

DOING BUSINESS IN SWEDEN: A SCANDINAVIAN PERSPECTIVE

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ABSTRACT

Sweden is one of the three major Scandinavian countries and the 5th largest country in Europe based on area. Sweden has a very strong history and background which explains how and why the country is structured in its manner. With so many Swedish multinational companies that export products overseas, Sweden is considered as an economic stronghold in the global market as a country. Sweden is currently doing great in the international business sector. With their high overall economic performance and global competitiveness, there is no evidence supporting a sudden decline in the future. Sweden is also one of the most innovative countries in the world, having a competitive advantage in the global market. Managers in Sweden classify themselves as facilitators or coaches who offer advice or suggestions. They believe that everybody is willing and able to get their job done. It can be said that Sweden has an egalitarian approach, where everybody should be treated equal.

KEY WORDS: Scandinavian, multinational companies, economic performance, egalitarian approach, Sweden.

INTRODUCTION AND BACKGROUND

Sweden is the 5th largest country in Europe based on area. In the 17th century Sweden was a military power, they didn't participate in any war for almost two centuries (World Factbook, 2014). In fact, Sweden did not participate in any of the world wars. The World Factbook (2014) stated, "an armed neutrality was preserved in both world wars" in regard to Sweden. Currently, Sweden has a very strong economy, but in 2008 they suffered from a major financial crisis that caused the unemployment rate to go up during this time. In 2009 there was a rescue package for the banking sector announced that paved the way to Sweden's economic recovery. Today, Sweden is listed as one of the richest countries in Europe.

GEOGRAPHY

Sweden is one of fifty (50) countries located in Europe. Sweden is bounded in the West and Northwest by Norway, East by Finland and the Gulf of Bothnia, Southeast by the Baltic Sea and Southwest by the Kattegat (Turner, 2014).

The geographic coordinates of Sweden are 62 00 N, 15 00 E. This northern European country is said to be located on the Scandinavian Peninsula covering 450,295 sq. km, including 410,335 sq.km of land, and a water make up of 96,000 lakes totalling 39,960 sq km (Turner, 2014). Sweden is said to be slightly larger than California. The capital and largest city is Stockholm, which is located along the country's East coast. Other large cities in Sweden are Goteborg and Malmo.

The central Sweden is dominated by lower mountains in the west that give way to heavily forested hills and thousands of lakes. Central Intelligence Agency states the highest point in Sweden as Mount Kebnekaise at 2,111m and the lowest point as a reclaimed bay of Lake Hammarsjon, near Kristianstad at -2.4m. The southern side of Sweden is composed of cultivated plains and large lakes- some of which are linked by canals. There are many large groups of islands that line the coast of Sweden. The highest population density is in the Oresund region in Southern Sweden and in the valley of Lake Malaren near Stockholm. Gothland and Oland are two of larger and very rich islands that line the coast of Sweden, but are located in Baltic seas. White sandy beaches can also be found along the southern coastline in Sweden. The terrain of Sweden is described as, "mostly flat or gently rolling lowlands, with mountains in the west" (CIA Factbook, 2014).

CLIMATE

Sweden has a relatively mild climate. Koeppen-Geiger classification gives us a break down of 3 different climate zones for Sweden.

"The southern parts have a Cfb climate, a warm, temperate, humid climate with the warmest month lower than 22°C over average and four or more months about 10°C over average. The mid and northern regions have a Dfc climate, a humid snow climate with less than four months above 10°C over average. The climate of the mountainous regions can be classified as an E climate; an ice climate with the warmest months under 10°C".

