

# BUSINESS SPIRIT

THIS IS A COMPLEMENTARY MAGAZINE  
FOR LEADERS AND ENTREPRENEURS

ISSUE  
**05**

OCT

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*A wasted opportunity?*

**THE NORTHERN CASE**

*On the hunt for jobs in the north?*

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*Meet the man who loves helping startups*

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**THE NORDIC ISSUE**



08/12  
16/24

05

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*Letter from the*  
**EDITOR**

Words by  
**SIRET SCHUTTING**  
EDITOR IN CHIEF

**W**ake me up, when September ends, right? The days get shorter, the streets get wetter and, excluding the leaves, there is nothing colourful about anything. To cheer you up, we are approaching the upcoming halcyon months with an extremely colourful piece on **Nu Nordik**, emphasising also what our current issue is about: everything Nordic.

See, I was having coffee with a chief engineer from Denmark, and he was surprised when I asked him: *Do you think Estonia is a Baltic or a Nordic country? Nordic, of course*, he replied with no doubt. He explained that we have a lot of history in common (hey, they got their flag from us), a lot of similar cultural values, a lot of culinary similarities and – what I liked the most – “wouldn’t it be nice to close the Nordic circle with Estonia?” And really, when you look at the map, it does seem rather logical. So here we have proposed a question: is Estonia Nordic or not? We are not expecting to answer this within one issue, but feel free to talk about this in the canteen, in your lectures, at a bar, with your friends... If you have any opinions on this subject, then like always, feel free to approach our fantabulous

Nordic team of editors.

We have close-ups of successful Nordic businesses, we have an awesome infographic by **Lewis**, and a quick look into the careers and opportunities, Nordic-style, by **Gleb Maltsev** from the Career Centre.

Anete has interviewed Wise Guys – a wise choice, and everyone can gain some wisdom from this gorgeous piece. If you are interested in what the student council is up to, you can also peek at her stunning snapshots.

This month, I sat down with **Andres Arrak** for some coffee, and I have to say that I was blown away by our conversation. Please let your mind flow free and wander on the paths of liberal thinking – there are several good points made there, moreover – the Centre of Free Economic Thought welcomes you as well. If you have any ideas or recommendations as to who to drink coffee with, write to us.

For those into events and activities, we are going to take a closer look at Stay Fit week as well – the radiant organizers have been kind enough to guide us into the fabulous world of fitness and make us a bit more motivated again...

**Eve Müür** gives an overview of awesome events taking place with the international students. Be sure to mingle!

Hopefully all of you have settled in well and ready for the winter. We are for sure you will but make sure to let us know what you think, never be afraid to ask questions (check the last page), and don’t forget to ski. We are more than glad to hear from you to make our school a better place.

*A message from the EBS Student Council*

# EBS CO-WORKING SPACE

Words by  
**GLEB MALTSEV**  
EBS STUDENT COUNCIL

**T**his semester, inspired by our new neighbours at [hub.garage48.org](http://hub.garage48.org), the EBS Student Council and Career Centre have teamed up to build a brand new co-working space in the walls of EBS, room 116.

The room is being turned into a place where great ideas turn into profitable business models and only the coolest companies & projects get a spot on the list.

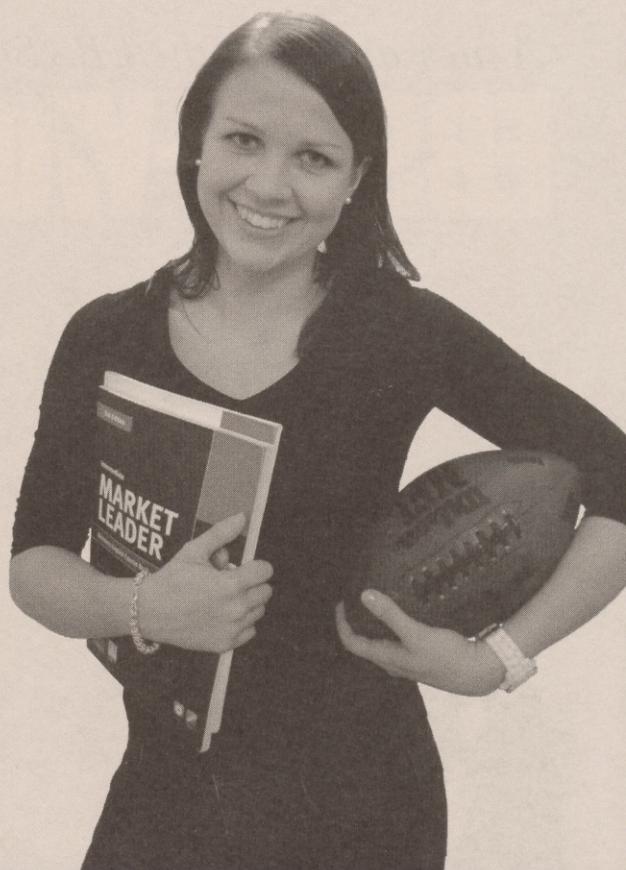
Ave-Stina Udam, the art director for the co-working space and a proud EBS MBA student had this to say: "The co-working space should be a place where people feel creative and welcome. This is why the current vision takes its inspiration from a colorful Tetris game. It helps that painting and design have always been a great passion of mine, way before I have done my BA at the Estonian Academy of Arts."

The space will officially open in the beginning of November and there is going to be an opening party at the end of October.

Send us your application to [career@ebs.ee](mailto:career@ebs.ee) and we will see if you have what it takes to work together with the top start-ups of EBS.

Our gratitude goes to Mall & Tõnu Küttmaa, Ülle Pihlak, Raili Naris from Corporate and Alumni relations, our friends at Junior Chamber International, Reino Haltunen, Indrek Künnapuu, Kristina Roden, Janar Palk, Anete Palmik, Magnus & Eleri Kurvet, Mari-Liis Lind from [Garage48.ee](http://Garage48.ee) and everybody who has given us the support and time to make this happen.

*Friday, June 17th, 2011  
Helsingin Sanomat,  
announced the opening of  
the first Estonian business  
school in Finland*



# THE FACE OF EBS HELSINKI

*An exclusive with the leader of  
Helsinki EBS Student Union*

Words by  
**GLEB MALTSEV**  
**EBS CAREER CENTRE**

**F**riday, June 17th, 2011 – *Helsingin Sanomat*, the largest newspaper in Finland, announced the opening of the first Estonian business school in the country. By the time the article hit a nerve with the Finnish Ministry of Education, the Estonian Business School in Helsinki already had over 150 applicants for 25 available spots. The demand from and quality of the applicants left the Helsinki branch of EBS no choice but to accept 64 students. By October, 2012 – EBS

Helsinki students have more than doubled in number and have since founded their own Student Union – HEBS ry.

We wanted to get a sense of the maverick spirit of the school and the students that inhabit its walls. Instead of starting with the usual corporate storytelling, we wanted to go straight for the heart of the school. The student representative body of Helsinki EBS and its leader, Piia Kuoksa, were a clear choice.

I have first met Piia on May 18th, 2012 when she was busy organizing a Sitsi with economics students from several other Helsinki universities. A Sitsi is what one would call a carefully organized frat party the Nordic way, in overalls with the amount of sponsor logos on them that would put the makers of *The Greatest Movie*

Ever Sold to shame. The tradition is very much part of the Finnish university culture and is the surest way to mingle with students across universities. At its very core a Sitsi will seem chaotic and a bit like an ancient Nord drinking fest, yet Piia and her team managed to get it to run like a well managed business.

Hopefully we are going to see more of the same this November as HEBS is teaming up with the Helsinki Tallinn University Law School, another Estonian university making its way across the bay, to organize this semester's Sitsi. Nothing happens without a great team and especially a leader that can make sense out of all the chaos. This is exactly why I sat down with Piia to get an idea of what does it take to lead a group of highly energized Finns studying business.

### What made you, Lotta Sunila, Ossi Määttä and others to establish the Helsinki EBS Student Union?

We needed an organization to look out for our interests, get sponsors to organize events and just have something to put us on the map, so to say.

### What do you mean by that?

You see, we were somewhere in no man's land, we were not part of the Finnish Student society and we were not really part of the Estonian student society either. We had to integrate the former somehow as we are still mostly located in Helsinki. At this point, we have started to establish much stronger ties with our friends at EBS Tallinn, Nordic Economics Students' Union (NESU) and other Tallinn universities.

### So when did the idea of the non-profit come in?

Ossi, one of our board members and mentor, is the man responsible for putting the great idea into our heads. He is in his 40's and has been involved in a number of successful businesses over the years. It is thanks to him that we managed to set up the non-profit in the first place. Straight after the founding meeting in March 2012, Lotta and I, as class presidents chosen by the two original Helsinki EBS student groups, started focusing on developing the union and creating awareness for it.

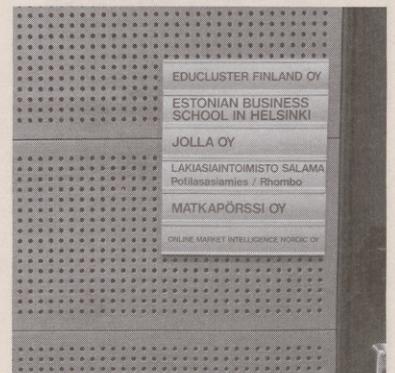
### When did people become aware that Helsinki EBS actually had its own student union?

In May, after we managed to organize our first Sitsi with the



*You can really do  
an amazing  
amount of things  
in a day. Just  
believe in yourself  
and work hard*

support of Aalto University and their NESU. As we have just founded the union, we essentially had a month to put everything together and get the students to attend. We were really fortunate to have our friends at Aalto provide us with a free space in the center of Helsinki. This semester we need all the help we can get and are currently looking for a great place to bring over a hundred students together.



EDUCLUSTER FINLAND OY

ESTONIAN BUSINESS  
SCHOOL IN HELSINKI

JOLLA OY

LAKIASIANTOIMISTO SALAMA  
Pottlaseasiamies / Rhombia

MATKAPÖRSSI OY

ONLINE MARKET INTELLIGENCE NORDIC OY



**Good luck. Helsinki is one of the hardest places to rent space in but I hear you come from a very athletic background and love a challenge?**

I guess you could say so. It is mostly because of my sports high school that I ended up doing Alpine skiing for nine winters and then picked up American Football and started playing for the Helsinki Roosters Junior and then Women's league.

