

**TRAINERS'**  
ANNUAL REPORT 2014  
**HOUSE**



# TRAINERS' HOUSE

||||| ANNUAL REPORT **2014**

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**STRENGTH,  
MOMENTUM AND TOOLS FOR  
CHANGE  
EXECUTION**

# CHANGE MANAGEMENT COMPANY AT YOUR SERVICE

*Implementing a competitive advantage strategy is rarely effortless. Our task is to help our clients implement their strategy in practice.*

*The measure of a successful change is verifiable results. Results come from people's everyday actions. A good corporate culture supports the right activities everyday.*

*We support our clients in creating results through people. Our clients appreciate the expertise and customer-centred approach of our staff, our practical and quick way of working, as well as our well-functioning tools and methods.*

## **TRAINERS' HOUSE**

The story of Trainers' House began in 1990 and at the end of 2014, the company had 87 employees. The company is based in Espoo.

In 2014, Trainers' House's net sales totalled EUR 8.0 million, and the operating profit before non-recurring items and depreciations resulting from the allocation of acquisition costs amounted to EUR -1.0 million, or -12.8% of net sales. The operating profit after these items was EUR -6.1 million or -76.5% of net sales.

## **LONG-TERM GOALS**

The company's long-term objective is profitable growth.

## **DIVIDEND PROPOSAL**

The Board of Directors proposes that no dividends be paid for the financial year 2014.

## **SHARE INFORMATION**

The shares of Trainers' House are listed on NASDAQ OMX Helsinki Ltd under the symbol TRH1V in the technological sector.

In the operating year 2014, a total of 18.1 million shares, or 26.7% of the average number of all company shares (21.4 million shares, or 31.5%), were traded on the Helsinki Stock Exchange, for a value of EUR 0.8 million (EUR 1.5 million). The period's highest share quotation was EUR 0.08 (EUR 0.11), the lowest EUR 0.02 (EUR 0.05) and the closing price EUR 0.02 (EUR 0.07). The weighted average price was EUR 0.04 (EUR 0.07). At the closing price on 31 December 2014, the company's market capitalization was EUR 1.4 million (EUR 4.8 million).

# CEO'S REVIEW

## *“Making a virtue out of necessity”*

*Behind the word 'heal' is the word 'healthy'.*

*References to the origins of the word - to make healthy, heal and bring onto a healthy foundation - are fitting. Health is having a high functional capacity.*

Trainers' House filed for corporate restructuring last December. At the moment, the process is in the procedural phase, which is aimed at preparing and confirming the restructuring programme. Our daily customer work continues as usual.

The reason for the corporate restructuring application were fixed costs that were too high in relation to the net sales. A significant proportion of these comes from our premises and our heavy financing structure. We concluded a long lease agreement concerning the premises in 2008, when our net sales, after the merger with Satama Interactive, were five times the 2014 level. Long-term financing agreements were associated with this arrangement which, together with the obligations relating to the premises, turned our operative profit for 2014 clearly negative.

It is our goal that with the corporate restructuring programme, our finances and our cash flow will quickly recover. The objective of the recovery process is that future financial obligations are decreased to correspond to the current scope and capacity of our business operations. At the same time, we will bring operational expenses to a level that provides the preconditions for continuously profitable business operations.

Everything is focused on us being fit, particularly at the time when budding signs of improvement can be seen in the general economic situation. Companies have pent-up needs for implementing changes. Customers want verifiable results: better business and enthusiastic people. Often during a change, the most significant and difficult decisions management has to make are connected with people.

We at Trainers' House will continue with the development work on our change methods that increase effectiveness, as well as on seeking new earnings models.

The important thing is that we build a strong cash flow. It is also important that we as a company learn from our mistakes and our own change process. Necessity must be made into a virtue. Simplified, this means more work adding customer value at critical points and at the same time, eliminating secondary activities.

Our customers' attitudes have been pleasingly encouraging, because the content and quality of the work we perform is good. We will continue our work in close cooperation with our customers.

Thank you, our valued customers! Thank you for your confidence in us. Thank you to our loyal colleagues, who continuously create astonishing results in circumstances that are not always so easy.

**Arto Heimonen**

” *Companies have a pent-up need to implement changes.*



# OUR VALUE BASE

*To us, values are daily choices. We do not want our values to be just talk – they must be our way of working. Our values help us make our own strategy a reality. Our strong and distinct culture is at the core of our work community.*

## VALUES GUIDE OUR EVERYDAY LIVES

**PEOPLE** are our most important value. We work with the client companies people, and their needs drive our work.

**COURAGE** means that we do what needs to be done to promote the client's success. We do not shy away from dealing with difficult issues.

We believe that we need to be **FAST** in everything we do. However, rushing around is not smart. We work efficiently but also with great care. Postponed action is detrimental to results.

**GROWTH** is our goal. We challenge ourselves and our clients to excel as human beings, professionals and businesses.

**RESULTS** matter. Measurable results give our clients the reason to continue their partnership with us. Results give us a reason to continue our work.

## OUR FOCUS AREAS

We are known for our client-centric approach. The client is the key driver for every member of our staff. We want to make our client-centric approach legendary.

Cooperation always starts with identifying our client's reality, not from an idealistic best case scenario, or our own reality. **We want to set realistic and attainable goals.**

**We build a better shared inspiring story for the client**, which both the client's personnel and customers can relate to. We do not believe in preaching, but use methods that engage and empower the people.

**A better story becomes real** in human encounters – **in moments of truth**. We help the client bring about better encounters.

We support learning based on feedback from authentic situations and the guiding of daily activities, implemented jointly on the basis of feedback. **Our change management tools provide solid results.** They encourage people to do the right things to ensure their own and the company's success.

# VISION

*We want to be a world-class change management company. We employ the finest experts in the field, provide unique tools and methods and have a driving passion for guiding our clients successfully through their change management processes.*

# MISSION

*Our mission is to help people grow by strengthening our clients' everyday leadership. Leadership is the necessary driver. With stronger leadership, organizations are well equipped to grow and develop. Our success is measured by enthusiastic employees and measurable results at the client organization.*

# STRATEGY

*Our first strategic goal is to be a strong domestic player. This is measured by cash flow and verifiable client results. Our second strategic goal runs parallel with the first: the creation of concepts, ecosystems and new earnings models that ensure future business growth. Change Management Systems, such as the new Pulssi (Pulse), are the most important investments in this area. Our third strategic goal is increasingly international operations with and through our client organizations.*

WE CONNECT STRATEGY TO EVERYDAY LIFE

**MAKING THE MOST**

**IMPORTANT  
ACTIONS HAPPEN**

# OUR SERVICES

## FOR IMPLEMENTING CHANGE

*Our implementation methodology has been tested in the everyday lives of thousands of people and in hundreds of different companies.*

*The transformation of working life, which is causing employees' expectations of the working community to change, has inspired us to build digital and game-like systems and applications that support everyday activities.*

*Our method of implementing changes for our clients makes it possible to carry out different sizes of assignments, from change support for a global giant to supporting the management of a small company through personal training. Ultimately, change is always brought about by a person and his/her everyday actions.*

### **FOR COMPANIES**

*Sales and sales staff management*

*Improved leadership*

*Service concept creation*

*Strategy clarification and implementation*

*Value-based management*

*Operational efficiency*

*Well-being at work*

### **CUSTOMER ACQUISITION**

*Scheduling appointments*

*In-depth interviews and studies*

*Customer events and exhibitions*

### **PERSONAL GROWTH**

*Leadership Path*

*Professional's Path*

*Sales Management Training*

*Sales Training*

*Line Manager's Path*

*Presentation Skills*

# OUR WAY OF WORK

*Change execution that brings results requires that our work is linked to our client's strategic objectives.*

*A good change story supports the implementation of strategy. A good story explains the reason for the change, inspires both employees and customers and shows the direction.*

## **CHANGING WORKING LIFE REQUIRES NEW METHODS**

In today's increasingly digitalised and automated working life, **the old method of change by command no longer works**. We know that successful change support is transparent, target-oriented and measurable in real time.

In the modern world, **personnel are part of the change**, no longer just an object of change. When a change is communal and transparent, it is easier for employees to join it.

Work without targets alienates employees and destroys job satisfaction. The targets of an individual must be closely linked to the work community's strategy. Then, change becomes an acceptable part of daily work.

Fast-changing working life has created a need for the entire personnel to see **work results in real time**. The impact of an individual's performance on results and immediate feedback about its significance have become increasingly important for committing to change.

