

YOUR CHANGE
MANAGEMENT PARTNER

TRAINERS'

HOUSE

2013





TRAINERS' HOUSE

||||| ANNUAL REPORT 2013



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**EFFECTIVE AND FAST
CHANGE
PROJECT EXECUTION**



ENTHUSIASTIC EMPLOYEES

– MEASURABLE RESULTS

We want to help our clients implement their strategy in practice. This gives everyone the opportunity to do the right things every day in terms of their personal and the company's success.

In 2013, we participated in more than 500 client projects, scheduled 21,000 meetings and carried out approximately 3,000 audit interviews.

Our clients particularly appreciate the expertise and client-centric approach of our staff, our quick and practical way of working as well as the great results we achieve together using effective methods and tools.

We are our clients' chosen change management partner. We help them achieve measurable results in their change projects, according to our assignment.

TRAINERS' HOUSE

The story of Trainers' House began in 1990, and by the end of 2013, the company employed 82 people. The company's Head Office is located in Espoo.

In 2013, Trainers' House's net sales totalled EUR 10.1 million, and the operating profit before non-recurring items amounted to EUR 0.5 million, or 4.9% of net sales. The operating profit after these items was EUR -4.1 million or -41.0% of net sales.

LONG-TERM GOALS

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

DIVIDEND PROPOSAL

The Board of Directors proposes that no dividend be paid for the financial year 2013.

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 2013, a total of 21.4 million shares, or 31.5% of the average number of all company shares (5.9 million shares, or 8.7%), were traded on the Helsinki Stock Exchange, for a value of EUR 1.5 million (EUR 0.8 million). The period's highest share quotation was EUR 0.11 (EUR 0.22), the lowest EUR 0.05 (EUR 0.09) and the closing price EUR 0.07 (EUR 0.10). The weighted average price was EUR 0.07 (EUR 0.14). At the closing price on 31 December 2013, the company's market capitalization was EUR 4.8 million (EUR 6.8 million).



"BEHAVIOUR IS THE ONLY RELIABLE FORM OF COMMUNICATION"

2013 was a year of hard work for us. The overall economic situation made it more difficult to secure new assignments, however the market picked up during the final quarter of the year. As a result of our restructuring measures, our core business remained profitable in 2013.

The measures announced by Trainers' House at the end of 2013 significantly strengthened both the Group's financial position and cash flow in the future, giving us an opportunity to develop our long term operations.

To be able to grow as a business and improve our profitability, we must be able to recruit the right people and replicate our success. We demand more from ourselves, and are actively seeking to find new business models.

We implemented over 500 client projects in 2013 and are delighted with the results achieved. We focused on verifiable results and quantifiable changes in actions. This new direction will only become a reality once the everyday actions within the organization support it. In our client projects we recognise the initial situation, identify critical action and the most vital everyday leadership practices.

It is evident that a growing number of companies want to achieve a quantifiable business-based change in their operations by changing their actions and by creating a story. We work in close cooperation with our clients, focusing on their everyday work and root causes. Rationalisation is important, but not enough to drive the change. Creating a story gives meaning to action, and establishes a shared goal.

In addition we have fine-tuned our tools in 2013: We launched a new tool called IMPACT MAP and the PULSSI (Pulse) Change Management System. IMPACT MAP defines the causal relationships between actions and results. A client using PULSSI knows whether the personnel has started doing the agreed things and whether critical changes in behaviour have taken place. PULSSI provides management and supervisors a real-time view of the implementation of the change and game-like rewarding features for users. Individuals receive direct and relevant feedback on their critical actions - often more than during their entire career up to this point!

At the moment, the market situation favours organizations that buy training services. Trainers' House firmly believes in effective training programmes that are focused on quantifiable results, not in training for the sake of training. We believe in enthusiastic people and changing actions, because behaviour is the only reliable form of communication. With Trainers' House, changes are more likely to be implemented in practice - and quickly.

In 2013, we had the pleasure of participating in many motivating and rewarding projects. Thank you, Valued Clients, for your confidence in us.

Arto Heimonen, CEO





A WORLD-CLASS CHANGE MANAGEMENT COMPANY

We employ some of 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. The client is at the core of everything we do: our values, our actions and our goals.

VALUES GUIDE OUR EVERYDAY LIVES

HUMANS are our most important value. We work at our client companies with human beings, 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 the reason to continue our work.