**A Finnish American Football Women's league. That is not something you hear a lot about. How old is this tradition in Finland and do you get hurt on a regular basis?**

It is relatively a new thing in Finland,

essentially over four years old. I started playing a bit over than a year ago and had to stop for a while because of a minor neck injury.

**What positions did you play in? Did you have to tackle someone?**

Because of my strong running results, I got to play as a line-backer and mostly at the running back position. The primary roles of a running back are to receive handoffs from the quarterback for a rushing play and to catch passes from out of the backfield. Blocking is also a big part of it. This is in fact how I got my neck injury.

**Impressive. Do you bring in the same kind of determination and focus into your studies?**

I have to. This semester, in addition to my studies at Helsinki EBS, I am taking on a full semester of law studies at Tallinn University of Technology.

**So you are going for Law & Business? What made you go for this particular combination?**

It is unbeatable. I got the spark from a guest at my high school graduation party. The man put it bluntly that the best business people he knows have a Business degree and one from a Law school.

**Piia, thank you for your time. Would you like to say something to the readers?**

Sure. The key thing to remember is that, you can do a lot more than you think and I am not saying that to be cliché. You can really do an amazing amount of things in a day. Just believe in yourself and work hard.

You can get in touch with Piia and others from HEBS by writing to them at [HEBS@EBSHELSINKI.FI](mailto:HEBS@EBSHELSINKI.FI)

# WHY ARE NORDIC BUSINESSES SUCCESSFUL IN ESTONIA?

*We asked the business experts*

Words by  
BUSINESS SPIRIT

**K**aspar K  narpuu, Managing Director of Norstat: There are several reasons. First of all, the business is very similar to us in terms of culture and values. Secondly, Nordic businesses focus on results, transparency and customer satisfaction. This sort of attitude helps to create trust and long-term customer contacts.

**Maris Migur**, MBA student at EBS: Nordic businesses are successful in Estonia because of a similar mentality of the people. Nordic countries have a culture which is based on protestant religious values. Just like in Estonia. This determines the similarity of the cultures in a broader sense. This is carried over also to business - both in the Nordic countries and Estonia

**Ott Pabbo**, IT specialist with experience from three Nordic companies: Northern work culture and ethic suits the local work force!

**Sanat Thite**, India-based product and marketing specialist: It's a combination of cultural and psychographic similarities of the consumer bases, added with the comfort of proximity of markets, media and resources. Estonia is in other words an extended market segment for nordic businesses.

## OUR FRIENDS IN THE NORTH

*Did you know?*

There are close to 1,000 Estonian companies registered in Finland and there are Estonian citizens on the boards of close to 5,000 Finnish business groups.

## BIG BROTHER

*Did you know?*

Sweden is by far Estonia's biggest foreign investor.

## SOME RICH COUSINS ...

*Did you know?*

Norway has invested more than 630 million euros to Estonia.

## WHERE'S A SWEDE WHEN YOU NEED ONE?

*Just over here!*

The companies with the greatest Swedish participation in Estonia are *AS Swedbank, AS Eesti Telekom, AS SEB Pank, AS Kunda Nordic Cement, Arco Vara AS, AS If Eesti Insurance, Rimi Eesti Food AS, AS Norma, and AS P  ltsamaa Felix.*

## GET TO YOU KNOW YOUR NORSK

*Did you know?*

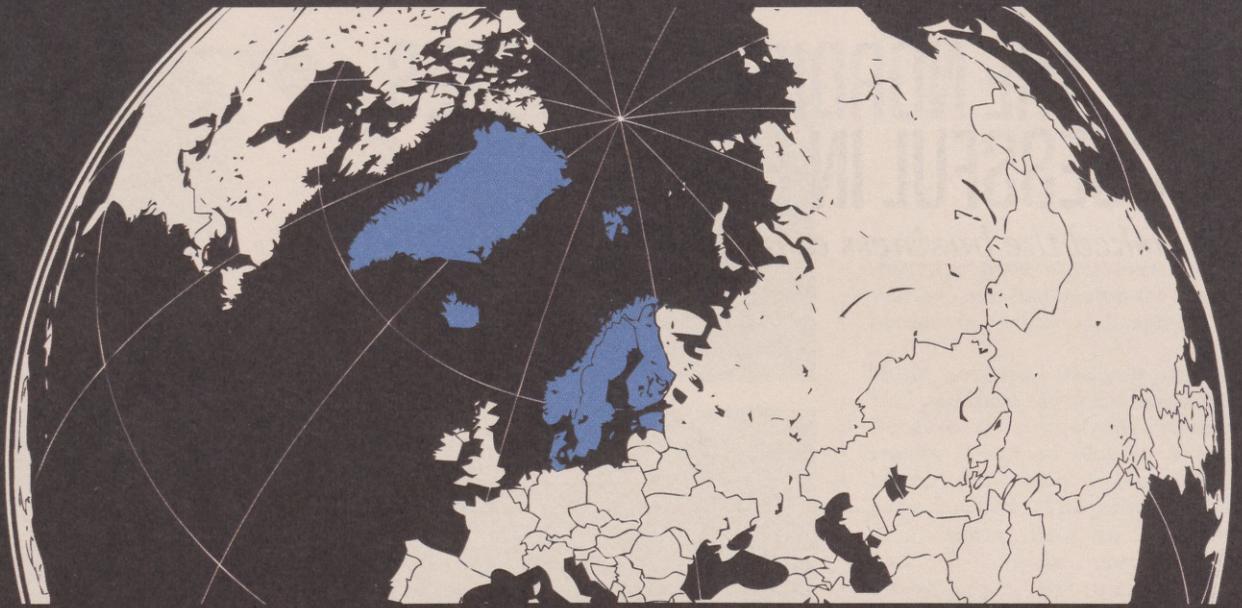
The companies in Estonia with the greatest Norwegian involvement are *Eesti Merelae-vandus AS, Eesti Statoil AS, Kalev Chocolate Factory, Viru-Nigula Windfarm O , Aseriaru Windfarm, Kawe Group AS, Tallinor O , Pakri Windfarm O , Vanak  la Windfarm O , Tooma Windfarm O , Selvaag Eesti O , and Estonian Media AS.* As of 23 March 2011, the Estonia Business Registry counted over 400 companies in Estonia with Norwegian involvement.

## AND TO FINNISH OFF ...

*Did you know?*

There are at least 4,700 enterprises in Estonia with Finnish participation and nearly 3,500 of them are currently active.

**\*DATA SOURCED FROM ESTONIAN MINISTRY OF FOREIGN AFFAIRS**



Words by  
**SIRET SCHUTTING**  
EDITOR IN CHIEF

# SOUTH *of the* BORDER

**Y**ou know those cute comic strips featuring different countries in the shape of stickmen donning bonnets? Where Estonia wants to join a party Nordic nations are throwing, but gets rejected and then declines an invitation from the Baltics? It is most definitely funny, but is it also true?

This identity crisis is best illustrated by the legendary North vs East debate. Any true Estonian prefers to be referred to as Northern European instead of Eastern European. We much prefer to hear “*next to Finland*” than “*next to Latvia*”. However, due to the 20th century, we have acquired several connotations – former USSR, Eastern Europe, Baltic... We have been left south of the border, not qualifying as a Nordic nation in geography books, but not feeling fraternal with the Balts either.

Within the three Baltic states, Estonia is most certainly the odd one out. Not only because of the blooming economy or the magical language (which is closer to Hungarian than to Lithuanian), but also because of our history, culture and the overall vibe. Wikipedia already states that Estonia is North European, but are we really?

When browsing Internet forums, it becomes quite clear that a few decades of hostile occupation has killed a millenia worth of history. “*Estonia is a former Soviet country, so most of its cultural traditions are Russian,*” claims a feisty Filipino. “*There is no country more similar to Latvia than Estonia,*” a proud Balt states. “*Estonia, like the other Baltic countries, is a third world country and doesn’t belong to the Nordic cluster,*” says an apparently hostile Dane. For some reason, even the close-by countries see Estonia as

'Little Russia'. Hosting a three day event in Copenhagen last year almost gave me a heart attack, when a Swedish gentleman, born in the 1940s, talked to me extremely slowly and expressed concern over whether I was able to read the menu, since it was not written in Cyrillic. I spent the rest of the gala dinner watery-eyed, trying to explain the Singing Revolution and flag-carrying rene-gades to the man – and he seemed genuinely surprised.

Honestly, then, sometimes we do feel like party crashers, shouting “*Hey, Nords, take us in!*” to no avail. It might be some sort of cultural escapism, trying to flee from the Soviet past as fast and far as possible. The destination seems to reject us, though, like an intruder trying to contaminate the upscale Nordic aura. Perhaps the reason for this is the multitude of messages we send out to other countries? On paper, we are the prodigy of Europe. Highest GDP growth, lowest public debt, epi-cally hi-tech nation with cows Skyping milk data over

*Positioning ourselves as a Nordic country serves many benefits, but mostly it separates Estonia from the 'post-Soviet' flare and the idea that everyone speaks Russian.*

to the farmers at night. We have won the Eurovision, we have spawned world class top models, we have created a football legend. But is this what the outsiders are getting? The image of Estonians for one of my Danish friends is Oleg, a taxi driver whom he helped move to Denmark. Essentially an immigrant, he has failed to learn Danish in the many years he has spent there (the only language he speaks is Russian), hand is openly cheating the tax office and collecting social care on false pretense. Although he is a gray passport holder and speaks no Estonian, he introduces himself as an Estonian wherever he goes. Not the best image building, is it?

Also, ask any Finn about Estonians. If they are polite, they will blush, but otherwise, they will refer to the construction workers living in small apartments, working on envelope pay. Immigrants. For them, it would be psychologically very hard to carry the same cluster name, but it is not essentially their fault. Therefore, it would be wise to argue that the title ‘*Balt*’ or ‘*Nord*’ or ‘*European*’ is mostly up to the nation itself. Perhaps this subtle identity crisis reflects the identity crisis of the nation as a whole? What if our cultural philosophy is at stake here?