## **OUR CHANGE MANAGEMENT METHODOLOGY**

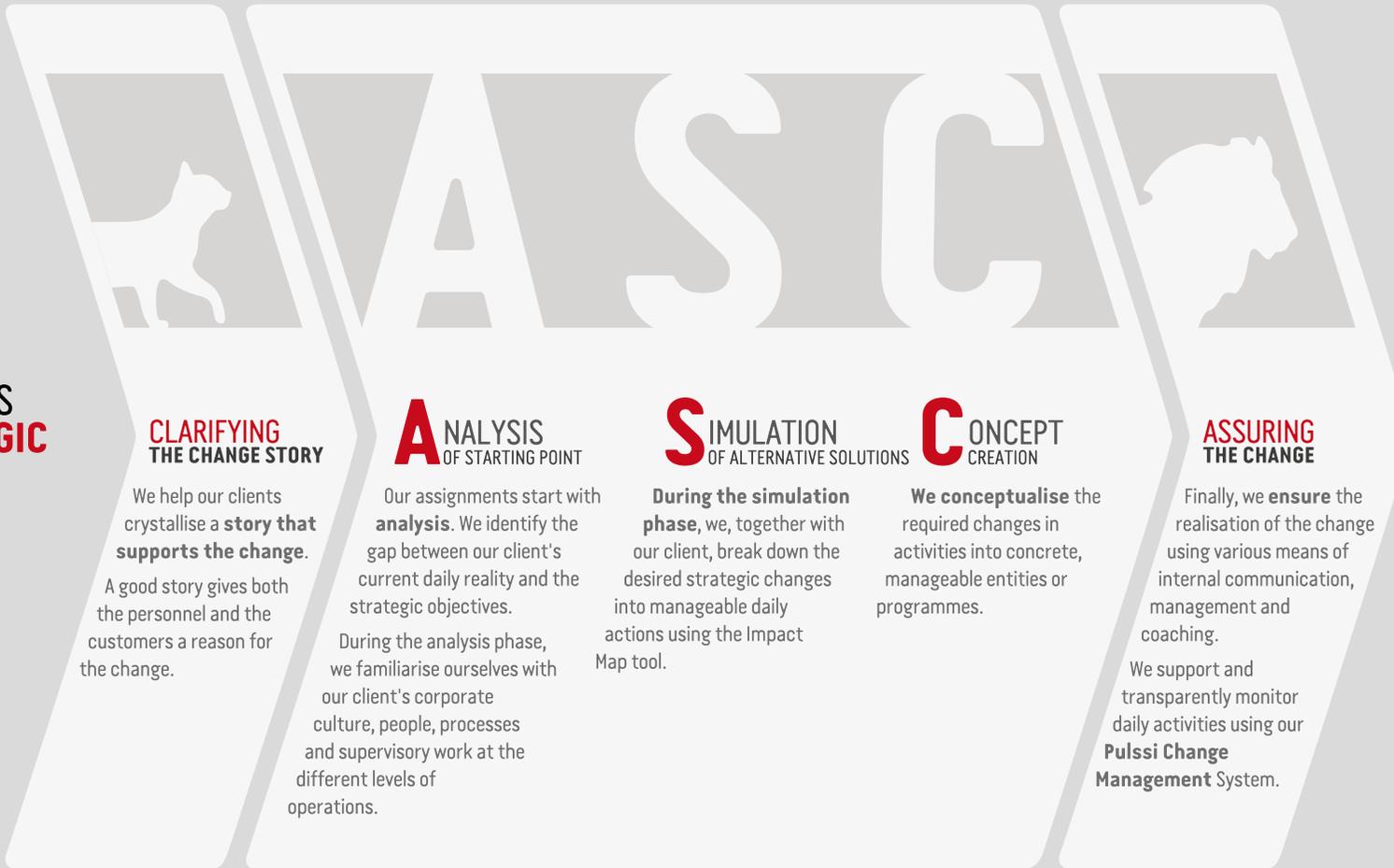
We ensure the realisation of the desired change for our clients by **analysing our clients' current situation, by simulating the required change in activities, by conceptualising the change into a concrete programme and by supporting daily management**.

Our assignments start with **analysis**. We identify the gap between our client's current daily reality and the strategic objectives. During the analysis phase, we familiarise ourselves with our client's corporate culture, people, processes and supervisory work at the different levels of operations.

During the **simulation** phase, we, together with our client, break down the desired strategic changes into manageable daily actions using the Impact Map tool.

We **conceptualise** the required changes in activities into concrete, manageable entities or programmes.

Finally, we ensure the realisation of the change using **various means of internal communication, management and coaching**. We support and transparently monitor daily activities using our Pulssi Change Management System.



**CLIENT'S  
STRATEGIC  
GOALS**

**CLARIFYING  
THE CHANGE STORY**

We help our clients crystallise a **story that supports the change**.

A good story gives both the personnel and the customers a reason for the change.

**A** ANALYSIS  
OF STARTING POINT

Our assignments start with **analysis**. We identify the gap between our client's current daily reality and the strategic objectives.

During the analysis phase, we familiarise ourselves with our client's corporate culture, people, processes and supervisory work at the different levels of operations.

**S** IMULATION  
OF ALTERNATIVE SOLUTIONS

**During the simulation phase**, we, together with our client, break down the desired strategic changes into manageable daily actions using the Impact Map tool.

**C** ONCEPT  
CREATION

**We conceptualise** the required changes in activities into concrete, manageable entities or programmes.

**ASSURING  
THE CHANGE**

Finally, we **ensure** the realisation of the change using various means of internal communication, management and coaching.

We support and transparently monitor daily activities using our **Pulssi Change Management System**.

**ENTHUSIASTIC  
EMPLOYEES  
&  
MEASURABLE  
RESULTS**

**OUR TYPICAL  
ASSIGNMENTS**

**SALES**  
Sales and sales staff management, sales organizations

**LEADERSHIP**  
Performance management, feedback and reflection, working ability

**SERVICE DESIGN**  
Clarifying the customer's journey, more effective encounters

**STRATEGY IMPLEMENTATION**  
Personnel involvement, clarifying the story, change management

**VALUE-BASED MANAGEMENT**  
Change in leadership culture, corporate culture and strategy implementation

**PRODUCTION**  
Improving efficiency, quality management

**EMPLOYEE WELL-BEING AND PRODUCTIVITY**  
Working atmosphere, employee productivity, physical well-being

# IMPACT MAP

## FOR CHANGE IN ACTIONS

*We begin our projects with an in-depth investigation of the customer's current situation and objectives using our Impact Map tool. Impact Map enables us to analyse the business goals, turning them into operational goals and further into measurable daily actions that are repeated regularly. We monitor the realisation of these tasks using our Pulssi Change Management System.*

### FROM TARGETS TO ACTIONS

Whatever the scope of the change, it starts with **small, everyday actions**. To be able to manage these actions, the organisation needs to identify and analyse them. Trainers' House uses the Impact Map tool to do this.

Impact Map builds on the company's chosen strategy and current situation.

The map depicts strategic goals as concrete **business goals**, which are translated and prioritised into operative indicators at the unit level.

These operative indicators are the basis for specifying recurring **actions for people**, so that everyone can easily see the relationship between the organisation's goals and the desired actions.

We monitor these recurring everyday activities using our **Pulssi Change Management System**. A change in activities has an impact on the operative indicators and on the realisation of both **business objectives** and the desired **strategy**. Thus, we are able to implement strategy in everyday activities.

### OUR INSPIRED CUSTOMERS

*"In Impact Maps, it is easy to view the goals and indicators we have set together. We are able to see clearly what we need to do on a weekly basis to achieve our goals. Progress of the agreed matters was monitored using the Pulssi Change Management System."*

Marko Fonsén, Kotipizza

*"Extensive mapping work is the key to work progressing smoothly, and the cooperation has grown on the way."*

Pekka Helin, Suomen Nestlé Oy

**CHOSEN STRATEGY**

**FINANCIAL GOALS**

*Strategic financial goals*

Two empty white rounded rectangular boxes for entering financial goals.

**OPERATIONAL KPIs**

*Business Unit's operational goals*

Three empty white rounded rectangular boxes for entering operational KPIs.

**WEEKLY CRITICAL ACTIONS**

*Actions required for reaching operational goals*

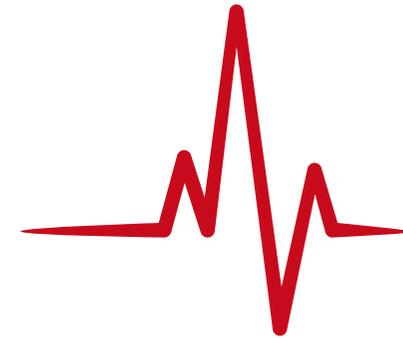
- ▶ *In daily work*
- ▶ *In management*

Three empty white rounded rectangular boxes for entering weekly critical actions.

**CULTURE**

# THE PULSSI

## CHANGE MANAGEMENT SYSTEM



*Miracles do not happen, they are made. We know that consistent work in a good working atmosphere achieves targets. The consistent daily activities required by change are supported by our Pulssi Change Management System.*

### TRANSPARENCY ACROSS BORDERS

Pulssi is an application to support change management. It concretises the activities required by the change and makes it possible for the whole work community to join in the change. It is a totally transparent, game-like and safe tool for assuring the change. Pulssi is established as a crucial part of our change support. Our client companies often have various borders between units or countries. Pulssi crosses over the various barriers and involves every user in a joint effort.

Operating on a weekly cycle, Pulssi reminds and stops the respondents in their daily work to consider which

measures they have taken this week to reach the agreed goal. Thus, the new direction remains incorporated in the daily work and turns into actions that bring results.

### MODERN CHANGE IS MOBILE

Change can easily get caught up in the fast pace of day-to-day work. With Pulssi, everyone can support the change in their work communities with their individual efforts.

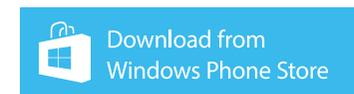
In 2014, we brought the latest version 4.0 of Pulssi into our clients' daily work. The response to our new version exceeded all our expectations. At the same time, we published the Pulssi mobile application for iOS, Windows and Android phones and by the end of the year, the utilisation rate of our mobile application was over 80% of our user base.

We will publish version 5.0 of Pulssi during 2015.

### OUR SATISFIED CUSTOMERS

*"The Pulssi Change Management System is a good way of keeping targets clear in our minds. By exchanging questions, we get the most important activities incorporated in our everyday work. Pulssi's mobile application is good because, at the end of the week, we can send our responses wherever we are. Simple enough and easy to use!"*

Katri Sipilä, Teosto



THE PULSSI APPLICATION IS AVAILABLE FOR IOS, WINDOWS AND ANDROID USER INTERFACES.

**DOWNLOAD YOURS NOW!**



# OUR CHANGE SUPPORT

## FOR COMPANIES

*We tailor every assignment on the basis of the client's needs and goals. In 2014, we helped hundreds of companies with their change management challenges. Our customers bought support from us for managing sales and salespeople as well as for service design, strategy clarification and enhancing the efficiency of production, among other things.*

Our customers praise us for our courageous people, our high quality background work and our effective change management tools, which help us to create verifiable customer results. In an increasing number of customer projects, we use **Impact Map** to define the objectives, the **ASC method** for conceptualising change, and the **Pulssi Change Management System** to engage the people.

