



**S T A R T
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**GUIDE TO ENTREPRENEURS
FOR
CORONA VIRUS ERA**

TABLE OF CONTENTS

1 What to do when money runs out	1
2 What to do with employees	5
3 How to manage business now and in the future	8
4 Tips for restaurant, café and bar owners	11
5 Links to get more information	12

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1 What to do when money runs out

What to do to minimize financial problems:

- Don't panic. Avoid quick fixes. Look at the big picture of your business situation. People make bad decisions when they panic.
- Don't take a quick loan (*pikavippi*). It is very expensive money and will lead you to problems in the future.
- Make a 6 month plan and different scenarios on possible future how your sales and need of money could develop. Plan what you have to do now and what you will do if needed.
- Contact your bank to negotiate a new payment plan to your loan and to find out what other options they have to ease your situation.
- Check if you can apply grants from Business Finland, ELY Center or municipalities (more info below).
- Change your prepaid tax amount in vero.fi
- Ask extra time to pay YEL insurance & work pensions (TYEL) fees.
- Change or terminate your contract with subcontractors.
- Contact your landlord and ask to decrease the rent temporarily.
- Keep you stock small. If you have made orders that have not arrived yet, try to negotiate to change your orders.
- Try to get prepayment of your product, especially if you make or manufacture them according to orders. It's good to check the credit information of big orders in advance to avoid problems from Suomen Asiakastieto Oy and Bisnode.
- Negotiate more payment time for bills.
- Do you do B2B business? If you have sold products to a customer but they will pay you later or have challenges in paying bills, you can sell your invoices to an invoice factoring company (laskurahoitus). They pay you the sum you are waiting from your customer right away and continue to invoice your original customer. Their service costs 2-10% of the original sum of the invoice.
 - Some invoice factoring companies: [Rahoittaja](#), [Arex](#), [Rahoittamo](#), [Svea](#)



- Lay-off employees. The special situation law allows you to dismiss employees in a shorter time that agreed in the job contract.
- Call to free Yrityks Suomi Talousapu financial advice service Tel. +358 295024882, English service on Tuesdays and Fridays at 9.00–16.00.

Where to apply for financial support for your company if you get in a difficult economic situation because of the COVID-19 virus:

There are many organisations and volunteer networks that offer help for free in filling forms and making applications for business funding. Don't waste your money paying a company to do that for you.

1 Municipalities

- Sole entrepreneurs (*toiminimi*) can apply for 2000 € coronavirus crisis support from their municipality (home town) for expenses until 30.9.2020.
- Generally, the grant is for paying rents, bills and other running expenses of a company. It will not affect the unemployment benefit from Kela.
- These are grants and you don't have to pay them back.
- Every city has their own application form, so check the website of the hometown of your company (where it is registered).
 - [Helsinki City support](#)



2 Centres for Economic Development, Transport and the Environment for developing operations (ELY centres)

- Small companies with max. 5 employees can apply for funding for business development from ELY centres. Sole traders cannot receive the grant.
- You cannot apply grants from both Business Finland and ELY. You need to choose based on your company type which one is more suitable for you.
- More information: [Ely-Keskus](#)
- Suomen Yrittäjät article on how to apply business support: [Yrittäjät.fi](#)

3 Business Finland

- Small and medium-sized limited companies (**oy, oyj, ay, ky, osk**) with 6–250 employees can apply for funding (max. 10 000 €) for business development for example to plan new business activities, alternative supply chains and reorganisation of production and working methods in the corona virus situation.
- If you got the development funding, you can then apply for another funding for implementing your plans from Business Finland, max. 100 000 €.
- These are grants and you don't have to pay them back.
- Apply online [here](#).

4 Finnvera

- Finnvera can provide collateral (guarantees) when you apply for a bank loan.
- Ask first an offer for a loan from your bank and ask the bank to apply for the support from Finnvera for you. Finnvera's collateral costs max. 1,75% of the value of your bank loan.
- Think before you apply for a bank loan. Can you afford to pay it back in the future? If this is not possible, it is better not to take a loan and to close down your business. When all the paperwork is finished with your company and the situation is better for business, you can start a new company.
- More information: [Finnvera](#)



5 Kela

- Entrepreneurs who cannot keep their business running because of the coronavirus or whose income is less than 1089,67 € / month can apply for temporary unemployment benefits from Kela without closing the business.
- The financial aid is 724 € per month for the period of 16.3.–30.6.2020. Entrepreneurs are required to register to TE Office jobseekers and then they can apply for unemployment benefits from Kela.
- An entrepreneur with low income may be entitled to Kela general housing allowance and social assistance. If your finances are bad, apply them on the Kela website. This is the only way to find out for certain whether you and your family can get these social benefits.
- Apply [here](#):

How to close a business permanently

- “You know something about business only after living through a bankruptcy”, we say. It’s not a shame to close down a business. You can start a new business later again.
- You can temporarily interrupt your business for a period of time. You must report an interruption of business to the Tax Administration by using the forms [here](#).
- Closing down a company permanently takes time in Finland, especially for limited companies (**OY**), for which it takes at least 5 months. Closing a company due to bankruptcy is a quicker process.
- The procedure and costs for ending a business depend on the legal form of the company (limited company, sole trader etc.). For a limited liability company the cost of the obligatory paperwork is over 400 €, for a sole trader (**toiminimi**) it’s free.