For a small nation, it is important to belong to a group to be noticed and acknowledged. Being a member of the EU and NATO is a relevant tool of image building, yet these titles serve as political vessels, rather than emotional ones (or as negatively emotional ones). Emotionally, we want to be the cool kids, allowed to sit together with the cheerleaders during lunch break. Nevertheless, it then becomes even more important to be there due to your positive traits and successful collaboration, rather than for the mere title. Estonians claiming to be Nordic and not Baltic at any cost risk sounding conceited and a bit rude towards the other Baltic nations. However, emphasizing the cultural similarities and shared history might get noticed and then provide a more natural transition towards being a Nordic country.

For a very young country like Estonia, positioning is everything. Targeting EU members and especially non-EU countries with image building messages requires a stable and persistent communication of traits and qualities that give a clear understanding of what we think our role is. There are several niches to be filled – the Nordic Tiger with our IT success or the young and liberal startup hub. If the communication is shaky and uncertain, it is very difficult to find a slot or the country, so the generic stereotypes stick even harder. Positioning ourselves as a Nordic country serves many benefits, but mostly it separates Estonia from the ‘post-Soviet’ flare and the idea that everyone speaks Russian. Moreover, it negates the reputation of being a cheap Eastern European country, a faulty stereotype that was ridiculously easy to acquire but extremely hard to shake.

All in all, the winds of change are blowing and growingly, Estonia is being viewed as a proud member of the European community relevantly influenced by the North. In order to shake the reputation of the past, though, we must be proud of our small country ourselves and see the challenges and the victories ourselves. Being a tiny nation, reputation is everything and being ‘Eastern’ or ‘Northern’ can mean everything in terms of investor relations and finance. For several big corporations, being Eastern European automatically translates into being Russian – Steam recently stirred up quite some negative emotions launching the major title *Borderlines 2* only in Russian for purchase in Estonia, not to mention at an elevated price. Retailers sell the original English version for EU members, but here again we see the power stereotypes have over our lives.

We might be south of the border, but we can also be north of the border. It is all up to us, which values and cultural connotations we wish to cultivate and which we would rather leave behind. It might take some time, but eventually we might get an invitation to the party we’ve been trying to crash.

# THE SECOND LIFE OF FIRE HOSES

Words by  
**LUISE SAVIK**

Photography courtesy of  
**STARTUP HOSEWEAR**

**I**var Arulaid is in his third semester at EBS and has already started his own business making stylish accessories for women from fire hoses.

## How did you come up with such an idea?

It all started from a course I took during my first year at EBS. Within a few weeks, every student had to present their business idea and develop it into a real business over 4-5 months. I had several ideas (from designing furniture to making carbon-fiber products) but at some point I started thinking - is there a material out there that is produced in large amounts and is thrown away after it is used? I came across billboard banners and actually made some belts and small bags out of them, but it was a bit too industrial. Although I had heard about companies making apparel from recycled fire hose, I didn't want to copy the idea right away. I wrote a term paper on marketing to women in my psychology class and I thought about making bags and belts that would appeal to women.



Since the other companies which use fire hoses have a more military/masculine design, it was a logical step. And by designing more feminine bags, I am not strictly copying another idea. We design our bags to be good-looking, practical and durable, plus we've added a touch of ... firehoseness. Each item is unique, with wear and tear reflecting its past - and they all have a long future ahead. The name is of course the most logical one - HoseWear.

## How difficult was to find a team?

Finding a team for HoseWear actually went quite smoothly. When I worked with billboards, I was alone, but once I decided to start using fire hoses, it was obvious that I needed more people on the team. I wrote to Estonian Academy of Arts students, looking for a designer that would be inspired

by the material. Art students are great! Around ten design students contacted me within the first week and we instantly set up meetings to get things started. About half of the designers sketched their visions of HoseWear bags, belts, and a bunch of other stuff. I started to like Lee's (HoseWear designer) ideas and her attitude from the very first meeting and soon enough the very first bags were ready. Since all fire hoses come in different colors, sizes and scratches, Lee's assignment is to constantly match the different hoses to create some really cool bags. Of course, from time to time, we add some new designs and create new collections.

### How easy is it to make an idea to happen?

I guess it depends on the idea. If one's idea is to start selling pencils, then it isn't hard to make it happen - order a million of pencils with a price of 0.01€ from China and sell 'em for 2-3€ (quite a margin huh?). However, if you start with an idea that has not been tested before, it might be hard to get things rolling. Even if you have some angel investors backing your idea, which is the case with HoseWear, it can still be a struggle. It took me quite a few months to find a sub-contractor for HoseWear that would be willing to accept our prices and would be ready to sew used fire hoses. Although I found my team quite fast, it might take a while to find the right people, and people are the most important aspect that every startup should consider. In my opinion, there are two main things a leader should consider - to get along with the people you work with and to involve people who are as smart or smarter than you are. If you involve professionals then they do not have to come to you with every problem that arises—they can solve the obstacles themselves, or at least provide a quick solution.

### What are your future plans with this enterprise?

Well, since we are selling the bags online currently, then the first plan is to get HoseWear to stores - first in Tallinn, and later to other parts of Estonia. Of course we are talking about niche products, so Estonia will hopefully be too small after a few months, so we are planning to expand to the EU. We already have potential store managers interested in the product, from Poland and UK. As long as there are fire hoses that need a new life, HoseWear will find them and try our best to make it happen.

### Why did you decide to come and study in EBS?

I believe every EBS student has read a book by Robert Kiyosaki ("Rich dad Poor dad") and so have I. As soon as I finished this book, I knew I wanted to live like that and the most logical decision towards achieving that dream was to go to EBS. I knew that real estate was not my way to go but I had a dream of doing something meaningful and not just working from 8-17 every day. I am studying international business administration, with a specialization in investment management, but I see myself more as an entrepreneur than an employee. So I am taking as many entrepreneurial classes and other subjects related to the field I am operating in, to make the most of my studies. I am very satisfied with my decision to study at EBS.

### Did you use skills developed at EBS with that project?

As I mentioned above, I try to take as many subjects as possible that I can use in my everyday life, and I have used this knowledge to build up HoseWear. Most of the information about accounting, setting up a business, business basics, production optimizing and many other subjects I have learned from lecturers at EBS. It's possible to learn things from books, but you can't ask questions from books and you can't receive help with issues regarding your project from books. However you can do all that in a lecture and a bit of personality in the lectures is what I really like about EBS.

### What are your hobbies?

For the past 3-4 months, my hobby has been HoseWear. But most of my free time I spend with my other half, Gerli. Every winter I try to find time to go snowboarding - usually to Sweden, Norway or Austria. Last year I didn't find the



time to go that far but we managed to snowboard in Estonia - with a car providing the appropriate speed. I absolutely love music, also. Music is a part of almost all my activities. I play guitar and write a few simple songs from time to time.

### What would you suggest to other young people who have a business idea and want it to make happen?

If one has a brilliant idea, I would suggest to just try it out. There is no point of writing a business plan for each idea one has. I would share the idea with as many people as possible to see how they react. If most of the people find the idea worth trying then why not? Go to startup events to expand your network and get to know a lot of people. Each person could possibly be the one to help you make your brilliant idea a reality. Once you get things rolling, you can decide yourself - is the business plan really worth writing or is the simple business model scheme you drew on a piece of paper enough?

# THE NORTHERN CASE

*On the hunt for jobs in the north?*

Words by

**GLEB MALTSEV**

**EBS CAREER CENTRE**

Just three years ago the Swedish ambassador to Estonia, Mr. Dag Hartelius, formally addressed Estonia as a Nordic nation on the country's Independence Day. Doing so, he not only garnered the affection of the cheering crowd but also acknowledged an economic and demographic fact. For the past decade the North has been the brave new world for Estonians, attracting the good, the bad and the ugly of the nation.

It is estimated that over 78,000 Estonians work abroad according to the Ministry of the Interior, Population Registry of Estonia. That is almost 33,000 more than 2008. Around half of them choose to do it in Finland, Sweden, Russia, Germany and Canada. No doubt it will continue to be so for the bright and the bold in the years to come, as within the next nine years the working population of Estonia is set to decrease by 110,000 employees. Within the next fifty years, at the current rate of population growth, Estonia is set to lose 200,000 people. A projection made by Swedbank, one of the top employers in the country.

The biggest need for talent is in IT, Telecom, Healthcare, Tech and Heavy industries. The demand for talent in IT & Telecom outweighs the supply by three to one. Since 2004, around a thousand Estonian doctors and a larger number of nurse personnel have left Estonia to look for opportunities in Finland and Sweden, according to the Estonian Doctors union.

Finland, the Nordic country with the strongest economic and cultural ties to Estonia has just now started to regulate the 30,000 to 35,000 foreign construction workers in the country, of whom a large number are Estonian, according to *Helsingin Sanomat*.

What Finland is also facing is an economic problem of increasing welfare expenditures and the prospect of 20,000 small businesses closing in a decade from now, as the baby boomer generation is packing its things and making preparations for retirement. It is estimated that 10% of all Finnish companies will be sold off in the next 10 years.

At the same time the likes of Nokia and OP-Pohjola Group, the largest employers in the country, are laying-off a tremendous amount of talent. So far about 15% of ex-Nokians have set-up their own businesses and 60% know their next step after the end of their employment.

The key point to take away from all of this is that while there is little room for employment in traditional industries, there is great opportunity for the current generation to become the drivers of the economy by focusing on setting up their own ventures. The current economic landscape provides for exactly that. The challenge is to get together with the right people that have the skills, abilities and stones to make great ideas happen.