### HOW OUR WORK PROGRESSES

After receiving an assignment from a customer, we put together the best team for the task, usually consisting of a **consultant**, a **customer manager** and an **account manager**. We engage key people from the customer's side to support the change. We interview the customer's representatives, their customers and prepare an analysis of the current situation in accordance with the **ASC method**. We **simulate** the best alternative solutions for the situation, which we discuss with the customer and together identify the critical daily activities that, when changed, will make the new direction a reality. As the cooperation progresses, we monitor these activities using our **Pulssi Change Management System**. We **conceptualise** the best practices and start implementation.

Our cooperation is supported by constant contact, steering group meetings, training sessions, consultancy and reporting. Often, we support sales and sales staff management using our **customer acquisition services**. Throughout the cooperation, we seek measurability and tangibility to support the change. Thus, both the customer and our trainer can see **successful customer results in addition to enthusiastic people**.

### OUR SATISFIED CUSTOMERS

*"We are very pleased with what we have achieved in the shops. The level of operations has improved and we have focused on the right things."*

Ralf Holmlund, Suomen Lähikauppa

*"We got exactly the results we wanted from the cooperation and our personnel appreciated the professional training they received. The trainers understood the special features of our business and were able to give us tips from other industries. I recommend Trainers' House for similar change projects, it could not have gone any better!"*

Lea Aarinen-Koski, Marimekko

## SALES AND SALES STAFF MANAGEMENT

Our clients want improved results. We support our clients' sales operations and organizations by enhancing their leadership skills as well as improving the calibre and drive of their sales staff. Sales must work as a unit, and sales staff as individuals. With regards to results, the motivation of the sales staff is critical. An enthusiastic salesperson sells well.

## SERVICE DESIGN

A growing number of clients wants to achieve a competitive advantage through service design. The aim is to provide added value to the customer by enhanced experience. The client's personnel and customers are heavily involved in the process. We establish a service concept that combines the organization's strengths with new actions to meet the customer's needs and provide solutions for them.

## IMPROVED LEADERSHIP

Our clients work with us to improve their leadership culture and methods. Good leadership is based on continuous feedback, reflection and a clear vision. By focusing on managing what is important, we can improve financial results, well-being at work and business processes.

## VALUE-BASED MANAGEMENT

We support leadership culture change at our client organizations in many ways. However, the corporate culture largely dictates what is achievable. When the values, attitudes and thinking support the strategy, the change will be quicker, better and more effective. A bad culture eats a good strategy for breakfast.

## OPERATIONAL EFFICIENCY

Most of our clients already know how to make their operations more effective. We help the organization to implement the change in practice, and to measure and maintain the new desired actions. It must be possible to measure the change from week one, not at the end of the quarter.

## STRATEGY CLARIFICATION AND IMPLEMENTATION

We work together with the client to crystallise their strategy and support their strategy implementation. Practical strategy implementation can be deemed successful only after everyday actions support the new direction. When the strategy is crystal clear and told as a story, it is easier for the personnel to commit to it.

## EMPLOYEE WELL-BEING

We help our client organizations manage well-being at work, maintain their employees' working ability and support their physical well-being. Our clients have measured our cooperation by metrics such as implementation of leadership practices, supervisors' performance feedback, decreased levels of sick leaves and associated costs, team productivity, increased employee satisfaction and improved employee fitness levels.

# OUR CHANGE SUPPORT

## FOR PERSONAL GROWTH

*Our mission is to help a person grow by strengthening everyday leadership. This is the foundation that we have built our personal Training Programmes on.*

*In 2014, we launched two new personal Training Programmes: the Line Manager's Path and Presentation Skills. Every year, we have the opportunity to witness several personal breakthroughs and great growth stories.*

We at Trainers' House believe in the hidden potential of each person and in his or her opportunities to grow, both as a person and as a professional. **As trainers, our task is to help people harness that potential and to turn it into everyday actions and results.**

**Learning, in itself, always requires change.** In our training sessions, we encourage our customers to progress from their individual starting points. Through personal growth, they encourage growth in their environment and create added value for their community.

### **COURAGE IS THE KEY TO SUCCESS**

The biggest obstacle in the way of learning and growth is fear. Personal growth requires courage from the participants and the trainers. Our trainers are often praised for the way they throw themselves into the training sessions, as well as for their courage in challenging the participants. **Courage does not mean the absence of fears; it means doing things despite the fears.**

We have the courage to simplify activities and change in everyday work.

### **OUR SATISFIED CUSTOMERS**

*”To develop the skills of Kärkimedia’s key people, we focused on Trainers’ House’s Leadership Path. Several of our people have gained personal growth and better leadership from a demanding but rewarding training programme. Our experiences have been very good, both in clarifying the personal and professional path, as well as around our own leadership. Investments in people and in the development of skills are always also reflected in the success of the whole team.”*

Kimmo Laaksonen, Kärkimedia

*”The Sales Management training programme was a really enriching experience! Systematic approach Trainers’ House uses towards sales is great and I was given help at a very concrete level. The sales management peer support and tools were insightful. I also gained a ready-made model for customer acquisition and guidelines on how to implement it in practice. Quantity, direction, quality”*

Taina Boman, Op-Private Turku

## **LEADER'S PATH**

Leadership Path is a training programme for directors and managers. The participants travel on the path with us for six months through seven training modules, three of which are overnight sessions. The training modules include personal sparring sessions and practises for effective influence skills as well as the Pulssi (Pulse) Change Management System.

## **SALES MANAGEMENT TRAINING PROGRAMME**

This training programme is for sales managers and managers of sales staff. It offers the participants a new angle into the outlook, tools, skills and systems. The focus is firmly on the sales manager's own reality and situation and effective measures are taken to achieve targets.

## **LINE MANAGER'S PATH**

Supervisor training is directed to those working in supervisory roles and for supervisors rising from a company's own ranks. We help supervisors in their day-to-day management challenges. The training programme is very practical and its approach is very forward-looking. We clarify the participants' supervisory identity and train, in particular, supervisors' skills in providing feedback and personal guidance. With our tools, supervisors can establish a culture of teamwork and cooperation.

## **PROFESSIONAL'S PATH**

Professional Path is a training programme for future stars. The objective of the self-management programme is to strengthen professional thinking and skills as well as to create inspiration and ideas to benefit both the participant and the organization. With better self-knowledge and management, the participants are well equipped to shine, in both their professional and personal lives.

## **SALES TRAINING PROGRAMME**

Our Sales Training programme is intended for everyone in sales, irrespective of starting level. The participant trains in the opportunities of his or her own sales work. The objective of the Sales Training programme is to achieve a significant improvement in sales activities within a few months. The training focuses on concrete activity and the most effective methods in modern sales.

## **PRESENTATION SKILLS**

Our Presentation Skills training programme is designed for directors, supervisors, specialists and entrepreneurs, who have target-driven influencing at the core of their work. We believe in learning by doing and feedback linked to this, not theories or ideals. In the training, we focus on conveying the message and creating the desired emotional states. The presenter gains tips connected with his or her own work for building and presenting a good presentation.

370 000

ACTIVITIES

40 000

TELEPHONE CONVERSATIONS

15 383

MEETINGS SET UP  
IN 2014

6 500

WEEKLY REPORTS  
SENT TO OUR CLIENTS

680

IN-DEPTH INTERVIEWS

*Puja Mirastabi*  
Trainers' House

*Laura Seppälä*  
Trainers' House

# EFFECTIVE SALES

## AND CUSTOMER CARE AS A SERVICE

*Trainers' House Plc's subsidiary, Ignis Oy, provides services that support sales. The Ignis services bring measurable speed to the implementation of strategy. The areas of Ignis's expertise are demanding B2B decision-maker discussions and building encounter concepts.*

### RESULTS SINCE 2004

Our operations are based on over a **decade's experience**. In 2014, we delivered ongoing services for **150 customers**. The customer management concepts we implemented included the following:

- Prospecting, decision-maker mapping and decision-maker encounters
- Building and implementing management concepts for current customers
- Creation of B2B sales concepts and solution sales over the telephone, B2B marketing calls and campaign support
- Conceptualising outbound activities, training and anchoring these in the organisation

During the year, we **scheduled more than 15,000 decision-maker appointments**. This enabled us to free up the time of our customers' **sales staff to where it is most profitable** – the actual customer encounters.

### WE ARE FIGHTING FOR HIGH QUALITY ENCOUNTERS

What our customers have gained:

- New customers
- Recognition and better market coverage
- CRM data and precise, market information
- Information for expanding current customer relationships
- Best viewpoints for the management of sales and customer relationships

**High quality of calls and customer satisfaction are decisive.** Every call is a brand action for our customers. This shows in our success rate.

We take care of our skilled personnel with Trainers' House Growth Academy.

