

IC Report for 24SevenOffice

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1. Introduction

This is our first IC report. We will in this report try to give our stakeholders a better insight in our company than the financial report can give alone. Since most of our assets are intangible assets, we feel this is our most important report. Our business sector develops new products and product features in a very fast pace. Our ability to innovate is our most important competitive advantage. In this report we will try to give a good overview over our IC who makes this innovation possible.

The web-based ERP sector is growing rapidly and we need to cope with this growth. That means many new employees in the nearest future. This report will give us the possibility to measure the growth in IC in our company as well.

2. A historical overview

24SevenOffice is a Norwegian product developed by 24SevenOffice AS in Norway. 24SevenOffice AS was formally established in 1997. The period from 1996 to 2002 was used mainly for product development, and in the early 2002 the product was ready for an official launch.

24SevenOffice has developed an award-winning web-based financials and administration system. The system has all necessary modules to run a business efficiently on a daily basis and is accessible through a normal web-browser anywhere at anytime. 24SevenOffice requires no up-front capital investment and gives you a fixed low monthly IT cost.

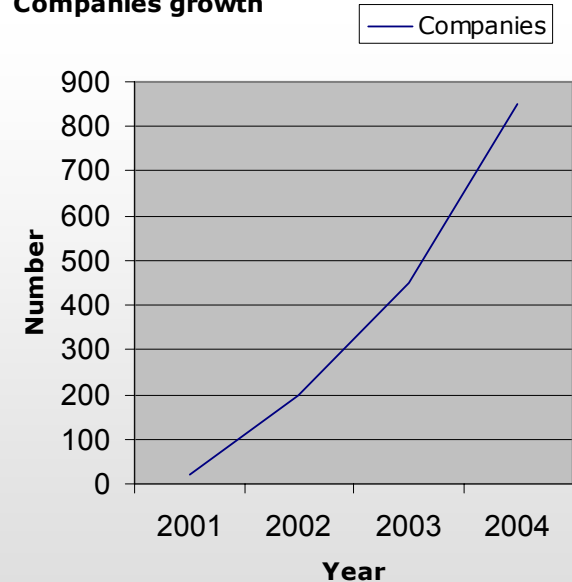
In 2003 24SevenOffice was established in the UK and the system is now fully adapted and ready for the UK market.

The system has been thoroughly tested over the last couple of years and now reference customers have been established. In Sweden 24SevenOffice bought the leading web-based accounting and invoicing system in January 2005.

The takeover means that 24SevenOffice now has more than 300 customers in Sweden. In Norway the internationalisation and growth has been prepared and the Norwegian brand *Kontorplassen.no* was changed to 24SevenOffice in February 2005.

Today we have nearly 900 customers (companies) altogether in Norway, Sweden and the UK. See chart for illustration of the growth.

Companies growth



3. The Mission, vision and goals

The core purpose

We will make it easier and more cost effective to run and manage all SMB's.

The vision

24SevenOffice will be the world's leading supplier of internet business systems

The core values

24SevenOffice strive to foster a responsive, diverse organization that is highly-motivated, team-oriented and dedicated to innovative solutions and open communication. Our core values are at the heart of the positive reputation we continue to build wherever we operate:

- We are driven by customers;
- We recognize the importance of our people;
- We operate with integrity;
- We strive for excellence through innovation;
- We deliver on promises.



4. The strategic value management

4.1 Employees

Core values

1. We recognise the importance of our people
2. We strive for excellence through innovation

24SevenOffice's ability to develop high quality internet business systems is mainly based on the knowledge and skills of our employees. We therefore put a strong emphasis on attracting, developing and retaining the best software engineers and sales people in the market. We must provide a stimulating and challenging workplace with active investment in professional and personal development of our employees.

Structure

Staff number remained the same as last year. Of the 17 employees 14 are software engineers, whereas 1 works in sales and 2 in general office administration.