- Steps for closing down a business:
 - Organise an official General Meeting of your company according to the company regulations, make the decision about closing the company, and write official meeting minutes about the decisions with signatures.
 - Make the final Financial Statements. You likely need a bookkeeper to do that.
 - Close down your business by informing official registres at [YTJ](#).
 - If you go bankrupt, make a bankruptcy petition to a local court. You can get help from Bankruptcy [Ombudsman](#).
 - You must store all your contracts and bookkeeping for a minimum of 10 years, according to the law. Notice that you may get bills from the Tax office also after the closure of your business. You still must pay them.
 - More info: [PRH](#) and [Suomi.fi](#)

2 What to do with employees

Tips for good leadership in crisis

- Uncertainty and fear are the biggest challenges for employees during a time of crisis. To diminish these, keep your employees up to date on your business situation. Give early warning if it looks like you have to diminish work hours or lay off people.
- Trust is the most important thing in leadership during a crisis. Trust is built on openness, showing empathy, caring, and ability to lead your employees to the future.
- Be human and allow your staff to express their emotions (frustration, fear etc.) and listen to their thoughts. Being heard is more important than giving right answers.
- Encourage and give positive feedback to keep the working atmosphere good even if everybody is very busy or if there is not enough work.



If you can't keep your staff at work and need to lay-off:

- If you don't have enough work or can't afford to pay your employees any more, you can temporarily let them go by lay-off. The job contract is still valid with your employees but they don't work and you don't pay salary. If it is clear that you can't offer them work in the future either, you can fire your staff and the job contract ends with them.
- Give a lay-off notice letter/e-mail to your employees. Normally, you have to do it at least 14 days before, but temporarily until the end of June, employers only need to notify employees 5 days in advance. Even if you have given a lay-off notice you don't have to lay-off staff in case your situation changes.
- Write in the lay-off notice:
 - The reason for lay-off
 - If the work stops completely or if working hours will be cut off
 - When the lay-off begins
 - How long it lasts (you can give an estimate)
- You must pay salaries during the days you have given the lay-off notice until it officially starts - even if your business closed earlier. You stop paying and employees stop working when the lay-off starts. Encourage your laid-off employees to register as job seekers with TE office and apply for unemployment allowance.
- You have to end the lay-off if you want your employees back to work. You can't ask your staff to work temporarily during the lay-off. A temporary lay-off ends at the date given in the lay-off notice. Employees who are laid-off until further notice must be notified at least one week in advance unless otherwise agreed
- For more information: [Työsuojelu.fi](https://www.tyosuojelu.fi)



How to make sure your staff and customers are safe from the coronavirus

- Make sure that hygiene and cleanliness are at top level. Remind everyone to wash their hands and use gloves. Offer alcohol-based hand sanitizer.
- Instruct your staff to avoid close contact with people.
- Use flexible working hours, if possible. This minimizes the amount of time spent by employees in public transport and the number of employees who are at the workplace at the same time.
- Guide employees and make sure they have protective equipment and follow the given safety and hygiene instructions.
- Make sure that employees stay home if they are sick.
- If you suspect you have been infected by the COVID-19 coronavirus, contact your occupational health service provider or the local health centre by phone.
- Tell your customers in social media and in your premises how you take care of hygiene, especially on special actions like extra cleaning or limiting the number of customers in your store/restaurant. This creates trust.
- Ask how everybody's doing. These are tough times and we all need a friend.
- For more information, check out the guidelines prepared by the [Finnish Institute of Occupational Health](#).

What to do if you or your staff member gets sick or may have COVID-19 symptoms:

- Kela can pay infectious disease sickness allowance when the entrepreneur has been ordered to stay away from work, isolated or quarantined to prevent the spread of an infectious disease, such as coronavirus. If an entrepreneur gets sick with the disease, he or she has the right to sickness allowance paid by Kela.
- Recommendation is that employees stay at home as soon as symptoms develop without visiting the doctor for a certificate. The sickness allowance period (1+9 days) begins when the employee tells the employer about the sickness.



- An employer must pay an employee salary until the end of the 9th day of sickness. If the sickness continues longer, an employee can apply for sickness allowance from Kela. The sum is based on the employee's salary.
- More information [here](#).