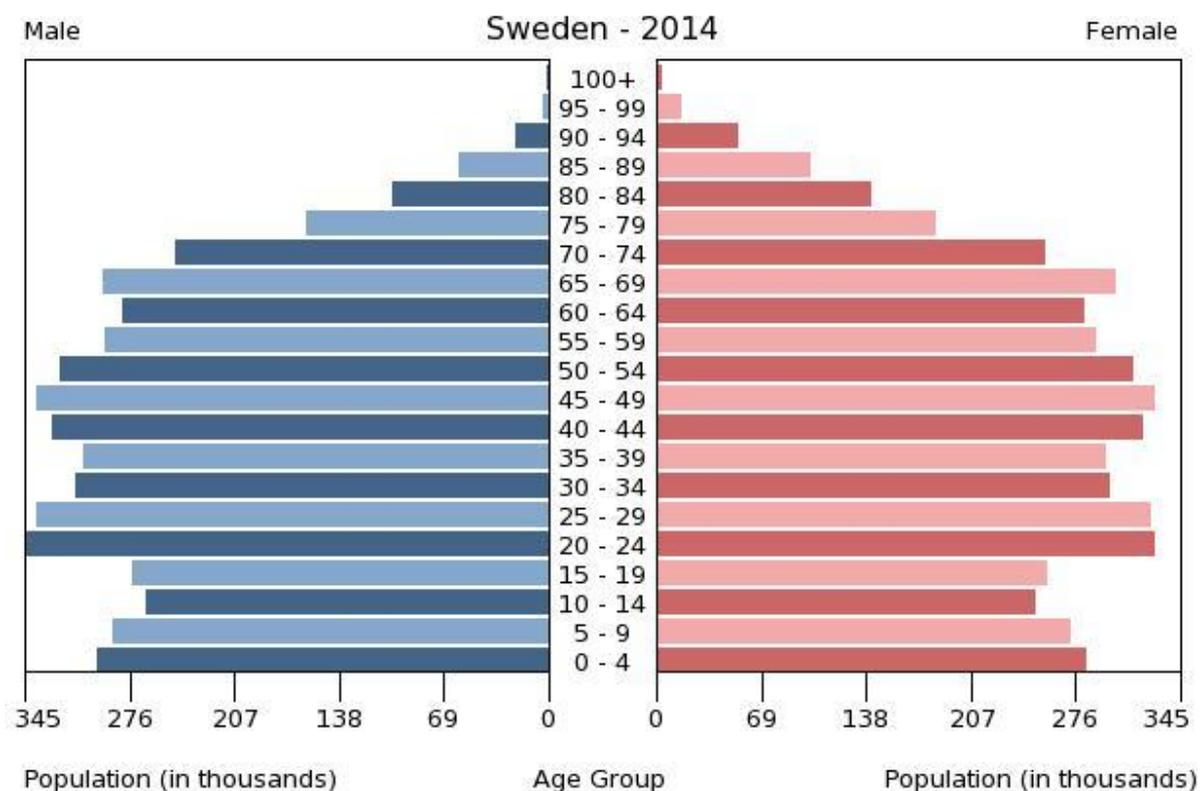
In the summer, temperatures in Sweden average 13°C to 17°C. February, however, is considered to be the coldest month in Sweden with average temperatures from -22°- -3°C. It could even get as low as -30° or lower, but only on the Southern side of Sweden. The South side of Sweden is covered with snow from December to April generally, but the North side can see their first snowfall as soon as October. (Weatheronline, 2014). In Stockholm, the capital city, the temperature in January can be anywhere from -2.8° to - 8° C, and in July the temperature is between 17°C to - 2°C (Turner,

2014). The Northern side of Sweden has continuous daylight during parts of the summer, and the days of continuous daylight are said to increase the farther North one travels. There is a stretch in the Northern most part of Sweden where the sun never rises above the horizon for about 2 months. However, despite the southern part of Sweden averaging 19 hours of daylight a day it has never had continuous daylight during the mid-summer (weather online, 2014).

POPULATION

According to the Central Intelligence Agency, as of July 2014 Sweden has a population of 9,723,809 people with a population growth of .79% (CIA Factbook, 2014). According to Statistic Sweden, the population exceeded 9 million for the first time in August of 2004 with a population density at 21.4 people per km². The southern side of Sweden has more population density than the northern side (World population, 2014).

Below is a copy of Sweden population broken down by sex and age groups?



Sweden has the one of the highest life expectancy in the world at 81.18 years, with 80.03 years for males and 83.87 for females (CIA Factbook, 2014). In fact, Sweden's infant mortality rate ranked 4th according to the World Health Organization findings in 2011. The number of live births has increased by 0.93% since 2012, as opposed to deaths, which have decreased by 1.1%. By 2018, Sweden's

population is expected to exceed the 10 million mark, with the number of men exceeding the number of women. There is also a high-percentage chance that the number of immigration will be greater than emigration in the future (World Population, 2014).

ECONOMIC CONDITIONS

The Swedish economy was on a rise for years. In fact, because of the telecommunications and automobile sectors, export growth was fueled between 2003 and 2007 and the economy skyrocketed. However, the economy was hit by a huge global financial crisis in late 2008 which was very costly. During this financial crisis exports which counted for 50% of Swedish GDP, was significantly reduced and affected the overall GDP of 2009, reducing it to 4.9% (Global Edge, 2014).

