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1 Value Creation by Values

Mermit Business Applications Oy (MBA) is growing faster than market and entering new markets where talent and quality of services is defacto. This has only been possible because MBA's foundation and management values have based on core values like knowledge and human intelligence. The core values can be summarised today's as following:

- honesty and "best of breed" professionalism
- empowerment of skills and knowledge
- networking and stakeholder relationships
- respect for life and personality
- social responsibly
- reliable and long time partner

"Clever people solve problems, wise people avoid them." Einstein

1.1 Mermit Business Applications as a company

MBA is an innovative Finnish software engineering consultancy providing software development and engineering services. We offer enterprise solutions and B2B & B2C applications. Along with the software business we provide high-class information technology integration projects and outsourcing services. Over the past half a decade we have established solid track record in the application and integration of business solutions and have always operated on the forefront of new technologies in global markets. We have an earned reputation of high quality products and customer satisfaction in large horizontal enterprise application projects.

MBA's office is located in the heart of hi-tech in Espoo, Finland. Certified experts constantly seek ways to gain from the newest technology on the market. MBA's expertise include the specification, design, development, implementation and testing of customer-specific software applications as well as consultancy and mentoring of processes, methods and audits used in software projects.

MBA's operating directors, management and staff wholly own company. MBA is free from external obligations to choose any optimal solutions to meet our customer ever changing requirements.

MBA is always fully committed to the project on hand – we are always on the customer's side, truly trying to help them to reach their goals. We are not tight to specific service or technology solutions; instead we always search for the most appropriate, cost-efficient and most suitable solution in the long run according to customer needs.

The high lights of MBA's core competence include:

- Project management
- J2EE architecture planning
- J2EE environment development services

- Evaluation and successful implementation of complex IT solutions
- Information system planning and development services
- Outsourced software development services
- Integration services (EAI)

1.2 History of intellectual capital (IC) reporting

MBA has been managed from technology and engineering perceptive rather than from strategic value creation perceptive. The PIP process will help MBA to reformulate its organisational structure, management competences and strategic stakeholder values. The biggest obstacle for MBA today is its executives capability to develop and expand MBA from business and shareholders point of view.

“Change is obvious if the existence is in question. Move and adapt, don't lie in the fire, move and adapt.” MH, CEO

1.3 Causality with other IC related projects

MBA is in ISO 9001:2000 and SPICE qualification process. The ISO/TQM-project internally called the SEMS-project has been running for past two years as co-operation project with the Helsinki University of Technology HUT. The main objective of the project has been to define software process and metrics for MBA operations interactive operation model.

MBA started late 2003 a CMMS maturity measurement project. This project was renamed and reorganized during 2004 after several iterations, which led to project based on the SPICE maturity model.

Two years ago MBA made strategic decision to become leading certified ICT-company in Finland. The first phase has been completed and the planning of the second phase should be completed by mid 2005.

1.4 Board and management message

MBA is the leading knowledge and intellectual capital company in the system integration market today and in the future. Since 1999 our message to customers and stakeholders has been “best of breed”, “quality” and “mature processes”. Today company's wealth is only partly measured and reported by the financial figure's therefore the reporting of intangible assets like human, relational and structural capital is as important specially in “knowledge” intensive services industry.

MBA will take very available effort to become “number one” professional organization by investing in three main development areas:

- Stakeholder value creation
- Stakeholder network management
- Total quality management

1.5 Mission and vision

MBA's mission is to become number one privately owned “open IT-services and -architectures” company in the region. This can become possible through our vision:

“Best of the best – knowledge, engineering, professionalism and innovativeness through best values, people and processes.” MH, CEO

1.6 Goals

MBA’ main goal is value creation for stakeholders assets in the long term by:

- Profitability target set to EBITA 5%
- Maintain over 30% revenue growth
- Long term support and development revenue 30% of total
- Develop and introduce new business models and concepts
- Gain significant market position and brand that support creditability and recruitment process

2 Dimensions of Strategic Values Creation

The selected dimensions are based on the generally agreed common few key areas.

