



**S T A R T  
U P R E F  
U G E E S**

**THE HARD TIMES  
SURVIVAL GUIDE FOR  
ENTREPRENEURS**

**NewCo  
Helsinki**

# TABLE OF CONTENTS

<b>1 What to do when money runs out .....</b>	<b>1</b>
<b>2 What to do with employees .....</b>	<b>3</b>
<b>3 How to manage business now and in the future .....</b>	<b>5</b>
<b>4 Links to get more information .....</b>	<b>8</b>

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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](https://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.
- Call to free Yritys Suomi Talousapu financial advice service Tel. +358 295024882, English service on Tuesdays and Fridays at 9.00–16.00.

## Where to get funding:

- Try a crowd funding campaign to help your business go through the hard time. Platform offering this service: e.g. [Sisumarket](#) and [Mesenaatti](#).
- ELY centres and Business Finland give grants to companies to develop new products, services and processes. Check their websites for more information.
- 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 by paying a company to do that for you.

## 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 registers 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 or e-mail to your employees at least 14 days before the start of lay-off
- 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://tyosuojelu.fi)



# 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.
- Maintain normal routines. Take care of your sleep, eat healthy and exercise.
- 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](http://mentorisi.fi).
  - Join Facebook groups for entrepreneurs to get information, peer support, and answers to your questions:
    - [Entrepreneurs of Finland](#)
    - [HEI – Helsinki Entrepreneurs International](#) FB page
    - [HEI – Helsinki Entrepreneurs International](#) FB group
    - [Finnish International Entrepreneurs](#)

## 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 their every day life. They may buy your products later.
- Can you offer something for free now that you also benefit from?
- Do 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.



## How to find ideas for new products and services:

- Look at the situation as an opportunity to find new types of customers and create new products and services that would help people or companies in their everyday life.
- 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? To create new services or to reach new customer groups together?
- Use your store space or machinery for a new purpose that helps to get additional revenue. For example, some hotels have turned part of their rooms into remote work offices during covid-19.
- Find a new way of reaching your customers online and offline. Remember to tell your customers about the new sales and distribution channels.
- Developing something new can be the thing you need now to bring you hope and energy in the middle of a difficult situation.
- Talk with a mentor or business advisor to discuss your ideas. Startup Refugees, NewCo Helsinki, Uusyrityskeskus and Suomen Yrittäjät can give you this kind of support in English, Finnish and Arabic.
- Some funny new products entrepreneurs have created during the COVID-19 situation and created sales:
  - Cake that looks like a toilet paper roll
  - Coronavirus T-shirts and caps
  - Beer glasses signed by the bar owner



## 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. Check their agreements and what the price is after the free trial to avoid problems. Some platforms: [www.holvi.com](http://www.holvi.com), [www.etsy.com](http://www.etsy.com), [www.squarespace.com](http://www.squarespace.com)
- Every button (to a mobile pay system, internet banking 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.



## 4 Links to get more information

[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](#)

[Finnish Enterprise Agencies](#)

[Startup Refugees](#)