In 2009 there was a rescue package for the banking sector announced that paved the way to Sweden economic recovery. Since the financial crisis of 2008, the Swedish economy has become one of the top in the European market. Global Edge maintains “Sweden’s GDP grew by 5.5% in 2010, beating expectations and setting growth records” (Global Edge, 2014). Due to this financial breakthrough, Sweden was able to maintain a steady growth and saw similar growth increase in the 2011 fiscal year.

However, despite Sweden’s economy being on an up-rise, their enormous growth has failed to put a dent in the unemployment percentage. Unemployment rate has been about 6% from 2010, but the unemployment rate for the 15-24 age group was 22% in the third quarter of 2011 (Turner, 2014). Sweden is currently facing pressure from the EU to privatize its state monopolies in the pharmaceutical, construction and alcoholic beverage sectors. This exploits some areas where Sweden can still improve regardless of their economy improving. Now, reducing employment among youth remains a top priority in Sweden.

MANAGEMENT STYLES/ CULTURAL CHARACTERISTICS

Managers in Sweden classify themselves as facilitators or coaches who offer advice or suggestions. They believe that everybody is willing and able to get their job done. It can be said that Sweden has an egalitarian approach, where everybody should be treated equal. Here is how Hofstede’s 5 cultural dimension theory explained the cultural characteristic and the management style of Sweden (Hofstede, 2014).

1. Power distance- Power distance is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed equally. Sweden scored low on this dimension because they believe that power is decentralized. Managers are acknowledged on a first name basis and employees don’t feel inferior to them. Employees expect to be consulted in any major decision that the company makes. With such a cultural

background it is difficult for the management style to be any different. As well, Sweden has a democratic constitutional monarchy government which could also be an underlying factor for the mindset of the Swedish people.

- 2. Individualism-** Individualism is the degree of interdependence a society maintains among its members. Within this society, people are expected to look after themselves and their family. Sweden scored a 71 on this dimension, which mean Swedes accept the reasoning that promotion and hiring decisions are supposed to be made on merit only. Hofstede stated that “self is important, and personal opinions are valued and expressed.
- 3. Masculinity** - Hofstede tells us that this dimension focuses on the fundamental issues of what motivates people and want them to be the best (masculine) or liking what they do (feminine). Sweden scored a 5 on this, which makes them a feminine society. In a feminist society one values the quality of life as a sign of achievement, and they believe everything they do should be done in moderation. In a feminine society conflicts are resolved by negotiation, with a main focus on well-being.
- 4. Uncertainty Avoidance-** Hofstede informs us that this dimension is, “the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these”. Sweden scored a 29 on this dimension signifying that Swedes have a very high preference for avoiding uncertainty. In this dimension people believe that if something is not working out it should be changed or abandoned. Also, people believe that there should be no more rules than are necessary. They believe that as long as you do your best it does not really matter if you’re doing the ‘right’ thing.
- 5. Indulgence** - Hofstede explained this dimension as, “the extent to which people try to control their desire and impulses”. This is done based on the way one is raised. Sweden scored a 78, which lets us know that their culture is one of indulgence. This means that in the Swedish society people are very optimistic and have a positive attitude. They believe in enjoying life and having fun.

A good Swedish manager would be one who motivates his staff, leads them, but does not control them through his power or position. Swedish companies usually have limited managers, and a team-oriented structure which helps make the decision-making process in the company easier.

POLITICAL INSTITUTIONS AND SOCIAL STRUCTURE

Sweden is a constitutional monarchy. Sweden had a constitution dated from 1809, but it was revised in 1975 based on four fundamental laws: the Instrument of Government; the Art of Succession; the Freedom of the Press Act, and the Riksdag (Parliament) Act (Britannica, 2014). These laws are

subject to change, and are passed on the principles of representative democracy. The King, Carl XVI Gustaf, is the reigning monarch and head of state, but has no political power. His responsibilities as a monarch are ceremonial only.