## *Here is where you can start:*

### **START-UP SAUNA**

A seed accelerator for early-stage startups in Northern Europe, Baltics and Russia.  
[startupsauna.com](http://startupsauna.com)

### **AALTO VENTURE GARAGE**

Pre-seed venture accelerator to catalyze world changing startups.  
[aaltovg.com](http://aaltovg.com)

### **START-UP WEEKEND**

A movement of active and empowered entrepreneurs who are learning the basics of founding startups and launching successful ventures. It is the largest community of passionate entrepreneurs with over 400 past events in 100 countries around the world in 2011.  
[tallinn.startupweekend.org](http://tallinn.startupweekend.org)

### **FOUNDER INSTITUTE**

The Founder Institute is a technology startup accelerator and entrepreneur training

program currently on pace to launch over 500 companies per year in over 13 cities worldwide.  
[fi.co/apply/105](http://fi.co/apply/105)

### **GAMEFOUNDERS**

GameFounders is a 3-month program consisting of extensive training on technology, story, marketing, esthetics, process and mechanics of gaming.  
[gamefounders.com](http://gamefounders.com)

### **START-UP WISEGUYS**

Wise Guys is an accelerator for early stage startups with passion, founders and a vision - Want, Imagine, Succeed, Expand.  
[startupwiseguys.com](http://startupwiseguys.com)

### **PROTOTRON**

Fund for startups seeking financing for rapid prototyping and proof of concept creation.  
[tehnopol.ee/en/startup/prototyping-fund-prototron](http://tehnopol.ee/en/startup/prototyping-fund-prototron)

# HIGH-FREQUENCY TRADING

*The growing concern in financial markets*

Words by  
**ALLAN GAIDUNKO**

High-frequency trading, hereinafter HFT, is a technique used by financial institutions to trade different instruments on financial markets. As it's used electronically, its popularity among Wall Street firms has been growing rapidly. The HFT technique is based on algorithms, in other words, there's a bunch of crazy quants creating different complicated equations and executing them by using super powerful computers. Thus, the trades are later made automatically by computers themselves. So, what actually makes HFT so unique? Well, imagine this: the trades between two financial houses are made within milliseconds! A usual trader sitting in front of computer would just blink eyes and watch those transactions.

## THE SIZE OF HFT

High-frequency trading as a technique is only some decades old. Despite this, the trades made using HFT make already more than 50% of daily trading volume! By using HFT technique, firms are able to trade millions of stock shares within a minute, selling them the next minute and make only some cents per share. But after all, we are talking about millions of shares therefor thousands, or even millions of dollars.

## THE PROBLEM

Despite HFT being so cool, sexy and unique, this badass has caused some trouble to the financial markets and therefore, to the overall economy. The major problem of HFT is the existence of flash crashes, the occurrence of which has lately become alarmingly frequent. Flash crash is a type of stock market plunge

that occurs in the matter of minutes and usually for no economic reason. For example, there was one in 2010 that caused Dow Jones Industrial Average, the stock index containing 30 US blue chip stocks, to plummet extreme 9%, from which 6% of the slide happened in 5 minutes! Think about it this way: US loses 9% of its economy in one day for no real economic reason. Sounds pretty creepy, right? But how? Well, because HFT is based on algos and if there's a lot of selling by usual traders, the HFT computers immediately start to get selling signals, causing a tremendous market catastrophe. Consequently, the market ends up with a plunge of 9% instead of plummeting only 3% for economic reasons.

## THE BRIGHT SIDE

On the other side, HFT increases the liquidity of the markets. Not enormously, but it definitely plays a role. And liquidity is important as traders want to buy and sell financial instruments at the particular price and not be too much dependent on other market participants. If there's no liquidity, there's no play. However, as a trader I can say that bigger markets always have enough of liquidity as the number of participants is always high. Secondly, if a trader has a longer term position in a particular asset, there's no big concern as the markets tend to correct themselves in a bit longer perspective. Thus, if there will be news next day about previous day's flash crash, the markets will probably start surging as traders understand that there wasn't any economic reason for this. They get greedy and constantly start buying as assets seem undervalued, in other words, the prices are relatively cheap. Also, wouldn't it be cool if HFT computers got a strong buy signals and the markets would rocket? Though, again, this wouldn't last long and probably would fall the next day.

## STRICT REGULATION IS A NEED

Is there any confidence that flash crashes are not going to take place in the future? With no doubt, there isn't. To prevent further flash crashes, there is a need for stricter HFT regulations. One of the ways would be to increase the time of trading position holding. Thus, firms that use HFT technique will have to hold the instruments for some time before they can sell them. That would somehow slow down fast market plunges. Also, regulation of the ratio of time and amount is another idea.

## SHOULD IT BE BANNED AT ALL?

Some people get mad when they hear about HFT. They say that the trading is different nowadays. If decades ago there were a lot of traders on the trading floor, shouting their own bid and ask prices, it's only about the mouse clicks now. Also, they see HFT as an unfair way to trade because it's all about maths, trades are being made at the speed of light and trading decisions are not made economically. Well, what needs to be understood is the growth of technology nowadays. The trading environment is changing and we have to go with that flow. Finally, there are always trading opportunities despite the impact of HFT.

# HERTY TAMMO

*A man who loves helping startup companies*

Words by

**ANETE PALMIK**

Photography courtesy of  
**STARTUP WISE GUYS**

**H**erty Tammo is an alumnus of EBS who has been an entrepreneur since he was an undergraduate. He has helped many companies get off the ground and now is the first person from the Baltic countries to study in the Silicon Valley Kauffman Fellows Program.

## How did you get involved in the world of business?

I have been an entrepreneur since 1995 while studying for a BBA at EBS. After getting my bachelor's degree, I completed an Executive MBA, also at EBS. I have been interested in start-ups for a long time and I even did my thesis about the EBS business incubator, and my MBA about how to finance a startup company. Right now I am



01

studying risk capital investment in the Silicon Valley Kauffman Fellows Program where I am the first student from the Baltic countries.

## Can you tell us about your first business deal?

The first business which I co-founded was T-Tammer, which right now provides jobs to about 100 people, and is the Estonian market leader in its field.

Today I am involved as an investor with about ten companies where I am also a member of their board or council. I also lead the Estonian start-up managers club which includes about fifty of the best startup managers in Estonia.

## Where do you get your ideas and what inspires you?

I get inspired by interesting people around me. Energetic and interesting people are the ones who are changing the world. I am trying to find them and help them with starting and developing their own businesses. Lately, I have been getting lots of good ideas from my course mates in the Silicon Valley school. These are people who have traveled there from all over the world, and who are all involved with risk investments.

## What is Wise Guys and how the company started?

Wise Guys is a three month long programme where about seventy mentors will help you to develop your international startup company through consulting, financing, and training. Wise Guys started in February 2012 when we put together our international team and

- 01 Jon Bradford, Elise Sass, Herty Tammo
- 02 Wise Guys Demo Day afterparty
- 03 Mart Kikas, Yrjö Ojasaar, Raido Pikkar, Herty Tammo waiting for the Wise Guys Demo Day start in Tallinn
- 04 London Wise Guys demo: Elise Sass, Herty Tammo, Mike Reiner, Annelly Lautre



FIND OUT MORE ABOUT THE COMPANY  
[www.startupwiseguys.com](http://www.startupwiseguys.com)



started making plans for the future. At some point we had team Skype conferences with participants from London, New York, Prague, Riga, Holland and Tallinn.

**You have successfully finished the first batch of new startup companies through Wise Guys – how did the first year go, and how are the new companies doing so far?**

In March, eight startup companies from six different countries started their business journey with Wise Guys. The programme ended in the beginning of July when the companies presented their businesses

to the investors in London, after which the participants had very interesting negotiations with the investors. I am sure we will hear about these companies soon.

**What should a person do if she/he has a good business idea but don't know where to start?**

The first idea I would recommend is to apply to the Ajujaht competition that I am organizing. If you already have a team which includes two or three people and you also have a prototype, than why not apply your startup company to Wise Guys? The contest is tough but if you have a good product and

*Those who won't give up and have a good team are the ones who will probably make it!*

a good team, then anything can be possible. Through our Facebook page you can find out when we have our mentor days, where you can get more information and feedback.

**What is the best advice you have ever received and what advice would you give people starting their own companies?**

I have heard many good thoughts in my life but the ones I remember the best – “It takes the same time to make a big thing as it takes to make a small thing – we all have 24 hours a day” and “To be successful you have to be active in this field at least 10.000 hours”. The advice I would like to give to all people starting their own companies: “Those who won't give up and who have the suitable personal qualities to be an entrepreneur and have a good team are the ones who will probably make it!”

The life of an entrepreneur is not easy and it isn't suitable for all people. At the same time, if you want to get something done, you are willing to take risks, you are energetic and clever, and you are ready to work very hard at least in the beginning to make the world a better place -- then it is definitely worth a shot. You have nothing to lose. If you fail you have learned a valuable lesson. In business you surely need luck but the luck never comes to the people who are quietly waiting for it in their daily jobs. You can experience success if you are willing to takes risks. Just as the slogan of Wise Guys says: “Quit your Boring job and build your own business with Start Up Wise Guys!”

# IS ESTONIA A NORDIC NATION?

*Or are we suffering from Stockholm Syndrome?*

Words by  
**SIRET SCHUTTING**

Historically and culturally, Estonia has been Nordic for centuries. In fact, the Nordic cross (namely, the Nordic cross flag), originates from Estonia. According to the Danish legend, the flag fell from the sky in 1219, during the Lindanise battle (Lindanise is the historic name for Tallinn). This is also the event that gave Tallinn its name - Taanilinn (The City of Denmark), which later evolved into Tallinn. Due to the long reigns of Denmark and Sweden, many counties and towns in Estonia feature a Nordic cross on their flag or coat-of-arms. In 1919, the proposed Estonian flag used the three colours, but in the shape of a Nordic cross. In 2001, Kaarel Tarand proposed that the tricolour flag should be changed into a Nordic cross design. The supporters of the new design claimed that the tricolour design links Estonia to its Soviet past, whereas the Nordic cross would link Estonia to the Scandinavian countries.