### OUR SATISFIED CUSTOMERS

*"With this cooperation, our salespeople are able to focus on where their time is most effective: the f2f customer encounters."*

Mikael Ahlskog, Zehnder

*"A young growth company lives from sales. Cooperation with Ignis has generated good meetings at a high hit rate."*

Marko Koskela, Solu Digital

**ALL OUR CUSTOMERS SEEK**

**BETTER**

**RESULTS**

# OUR CUSTOMERS

*All our customers seek better results. We connect strategy to everyday life making the most important actions happen. Passionate people, expertise and tools to make change happen. With us you achieve inspired people and measurable results.*

- 26 CASE: SUOMEN LÄHIKAUPPA  
- THE NEIGHBORHOOD EXPERIENCE
- 28 CASE: MARIMEKKO  
- WINNING THE HEARTS OF THE BUYERS'
- 30 CASE: TEOSTO  
- OPEN, COURAGEOUS AND TARGET-DRIVEN CULTURE
- 32 CASE: KOTIPIZZA  
- HUNGRY FOR SALES
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- THE PENGUIN JOURNEY
- 36 CASE: ZEHNDER  
- PARTNERSHIP IN CUSTOMER ACQUISITION



marimekko



# SUOMEN LÄHIKAUPPA

## THE NEIGHBORHOOD EXPERIENCE

*With two national chains, Suomen Lähikauppa is the only grocery store operator in Finland that focuses purely on local shops. There are nearly 700 Siwa and Valintatalo stores, approximately 4,600 personnel and nearly all the Finnish population as customers. In 2013, the company's net sales amounted to about one billion euros.*

### COMPETITIVE ADVANTAGE FROM CUSTOMER EXPERIENCE

In the spring of 2012, after a long period of intensive cost cutting, Suomen Lähikauppa wanted to turn the customer experience into a competitive advantage. The goal of the "Local Shops of Good Experiences" cooperation was a **measurable and significant improvement in the customer experience** for the Siwa and Valintatalo stores. The cooperation was divided into three different phases: **creating a model of customer experience management, planning and preparing implementation** and the actual implementation in the stores.

### CHANGE COACHES HEAD OFF TO THE FIELD

The cooperation started with an extensive field analysis and creating a model of customer experience management, which in turn would bring a competitive advantage. All managers and the support organisation based in Sörnäinen, Helsinki, participated in the training sessions. **"We recruited 15 change agents in-house, who helped us cover all of the nearly 700 shops and 4,600 employees. The change agents had valuable information about the everyday work in the shops and the idea in itself was fantastic!"** says Ralf Holmlund, CEO of Suomen Lähikauppa. The themes to be implemented were divided into **ten modules** and for every one of these, training plans and materials were prepared. Trainers' House trained the coaches in the contents one module at a time, and they in turn trained the staff.

Regular telephone conferences, steering group meetings, reporting and the Pulssi Change Management System supported the change from the beginning. **"The key was that we kept the focus on the important things. For example, the change agents prepared a plan of measures with the shop manager after every training module, and the shop's progress was monitored through an auditing process,"** explains Holmlund.

### BETTER BRAND IMAGE

The results of the "Local Shops of Good Experiences" projects are seen in several areas. According to a brand study, **the brand image** of both Siwa and Valintatalo **has improved significantly during the cooperation.** Additionally, as a result, for example, the **two-week bakery trial, sales in that department increased by a staggering +152%.** **"We are very pleased with what we have achieved in the shops,"** Holmlund states with regards to the project. **"The level of operations has improved and we have focused on the right things. In addition, according to the working atmosphere survey, we are above the retail average. According to the survey, 76% of the respondents were of the opinion that operating practices in their own shops had changed for the better as a result of the training sessions."**

**"Furthermore, it has been great to watch the change coaches in their work. I have heard some really positive feedback from them. After the whole project, and after all that we now know, the management group would embark on a similar project again in the future,"** says Holmlund.



Ralf Holmlund  
Suomen Lähikauppa

Jari Kivinen  
Trainers' House

Fareedab Qutishat  
Suomen Lähikauppa

Petri Huttunen  
Suomen Lähikauppa

PULSSI 790 USERS

IN TWO WEEKS  
BAKERY +152%

15  
CHANGE COACHES

=5360  
TRAINING SESSIONS

# MARIMEKKO

## WINNING THE HEARTS OF THE BUYERS'

*Marimekko is a Finnish textile and clothing company that is primarily known for its distinctive patterns and colours. The products are sold in about 40 countries. In 2014, the brand sales of Marimekko products amounted to EUR 187 million and the company's net sales were EUR 94 million. The key markets are Northern Europe, North America and Asia-Pacific.*

**marimekko**

### JOINT B2B SALES MODEL

The objective of the "Conquest of Buyers' Hearts" cooperation that started in 2013 was to create a change in Marimekko's B2B sales operations and to grow from a **solution sales organisation toward consultative customer management**. "Marimekko's employees have a great love for our brand. We wanted to turn this love even more strongly into commercial success. We went after an **increase in sales achieved through a joint B2B sales model** in which we lean more strongly on our professional expertise and a systematic way of working," says Marimekko's Finnish Country Manager, Lea Aarinen-Koski.

"We decided on Trainers' House specifically **because of the people**. In addition, all the materials were clear and understandable, they were easy to grasp and they **focused directly on solving the core of our challenge**. Thanks to the well executed background work, the trainers spoke our language," says Aarinen-Koski. "Another rewarding phase was planning the training together with the Trainers' House professionals, when **they really got to know our business**. As a result, the training sessions were participatory."

### PERMANENT PRACTICES AND TOOLS FOR EVERYDAY WORK

"I have been particularly pleased with the tools we constructed together. We succeeded in increasing pre-sales, and the increase in competence levels and tools could be seen in the everyday work, says Aarinen-Koski. "**One of the most memorable moments was the creation of the Marimekko Training Academy.**"

"**We got exactly the results we wanted** from the cooperation and our personnel appreciated the professional training they received. **The trainers understood the special traits of our business and were able to give us tips also from other industries**. I recommend Trainers' House for similar change projects, it could not have gone any better!" Aarinen-Koski praises the process.

CONSULTATIVE SALES  
OPERATING MODEL

MODELLING  
OF A GLOBAL  
WHOLESALE PROCESS

*Lea Aarinen-Koski*  
*Marimekko*

*Antti Kiukas*  
*Trainers' House*

*Emilia Pelkonen*  
*Marimekko*

*Meri Tiiirinki*  
*Marimekko*

IMPROVEMENT  
OF COOPERATION  
IN INTERNAL FUNCTIONS

METHOD  
FOR DEVELOPING A CHANNEL  
AND TRAINING



PULSSI'S UTILISATION RATE  
OVER **75%**

PULSSI KEPT THE  
**CHANGE INCORPORATED**  
IN THE EVERYDAY WORK

*Tomi Korhonen*  
Teosto

*Mikko Ehnqvist*  
Teosto

*Katri Sipilä*  
Teosto

*Anna Lydman*  
Trainers' House

# TEOSTO



## OPEN, COURAGEOUS AND A TARGET-DRIVEN CULTURE

*Teosto is an ideological non-profit-making organization, founded in 1928. Teosto collects music royalties and distributes them to authors and publishers. By furthering the wellbeing of the music maker, Teosto in turn furthers the wellbeing of the entire creative field, Finnish society and financial growth.*

Teosto represents 28,000 Finnish and about three million foreign composers, lyricists, arrangers and music publishers. In 2013, Teosto collected royalties amounting to EUR 50.3 million in Finland, and after the deduction of operating expenses, 86 per cent of this amount is distributed to music makers and publishers.

### OUT OF LOVE FOR MUSIC AND CHANGE

The copyright industry is going through a period of **drastic change**. Consumption habits of music consumers and their attitudes to music are changing. To remain ahead of this change, Teosto needs long-term, efficient and motivated personnel who are **enthusiastic about their work**. The aim of the "Out of Love for Music and Change" cooperation that started in the autumn of 2013, was **more homogenous management and supervisory work, a higher level of team**

**work and team play, development of a work culture and implementation of best practices in a person's own work and in teamwork.**

"We had been doing strategy work and we wanted to **implement the new intent into our everyday work**. We asked industry operators for proposals and received good recommendations for the work of Trainers' House and the trainers. Modern tools, such as the Pulssi Change Management System, made Trainers' House stand out from the competitors," explains Teosto's **Managing Director, Katri Sipilä**.

### TEOSTO-LOOKING IMPLEMENTATION

The cooperation started with a **personnel and customer survey**, which helped to identify the mainstays of the change. During the course of the following year, cooperation continued with **supervisor and personnel training**, which addressed the **everyday measures that will help create the desired change**. "We highlighted management and supervisory themes and started to develop the company's work culture through these. Indeed, **a comprehensive charting of the initial status was a key to success**. In addition, Pulssi kept the change incorporated in our everyday

*work. We went through the goals for the cooperation at every steering group meeting, so the focus remained clear," says Sipilä.*

### MEASURABLE DEVELOPMENT

"**We have taken a huge leap in the right direction**. The higher level of supervisory work is clearly seen in our everyday work. Our new management tools include **Friday coffee, supervisor quarter-hours, supervisor-subordinate one2one discussions, weekly plans and goal setting**. The Pulssi Change Management System is a good way of keeping targets clear in our minds. By exchanging questions, we get the most important activities incorporated in our everyday work. Pulssi's mobile application is good, because **at the end of the week, we can send answers wherever we are**. Simple enough and easy to use!" Sipilä chuckles.

"On the basis of this, I can definitely recommend Trainers' House. According to the personnel, the cooperation experience has been very positive. We have liked Trainers' House and their way of working very much and the trainers have involved people well," praises Sipilä.

# KOTIPIZZA

## HUNGRY FOR SALES

*Kotipizza is the largest pizza chain in Northern Europe, consisting of more than 270 restaurants operating on a franchising basis all over Finland. Founded in 1987, the chain is regenerating by updating its appearance, developing its menus as well as continuously and increasingly investing in responsibility. Indeed, Kotipizza's mission is to make the world a better place one pizza at a time.*

### FROM A CARE ORGANISATION INTO A SALES ORGANISATION

Kotipizza is one of the most long-term customers of Trainers' House. The cooperation, which has taken the form of various change projects, started in 1996 and in the spring of 2013, it was time to continue with sales management. **"We wanted to have a cohesive and systematic operating model throughout our field organisation. Regional Managers became Sales Managers and the focus was placed on a goal-oriented approach and management,"** says Kotipizza's Director of Operations, Marko Fonsén. "Kotipizza and

Trainers' House have a long history behind them and it was natural to include them in the discussion. In the end, **the trainer selection and tools were the decisive factors.** The buying process was very long, we did our groundwork really well and had already modified our focus in the planning phase. In this way, the project was very successful."

