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Abstract

Traditionally in the Finnish health system major part of the services is tax funded and produced by the public sector. Due to rising health care costs new legislation and other government actions have opened new opportunities for private companies to enter the market. The foundation of this research is to find out how some small Finnish health care firms have grown rapidly to become successful businesses and the market leaders in their segment. Yet there is no model for analyzing solely the growth of service firms considering the special characteristics that they have and combine the existing organization life cycles models and theories on factors of firm growth. *The research purpose is to understand how Finnish health care service firms grow.* The sub objectives are as follows:

- To understand the characteristics of Finnish health care service companies and the health care sector.
- To understand the critical factors of growth and how they can be recognized in the health care sector
- To describe the stages of growth

A theoretical framework is formed and crystallized in a theoretical model on Finnish health care firm growth. By using qualitative methods the model is tested on empirical evidence comprising of interviews of key personnel from 4 case health care service firms in addition to one industry specialist. Empirical research provides indications that 5 stage growth model can be applied to describing the organic growth of Finnish health care service firms. The growth is influenced by external and internal factors.

Different innovations that are born in interaction with the customer play a key role in company success. The companies have to be able to conduct their operations with significantly better efficiency, quality or customer service than the public sector and/or solve a problem that existing organizations were unable to do.

Key words	Service firms, healthcare, growth companies, factors of growth, company life cycle models, tipping points,
Further information	