## THE NORDIC OVERVIEW

ICELAND	
## CAPITAL	REYKJAVÍK
## CURRENCY	Króna (ISK)
## LANGUAGE	Icelandic
## POPULATION	320,060
## NOMINAL GDP	\$14.048b

DENMARK	
## CAPITAL	COPENHAGEN
## CURRENCY	Krone (DKK)
## LANGUAGE	Danish
## POPULATION	5,543,453
## NOMINAL GDP	\$333.238b

FAROE ISLANDS	
## CAPITAL	TÓRSHAVN
## CURRENCY	Króna (DKK)
## LANGUAGE	Faroese
## POPULATION	49,267
## NOMINAL GDP	\$2.45b

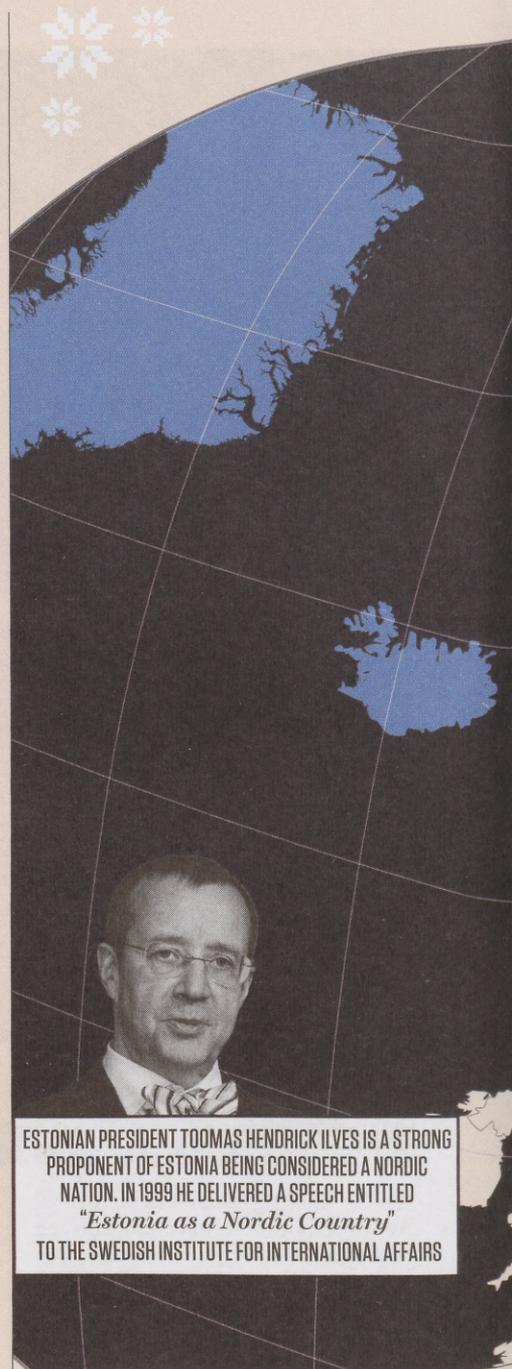
FINLAND	
## CAPITAL	HELSINKI
## CURRENCY	Euro (EUR)
## LANGUAGE	Finnish
## POPULATION	5,410,233
## NOMINAL GDP	\$266.553b

GREENLAND	
## CAPITAL	NUUK
## CURRENCY	Krone (DKK)
## LANGUAGE	Greenlandic
## POPULATION	56,615
## NOMINAL GDP	\$2.122b

NORWAY	
## CAPITAL	OSLO
## CURRENCY	Krone (NOK)
## LANGUAGE	Norwegian
## POPULATION	5,003,000
## NOMINAL GDP	\$483.650b

SWEDEN	
## CAPITAL	COPENHAGEN
## CURRENCY	Krona (SEK)
## LANGUAGE	Swedish
## POPULATION	9,415,295
## NOMINAL GDP	\$538.237b

ÅLAND	
## CAPITAL	MARIEHAMN
## CURRENCY	Euro (EUR)
## LANGUAGE	Swedish
## POPULATION	28,007
## NOMINAL GDP	\$1.563b



ESTONIAN PRESIDENT TOOMAS HENDRIK ILVES IS A STRONG PROponent of ESTONIA BEING CONSIDERED A NORDIC NATION. IN 1999 HE DELIVERED A SPEECH ENTITLED "Estonia as a Nordic Country" TO THE SWEDISH INSTITUTE FOR INTERNATIONAL AFFAIRS

Ancient Estonia

Danish Empire

1943

Livonian Confederation

1219

Terra Mariana

The name of Estonia occurs first in a form of *Aestii* in the 1st century AD by Roman historian, Tacitus. Then again in the 13C Norse sagas the term apparently was used to indicate the Estonians

Denmark controls Estonia after defeat at the Battle of Lyndanisse

St. George's Night Uprising, Indigenous Estonian uprising against the Danish occupiers.

Estonia and Latvia become a province of the Holy Roman Empire. While there is a strong Germanic influence during this period, the Danes maintain partial control over the lands

The Bishop of Ösel-Wiek sells Saaremaa to Denmark. The island is transferred to Sweden in 1645.

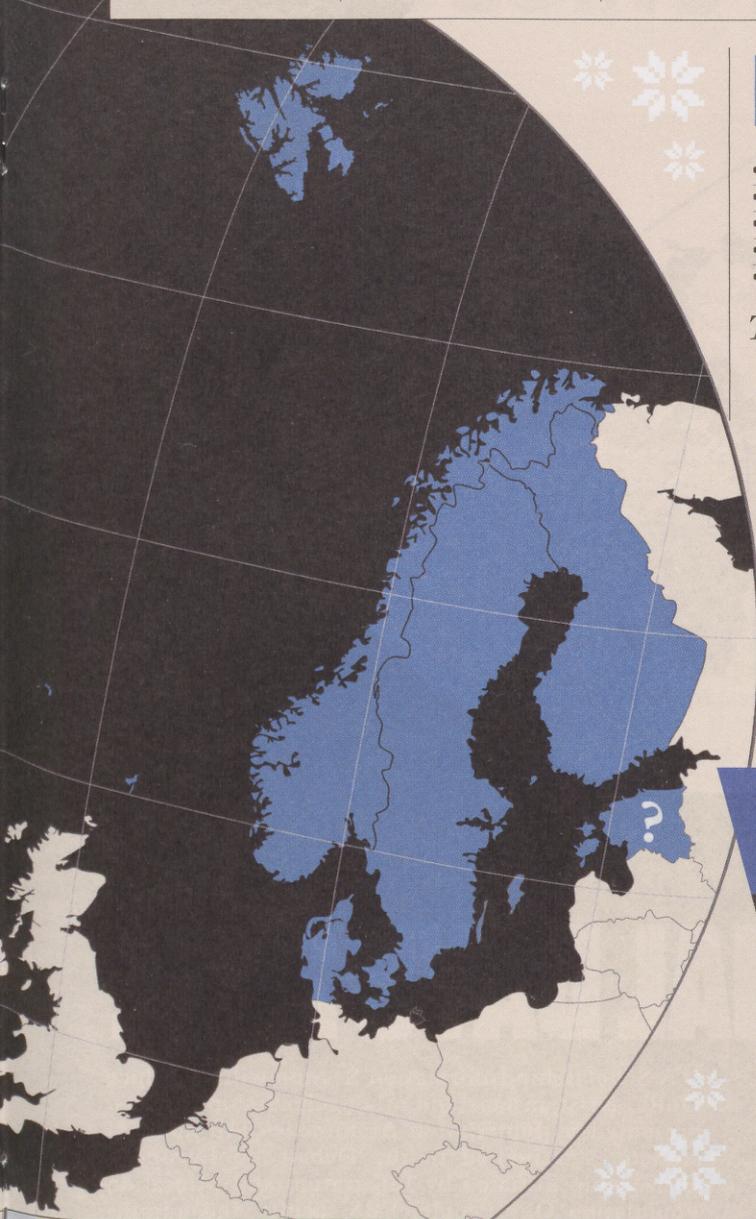
THE NAME TALLINN, IS THOUGHT TO BE DERIVED FROM THE ESTONIAN TAANI-LINN, MEANING 'DANISH TOWN'

SINCE 2005, ESTONIA HAS BEEN PART OF THE NORDIC BATTLE GROUP AND HAS FOUGHT IN BOTH IRAQ AND AFGHANISTAN

FINNISH FOREIGN TRADE MINISTER, ALEXANDER STUBB, ONCE CLAIMED ESTONIA WAS A "DISTINCT NORDIC COUNTRY"

'BALTIC' IS A TITLE WHICH DERIVES FROM THE GERMAN LAND OWNERS AND NOT THE ORIGINAL TRIBAL INHABITANTS OF THE REGION

ESTONIA, HISTORICALLY HAS BEEN A STRONG-HOLD OF LUTHERANISM DUE TO ITS MANY LINKS TO THE NORDIC COUNTRIES



# EESTI VABARIIK

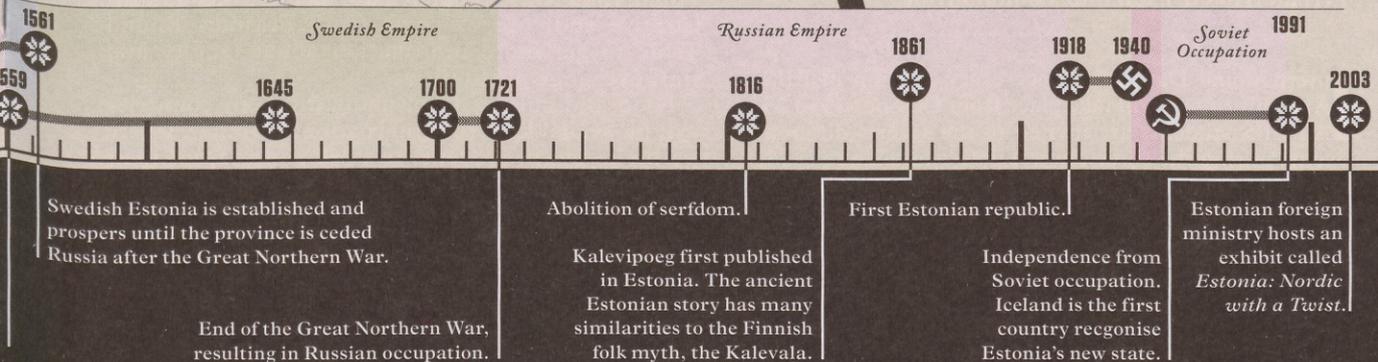
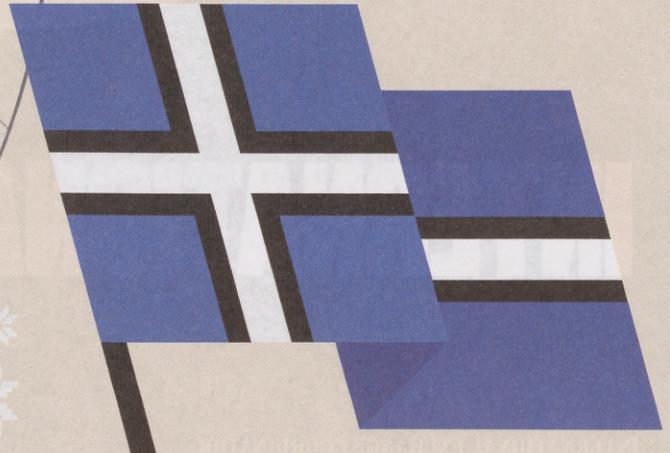