FOCUSING ON CRITICAL ACTIONS AND THE STORY

Successful change requires committed people and concrete changes in actions. **Results change when everyday actions change.** Actions change when people want better results. The common story keeps new actions topical.

We work on projects with our clients to strengthen their everyday leadership in practical ways and at all organizational levels.

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.

The 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.

SUCCESSFUL CHANGE IMPLEMENTATION

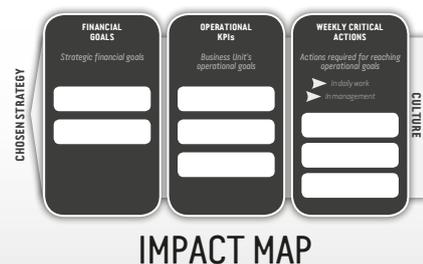
We help our clients implement change successfully. We have established an effective methodology which inspires our clients' employees and provides **measurable results**. We execute change projects that clarify and implement the client's strategy: we improve their productivity by supporting their everyday leadership.



ANALYSIS AND SPECIFICATION

Regular everyday actions are linked to the company's strategic goals with Trainers' House's IMPACT MAP.

A ANALYSIS OF STARTING POINT
S SIMULATION OF ALTERNATIVE SOLUTIONS
C CONCEPT CREATION
 p. 12





Each change project is based on the client organization's strategy and need for change. Together, we set realistic targets for the desired results and identify the critical changes in activities that are required to achieve them.

ANALYSIS AND SPECIFICATION

First, we analyse the starting point, present possible solutions and identify the best concepts to support the change with our ASC method. Thorough groundwork guarantees top-grade results when underlying factors in change management are identified.

The organization can achieve the desired change only when the everyday actions of people support it. To identify the critical actions that need to change, we analyse the client's strategic goals and specify repeatable and measurable actions with our **IMPACT MAP** tool. This gives management a clear understanding of what to focus on to achieve the desired change. It also helps the personnel understand the relation between the organization's goals and their actions. Naturally, this requires involving the personnel in the implementation of change.

IMPLEMENTATION

Our tailor-made change programmes range from short, projects to strategic change programmes spanning several years. We support our clients' change projects by crystallising their story and providing training and consultation services as well as everyday sparring and change communication. When necessary, to support the change, we set up an internal agent network to continue to anchor the change in the client organization.

Change is always driven by people. To ensure that people are inspired and have an opportunity to grow, we also offer **training for personal development**. We offer training paths for leaders, professionals and sales managers and staff.

We verify the results by auditing the client's everyday work and by bringing in management systems to help monitor the activities and results. This also helps ensure the change is sustainable. We measure and monitor the change in critical actions and results with our PULSSI (Pulse) Change Management system. We help management make the desired changes permanent and to motivate the people with regular sparring.

IMPLEMENTATION

Sustainable change in thinking and behavior is possible by using scalable tools and adopting an enthusiastic and transparent leadership culture.

- p. 14 **TAILOR-MADE CHANGE PROJECT**
- p. 16 **PERSONAL DEVELOPMENT**
- p. 18 **THE PULSSI (PULSE) CHANGE MANAGEMENT SYSTEM**



**ENTHUSIASTIC
EMPLOYEES**



**MEASURABLE
RESULTS**

THE ASC-METHOD

GUARANTEED CHANGE

A successful change concept is created with Trainers' House's ASC method: analysis, simulation and concept creation ensure that the project is well equipped to proceed.

During **analysis**, we aim to understand the starting point to set realistic objectives and steps for the change.

During the **simulation**, we identify the best solutions with the client and prioritise the activities with the IMPACT MAP tool.

Concept creation makes the change manageable, repeatable and verifiable. These are managed with the PULSSI (Pulse) system in the implementation phase.

Whatever the scope of the change, it is initiated with small everyday actions. To be able to manage these actions, the organization needs to identify and analyse them. Trainers' House uses the IMPACT MAP tool to do this.

The IMPACT MAP aligns daily work with strategic goals. In the map, strategic goals are depicted as concrete business goals, which are translated and prioritised into operative metrics at the unit level. Finally, these operative metrics are the basis for specifying actions for people, so that everyone can easily see the relationship between the organization's goals and the desired actions.



” **THE NEW
DIRECTION
BECOMES
A REALITY**
ONCE EVERYDAY
ACTIONS
SUPPORT IT”



TAILOR-MADE CHANGE PROJECTS

We have carried out more than 400 audit interviews to receive feedback on the quality of our partnerships and methods. According to a vast majority of our clients, they would not have achieved similar results without us.

