covered construction, fishery, food production, security and tourism sectors.

It was crucial to engage local and regional administration with the project since safety and security issues often belong to the competence of public authorities.

Process and detailed content of the practice

The practice is divided into main procedures as follows:

1) Basic survey on risks encountered and level of preparedness in companies

Instead of perceived images, the study discovers the real safety and security situation among the companies operating in the challenging region.

2) Scrutiny of the CBC safety and security network

During this phase, public and private security operators are identified in order to create network across the border for disposal of SME's.

3) Creation of the information platform

Websites are created and booklets, handbooks and PR campaigns are implemented to deserve public attention and provide SME's qualified expertise.

4) Development and implementation of training modules

Training on all safety and security sectors are planned and conducted. The modules are trained in Russia and in Finland.

5) Follow-up and information dissemination

Companies' successes and failures in risk management are notified and updated safety and security information is provided for the network.

The process is carried out in close cooperation with interested parties on the both sides of the border.

Legal framework

Juridical aspects are present in all phases and safety sectors. The practice itself is to great extent regulated by law in both sides of the border. An external expert that takes care of legislation is required to exist in the network.

Financial framework

The practice is initially financed by public funds. The intention is that in the long run the private commercial share of the practice will be increased.

6. Evaluation

Possible demonstrated results

Share of companies that have no preparedness for CBC risks will be decreased. Imaginary safety and security perceptions will be replaced by real and useful knowledge among SME's. Available information about CBC safety and security procedures increased virtually from zero to satisfactory level.

Possible success factors

In some cases proper management of risky environment gives an advantage for a company to conduct sustainable and competitive business operations. Immediate and swift response to safety and security incident alleviate financial and human losses. Occasionally, new technical innovations emerge as outcomes of the practice. Possibilities for security coaching business have opened along with the practice.

Difficulties encountered

In the initial phase development of the practice evoked suspiciousness since the topic can be sensitive from the point of view of state security agencies and individual companies. But when the apparent advantages and good results are presented, reserved attitudes gradually fade away. Still, some companies don't understand the importance of risk management for the continuation of their business operations.

Transferability of the practice to other regions

Staff of the project is convinced that at least parts of the practices can be implemented in other regions as such. Experience shows that safety and security as concept and procedures have deep cultural and historical background.

Contribution to the enhancement of CBC cooperation. - Adaptability for SME support

The practice also serves as bridge-building across the border between public and private security authorities. It adds to the horizontal synergy effects in SME support. The practice also brings closer the security authorities, previously sensitive towards any co-operation between countries and across the border.

7. Lessons learnt from the practice

The practice displays the fact that also difficult issues such as corruption, economical fraud and organized crime can be taken to the board if there is mutual willingness to intensify the SME business across the border. On the other hand, corporate safety and security remain obscure if the most important public and private safety and security operators are not involved with the practice. Currently, SME's in northern peripheral regions have gradually learned to employ the existing network and information base for their own purposes.

8. Contact information

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9. Other possible interesting information

www.finnbarents.fi

1. Title of the practice

FINNBARENTS
– JOINT PROJECT UNIT FOR CBC

2. Practice theme/issue tackled by the practice

There is a need for an organization that is specialized in the international project management. The unit should be closely linked with the regional innovation structure, universities and private sector. Finland, joining the EU, simultaneously profiled as country possessing the EU's external border toward Russia. Furthermore, Finland received access to EU's regional policies and funds applicable to co-operation with Russia on multinational and bilateral levels. Old regional policy procedures were replaced by program based development policies that were often implemented by projects. North Finland was in the need of project management skills, understanding of business-to-business co-operation across borders and expertise on North West Russia. The mode of operation in the new situation had to be integrated to the education and research system in Lapland.

3. Objectives of the practice

The practice in question, joint project organization Finnbarents, aims at enhancing the expertise on project management cycle and at the same time create a regional development link with North-West Russia, particularly Murmansk Region. The practice is also a member in a larger international network of universities and business development agencies. The most recent knowledge on international co-operation possibilities and funding sources are available for Finnbarents. The practice combines existing resources in a new innovative way, promotes regional know-how and skills, helps internationalisation of regional actors and links international financiers with regional actors.

4. Location

The practice is developed with the Rovaniemi University of Applied Sciences and University of Lapland. Finnbarents is located in Rovaniemi Lapland. Finnbarents has intensively networked in the Barents region with universities and companies.

5. Detailed description of the practice

The main areas of activity include:

- PROJECT MANAGEMENT: Planning and management of territorial projects funded by EU, national and international funding institutions, in generally planning managing and evaluating international projects
- EDUCATION and training on international project management related subjects
- CROSS-BORDER COOPERATION: Barents and NW Russia expertise

Projects are the core activity of Finnbarents. Projects are used as tools for regional development. This is in line with the strategies of owners.