2.1 Strategic dimensions

2.1.1 Human Capital

Skills / Knowledge

We value small things like honesty, openness and good documentation. We also strongly believe pragmatic over science and reuse over reinventing thins. Our aim is to solve the variable problems of businesses and especially those of software as smooth and easily as possible. We vary not to fall into the jungle of hype terminology, but to approach the questions in a professional and engineering manner bearing in mind the technological premises and business realities. To allow our customer to have complete faith in the success of the project delivered on time, scope and budget as planned, we give all our projects a quality guarantee.

	1999	2000	2001	2002	2003	2004
PhD	0 %	0 %	0 %	8 %	7 %	12 %
M.Sc	0 %	0 %	6 %	6 %	47 %	65 %
B.Sc	35 %	53 %	59 %	71 %	41 %	35 %
Other	0 %	0 %	0 %	0 %	0 %	0 %

	2000	2001	2002	2003	2004
Rookie rate	33 %	18 %	15 %	13 %	12 %

	2000	2001	2002	2003	2004
Staff growth	50 %	22 %	18 %	15 %	13 %

Staff satisfaction

	1999	2000	2001	2002	2003	2004
Staff satisfaction	4,7	4,6	4,5	4,5	4,7	4,7

Short narrative will be attached in next version.

Executive competence

Short narrative will be attached in next version.

2.1.2 Structural Capital

Quality management / Working conditions

Managing risks and also bearing them is an integral part of MBA's software process. As an assurance of this we give all our projects a quality guarantee. This guides us to work in for the best interest of the customer so that all the projects complete in scope, schedule and budget. In MBA, we have only competent professionals, who have acquired their skills from international projects. Our team has successfully lead through the planning and managing of the projects along with large international consultancy houses as well as with local specialized professionals.

MBA is in ISO 9001:2000 and SPICE qualification process. The ISO/TQM-project internally called the SEMS-project has been running for past two years as co-operation project with the Helsinki University of Technology HUT. The main objective of the project has been to define software process and metrics for MBA operations interactive operation model.

Two years ago MBA made strategic decision to become leading certified ICT-company in the Finland. The first phase has been completed and the planning of the second phase should be completed by mid 2005.

MBA's office premises are very modern. The working conditions have been audited by Finnish Institute of Occupational Health organisation. MBA's occupational health services provider XX private hospital.

Process capability / Innovation

MBA started late 2003 a CMMS maturity measurement project. This project was renamed and reorganized during 2004 after several iterations, which lead to project based on the SPICE maturity model with leading finnish SPICE auditor.

The inception of ICT- project requires a skilful project managers and software architects that, with their competencies and experience, can guide and support the customers decision makers in setting the project on the right track. All the business requirement can be fulfilled when professionals utilize and follow tried and tested software processes and methods. In MBA, we pride our self in being able to follow RUP software development process and efficiently solve the problems and challenges set by both swiftly business and rapidly changing technology when developing new solutions and enhancing existing ones.

Corporate governance (CG)

MBA's governance model has been defined in the corporate policy, which provides guidelines and practices for different layers of corporate governance. The corporate policy can be summarised as following.

- management according to finish legislation
- open, frequent and reliable communication of activities and business conditions
- clear division of responsibilities for board and management
- importance in avoiding conflicts of interest between shareholders, board and management
- open frequent audits by financial auditors

Boards task in to defines high level strategic value creation goals for management, protect interests of shareholders, decides on strategic topics like investment and provides vital relationship networks for MBA's growth.

Executive management meets one or twice a month with official agenda to agree on targets and milestones, operational investments, review of financial performance and reviews status and progress on all business related activities.

Internal control has been organised by different routines and guidelines, which defines practices like cross role reviews and management approval process. The accounting has been outsourced to qualified and reliable party capable of providing monthly reports and analysis on financial performance. The MBA financial auditor is large approved finance auditor society.

The MBA financial auditor is large approved finance auditor society.

2.1.3 Relational Capital

Relationship networks management

MBA's customer vary from tiny start-up companies to large global organizations, thus all our solution are tailored to meet the unique needs of the customer. Our activities and vision are based on honest and genuine desire to help our customers to reach their goals. MBA with its professionals will work together with the customer to successfully implement any project from a single application to long-running venture or out-sourced product development.

Image / Brand / Market position (IBM)

Short narrative will be attached in next version.

Customer satisfaction

Short narrative will be attached in next version.

3 Summary

Summary will be attached in next version.