### TURNING GOALS INTO DAILY ACTIONS

**"Together, we converted business targets into everyday activities using the Trainers' House Impact Map tool and on the basis of it, constructed a new management model for the Sales Managers. Impact Map was present throughout the cooperation and the Sales Managers used it to address the relation between goals and activities with the entrepreneurs. The training sessions were not about sitting at lectures but rather, people were constantly engaged and we addressed everyday challenges at a very practical level. I have heard a lot of praise within the company: "The best training I have ever participated in,"** Fonsén enthuses. **"In Impact Map, it is easy to view the goals and indicators we have set together. We are able to see clearly what we need to do on a weekly basis to achieve our goals."** The progress

of the matters we agreed on matters was monitored using the **Pulssi Change Management System.**

### THE RESULT: A FUNCTIONING SALES ORGANISATION

*"As a result of the cooperation, Sales Managers plan their work better and we avoided rushed 'putting out the fire' situations. I liked our trainer very much, he was really committed to our cooperation and we kept in close contact throughout the change project. In this way, we were able to monitor our goals, the progress of the work and the results."*

The inclusive style of training also gave space to the personnel. *"For example, an idea came up during the training about a Garlic War in which restaurants challenge each other to compete in additional sales. At best, this generated +400% of added sales",* says Fonsén. *"Through the sales managers' management, quality has also risen and the cooperation supports our visual change well. I agree with my personnel in that this has been the best training package I have been involved in during my whole career."*



Marko Fonsén  
Kotipizza

Marko Lehtinen  
Trainers' House

Mari Mikkola  
Kotipizza

Janette Mirjamo  
Kotipizza

ADDED SALES FROM  
**THE GARLIC WAR**  
**+400%**

COOPERATION SINCE **1996**

# NESTLÉ

## THE PENGUIN JOURNEY

*Nestlé is the world's leading company focusing on nutrition, health and wellbeing. Its global net sales amount to approximately EUR 76.2 billion. Nestlé employs more than 339,000 people at its 468 factories and offices in 150 countries. In Finland, about 460 food industry professionals work at our factories in Turku, Turenki and Juuka, as well as at our headquarters in Espoo. Nestlé's best known brands include PINGVIINI, AINO, BONA, PILTTI, NESCAFÉ, NESPRESSO, MAGGI, NESQUIK, FITNESS, FRISKIES and LATZ.*

### COOPERATION OF THE PENGUIN TEAM

In 2013, Nestlé Finland and Trainers' House started a cooperation aimed at increasing Nestlé's market share of the Finnish ice cream business. An additional objective of the cooperation was to achieve **profitable growth in the overall category** among the customers and to **turn the product sales organisation into a thoroughbred solution sales organisation**.

In 2014, the focus was on implementation. The change cooperation was focused on **sales management, sales method, key customers and their systematic man-**

**agement**, as well as on a **change in the everyday work of the salespeople** in both channels. "To begin with, we made sure we had a common language from the field to the office as well as defining a new way of working together. In the second phase, we started implementation. We gained concrete examples and feedback from customer encounters, which we actively utilised in our cooperation," says Nestlé's Sales Director, Pekka Helin.

### SOLUTION SALES COOPERATION WITH RESULTS

*"I am particularly pleased that we spoke about things using the language of the sales field when the whole organisation participated in the workshops. Training programmes in international companies do not offer this type of training focusing on the core of the customer encounter,"* continues Helin. *"The active approach of Trainers' House is fantastic and it has also made me put myself on the line. The Customer Managers kept us on the move and the trainers prepared damn well. Extensive mapping work is the key to **work progressing smoothly**, and the cooperation has grown along the way. Furthermore, Trainers' House also spars and engages with the management team and heads of the sales team personally."*

### RESULTS

*"After the difficult launch of excise tax, we have achieved value growth and volume growth, which in B2B sales is an extremely positive result for both the ice cream business and the whole company. We sharpened the allocation of investments against payment and evaluated business cases better in advance, which has become a standard way of working,"* describes Helin. *"At the same time, internal cooperation between the field and the office has improved and become faster when the parties share a language and they understand their roles even better."*

### LEAN STEERING FORWARD

*"At the moment, we are focusing on our three-year strategy. The cooperation will continue with the LEAN sales growth project, in which we will review the process from the farm to the shop's freezer together with the factory. Trainers' House is involved in this implementation,"* Helin continues. *"We have been working on the customer interface for a long time already. We want to ensure that there is a clear focus on the customer in the future also."*



Antti Kiukas  
Trainers' House

Tinja Kivistö  
Trainers' House

Pekka Helin  
Suomen Nestlé Oy

Tuukka Kaukoranta  
Suomen Nestlé Oy

Arto Seppä-Lassila  
Suomen Nestlé Oy



# VALUE GROWTH AND VOLUME GROWTH DESPITE EXCISE TAX



*Janne Mäykkymäki  
Trainers' House*

*Mikael Abbskog  
Zehnder*

**60%**  
HITRATE

**536**  
MEETINGS SET UP  
DURING 2012-2014

# ZEHNDER

## PARTNERSHIP IN CUSTOMER ACQUISITION

*With over 20 years' experience, Zehnder Clean Air Solution is a provider of air cleaning solutions for the various needs of industry, logistics and retail. The company's energy- and cost-efficient air cleaning solutions are customised in accordance with each customer's individual needs. Zehnder Group Nordic AB is a subsidiary of the Swiss Zehnder Group. Zehnder Group is the market leader in bespoke radiators in Europe.*

### AIMING FOR INCREASED SALES

Trainers' House and Zehnder started their first cooperation project around customer acquisition in 2012. The objective of the cooperation was **to increase the recognition of the company and to enhance the effectiveness of salespeople's time management.** "We are a small country organisation. Outsourcing the sales processes improves the results of sales and really makes our everyday work easier," says Zehnder's Country Manager, Mikael Ahlskog.

### EFFECTIVE TIME MANAGEMENT

The target group for customer acquisition was defined as people responsible for production in logistics, storage and the metal industry. "We prepare the leads with Trainers' House every six months. If our salespeople get new leads from the field, they send them to Trainers' House and **at best, they are being called already on the same day,**" says Ahlskog. "With this cooperation, our salespeople are **able to focus on where their time is most effective:** the F2F customer encounters. **Every week, we get a report** where we see for example meetings arranged, the rejected leads, the not interested and the numbers of attempted calls," Ahlskog continues. "In addition, we are in contact with the call team almost daily, updating our leads and bringing in new ones to be called. **In this way, the sales cycle can be shortened.**"

Parallel with customer acquisition, there has been cooperation in sales quality **audits, clarification of the call story** and **prospecting workshops**, among others. In 2013, the whole personnel participated in the Trainers' House personal training programmes, the

Country Manager in the **Sales Management training programme** and the salespeople in the **Sales training programme**. The growth assessments and sales plans carried out at the same time supported sales and increased the systematics of sales.

### COOPERATION WITH RESULTS

"The cooperation with Trainers' House has been brilliant and **meetings are confirmed at hit rates of up to 60%.** We started the cooperation in 2012 and by the end of 2014, Trainers' House had set up **over 500 meetings** in the selected target group," says Ahlskog. "This is essential enhancement of the effectiveness of salespeople's time management so that the salespeople can focus on the sales work in the field."

"We have been very happy and at the moment, are **continuing with the 2015 plans.**"

**zehnder**

# OUR COLLEAGUES

*Our colleagues are professionals in change implementation, as well as nice people. In addition to our strong culture, we invest in a lively atmosphere at work and support the professional and personal growth of our personnel.*

Our most significant investment in 2014 was the Sales Trainee programme, which was implemented during the autumn. We selected ten young, talented people to participate in the programme from a large group of applicants. We offered some of them full-time positions at the end of the programme. The programme consisted of training sessions and on-the-job training. The participants were involved in implementing and acquiring assignments and customer projects alongside consultants. The Sales Trainee programme succeeded beyond expectations, and we will probably launch a new programme during 2015.

In autumn of 2014, we launched the Entrepreneur Partner concept, which aimed to achieve profitable growth in the Finnish growth centres for our customers, our Entrepreneur Partners and Trainers' House. The first Finnish Entrepreneur Partners have started in the regions of Pirkanmaa, Jyväskylä, Lahti, Lappeenranta and Kouvola. The results have been highly encouraging and we will continue to invest in the Entrepreneur Partner concept in 2015.

In spring of 2014, we also continued with the recruitment of Implementation Managers.

The Trainers' House Growth Academy (THGA) work and training programme continued its steady operations, employing 70 young business students part-time during their studies. The monthly THGA training sessions provide the participants with tools for business life while supporting their business studies and their work as marketers. The training sessions were open to all company employees and were also part of the Sales Trainee programme. Read more about Trainers' House Growth Academy and marketer's work on page 42.

In 2014, we also continued to invest in training our own personnel. We provided weekly training sessions in support of our sales staff's work. In addition, approximately 20 representatives of our personnel participated in personal training programmes with a longer duration.

In December 2014, we had to initiate codetermination negotiations. As a result, we are reorganising duties within the company during 2015.

At the end of 2014, Trainers' House employed 87 people.