The cabinet members in Sweden are responsible for all government decisions made. The prime minister appoints these cabinet members. The speaker of the Riksdag nominates the prime minister. After he/she is nominated, it must be approved for office through a vote of the Riksdag. "The Riksdag is a unicameral parliament elected by the people for four-year terms. This is the foundation for the democratic exercise of power through the cabinet" (Britannica, 2014). All implementation of the legislations is handled by the central administrative agencies. The cabinet appoints these senior officials. The speaker of the house, the deputy speaker, and the standing committees are all appointed by the Riksdag. The standing committee has representations in proportion to their strengths. "All bills are referred to committees; the results of their deliberation are reported in printed form to the Riksdag in plenary session" (Britannica, 2014).

Sweden has a very low rate of poverty and social exclusion. The Sweden government looks out for the well-being and economic stability of its entire citizen. "Health, education, and social-welfare programs are comprehensive and universal. Coverage for all citizens prevents the development of an underclass" (Every Culture, 2014). Citizens of Sweden are provided free educations from preschool through the university level. The municipalities run the primary and secondary schools, but the universities and colleges are overseen by the state (Britannica, 2014). Courses in the Sweden educational institutions are typically taught in Swedish, but the course literature is usually written in English (study in sweden, 2014).

In Sweden, the medical bill for the average person is normally very inexpensive, if not free most of the time. It is said that health insurance in Sweden is amongst the best in the world. These services are financed through a taxation system that the Sweden government has. After World War II, Sweden introduced a social welfare that expanded immediately after its introductions. The local and state taxes along with additional funding help to finance this system. The social insurance benefits are available to all residents in Sweden regardless of citizenship (Turner, 2015). This system assures Swedes that the government will provide the minimum standard of living, and provide help in emergency situations.

One thing that separates Sweden from the rest of the world is their high percentage of women in the labor force today. According to Every Culture, Sweden has the highest proportion of women in the labor forces today worldwide. There is no other country with a higher proportion of women as parliamentarians (43 percent) and cabinet ministers (50 percent). Nevertheless, there are jobs in

Sweden that generally have gender dominance such as, a school teacher will likely be female, and a corporate chief executive is generally male. However, these professions that are led by one gender are becoming more equally shared.

SWEDEN IN THE GLOBAL ECONOMY

Sweden is currently doing great in the international business sector. With their high overall economic performance and global competitiveness, there is no evidence supporting a sudden decline in the future. Sweden having a competitive advantage over other countries in the global market could add to the country's revenue. With competition being a continuous challenge, Sweden must find ways to gain enough innovations that would separate them from their competitors. Ketels (2012) stated in his report Sweden's Position in the Global Market that, "Sweden is one of the most prosperous economies in the world; ranking 8th on PPP adjusted GDP per capita in 2010". Currently, Sweden's position in the global economy is sturdy, with solid trade and investment activity related to the size of its economy (Ketels, 2012). Below are 5 Swedish companies that are participating extensively in the global marketplace, and their current position within their specific industries.

THE 5 SWEDISH COMPANIES

1. Electrolux

In 1910, Elektromekaniska was established in Stockholm, Sweden by a man named Axel Leonard Wenner-Gren. This idea came about while Mr. Wenner-Gren was out walking the streets in Vienna, Austria. He noticed a Santo vacuum cleaner in a store window. This was an American made machine that was being sold in Europe at the time (Electrolux, 2014). Once Mr. Wenner-Gren saw this machine he thought to himself, "If I could make this machine lighter and cheaper, I could sell it in every home" (Electrolux, 2014). It was here that the idea of "Electrolux" began to form. Upon returning home Wenner-Gren began to document concepts and ideas on how to make the machine that he saw lighter and simpler. He then began to look for manufacturing plans to manufacture his vacuum cleaner.

In 1912, Wenner-Gren collaborated with AB Lux to produce the first vacuum cleaner, "the Lux". He took the product to Germany where it was found to be very successful immediately. The next year Wenner-Gren was named the company's "agent in the United Kingdom and France" (Electrolux, 2014). Three years later, Wenner-Gren set up the sale company Svenska Eleckron (later Finans AB Svetro), and used this name to sell his new vacuum cleaner (Electrolux, 2014).