• CAPITAL	TALLINN
• CURRENCY	Euro (EUR)
• LANGUAGE	Estonian
• POPULATION	1,294,236
• NOMINAL GDP	\$27.313b

## The Analysis

Estonians generally perceive themselves more as a Nordic nation, rather than a Baltic one. We consider Estonia to be a Northern European country and take pride in our Nordic legacy. Even Ptolemy mentioned the infamous Estonian vikings, Oeselians from Saaremaa, in his Geography III. It is fabled that somewhere in Saaremaa, the largest Viking castle in Scandinavia still lays buried. Taking into account the vikings, the flags and the mythology - Estonia is most definitely Nordic.

## ALTERNATIVE NORDIC CROSS DESIGN FOR THE ESTONIAN FLAG PROPOSED IN 2001





# INTERNATIONAL DAYS 2012

Words by  
**EVE MÜÜR**

**INTERNATIONAL EXCHANGE COORDINATOR**

International Days take place every autumn in EBS. And this time it will take place from October 23 to 25. All EBS students are invited to the several different events during the three days. Those who plan to study abroad in the future are most welcome to the Country Presentations, where exchange students will be introducing their home countries and universities. Also EBS students who did their exchange semester or year in 2011/12 will come and talk about their experiences.

A Scholarship Information Session will introduce DoRa, Kristjan Jaak and other scholarship options, presented by Foundation Archimedes. All non-EU students are invited to the Debate on European Citizenship initiated by Integration and Migration Foundation Our People. EBS faculty and administrative staff are welcome to the Erasmus Round Table to get more information about faculty and staff exchange possibilities.

Food and culture from many different countries will be available at the International Dinner, where we invite foreign students to cook and present their national dishes.

## INFORMATION

Available at the International Office and EBS website.

# INTRODUCING EBS HELSINKI

Words by  
**SIRET SCHUTTING  
& SIGRID LAINEVEE**

## What is the vision of HEBS? Where do you see HEBS in 10 years?

Vision for EBS in Helsinki is the same as in Estonia - The goal of EBS is to become an internationally recognised business school through the activities of its alumni and faculty.

In ten years we would like to see that our Finnish alumni is active in Finnish and Finnish - Estonian business life, our graduates have done good career in Finland and in abroad. We will have strong BBA

and MA programmes in Helsinki, there is active student mobility between Tallinn and Helsinki – students take courses in both cities.

## What is the main difference between EBS in Estonia and in Finland?

The EBS 3.5-year Bachelor's programme of International Business Administration in Helsinki is in English, in the form of distance study. There are 2 and 3 day study sessions every two weeks.

Distance study form requires lot of work from the students as well from teachers. Between the study sessions there are home assignments and tests through the internet Moodle study environment. The study consultant is available every working day in our Helsinki office.

## What niche of the education market is filled by HEBS in Finland?

EBS in Helsinki is focused on the students who already work or run a company or have family commitments and at the same time would like to get university education. Also, we attract students who have an interest in continuing their university studies in English.

## What are the main advantages for students at EBS?

EBS in Helsinki students can work full time during their studies. But at the same time the students can also join EBS ERASMUS and other exchange programmes or apply to the Double degree programme with Lancaster university in the UK.

Helsinki students every semester also have at least one study session in Tallinn, and this way they can become aware of the Estonian business environment.

## What is the most popular program this academic year?

In EBS Helsinki we are currently teaching a *Bachelor's programme of International Business Administration*, whereas the Master's programme is planned to be launched in 2015.

## Does EBS have plans to open up departments in other countries as well?

We are focusing at the moment to Finland. The educational system of Finland is one of the best in the world. Therefore, our goal is to offer high quality education and strong support system for students.



# COFFEE-BREAK AT WORK

*Another wasted opportunity?*

Words by  
**KÄTRIN KARU**

Too many of us spend the day at work without planning any time to rest into the day. As a result we tend to be too tired after work to go for any kind of physical activity. STOP this! It is proven that there is a strong connection between lifestyle and work efficiency and we can do a lot to improve.

Sceptics may argue that work does not have to be enjoyable, it just has to be done. Indeed, 20-year-old research papers found limited evidence to indicate an effect of health promotion programs at workplace, but they found enough to understand that this field is worth improving. Nowadays, more and more companies impose health and productivity programs for workplaces, e.g. research shows that 31 per cent of Australian employers are offering some form of health promotion benefits to employees and the number is increasing.

## FOR WHAT? TO WHOM?

Some authors have noted that encouraging people to be physically active is of major public health importance. Effective health and productivity programs help employees to understand that daily decisions about their health, nutrition, physical exercise and stress management impact

all aspects of their lives. The modern-day employee is determined to work for a company that understands their needs and is willing to make progress with the employees best interests in mind.

Generally speaking, the outcome of health and productivity programs is multifaceted: Improved healthy behaviours: less chronic diseases, lower job stress, etc.

Enhanced functional effectiveness: better planning, reduced absenteeism from work, higher job satisfaction, etc. Improved benefit cost management.

## THEORY INTO PRACTICE!

To create a successful health and productivity program you first need to find out what really shakes up your colleagues. Some people prefer a competition, some prefer other incentives, such as a free day, a free lunch, diploma, recognition, etc. Ask them, what they want and try to offer variety.

The following useful steps will guide you towards a successful health and productivity plan in your office.

Firstly, engage key stakeholders to serve as role models (e.g. CEO, directors, opinion leaders, etc).

Secondly, capture key baseline health metrics that will provide insights into the prevalence and severity of health risks, identify hot spots within the business and provide benchmark for future health improvement measurement. Equally important is to understand the impact these health risks have on business, in terms

of lost performance and increased absence.

Thirdly, plan communication carefully so that also those, who are usually more passive, will hear and participate. Consider creating logo and some promotional materials to improve the knowledge at the same time with organizing practical activities. Ensure unrestricted access to the activities.

Next, choose the health program activities according to the health risks that have been identified during the health assessment phase. Make the activities accessible to every learning style.

After that focus on supportive environment – look around in the office and find what you can do. Lockers for bikes, yoga mats in the quiet corner, healthy choices in the canteen, smoke-free entrance, exercise-posters or videos available, etc.

Finally, evaluation and monitoring – evaluation is the corner-stone of a best-practice health and well-being program. The outcomes can be various, including health improvements, cultural changes, financial impact and the overall effectiveness.

## WHAT ABOUT ESTONIA?

Early adopters have made the first steps in implementing the health and productivity programs at workplace. Some governmental institutions, such as National Institute for Health Development, have offered companies their support. Also some social companies whose aim is to contribute to

# WINTER OLYMPICS NORDIC RANKINGS

*So where is the athletic talent of the north?*

## INFO ABOUT THE STAY FIT! PROGRAM [www.olevormis.ee](http://www.olevormis.ee)

The Stay Fit! Program is organised by the NGO Sport Club Motion and is funded by The Coca-Cola Foundation.

Finally, take a moment and think – we spend approximately one third of our lives at work – do we really want it to be passive and stressful? No matter what your position is, we all can make some change to improve our efficiency by being more active!

improving the work environment and health behaviour at work, have joined in.

This year the Stay Fit! Project has been launched to improve the health behaviour among office-workers with low physical activity. The aim of the campaign is to promote active breaks during the working hours, mid-day exercise and the importance of regular and healthy nutrition at work.

Stay Fit! Program offers companies an opportunity to invite a professional (what professional???) to their office to find solutions for more active working environment. In addition, half-an-hour physical training sessions that are designed to meet office workers needs are offered.

As part of the program, Stay Fit! Week was held in EBS (Estonian Business School) from 9th to 12th of October. During this week all students, teachers, staff and also Alumni and friends are welcome to participate in the trainings and test their health indicators.





täitsa  
pekkis

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kehakoorija  
metsik mango

*Tiina Teemägi is the hostess of a design  
shop with a soul ~ hostess of Nu-Nordik*

**NU-NORDIK**



Words by  
**ANETE PALMIK**  
Photography by  
**ANETE PALMIK**

*It was a rainy Wednesday evening in the middle of September when I first walked into the Nu Nordik's design shop. I had heard a lot of good things about the place but had never visited it.*

I felt the soul of Nu Nordik the moment I entered the shop. Of course, I know that a shop or building is not a living thing and does not actually have a soul, so perhaps it was just a good atmosphere that I felt. As I entered the room, a friendly woman greeted me. Tiina Teemägi, the hostess of Nu Nordik, was kind enough to share with me a part of her life.

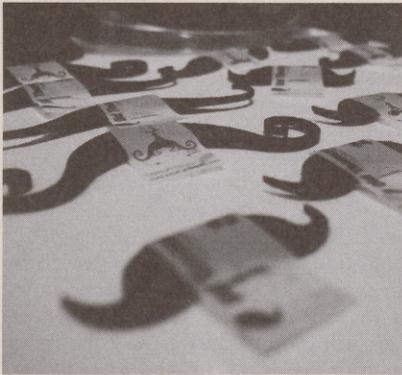
Teemägi studied "imaginary arts" in the Estonian Academy of Arts – she is a certified sculptor and also specialized in design. After finishing university, she

worked as a free-lance artist until she had children. At this point she began cooperating with advertising agencies on different design projects. After Teemägi's children were grown and she was able to work outside of her home, she entered the retail design sector.