Finnbarents:

- Participates in the development of regional project management of institutions of higher education
 - Prepare joint projects
 - Inform about funding possibilities (especially EU)
 - Foresight and planning
 - Support services for faculties and fields of studies
 - Support regional actors
 - Development innovation practises and systems
- Manages and assesses international projects
 - Acquiring international funding
 - Lapland as part of the EU studies
 - IPM (International project Management) specialisation studies
 - Education within projects by theme
 - Seminars and conferences
 - Creation of a project organisation
 - CBC expertise
 - Management of change and organisational development
- Creates models of co-operation with the region's actors
 - Develop and steer networking and assist in combining and increasing existing resources
 - Supervise the region's interests in the international field of operation and especially as a part of European co-operation
 - Market the region and its know-how
 - Act as a common regional information bank
- Consults
 - knowledge of the target countries
 - market surveys, study and research in priority areas
 - project planning and support for international projects
 - project evaluation

Finnbarents in a Nutshell:

Established: current form since 2003

Location: Rovaniemi, Lapland, Finland

Primary working language: English

Project revenue: approximately 2 m€/year

Key expertise: international project management (project life cycle management), CBC and Territorial Development

Network: universities, business developers, public authorities in the Barents Region and over 100 companies in the North-Finland are active project partners

Origin and timescale

Barents Cooperation network of Rovaniemi University of Applied Sciences started in Rovaniemi in 1995. Finnarents of the Arctic Centre, University of Lapland, started in Helsinki in 1998. Activities of Barents Cooperation Network and Finnarents were united in April 1st, 2003. New organization operates under the name of Finnarents.

Bodies involved / implementation

The owners, University of Lapland and Rovaniemi University of Applied Sciences, impose strategies and guidelines for Finnarents. In addition to owners, project partners are involved with the implementation of projects together with Finnarents. In Russia, partners are often representatives of high education institutions.

It is also important to have local and regional administration in the project implementation.

Process and detailed content of the practice

Finnarents builds its activities and development on the involvement of the staff and students of the owner organizations and by promoting their know-how and skills in the Barents expertise.

The practice is divided into main procedures as follows:

- 1) Strategies of owner organizations and regional development strategies determine the main objectives of Finnarents
- 2) Goals and objectives set by owner organizations in annual negotiations with Finnarents set the guidelines for the operational work
- 3) Practical results are set by project financiers
- 4) Operations in the areas of expertise in Finnarents follow the project life cycle (according the practice of PCM)

The process is carried out in close cooperation with interested parties on the both sides of the border.

Legal framework

The practice has been established by a contract between the owners, Rovaniemi University of Applied Sciences and University of Rovaniemi. Operations of the practice are regulated by the EU funding rules and national and EU jurisdiction.

Financial framework

Activities are mainly (70-80%) funded through different project activities under EU programs framework or other public bodies financing project. Finnarents staff is providing also consultation and training services (10-20%). The development and planning practices ordered by the owners are financed with the budget annually agreed by the owners.

6. Evaluation

Possible demonstrated results

Finnarents is currently a desired CBC project partner and an acknowledged expert on Barents issues. Finnarents manages several projects that are related to enhancing the expertise on Russia in North-Finland and assistance of SME's in their efforts to start businesses in Russia. Today Finnarents has a staff of 15 project managers and experts working in roughly ten projects.

Possible success factors

Project cycle management is still the main operating principle, but cross border cooperation is not limited to our next door neighbors anymore. Through projects Finnarents has created an extensive network of expertise on Russia and Barents, which in turn has opened new possibilities for the owner organizations to carry out their core tasks. The network links together most of the regional actors in Norway, Sweden, Finland and Russia.

Difficulties encountered

Majority of difficulties are related to changing of financial and management rules throughout the project cycle. Intercultural operation environment, with language barriers for example, poses also challenges in the CBC work. These difficulties and challenges however do not form a considerable obstacle for achieving the desired results. It is always crucial for an expert organization to have an access to the labor pool of the skilled personnel in a variety of fields of expertise.

Transferability of the practice to other regions

Finnbarents as a co-operation model is transferable to other regions as well. What is needed is a decision from high education institutes that this kind of model serves their cause. In Maribor Slovenia, for example, Finnbarents has help with a setting up a project office with equivalent objectives.

Contribution to the enhancement of CBC cooperation. - Adaptability for SME support

The practice serves as bridge-building across the external border of the EU. It adds to the horizontal synergy effects in SME support. The practice is a resource for SME's that have scarce possibilities for the internationalization on their own.

7. Lessons learnt from the practice

The practice shows that it is recommendable to concentrate the top expertise on project cycle management into a unit specialized in international project management. There has to be a string support for the solution from the owner organizations. There should also be awareness that the creation of such a project office is time consuming and results start to materialize after years of systematic work. SME's need concrete assistance meaning that field experience on entrepreneurship is a necessity for a plausible interaction with companies.

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