Over the next two years Wenner-Gren purchased all the shares to Elektromekaniska, and was elected a member of the board of Elektromekaniska. Likewise, Sven Carlstedt joined the board of Electron; Elektron and Lux signed a cooperative agreement to become partners in this year. On

August 1, AB Lux and Svenska Elektron AB gave Elektron sole sales rights to AB Lux vacuum cleaners. This agreement was valid for 10 years. As part of the agreement, Elektron had to buy vacuum cleaners from Lux and show them how the vacuum cleaners were made (Electrolux, 2014). “In the first year of the product, 572 cleaners were sold in France, 442 in Denmark, and 472 in the UK” (Electrolux, 2014). Later, the Electrolux brand added refrigerators to their product line. Electrolux is a very successful company in the appliances market today, as they were listed on Forbes top 2000 Global Company’s for the last 3 years.

Financial Performance for Electrolux the last Four years (in Million)

| | 2010 | 2011 | 2012 | 2013 |
|-------------------------|-------------|-------------|-------------|-------------|
| Total Revenues | 106,326 | 101,598 | 109,994 | 109,151 |
| Gross Profit | 23,629 | 18,758 | 22,187 | 21,259 |
| Operating Income | 6,527 | 2,965 | 4,799 | 3,923 |
| Net Income | 3,9997 | 2,064 | 2,362 | 671 |
| Net Cash Flow | 852 | -3,423 | -131 | -228 |

Note. Adapted from Bloomberg Business Week. (2014). Retrieved July 18, 2014, from <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=ELUXA:SS>

2. Ericsson

Lars Magnus Ericsson began his association with telephones in his youth as an instrument maker. He worked for a firm, which made telegraph equipment for the Swedish government agency (Wikipedia, 2013). In 1876, Lars Magnus Ericsson opened a telegraph repair workshop. By 1878, Mr. Ericsson had begun making and selling his own equipment. The first major contracts were in Norway, Russia and Sweden (Ericsson, 2014). He made an agreement to supply telephone and switchboards to Sweden’s first telecom operation company, Stockholms Allmänna Telefonaktiebolag (Wikipedia, 2013). The Ericsson phone that was built in Sweden to Australians’ specifications after 1901, become known as the “Commonwealth Ericsson” (Arturoroucau, 2005).

Ericsson’s first acquisition was made in Mexico in 1905. Ericsson continued to grow and they became more innovative as the years went by. In 1988, the first GSM system order was from Vodafone, UK. A few years later in 2000 Ericsson became the world’s leading supplier of 3G mobile systems (Ericson, 2014). Ericsson made it up the ladder from here. In 2005, Ericsson won the biggest contract to date to manage operator 3s network in Italy and the UK” (Ericsson, 2014). After years of being,

Europe Ericsson in 2008 decided to open up a research center in Silicon Valley, USA. Ericsson made a “smart move” in 2009 when they teamed up with Verizon (USA Company) to carry out the first data call on 4G networks.

Financial Performance for Ericsson the last Four years (in Million)

| | 2010 | 2011 | 2012 | 2013 |
|-------------------------|---------|---------|---------|---------|
| Total Revenues | 203,348 | 226,921 | 227,779 | 227,376 |
| Gross Profit | 77,608 | 80,952 | 74,305 | 79,028 |
| Operating Income | 24,271 | 24,780 | 17,699 | 23,505 |
| Net Income | 11,146 | 12,194 | 5,775 | 12,005 |
| Net Cash Flow | 8,066 | 7,812 | 6,006 | -2,587 |

Note. Adapted from Bloomberg Business Week. (2014). Retrieved July 18, 2014, from <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=ERICA:SS&datasheet=cashFlow&period=A¤cy=native>

Ericsson has been listed on the Forbes Top 2000 Global Companies for a few years now and counting. Forbes ranked Ericsson at 292 on their top Global 2000 companies. This is the top 85th percentile. Ericsson’s financial numbers has declined, but the company is still very profitability with a market value at 44.1 billion dollars (Forbes Global, 2013).

3. Swedish Match

The phosphorus match was invented in 1831, and production of these matches then began in a number of countries in Europe. The problem with these matches was they ignited far too easily and caused many near-accidents (Swedish Match, 2014). Therefore, in 1836 the first match factory in Stockholm Sweden was created and called J.S. Bagge & Co (Swedish Match, 2014). On its Website, Swedish Match says,

“In 1844, Swedish professor Gustav Erik Pasch patented a new invention. To prevent the matches from igniting against any surface or self-igniting, he “split” the chemicals in the match head and placed the phosphorus on a separate striking surface on the outside of the box.”