Retail design is a specialty that was not taught at EKA, but something she developed independently, through her prior experience in the fields of art and design. Teemägi had also worked as a decorator in Selver, where she was promoted to a display manager. "Working as a display manager required a lot of economic thinking in addition to the design part. After all, how you display your products can play a big difference in the sales numbers," Teemägi said.

Teemägi realised that although she studied art and design at the university, in her professional experience, these fields have always walked hand-in-hand with economical thinking and project management. "There are two sides to me," Teemägi explains. "Most of the people who have graduated from the Estonian Academy





of Arts are bohemians and true artists compared to my life -- but a project manager combined with an artist is pretty much what the creative economies are filled with today."

Three years ago, Teemägi was asked to join the Nu Nordik team. She likes working as a hostess at Nu Nordik because the job assembles all the experiences she gathered through her life – a hybrid of business, thinking, art and design. Her daily tasks combine these: "I am a buyer, marketer, and seller, I do the advertising and in the evenings I even clean the place. I am kind of an all-in-one person."

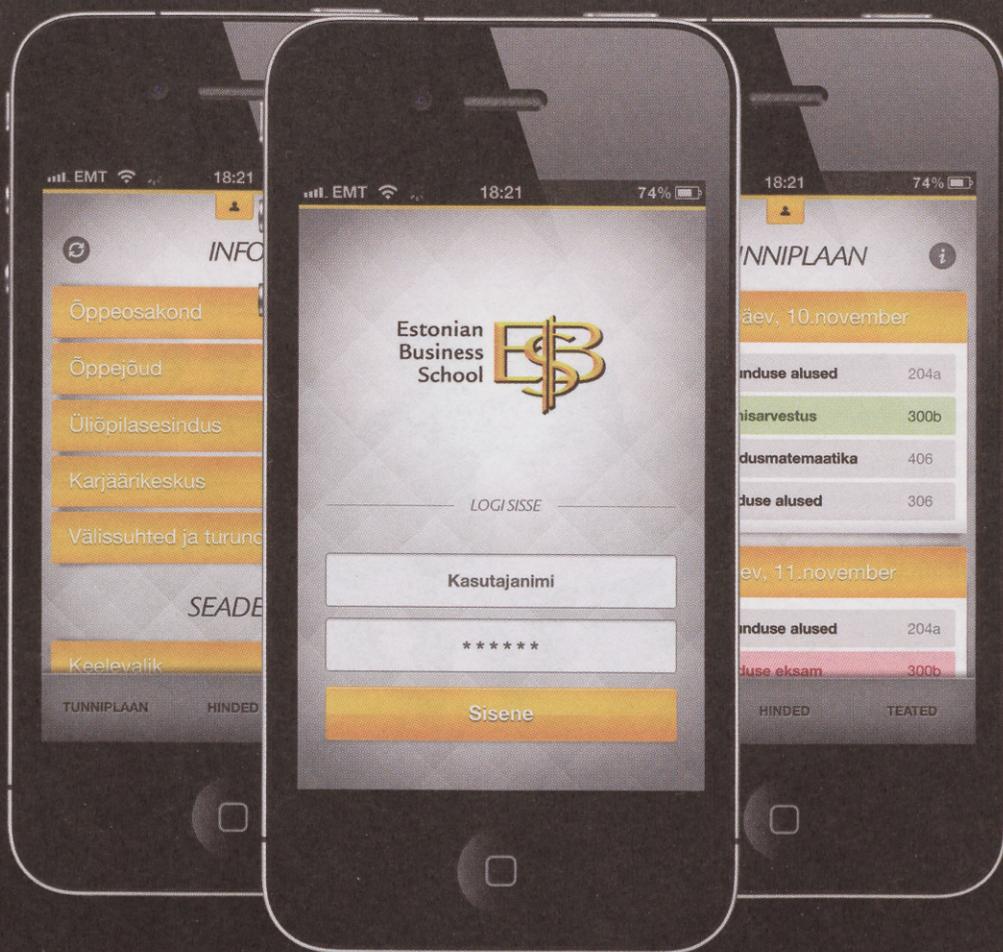
This year Nu Nordik turns 10 years old. Teemägi says that this milestone is a sign of quality. "Many similar shops opened, but most of them did not last," she explains. In ten years almost 500 different designers have sold their creations through the store. Most of the designers selling in the shop are from Estonia. In some cases they also sell designs from other countries - for example, from Finland.

While choosing the products and designs for Nu Nordik, Teemägi and her team consider many factors, but most importantly: "Does someone want to buy this product?" As hostess of the shop, Teemägi recommends always keeping in mind three important questions: To who? What? and How?. She believes that if you always have an answer to those three questions than you clearly know what you are doing and for who you are doing it. "It's always very important to think through your activities," said Teemägi.

*I am a buyer, marketer,  
seller lady, I do the  
advertising and in the  
evenings I even clean the  
place. I am kind of an  
"all in one" person*

When asked about her personal favourite items in the shop, Teemägi paused for a moment. "I like all the things in our store," she answered. "It's like choosing the favorite from your own children." After a bit more thinking, Teemägi showed me a few items she especially liked as well as some popular designs – but swore me to secrecy. "Everyone should just come and choose their own favorite designs and products," Teemägi recommended.

# The next big thing



is almost here

# INTERNATIONAL LANGUAGE WEEK

Words by  
**EVE MÜÜR**  
INTERNATIONAL  
EXCHANGE COORDINATOR

**E**stonian Business School welcomes Erasmus International Language Week on October 15 – 19. The week is organised in cooperation with EBS, Tallinn University of Technology and Estonian Academy of Security Sciences, where the first and the final day take place in EBS. The event is financed by Foundation Archimedes. 30 participants from Estonia, Latvia, Lithuania, Czech Republic, Croatia, Poland, Portugal and Slovenia are discussing matters related to teaching language to foreign students, new and alternative language learning methods and sharing experience in organising short language courses in their countries. Most of the participants are either language teachers or organisers of EILC (Erasmus Intensive



Language Course) courses.

As such short language courses have been so far financed by European Commission within the Erasmus programme, Klara Engels-Perenyi from European Commission has been invited to take part in the discussions about the future of similar courses in Europe in the next Erasmus phase from 2014. EBS has successfully organised EILC in 2009, 2010, 2011 and 2012 for incoming exchange students.

## INFORMATION

More about language courses within Erasmus programme:

[http://ec.europa.eu/education/erasmus/eilc\\_en.htm](http://ec.europa.eu/education/erasmus/eilc_en.htm)

# THE CENTRE OF FREE ECONOMIC THOUGHT

*Looking for the survival strategy of Estonia*

Words by

**ANDRES ARRAK**

**THE CENTRE OF FREE ECONOMIC THOUGHT**

The opening event of FEC was held on the 2nd of October at EBS. We are creating a new think-tank, aimed towards finding the survival formula of Estonia. Why are we talking about survival? Hasn't Estonia been showered with admiration due to successfully overcoming the crisis? That is the problem – the world, both near and afar, is changing. The old ways and models are not working any more. Competition between countries and nations has escalated and, in the end, the adaptable will survive.

Which changes are we talking about? The clearest and most direct current issue is the eurozone crisis. The aging and lazy Europe in limbo has been unable to fund the habitual welfare system for a long time already. Perhaps even for the simplest reason – the model dates back to an era where there were 4-5 taxpayers per one retired person. Today, the ratio is two-to-one, and tomorrow it will be one-to-one. That is why the rules for both the current debt crisis and public debt have been broken for a long time already. There are no more good solutions left and a “lost decade” is the best case scenario for Europe.

The problem is wider yet. The whole credit-consumption based economic mode, that has followed the simple neoclassical rule of “the more, the better” (Alfred Marshall, 1890), is in crisis. The one billion, who for several generations have been able to throw serious consumption parties, have been able to do so only because the other 6 billion have not. Wanted or could, does not matter. The fact remains – several billion of Asians have made enough money to want meat and milk to go with their rice, and drive a car. There is no way of multiplying the current consumption rates by seven, not even by six or five. In conclusion, it is only about to get interesting, not to say aggressive. Pay attention to what is going on between China and Japan over a few rocky islands.

In the overpopulated, underenergized and underfed world, soil will cost more than gold. In that sense, we

are luck here in Estonia. We are one of the most scarcely populated countries in the world, with the exception of polar regions and Tibet. We have a lot of land per capita and we can still remember how to hold a shovel. Interestingly, we also have some of the best conditions in the world to produce milk and meat. Half of Estonia is covered by forests. Our coastal line is four thousand kilometres long. We have 1,600 lakes and 1,400 islands. You can reach ancient woods in 45 minutes, driving from Tallinn Old Town.

There are not many countries that rich in the world. With regards to the future, we are extremely rich. Until now, wealth has been measured in terms of cash, not in terms of environmental value. Therefore, Estonia has the potential to become one of the most liveable states in the world.

This is only possible assuming that we face our advantages and our problems and start working on them today. Nothing in this world happens by itself.

What are the problems of Estonia? There are two most important ones – demography and migration. If the current tendencies continue, in 20 years there will be one and a half cities in Estonia and 20 years after that, exhibitions at Rocca al Mare, presenting the final bonneted Estonians to tourists. There is no point for a deserted or a metropolized Estonia. If we are not going to do anything about it soon, the rest of it will cease to matter. Not performing an administrative, educational and health reform is the fast-lane towards perdition.

At the same time, Estonia cannot rely only on green-economy. We are not going survive by merely selling a beautiful and diverse nature. There has got to be a hi-tech innovative production and service based economy beside it. Our current educational system does not enforce the development of knowledge industries. A generation of bookphobics and math-haters will not be sufficient in 20 years. They will not be able to administrate technology or make relevant decisions.