*Marc Moberg*  
Consultant, Member of the Management Team

*Jasmiina Vattulainen*  
Marketeer

*Max Henttu*  
Consultant

*Jonna Grönbärj*  
Customer Manager

*Juho Mäkitalo*  
Analyst

# WORKING AT

## TRAINERS' HOUSE

*Solving our customers' needs for change is at the core of our work. At our company, we perform as a team and work in our different roles to support each other. High quality criteria and skilled personnel are a matter of integrity to us.*

### **CONSULTANTS STEERING CHANGE**

It is the task of Consultants and Implementation Managers to acquire assignments and to help our customers implement changes. We implement changes by identifying bottlenecks for business growth and development and by tailoring change implementation measures. They also ensure that changes are converted into daily activities.

### **CUSTOMER MANAGERS SUPPORT OUR DAILY CUSTOMER WORK**

Customer Managers support the practical implementation of our customers' change projects and ensure that there is active communication between the customer and the Trainers' House team. They ensure that the jointly agreed actions and goals are achieved and assist the trainers by taking responsibility for creating the content and materials for training events. In addition to close customer contact, Customer Managers also acquire new assignments from our customer base.

### **ANALYSTS CRYSTALLISE THE ESSENTIAL**

Analysts support the work of our Consultants, by analysing the current state of our customers' operating environments and forecasting the future. They generate added value for our customers in calculating repayment periods for investments and in verifying customer results. Our analysts have backgrounds in accounting and finance.

### **MARKETERS ARE THE BASIS OF OUR OPERATIONS**

We support the development of our customers' sales from beginning to end. The young people participating in the Trainers' House Growth Academy work and training programme work for us in marketing roles. Each year, they set up over 15 000 appointments for our consultants and our customers' sales staff. Quality is the highest priority for us because, for us, every call is a brand action.

**trainers'  
HOUSE**



# ON-THE-JOB LEARNING

## GROWTH ACADEMY

*The asset of our subsidiary, Ignis Oy, is its good, high quality team of young professionals. Ignis continuously employs several dozen recent graduates and students in the final stages of their studies. Their work is supported by the Trainers' House Growth Academy (THGA) programme. THGA is a programme that aims to coach young people towards the top of the business world.*

THGA is a year-long work and training programme that is intended for ambitious students and recent graduates. Academy participants often work **alongside their studies**, for example in marketing roles. Their tasks include **setting up appointments, carrying out in-depth interviews concerning completed customer visits, and participating in our customers' marketing and sales events, such as exhibitions.**

Quality is created as a result of training and continuous development. Our customers **praise us for the quality of our calls, our systematic way of working, our close contact with them and our reporting to them.**

Internally, we receive the most positive feedback for the way in which the training programme supports participants' studies. The training programme **analyses the unique features of business and acts as a springboard into working life.** We continuously invest in the quality of supervisors' work and in job satisfaction. Motivation and high quality work are important priorities for us.

We continuously recruit **energetic and determined students who strive to become professionals.** See our current recruiting situation at [www.trainershouse.fi](http://www.trainershouse.fi).

### OUR SATISFIED PARTICIPANTS

*"Trainers' House Growth Academy was a decisive turning point at the start of my career. As a Marketer, I received constant sparring in my own work and training from our top consultants in the features of business life. Since completing the marketing position, I have had the opportunity to progress in-house. I continue to participate in the THGA training sessions because continuous development is always key to being successful in what you do."*

Maria Mäkelä, Trainers' House

*"I came to Trainers' House through the first Growth Academy in 2007. THGA was a major factor in building the foundation for my current professional skills: it shaped my way of thinking and working and brought a systematic approach to sales, as well as a network of contacts.*

*Since then, I have worked in Sales Management positions and I currently run several companies of my own. THGA has been a university of sales and business, training-wise absolutely superb."*

Jere Virtanen, Pulp Management

## Valmennusohjelman aikana läpikäytävät teemat

### TAVOITTEELLISEN TYÖN JA ELÄMÄN LUPAUS JA MENETELMÄT

- MISTÄ THGA:SSA IHAN OIKEASTI ON KYSYMYS?

### VAIKUTTAMISEN LAINALAISUUDET JA STATUKSEN SÄÄTÖ

- "TÄTÄ SINULLE EI OPETETTU KOULUSSA."

### TYÖELÄMÄN HUIPPU-URHEILU

- MIKÄ TOTUUS PALJASTUI YLI 20 VUODEN TYÖMME JA 100 MILJONNAN EURON TESTIN JÄLKEEN?

### STRATEGIA JA JOHTAMINEN

- MITEN VAHVISTAA ASEMAA MARKKINOILLA, TOIMINNALLINEN VASTAUS SANOJEN TAKANA?

### MYNNIN KORKEAJÄNNITYS

- LUOTAUUS AMMATTILAISEN MYNNIN JA SEN JOHTAMISEN YTIIMEEN.

### VOITTAMISEN PSYKOLOGIA JA BIOLOGIA

### AMMATTILAISEN TYÖTAIDOT JA AJATTELUTAVAT

- 5 KÄYTÄNNÖN MENETELMÄÄ!

### STRATEGIA JA KULTTUURI

- KULTTUURI SYÖ STRATEGIAN ELÄVÄTÄ, ELLEI KULTTUURIA OHJATA TARINOIDEN AVULLA.

### ARJEN JOHTAJUUS SEKÄ TOTUudessa ELÄMISEN FILOSOFIA JA TULOKSELLISET MENETELMÄT

### KASVUYRITYKSEN JA YRITYKSEN ARVON JOHTAMINEN

### MUUTOKSEN JOHTAMINEN:

- MITEN VIEDÄ MUUTOS LÄPI, KUN MUUTOS ON VAIKEA!

# THGA

*Tytti Hast  
Trainers' House*

*Erik Alopaeus  
Trainers' House*

# ADMINISTRATION

## AND CONTROL SYSTEM

*Trainers' House Plc is a public limited company registered in Finland and headquartered in Helsinki. The management of Trainers' House complies with Finnish law and the Articles of Association, according to which control and administration are divided among the Annual General Meeting, the Board of Directors and the CEO.*

Trainers' House implements the Corporate Governance Code issued by the Securities Market Association that came into effect on 1 October 2010.

### **ANNUAL GENERAL MEETING**

In the Annual General Meeting (AGM), shareholders exercise their voting rights regarding company matters.

The AGM is held every year within six months from the end of the financial year. The Board of Directors calls the AGM and decides the time and venue of the meeting. The invitation to the AGM is announced to shareholders at the company website no earlier than three months and no later than three weeks before the meeting. However, the invitation must be delivered a minimum of nine days before the General Meeting Record Date.

The AGM elects the Trainers' House Board of Directors and auditors, decides on their compensation and discharges the company's management from liability. Matters to be discussed at the AGM and the shareholders' right to attend are defined in the Companies Act, Trainers' House Articles of Association and the invitation to the AGM.

The Board of Directors will call an Extraordinary General Meeting when it considers one necessary or when it is so required by law.

The Annual General Meeting of Trainers' House Plc was held on 26 March 2014. The AGM adopted the company's Financial Statements for 2013 and discharged the members of the Board of Directors and the CEO from liability.

# CEO

*The Board of Directors appoints the company's CEO and determines the CEO's compensation, benefits and terms of employment. The CEO is not a member of the Board of Directors. The CEO is responsible for the company's operational management in accordance with the applicable legislation and the instructions provided by the Board of Directors. The CEO operates under the Board's authority.*

The CEO is directly responsible for strategic planning, strategy implementation and any investments these necessitate, as well as for ensuring the legal compliance of accounting practices and the reliable organization of asset management. He is also in charge of the practical organization of bookkeeping, accounting and reporting. The CEO supervises all decisions concerning executive level personnel as well as important operational decisions. He also ensures that the Group's subsidiaries act in the interest of the parent company and follow the Group's strategy.

The CEO, with the assistance of the management team, is responsible for day-to-day business operations. The management team prepares and makes decisions in matters falling under the CEO's authority.

As of 9 January 2013, Arto Heimonen has acted as the CEO of Trainers' House Plc.

## REMUNERATION

The Board of Directors approves the salary level offered to the CEO. In addition to his pay, Trainers' House Plc's CEO Arto Heimonen is entitled to the following fringe benefits according to current company policy: lunch benefit and occupational health care in accordance with the company policy.

The CEO's contract may be terminated at any time by either the CEO or the company. The notice period for termination is six (6) months. During the notice period, regardless of his obligation to work, the CEO is entitled to his pay and fringe benefits, or at the company's discretion, to a monetary compensation that equals the taxable amount of the CEO's pay and fringe benefits.

The CEO's retirement age is stipulated by the law. The CEO does not have any pension benefits exceeding the Employees' Pension Act (TyEL).

## ARTO HEIMONEN

*CEO*

Year of birth: 1964

Education: LL.M, eMBA,

Master of Laws (trained on the bench)

**Work experience**

**Trainers' House Plc**

CEO 2013-

**Trainers' House Plc**

Ignis Oy CEO 2010-

**Veikon Kone Oy**

Deputy Managing Director 2008

**SEK & Grey Oy**

CEO 2006-2007

**Tele Finland Oy**

CEO 2004 -2005

**Teliasonera and Sonera**

Vice president 2001 -2004

**Pohjola Group**

Marketing Director 1995-2000

**Other current positions of trust**

**None**

**Ownership**

**25,500 shares**

# MANAGEMENT TEAM

## MANAGEMENT TEAM RESPONSIBILITIES

The responsibilities of the management team include strategic planning and strategy implementation; management of business operations; monitoring of financial performance; annual planning; and handling of investments, acquisitions as well as expansion or downsizing plans. The management team convenes once a week.

## MANAGEMENT TEAM COMPENSATION

The Board of Directors determines management salaries, the principles of incentive schemes and the allocation of stock options. The targets are set on the basis of the company's financial result, sales targets, customer satisfaction, human resource development, as well as specific personal quality targets.

The CEO and the operational management as well as their shareholdings in the company are presented on page 45.