Johan Edvard and Carl Fran Lundstrom began manufacturing phosphorus matches in Jonkoping, Sweden, but in 1852 the Pasch’s brother took Pasch’s patent, improved it and made a trail batch of matches. These matches were later launched at a World Exhibition in Paris in 1855. Later, the design of the first automatic match-producing machine was designed and soon the matches went from

handicraft to large-scale industry (Swedish Match, 2014). Jonkoping matches became very popular and were being sold all over the world. New match factories came into the market, because people thought that if matches could be manufactured in Jonkoping, they could probably be manufactured elsewhere, too (Swedish Match, 2014).

The Swedish match industry had large amounts of new, small companies that were formed, however, most of them started to disappear because the competition was too strong. In 1903, these companies started to merge in hopes of being able to stay strong in the industry. More companies continued to merge and soon the Swedish match industry was made up of two large blocks (Swedish Match, 2014). A few years later, the two blocks merged and formed STAB, Svenska Tandsticks Aktiebolaget, with Ivar Kreuger. Having a single group, the company was now able to ensure they did not have a shortage of raw materials which was the biggest problem during the First World War. For a better support system and to make sure they were prepared, STAB took over a number of industries linked to the manufacture of matches: paper industries, forest and timber industries, print work, etc. This group of industries was now called the STAB group (Swedish Match, 2014).

In 1932, STAB suffered a major liquidity crisis, and it was not until the 1940s that the group recovered. In 1980, after 63 years, Svenska Tandsticks AB changed its name to Swedish Match AB. "THE SULPHUR-FREE MATCH" was a unique, environmentally friendly product that Swedish Match introduced in 1992. Swedish Match's current operations are run in Vetlanda and Tidaholm. These finished boxes of matches are sent to over 75 different countries around the world (Swedish Match, 2014).

Financial Performance: Swedish Match the last Four years (in Million)

| | 2010 | 2011 | 2012 | 2013 |
|-------------------------|-------------|-------------|-------------|-------------|
| Total Revenues | 13,606 | 11,666 | 12,486 | 12,610 |
| Gross Profit | 6,944 | 5,892 | 6,348 | 5,963 |
| Operating Income | 3,532 | 3,3329 | 2,714 | 2,598 |
| Net Income | 2,957 | 2,538 | 2,906 | 2,712 |
| Net Cash Flow | 745 | -742 | 292 | 340 |

Note. Adapted from Bloomberg Business Week. (2014). Retrieved February 21, 2014, from <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=SWMA:SS&data set=cashFlow&period=A¤cy=native>

The success of Swedish Match lies behind the company’s willingness to be innovative and add new products to their product line. Because of this, Swedish Match has effectively claimed control over the match industries in Norway, Denmark, Holland, Finland, and Switzerland (Swedish Match, 2014). Swedish Match grew very quickly. It is said that the company built one of the largest international companies in less than a decade. Currently, Swedish Match exports their products to over 75 different countries. Most of the revenues earned are from exports, and because they are continually adding new countries to their list of exports, it will help them to stay profitable.

4. H&M – Hennes & Mauritz

Erling Persson was on a trip to the United States when he came up with the idea to open up a clothing store at a cheaper price. In 1947, He opened his first shop in Vasteras, Sweden (About HM, 2014). He named his store “Hennes” (meaning “for her” and/or “hers”) which sold only women clothing. In 1952, “Hennes” opened in Stockholm (About HM, 2014). The first store outside of Sweden was opened in Norway in 1964.

In 1968, Erling Persson bought Mauritz Widfors hunting and fishing equipment store, and sales of men and children clothing begin. The name was then changed to Hennes & Mauritz (H&M). Over the next 4 decades H&M opened up stores all over the world. During this time H & M began selling cosmetics. Hennes and Mauritz have 3,300 stores in 54 countries and 116,000 employees around the world (About HM, 2014).

Financial Performance for H&M the last Four years (in Million)

| | 2010 | 2011 | 2012 | 2013 |
|------------------|-------------|-------------|-------------|-------------|
| Total Revenues | 108,483 | 109,999 | 120,799 | 128,562 |
| Gross Profit | 68,269 | 66,147 | 71,871 | 76,033 |
| Operating Income | 24,659 | 20,379 | 21,754 | 22,168 |
| Net Income | 18,681 | 15,821 | 116,867 | 17,152 |
| Net Cash Flow | -2,333 | -2,872 | -171 | -230 |

Note. Adapted from Bloomberg Business Week. (2014). Retrieved February 21, 2014, from <http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=HMB:SS>

Hennes and Mauritz is a clothing company that is looking to open up new stores in different countries. “We are growing with quality, sustainability and high profitability. H&M offers a wide range of inspiring fashion for everyone, and is growing with new stores the world over and online”

(About H&M, 2014). Every year they open 10-15 new stores around the world. H & M has had years of solid growth, which lead to the company having a strong financial position. H&M conducts research before they move into a new country to make sure that their company will have a chance to succeed in that new country. H&M is currently competitive in the global market, as they too are listed on the Forbes Top 2000 Global companies.