3 How to manage business now and in the future

Take care of yourself

- There is hope as long as you have the keys to your company's door. This situation will pass and we will survive.
- Maintain normal routines. Take care of your sleep, eat healthy and exercise.
- Diminish the time for watching news and in social media if it makes you stressed.
- Get peer support and share your feelings with other entrepreneurs. They may have good tips for you how to manage your problems.
- There are many professional volunteers of mental health offering support and help for free:
 - Kriisipuhelin in English and Arabic 09-2525 0113 Mon-Tue at 11.00-15.00, Wed 13.00-16.00 and 17.00-21.00 and Thu 10.00-15.00, and in Finnish 09-2525 0111 open 24/7
 - Business mentors of Suomen Yrittäjät at mentorisi.fi.
 - Join Facebook group "**Osta pieneltä**" or for micro entrepreneurs (in Finnish): Questions and answers, information and psychological and peer support: [Osta pieneltä](#)



How to re-think your business

Look at the situation as an opportunity to find new types of customers and create new products and services that would help people in this special season:

- Offer home-delivery or take-away food, products or services
- Sell gift cards that will be delivered after the epidemic.
- Find a new way of reaching your customers online and offering online experiences, training and other services that help people to spend time at home.
- Use the online platforms that have been launched to support businesses in the corona virus situation e.g. [Sisumarket](#) and [Mesenaatti](#).
- Modify your business to serve people who are in quarantine: Elderly people or parents need extra help in this situation.
- Serve people living in the same building as you.
- Remember to tell your customers about the new sales and distribution channels
- Use your store space or machines for something that helps to overcome the situation. For example some hotels have turned their rooms into remote work offices.
- Cooperate with another entrepreneur to create new services or to reach new customer groups together.
- Talk with a mentor or business advisor to get ideas and find solutions. Startup Refugees, NewCo Helsinki and Suomen Yrittäjät can give you this kind of support in English, Finnish and Arabic.

Is opening an online store the answer?

- Think if you really need an online store. It doesn't suit every type of business. It is a good option if you already have a contact list of your customers to whom you can advertise your new online store.
- Many online store platforms offer free starting periods now. Check their agreements and what the price is after the free trial to avoid problems.
- Every button (to a mobile pay system, internet baking systems etc.) in an online store usually costs extra and the billing is on a monthly basis.



- Your new online store can be easily found in Google only after 6-12 months from its start. To get better visibility sooner you have to buy Google ads or use social media to tell about your store.
- If you have email addresses to your customers, instead of setting up an online store you can send marketing emails to your customers.
- People use a lot of time on social media now. You can tell about your products or services one by one for example on your Facebook page with pictures or short videos.

How to find ideas for new products and services

- Can you make a product or a service better, cheaper, faster or smaller than your competitors? Can you use new material, process or way to deliver a product?
- Talk to your customers, friends, neighbours, business partners and other entrepreneurs.
- What things/problems bother you in your everyday life? Likely you are not the only one.
- Borrow an idea from another business field and apply it to a new situation.
- 20% of Finnish companies that create new products, cooperate with their competitors in product development. Could you do the same and create something better than you could do by yourself?
- Remember, that ELY centres and Business Finland give now grants to companies specifically to develop new products, services and processes.
- Developing something new can be the thing you need now to bring you hope and energy in the middle of a difficult situation.
- Some funny new products entrepreneurs have created during the COVID-19 and have created sales:
 - Cake that looks like a toilet paper roll
 - Coronavirus T-shirts and caps
 - Beer glasses signed by the bar owner



Take care of your customers

- Customers make your business. Don't pressure people to buy and don't send desperate messages. Instead, tell what you are doing now and how your products or services can help your customers in this situation.
- Give your customers time to get used to the new situation. They may buy your products later.
- Avoid giving an impression that you take advantage of the crisis situation.
- Can you offer something for free now that you also benefit from?
- Do now all those marketing and selling tasks that you didn't have time to do earlier. Update your website and social media pages. If you don't know how, find tutorial videos from Youtube.

4 Tips for restaurant, café and bar owners

- The government has decided that all bars, cafés and restaurants must be closed until 31 May. This means that customers are not allowed to sit and eat but it is still possible to sell take-away food and deliver food to customers.
- Many believe that the restaurant industry will change permanently because of coronavirus. Can you make your future now by being creative?
- Those restaurants survive that can be flexible and adapt to the new situation. Can you develop a new meal that works well as take-away and home delivery food? Could you continue selling that also after coronavirus? For example a Michelin star restaurant started to make sushi for take-away just because it is easy to prepare, pack and transport.
- Some K-markets are selling ready packaged meals by local restaurants. You can ask this opportunity from your local K-market.
- Some restaurants have started to sell food according to its weight for families to help them in feeding kids who don't get food at school.
- One restaurant sells take-away food from their window.
- Buy ingredients that you can use for something else if they are leftovers. For example in



one restaurant big shiso leaves are used for sushi the next day.

- You don't necessarily need an online store: you can take orders by text messages (SMS) and ask customers to pay by Mobilepay in advance.
- Restaurant benefits (***lounassetelit***, lunch vouchers) can be used also for paying home delivery until 31.8.2020. More information in [Tax Office](#).

5 Links

[Business Finland](#)

[Centre for Economic Development, Transport and the Environment](#)

[Finnish Institute of Occupational Health \(FIOH\)](#)

[Finnvera](#)

[Kela](#)

[Ministry of Finance](#)

[NewCo Helsinki](#)

[Suomen Yrittäjät / Entrepreneurs in Finland](#)

[TE Office](#)