## CORPORATE RESTRUCTURING

Trainers' House Plc filed an application for corporate restructuring with Espoo District Court on 12 December 2014. An extraordinary shareholders' meeting decided on the continuation of the application for

corporate restructuring on 20 January 2015. Espoo District Court decided on the commencement of corporate restructuring on 28 January 2015 and appointed Attorney-at-law Mika Ilveskero to act as the administrator in the restructuring proceedings.

In proceedings in accordance with the Restructuring of Enterprises Act, a company's business and debts can be reorganised. As a result of corporate restructuring, the company can either continue its operations or, in the event that the reorganisation fails, file for bankruptcy. Control of the business remains with the company, except for some external decisions outside the ordinary business operations, which require the approval of the administrator. The administrator has the right to participate in the meetings of the debtor's organs and has a right to speak at these meetings.

In accordance with the decision of Espoo District Court, the administration's report on the company's financial situation must be completed by 27 March 2015. The administrator must prepare his proposal for the company's restructuring programme by 3 June 2015.

At the time of preparing the financial statements, the company's restructuring programme has not yet been filed with Espoo District Court, and the company's Board of Directors is not aware of the content of the restructuring programme that the administrator will prepare in the future. Before submitting his proposed

restructuring programme, the administrator will conduct discussions and negotiations with the company and its creditors.

## AUDITING

In accordance with the Articles of Association, the Annual General Meeting appoints the auditors of Trainers' House. The auditor must be an auditing firm approved by the Finnish Central Chamber of Commerce.

The Annual General Meeting of 2014 elected Authorized Public Accountants Ernst & Young Oy as the company's auditor. Harri Pärssinen, APA, acts as the responsible auditor.

The auditor is responsible for auditing the company's bookkeeping, accounts and governance in the year for which the auditor is appointed. This responsibility ceases at the Annual General Meeting following the appointment. The practical audit will consist of audits on business operations and corporate governance during the financial year, and of the actual audit after the closing of accounts.

Auditor's fees are paid as per invoice.

In 2014, the Group paid the following fees to the auditors: auditing fees EUR 28.560 and other fees EUR 1.850.

# BOARD OF DIRECTORS

*In accordance with the Articles of Association, the AGM elects three to eight members for the Trainers' House Board of Directors. The term of office of the members of the Board expires at the adjournment of the first AGM following their election. The Board of Directors elects a chairman from among its members. In the 2014-2015 term of office, the Board of Directors comprises five members.*

Since 2007, Aarne Aktan has acted as Chairman of the Board. The work of the Board of Directors is organized in accordance with the charter in effect at the time. The members of the Board of Directors and their shareholding in the company are described on pages 48-51.

## **MEETINGS**

The Board of Directors convened 16 times in 2014. The attendance rate was 97%.

## **REMUNERATION**

The Annual General Meeting of 2014 decided that the Chairman of the Board be entitled to a monthly emolument of EUR 3,500, and Board members to a monthly emolument of EUR 1,500. No separate meeting fees are paid.

## VESA HONKANEN

*Member of the Board since 2013*

Year of birth: 1956  
Education: M.Sc. (Eng.)

**Main occupation:** Training Consultant,  
Trainers' House Plc

### Work experience

**Trainers' House Plc**  
CEO 2011-2013

**Trainers' House Plc**  
Executive vice president 2008-2010

**Trainers' House Plc**  
CEO 2003-2007  
Executive vice president 2002

**Aston R5**  
CEO 1998-2002

**Trainers' House Oy**  
Training Consultant 1997-1998

**Tiedonhallinta Oy** (currently Solteq Plc)  
Sales Director 1988-1997

**Oy International Business Machines Ab**  
Sales 1983-1988

**Nokia Oyj**  
Development engineer 1981-1983

**Other current positions of trust**  
**None**

**Ownership:**  
**1,046,984 shares**

## JARMO HYÖKYVAARA

*Member of the Board since 2011*

Year of birth: 1965  
Education: MBA

### Work experience

**Smartum Oy**  
CEO, 2003-2007

**Partus Oy**  
Chairman of the Board, 2008-2011

**Partus Oy**  
Member of the Board, 1999-2008

### Other current positions of trust

**The Orange Company**  
Chairman of the Board, 2013-

**Smartum Oy**  
Chairman of the Board, 2013-  
Member of the Board, 1995-2009, 2011-2012

**Top-Sport Oy**  
Chairman of the Board, 2013-2014

**Aino Health Management Oy**  
Member of the Board, 2011-

**TOC Private Oy**  
Chairman of the Board, 2013-  
Member of the Board, 2011-2012

**Finnish Family Firms Association,**  
Member of the Council, 2009-

**Ownership:**  
**through a controlled company, 600,000 shares;**  
**The Orange Company, 4,250,000 shares.**

## AARNE AKTAN

*Chairman of the Board. Member of the Board since 2006*

Year of birth: 1973  
Education: B.Sc. (Econ.)

**Main occupation:** CEO,  
Talentum Plc

### Work experience

**Quartal Oy**  
CEO 1998-2011

**Kauppamainos Bozell Oy**  
Account Manager 1997-1998

Aarne Aktan is one of the pioneers in Finnish Internet technology. He has in-depth personal experience in turning an IT business into a European success story both through organic growth and business acquisitions.

### Other current positions of trust

**Great Expectations Capital Oy**  
Chairman of the Board, 2007-

**Ownership:**  
**Directly or through controlled companies; 3,026,000 shares**



*Vesa Honkanen*

*Jarmo Hyökysaara*

*Aarne Aktan*



*Marjaana Toiminen*



*Jari Sarasvuo*

## MARJAANA TOIMINEN

*Member of the Board since 26 March 2014,  
independent of both the company and significant shareholders*

**Year of birth:** 1967

**Education:** University of Tampere, Journalism

**Main occupation:** Senior Advisor,  
MindMill Network

**Work experience**

**Bonnier Publications Oy**  
CEO 2006-2014

**Yhtyneet Kuvalehdet**  
Chief Editor 2003-2005

**Image Kustannus**  
Chief Editor 1998-2003

**Other current positions of trust**

**C. V. Åkerlundin säätiö**  
Member of the Board, 2013-

**Kaskas Media Oy**  
Member of the Board, 2014-

**Ownership:**  
No ownerships

## JARI SARASVUO

*Member of the Board since 2013*

**Year of birth:** 1965

**Education:** Studies at Helsinki School of Economics

**Main occupation:** Training Consultant,  
Trainers' House Plc

**Work experience**

**Trainers' House Oyj**  
CEO 2008-2010

**Trainers' House Oyj**  
Chairman of the Board 1990-2007

Länsiväylä, Uusi Suomi, Suomen Kuvalehti, Kymmenen Uutiset,  
Journalist/Reporter, Radio City, Contactor Magazine, Writers'  
Studio, managerial duties, Hyvät, Pahat ja Rumat, Minä ja Saras-  
vuo, Diili and Sarasvuo TV programmes

Entrepreneur since 1990

**Other current positions of trust**

**None**

**Ownership:**

**Directly or through controlled companies 17,515,661 shares**

# THE CHARTER

## OF THE BOARD

According to the Charter of the Board, in addition to the responsibilities defined in the Finnish Companies Act, other laws and the Articles of Association, the Board's responsibilities include the following:

- determining the compensation principles for senior management,
- approving the incentive schemes for the CEO and the personnel,
- appointing and dismissing the CEO and deciding on the terms of the CEO's employment,
- approving the strategy and annual budget, and their follow-up,
- reviewing and approving interim reports and financial statements,
- reviewing and approving stock exchange releases issued by the company,
- approving major business acquisitions and investments as well as other decisions of key significance,
- approving the dividend distribution policy and preparing a proposal for the Annual General Meeting concerning the distribution of dividend,
- monitoring the implementation of internal control, internal auditing and risk management,
- reviewing all agreements and business events with the Group's management team, their insiders and with the companies under their command,
- reviewing other matters that the Chairman of the Board or the CEO have agreed to be taken on the Board's agenda or that otherwise fall within the Board's decision-making powers under the provisions of the Finnish Companies Act, other laws, Articles of Association or other regulations.

The Charter also determines in more detail the duties of the Chairman, induction, independence and assessment of the Board members as well as Board meetings.

# INTERNAL CONTROL

## INTERNAL CONTROL

The internal management and control system of Trainers' House is based on the Finnish Companies Act, the Securities Market Act, the company's Articles of Association and the company's own internal practices. Trainers' House complies with the Corporate Governance Code issued by the Securities Market Association that came into effect on 1 October 2010. Responsibility for the company's management and control is divided between the Annual General Meeting, the Board of Directors and the CEO. Internal control refers to all practices, systems and methods with which the company management aims to ensure efficient, cost-effective and reliable operations.

The Board of Directors is responsible for organizing the internal control. The Board has the ultimate responsibility for the company's vision, strategic objectives and the business objectives based on them. The Board is also responsible for supervising the company's accounting practices and asset management, and for organizing operations appropriately. The Board approves the internal control guidelines applied to the entire Group.

The CEO is directly responsible for strategy implementation and any investments it requires, and for ensuring the legal compliance of the accounting practices and the reliable organization of asset management. The CEO, with the assistance of the management team, is responsible for day-to-day business operations. The company's executive management is responsible for internal control, auditors for external auditing and internal auditors appointed by the Board of Directors for internal auditing.

## INTERNAL CONTROL PRACTICES AND PROCEDURES

It is the CEO's duty to organize the accounting and control mechanisms in practice. The CEO supervises all decisions concerning executive level personnel as well as important operational decisions. He also ensures that the Group's subsidiaries act in the interest of the parent company and follow the Group's strategy. The Group's management team is responsible for business operations management and administrative supervision in the Group's day-to-day operations.

The Group has clearly defined the authorizations regarding the approval of matters related to investments and employees. The key duties of the Group's management team are:

1. Discussing strategic and annual plans
2. Supervising business operations and financial activities
3. Discussing investments, acquisitions and significant expansion or downsizing plans and the presentation of these to the Board of Directors.