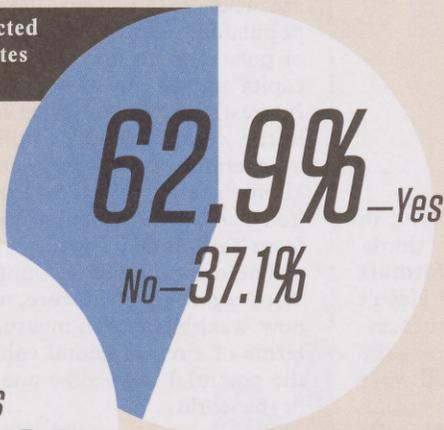
In conclusion, our political and economic orientation must definitely be emphasized. The famous phrases of Lennart Meri – “we belong in Europe” and “Estonia needs her Nokia” – have acquired unexpected, if not negative connotations by today. Back to the east, one might say. The growth and development is there. If Estonia wants to grow in the future, some of the things need to be thought over. That is what the opening event of the Centre of Free Economic Thought was all about.

# THE TRADING FLOOR

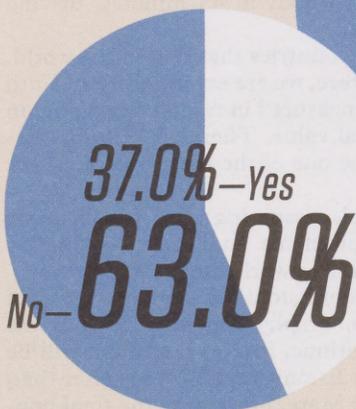
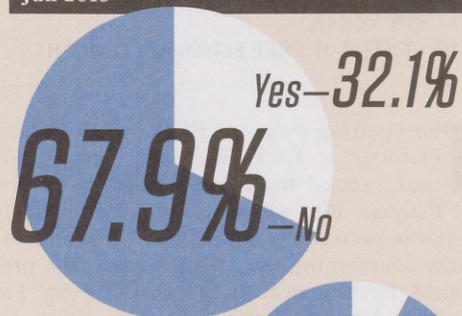
*Betting statistics sourced from the experts at intrade.com*

## POLITICS & CURRENT AFFAIRS

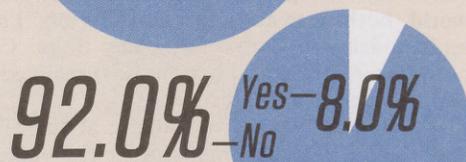
Barack Obama to be re-elected President of the United States of America in 2012



USA and/or Israel to execute an overt air strike against Iran before midnight ET 30 Jun 2013



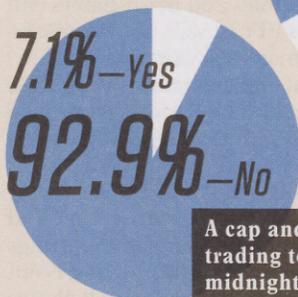
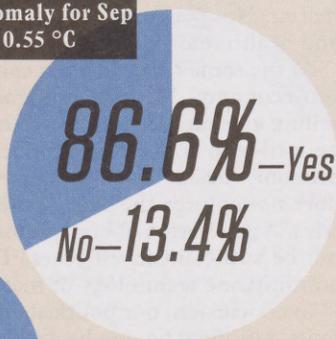
Mitt Romney to be elected President of the United States of America in 2012



Julian Assange to be arrested by British police before midnight ET 31 Oct 2012

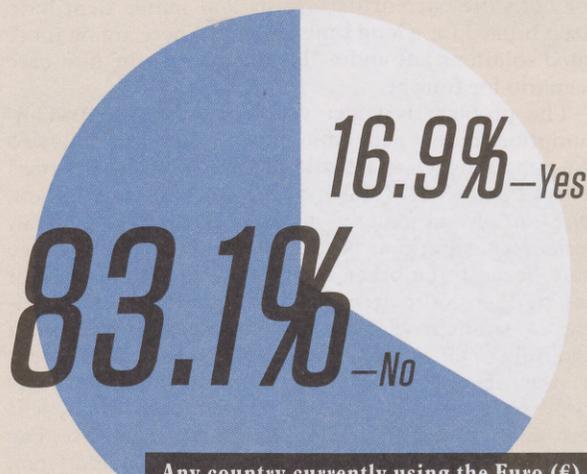
## SCIENCE & ENVIRONMENT

Global temperature anomaly for Sep 2012 to be greater than 0.55 °C



A cap and trade system for emissions trading to be established before midnight ET on 31 Dec 2013

## EUROZONE CRISIS



Any country currently using the Euro (€) to announce intention to drop it before midnight ET 31 Dec 2012

\*Source: <http://www.intrade.com/> Odds accurate at time of printing

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# COFFEE TALK



*This month with Andres Arrak & Siret Schutting*

Words by  
**SIRET SCHUTTING  
& ANDRES ARRAK**

**T**his month, Siret Schutting enjoyed a chat over a cup of coffee with Andres Arrak, a thought renegade and economist on the subject of free thought... and everything, really. Andres is behind the new thinktank, dubbed Centre of Free Economic Thought.

**SIRET SCHUTTING:** There are several of us who perhaps don't really understand what that centre is all about – what this “free economic thought” means, and so...

**ANDRES ARRAK:** Yes, during the summer I had several meetings with for example our new rector, Arno Almann, and they thought EBS should launch a new thinktank with me. I have published several articles over the years, so we thought we should be doing the same, but with more people. When we decided to open a centre, we started to look for a name. My suggestions had more to do with “vision”, “future” and the rest. However, there are several “vision centres” and “future institutes”, so the rector suggested something with “freedom”. We started to like it – and it became “free economic thought”. It is my very strong belief that there are no true visionaries in Estonia. There have been only two – Lennart Meri, deceased, and Mart Laar, who is no longer active. There are none who speak towards Estonians in clear Estonian, telling what things are really about! We do have several smart people in the academia, but they are too busy writing articles to be re-elected professors and often cannot afford to state

certain things. They are funded by the government and some ideas can cost them their grants... That is why we launched the centre here – EBS is a private university, we are not funded by anyone and since we are independent, we are free to say what we like.

**SS:** It is also clear that several free thinkers don't find the platform or vessel for their thoughts in front of a larger audience, because the ideas are... uncomfortable.

**AA:** Exactly, not to mention that very often, people tend to slay the messenger. Fortunately, I am independent and I don't belong to any political organizations or parties, so I can say what I want. Despite being sometimes associated with Reform or IRL, people have said that liberalism is a personality trait of mine. At first I was hurt, but then I realized – it is the best thing ever! I cannot change it, I cannot change my genetic code. It cannot be sold, because it is not a belief. It is a part of me, so really, honestly can say what I think – to any party! On any subject! Look at the idea of free education. It is immoral, even unethical, to teach some of the majors for free. Like doctors – may they have a high tuition fee, which will be funded by student loans during

*We'll have an inner circle consisting of intelligent people with good reputations. Since we don't really have visionaries in Estonia, we'll give a platform to these people*



studying. But with every year you have worked in a hospital, a part will be refunded! And if you decide to leave medicine or Estonia –

**SS: You are going to have to pay back the full tuition! Exactly!**

**AA:** Not to mention that hospitals could „buy out“ doctors. I mean, you can buy football players, why cannot hospitals buy good doctors?

**SS: Absolutely. But that is the problem – in our society, “freedom” is not really that “free”. The only people who enjoy real freedom, are those, who are truly independent. However, all of those who are funded by someone else... The current strike is a good example: private doctors are not on strike, communicating the more unpopular message of reputation dents for all doctors.**

**AA:** Not to mention, already the first-year medicine students are studying to speak Finnish. This is against all economic logic.

**SS: Precisely, and this is what I meant by the “unpopular message”. What kind of a politician could come on stage and say, “study hard, work hard, pay taxes”? It is a lot easier – and more popular, to be vague and giving.**

**AA:** Exactly. It is the same thing with free education. It was such a popular election slogan, but a rather criminal approach to the education system.

**SS: Agreed, I also wrote about it a while ago, claiming that we are essentially creating academic waste with this.**

**AA:** I have talked to some politicians about these things as well, but there is where we hit the wall. There are just some thoughts that are left beside. I mean, I am not the only smart person in Estonia. I read several others, like Raivo Vare or Janek Mäggi. So now the idea of our new centre is to gather all those people and provide them with a neutral space, where they can express their ideas freely. We are definitely not going to work on a very clear structural basis or provide the survival formula same time next year, no. We just want to keep up the discussion!

**SS: The thing I’m concerned with is – bearing in mind that I’m in the far end of the scale, believing in ultimate freedom and personal independence – that when something like that is created, then restrictions come by default. You belong under an institution – restrictions apply. You draw together some people – their reputations and roles apply other restrictions, and so on. The more structure something, the less there is freedom.**

**AA:** No, we are not sure yet on how we will operate, but the idea is to be a small academic cloud without a very strict structure. We will engage people who really want to come, plus we will have an inner circle consisting of intelligent people with good reputations. Since we don’t really have visionaries in Estonia, we’ll give a platform to these people. Because political parties can’t do it.

**SS: Exactly, that’s what I am saying – at a certain point, they gained too much structure, and due to that became careful of what to say and think. You have your reputation, you have your colleagues, your friends, partners... Isn’t that a risk with the new thinktank?**

**AA:** I don’t think so. I believe there is enough of the Andres Arrak spirit here, giving the reputation of freedom and independence. I just started it and let’s see where the road takes us – after all, there is no end to this. We want to keep up the discussion!

*Coming soon*

# Q & A

**B**usiness Spirit is glad to announce that we are starting with a new feature page called Q&A. We realize that students might sometimes have questions they don't know where to direct; we realize that sometimes, there is just this tiny thing you want to know and it seems weird to bug someone... Well, we are going to do this for you. Whichever question you have on whichever subject related to EBS, send your question to us at [siret.schutting@ebs.ee](mailto:siret.schutting@ebs.ee) or pop it into the student mailbox, addressed to "Q&A". We will make sure that your question reaches the exact right person and will be replied and printed in the next issue.

**SEND YOUR QUESTIONS TO**  
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