We have high focus on education and mainly recruits graduates with at least a Bachelor degree. We also strive to get top students from University and several of our Master degree employees have won awards as student of the year, best in class, etc.

Recruitment

To get access to university graduates and recruit the best students we have a close relationship with universities and university colleges. Recruitment efforts include visits at the universities, students writing thesis papers and us working closely with research councils at the universities.

Innovation

Innovation is a key value and we have close relationships with research councils at several universities in Norway and the UK.

This gives us access to up-to-date research and also to take part in new research. Innovation is also achieved through the working methods where project and team work is widely used. We also rely heavily on sister companies' expertise in cross-company team work.

Management and leadership

The organisational structure is flat and we strive for high employee involvement. All decisions are taken at the lowest possible level.

4. The strategic value management

4.2 Infrastructure

Key goals:

1. Have access to modern office facilities in strategic places
2. Facilitate innovation and networking

Bricks and mortar

We have four office locations, all equipped with open plan workstations to allow for maximum interaction among employees. One location is fully owned by the company, one is rented in Oslo Innovation Centre and the last is a virtual office provider in London and the last is in a Science Park outside London. We also allow for flexible working solutions for our employees by letting them have a home office.

Knowledge management

All knowledge capital are retained in our knowledge management database for future use and training. We are also using an intranet for fast deployment of company news and information, as well as locating and retrieving information in the knowledge database.

Strategic locations

The company headquarter is 100% owned by the company and are located in the outskirts of Oslo, however close to an international airport. This allows for cheaper labour and rent than in the city centre. The Norwegian sales office is located in the Oslo Innovation Centre which gives us access to an innovative environment and great networking opportunities, as well as close access to customers.

In the UK our headquarter is in the Surrey Research Park outside London which gives us access to an innovative environment and great networking possibilities. It also gives us access to the University of Surrey and the research capabilities they have, as well as recruit the best students. We also have a virtual office in one of London's best office providers in the heart of the city centre which gives us a very central location to meet customers, as well as access to a large network.

4. The strategic value management

4.3 Customers

Key values:

1. We are customer driven
2. We operate with integrity
3. We deliver as promised

24SevenOffice is a product for the mass market and is sold directly to customers from our own sales force and value added resellers. As of April 2005 we have a total of 886 customers in Norway, Sweden and the UK.

Customer structure

Our customers range from one man companies to companies with up to 55 employees and are mainly in Norway and Sweden. However, in the UK the local adoptions have been finalized and currently 18 customers are using the system in the UK.

The customers are not in any particular industry, but can be identified as being young, dynamic, innovative and looking for new and better ways to structure the business.

Customer relationships

Traditionally we have worked very closely with our customers and respond to their needs in order to build the world leading web-based ERP system. We take all feedback from customers seriously and have an own feedback form within the system in which customers can send questions directly into our customer service department where it is handled in the customer service system.

Customer support

Customer support is divided into two; email support and phone support.

Email support is included for all customers and phone support is subject to a support agreement. We aim to answer phone support in as short time as possible and email within the next working day. All customer service enquiries are recorded in the customer service system.

Customer deliveries

We appreciate that our customers are the most important in everything we do and strive to always deliver as promised whether it being through customer services or sales. Our customers should feel that they are taken care of in a professional manner and that they receive the product or service in accordance with their expectations and our promise.

4. The strategic value management

4.4 External Relationships

Key values:

1. We operate with integrity
2. We aim to keep loyal partnerships

24SevenOffice is actively working on external relationships with several key organisations, companies, persons and public entities. All external relationships are important to us and we strive to build and maintain the relationships based on integrity, trust and loyalty.

Relationship structure

Important relationships include Innovation Norway in Telemark, Norway where the head office is located and in London where the UK operations is headed from. We have also built strong relationships with universities and university colleges throughout Norway and with the University of Surrey in the UK. These public relationships are very important in order to get access to research support and recruit employees. We have also built a strong relationship with media and key press in order to continuously get coverage and increase the awareness of 24SevenOffice.