# INTERNAL AUDITING

## INTERNAL AUDITING

Trainers' House Plc does not have a separate internal audit function that would assess and test the company's internal control procedures and processes. The company's Board of Directors annually considers the establishment of an internal audit function or purchasing these services from an external source. In addition, the need for internal auditing is regularly discussed with the company's auditors. In the opinion of the Board of Directors, the scale of the company's operations has not, in the company's current state, given reason for the establishment of an internal audit function. The key factors affecting this opinion are that the Group's business is operated from one location only, the headquarters, and mainly in Finland.

## INSIDERS

Trainers' House applies the NASDAQ OMX Helsinki regulations on insider trading. In the Trainers' House Group, the so-called "closed window" (the period prior to the publication of financial reports during which permanent insiders are prohibited from trading in the company's shares) is 21 days. Trainers' House's Guidelines for Insiders require that permanent insiders notify the

company's insider officer in advance of their intention to trade in the company's shares. The Guidelines recommend that company shares be purchased for long-term investment and to time any share transactions so that they take place as soon as possible after the release of interim reports and financial statements.

In addition to the statutory restrictions, Trainers' House specifies trading restrictions on a project-by-project basis, if necessary, where people participating in the planning, preparation and implementation of major projects that could affect the company's share price (such as business acquisitions) are defined as project-specific insiders. Trainers' House monitors insider trading regularly and arranges training on issues related to insider trading.

Public insiders include Trainers' House Plc's Board members, CEO, CFO and the responsible auditor. Trainers' House maintains a permanent, non-public company-specific insider register of employees or contractors who regularly receive insider information because of their position or duties. The number of permanent insiders is less than 20 persons in total. The register of insiders is maintained in the SIRE system of Euroclear Finland.

## RISK MANAGEMENT

Trainers' House aims to increase its shareholder value within the boundaries set by legislation and social responsibilities.

The risk factors affecting the company's business, financial performance and market value can be divided into five main categories: market and business risks, personnel-related risks, technology and information security risks, financial risks and legal risks.

Trainers' House protects itself against the negative impact of other risks by means of comprehensive insurance policies. These include, for example, statutory insurance, liability and property insurance and legal expenses insurance. The level of insurance coverage, insurance rates and excess are audited every year in collaboration with the insurance company.

The following description of risks is not comprehensive. Trainers' House carries out continuous operational risk assessment and makes every effort to protect itself as effectively as possible from the risk factors identified.

## REPORTING AND CONTROL SYSTEMS

The Group uses reporting systems required for the efficient supervision of business activities. Internal control is linked to the corporate vision, strategic objectives and the business objectives based on them. The achievement of business objectives and the Group's financial performance are monitored monthly using a control system that covers the entire Group. As an essential part of this control system, actual results and updated forecasts are reviewed monthly at the meetings of the Group's management team. The control system includes, for example, comprehensive sales reporting, income statements, rolling net sales and profit forecasts, as well as key figures on business operations.

## MARKET AND BUSINESS RISKS

Trainers' House is an expert organization. Market and business risks are part of regular business operations, and their extent is difficult to define. Typical risks in this field are associated with, for example, general economic development, distribution of the clientele, technology choices and development of the competitive situation and personnel expenses.

Risks are managed through the efficient planning and regular monitoring of sales, human resources and business costs, enabling a quick response to changes in the operating environment.

## FINANCIAL RISKS

Trainers' House's objective in managing financial risks is to secure the availability of its own and borrowed capital at competitive terms, and to alleviate the effects of adverse market developments on the company's operations.

Financial risks are divided into four categories: liquidity risks, interest rate risks, currency risks and credit risks. Each risk is being followed separately. Liquidity and interest risks are decreased through maintaining adequate cash in hand and efficient accounts receivable tracking. Currency risks are insignificant, because Trainers' House operates principally in the euro area.

In financial risk management, the key focus remained on liquidity. Due to the decrease in net sales as well as the company's costs for premises and financing costs that are too high in relation to the company's current level of net sales, the financing arrangements concluded in 2013 proved inadequate, and the company decided to file an application for corporate restructuring on 12 December, 2014. Corporate restructuring is underway at the time of writing this report, and it remains the company's aim to secure sufficient financing to continue the Group's operations. Failure of the restructuring proceedings could lead to the bankruptcy of the company.

## PERSONNEL-RELATED RISKS

The success of Trainers' House as an expert organization depends on its ability to attract and retain skilled employees. Personnel risks are managed with competitive salaries and incentive schemes as well as investments in employee training, career opportunities and general job satisfaction.

## TECHNOLOGY AND INFORMATION SECURITY RISKS

Technology forms a key part of the business operations of Trainers' House. Technological risks include, for example, supplier risks, risks related to internal systems and the challenges and information security risks caused by technological changes. These risks are managed with long-term cooperation with technology suppliers, appropriate information security systems, employee training and regular information security audits.

## LEGAL RISKS

Trainers' House's legal risks are mostly related to its customer agreements. Typically the risks involve responsibility regarding delivery and the management of immaterial rights.

Risks related to responsibilities beyond the scope of the customer agreements mainly involve immaterial rights. The company has specified internal agreement guidelines for the management of risks related to agreements and immaterial rights. The company has identified no unusual agreement risks.

# FOR INVESTORS

## CALENDAR FOR 2015

The Annual General Meeting will be held on Wednesday, 25 March 2015.

In 2015, interim reports will be published as follows:

**23 April 2015 at 8:30 am**

Interim report 1 January - 31 March 2015

**6 August 2015 at 8:30 am**

Interim report 1 January - 30 June 2015

**22 October 2015 at 8:30 am**

Interim report 1 January -30 September 2015

## DIVIDENDS

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for 2014.

## CONTACT INFORMATION

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0306 888 500

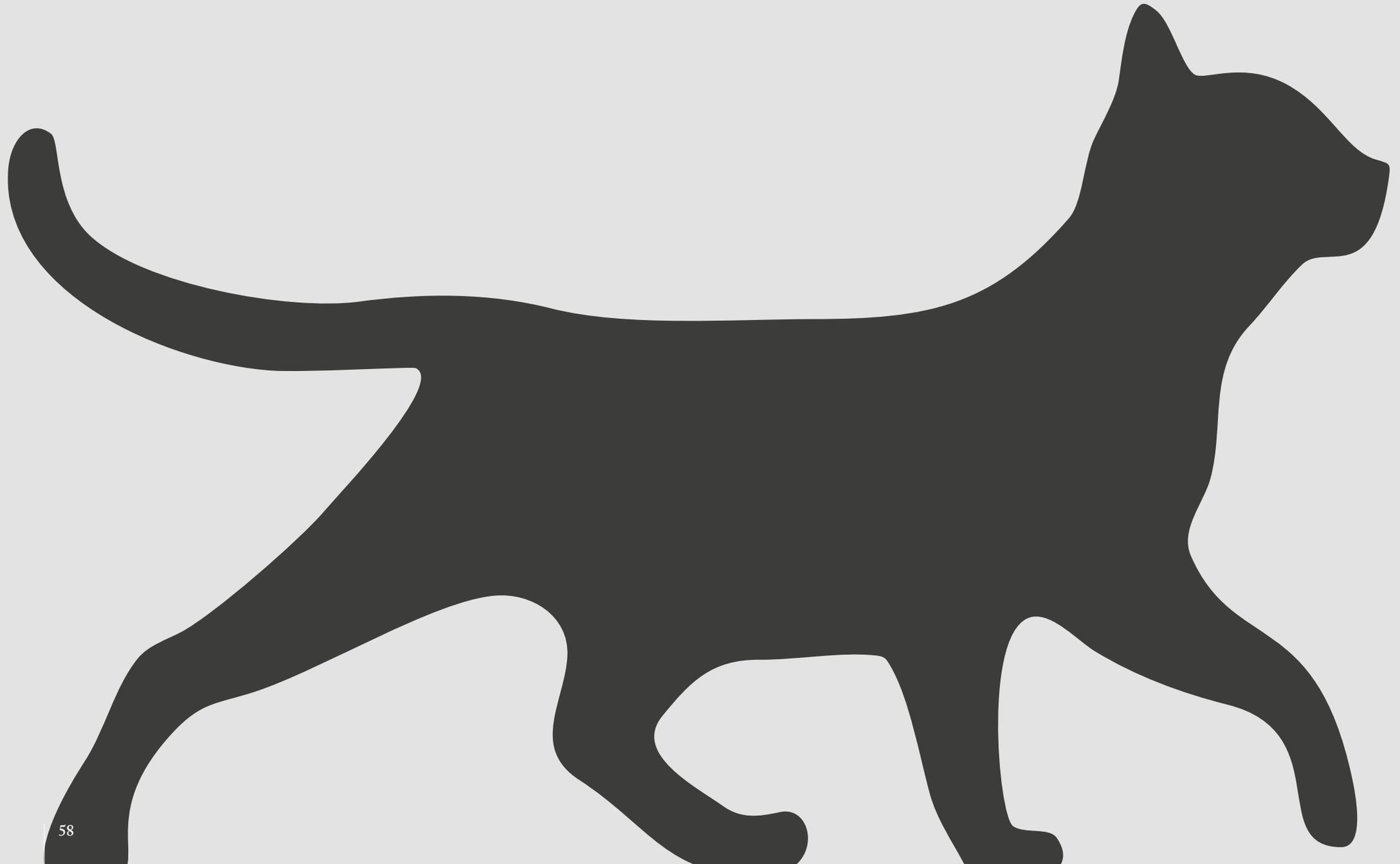
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*“Omne tulit punctum qui miscuit utile dulci, lectorem delectando pariterque monendo”.*

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