5. IKEA

Ingvar Kamprad at the age of 17 founded IKEA in 1943. He had received his startup money for his business from his father for good grades in school. The name IKEA came from the first two initials of Kamprad's name and the first letters of Elmtaryd and Agunnaryd, the farm and village where he grew up (IKEA, 2014). When IKEA first opened it sold, pens, wallets, picture frames, table runners, watches, jewelry, and nylon stockings. Kamprad was sure to meet the needs of his customer with his products at reduced prices (IKEA, 2014).

In 1945, Kamprad's business began to grow, so he advertised in the local newspaper and operated a make shift mail-order service. He got his products to the train station via the milk van (IKEA, 2014) Three years later local manufactures that stayed nearby to Kamprad's home produced furniture, and this was where IKEA furniture's got started. "In 1951, IKEA's founder seized the opportunity to sell furniture on a larger scale using catalogue, and the IKEA catalogue we know today is born" (IKEA, 2014).

IKEA gave its customers a chance to try out and touch their furniture for the first time when they opened up a furniture showroom in Almhult, Sweden in 1953. People loved the innovation behind the IKEA products and showed their support by buying the furniture. The first IKEA store was opened in Sweden three years later (1958), and during this time it was the largest furniture display in Scandinavia (IKEA, 2014). Since then IKEA has opened up 340 plus store in 60 different countries.

IKEA is currently not doing well in the global market. They were not listed on the Forbes Top 2000 Global Company, because they are having problems in regards to their prices. IKEA has stores in the United States, China, and Europe. They are trying to open up a store in India sometime this year, 2014. In China, the furniture is a lot cheaper because the cost of raw materials and labor in China is cheaper. Whereas, in the US and Europe the prices are a little higher. IKEA is currently working on a research project that will allow them to enter into the Indian market, where they hope to be profitable. They are currently using the lessons learnt from China to help them figure out what it is they need to do when opening up this new store in India. After establishing this first store in India, they are hoping to open up an additional 10-15 store in the future.

CONCLUSION

Sweden has a very strong history and background which explains how and why the country is structured in its manner. With so many national stores that export products overseas, Sweden has a stronghold in the global market as a country. People in Sweden have a lot of room to move, with only about 23 inhabitants per sq.km. This is an asset as most of the countries in the EU have an average of 100 people per km². A particular fact which stands out about Sweden is its temperature and long days. In the summer, Sweden has very long days, but in the winter, their nights are very long.

Overall, Sweden is a country that does not separate its citizens from its leaders. Citizens of Sweden are given a chance to say what it is they want and stand a good chance of actually getting it. In workplaces employees are expected to be involved in any major decision the company makes, and are given a lot of freedom. The culture of this country seems to be very “laidback”.

The country should continue with its innovative trends. It will do well to create jobs for youth between the ages of 15 and 24 who are unemployed. Perhaps apprenticeship programs with a partnership between the government and established companies such as those listed previously, may help to reduce the unemployment numbers. The quality of education and healthcare undoubtedly plays a significant role in the success of the country. Other countries would do well to model a similar structure.

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BACKGROUND

This study is an amalgamation and synthesis of the methodology and outline followed by past researchers including Warner-Søderholm, Bertsch, Saeed, Abdullah (2014); Saeed, M., Bertsch, A., Ondracek, J., Bates, S., Abdullah, ABM (2014); Bertsch, A., Saeed, M., Ondracek, J., Abdullah, ABM (2013); Ondracek, J., Bertsch, A., Saeed, M., Taft, C. (2012); Bertsch, A., Ondracek, J., Saeed, M., and Abdullah, ABM (2012); Bertsch, A., Ondracek, J., Saeed, M., and Abdullah, ABM (2012). This methodology and outline highlights salient issues for doing business in a specific country. Following an outline allows readers to compare and contrast the economic and business environments of various countries.