Sales partners

One way of distributing 24SevenOffice is through partners and value added resellers. These sales partnerships are constantly being built and maintained and are important sales channels.



5. A table of common and specific indicators

Putting IC into Practice				
Human Capital				
Category	Indicators	Measurements	Nr	Unit
Employees	No of employees	No of employees on payroll at the end of the year (- on leave)	17	Employees
	Age distribution	Average age / no employees	30	Years
		Average no of years in service/ No of employees	4	Years
	Education	University	7	
		Masters/ PhD	7	
Certified knowledge		2		
Gender	No of female/ no male	17	Males	
Staff turnover and recruiting	Staff turnover	Staff parted/ No. Employees	3	%
	Recruiting	Recruitment costs (training)	100 000	Kroner
		no of applicants for positions (web?)	45	applicants
Skills and competence	Sharing of knowledge	% of employees who share knowledge for maximum value creation	80	%
		% of employees that find their knowledge appreciated and useful on the job	100	%
Employee satisfaction and attitude	Job satisfaction	Employee satisfaction index Average	8,7	out of ten
		Absent days per employee	1,3	out of ten
	Common identity and team spirit	Atmosphere from survey	8,8	out of ten
	Service attitude	Attitude (Survey)	9	out of ten
	Pioneering and innovation	Is the company encouraging and open to innovation?	9,5	out of ten
		How are new ideas met?	9,2	out of ten
	Motivation	% of employees that hold shares in the company	85	%
Empowerment and innovativeness	Attitude, support and encouragement	9,5	out of ten	
Employee attitude	Executive visibility	9,2	out of ten	

5. A table of common and specific indicators

Structural Capital			
Indicators	Measurements	Nr	Unit
*Information captivation/distribution	Intranet /groupware	Yes	
	Document management,	Yes	
	Human resources management	Yes	
	Customer relations management	Yes	
* How well do IT systems support core operations	Indications of better service needed to customers	Yes	
	Financial indicators available?	Yes	
	Paydays? Credittime	14	
Call centre / online service	Exisiting Yes/No	Yes	
	Goal review in accordance with set goals and customer satisfaction	Yes	
R&D costs	R&D cost / turnover	30	%
	Total time / years per employee in RD	0,6	years per employee
Innovartion process	Customer involvement	Yes	
	Response process to new ideas	Yes	
Physical conditions	Mobile conditions	Yes	
	No of employees satisfied with IT resources	17	
Workforms	Flexible working hours	Yes	
	Flexible and mobile working conditions	Yes	
	Clear areas of responsibility	Yes	

5. A table of common and specifik indicators

Relational Capital				
<i>Category</i>	<i>Indicators</i>	<i>Measurements</i>	<i>Nr</i>	<i>Unit</i>
Market and Image	Customers turnover/loyalty	New customers/ total customers	30	%
		% of income generated by new customers	40	%
		Lost of customers /total No of costumers	3	%
		Average no of years	2	Years
	Customer groups	Public/private/ sector	100	% Private
	Customer satisfaction	% of satisfied customers	98	%
	Brands and IPRs	No of brands...	3	
	Benchmarking to competitors	Customer survey: Are products and services better as good or worse than that of the competitors	87	% Better
	Trust and integrity	Customer survey: Is the company honest in its business with you?	98	%
	Cooperation	% of products with customer involvement.	64	%
Visibility of expertise	Website	Web site visits/	22000	Pr month
		Serach engine visibility	Good	
	Public appearances	Press quotations to the companies work	23	This year
		Awards	3	This year
Networks	Customers	Customers/ sales people (CRM)	300	pr sales people
		Partner networks	2	Networks
	Business network	Distribution channels	3	Channels
		No of partners selling company services	2	Partners

6. Auditors signature

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