The value of our change programmes is created by **training and coaching services, change management systems and story creation**. Our service packages are always tailor-made to suit the organization in question and their reality.

To support the change and to make the new, improved actions the standard, we set up an internal agent network to continue to anchor the change in the client organization.

In 2013, we carried out over 500 assignments. The results achieved and the feedback from our clients demonstrates that our methods bring **measurable results irrespective of industry**.

For more information on our clients' results and the change projects we have implemented, please see page 20.

"We chose Trainers' House because Sokos Hotels needs transformational learning and Jari Sarasvuo and his crew are the number one experts in Finland when it comes to the discourse and critical reflections, that according to Jack Mezirow, lead to transformational learning."

Harri Ojanperä
Senior Vice President, Sokos Hotels

"Cooperation with Trainers' House has been smooth. I'm especially pleased with the hands-on approach of Trainers' House, and the scheduling, resourcing and the final result of the project were all great."

Aku Rumpunen
SVP, Group Business Control, Cramo Plc.

"We considered many options and Trainers' House's model seemed like the best fit for us. It was the inclusive and modern approach to establishing company values that won us over."

Mika Ala-Fossi
CEO, Atria Finland



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.

Improved leadership

Our clients work with us to improve their leadership culture and methods. Good leadership is based on continuous feedback, reflection and clear vision. By focusing on man-

aging what is important, we can improve financial results, well-being at work and business processes.

Service design

A growing number of clients wants to achieve 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 the new action to meet the customer's needs and provide solutions for them.

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.

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, at-

titudes 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.

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.



PERSONAL GROWTH TRAINING

The task of Trainers' House is to help people grow and develop. We implement tailor-made change projects and training paths to promote personal growth.

In 2013, we carried out dozens of personal development programmes for people working in leadership or professional roles as well as sales and sales management. In 2014, we will complement this by adding two more personal development programmes aimed at direct supervisors and those giving presentations.

More than 4,000 people in Finland have already participated in these programmes. This has given us the opportunity to witness several personal breakthroughs and fantastic

growth stories. These are necessary: considering the fast pace of change in the modern workplace, a company cannot achieve long-term success without the significant growth of individual employees. The perceived ability to learn and grow is an important source of employee motivation. Companies that offer their employees good opportunities for personal development and growth have the upper hand when recruiting professional staff.

"Coincidence or not, but I received the best results in my 15-year career immediately after the intensive training modules of the Professional Path. I got what I wanted: plenty of food for thought and new drive and energy for both work and play.

I was positively surprised by the versatility of the Leadership Path and well impressed by the energy and dedication of the trainers. There was an infectious attitude, and it was great to get to know the fantastic people in the group.

To get the best results from the training, you need to engage fully. The training does not take you to the finish line, but guides you in to the right direction. Thanks to the training, I have the tools and resources to stay on the path, but it is up to me to make the best of it."

Martti Pitkäranta
Alexandria Pankkiiriliike Plc

"Leadership Path is one of the best management trainings I've seen! During the training, we focused on the role and presence of a leader through self-knowledge. Our trainers worked with an intensity and energy I've never experienced before. The honest presence and approach of our trainers encouraged us to be brave and face reality.

The training also boosted my confidence in what I've been doing right. Listening to others gave new insight into problems I face in my role. I've always tried to lead a healthy lifestyle, but the Leadership Path truly made me see the light and understand the importance of being fit. A better balance between physical and mental fitness gives all participants more energy in their various roles, both personal or professional. Seeing your personal fitness metrics is a big wake-up call. Many participants have turned their life around after the training.

The benefits of the training are immediately visible in leadership quality, and thus in productivity. Some participants gained more confidence to progress their careers.

It is absolutely worth it, both in terms of time and money!"

Teija Ojankoski
VaV Asunnot Oy



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 referred to as intensive modules. The training modules

include personal sparring sessions and practises for effective leadership skills as well as the Pulssi (Pulse) Change Management System.



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 par-

ticipant and the organization. With better self-knowledge and management, the participants are well equipped to shine, in both their professional and personal lives.



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 behind both pro-

fessions. The focus is firmly on the sales manager's own reality and situation and effective measures are taken to achieve targets.



Sales Training Programme

During the programme, sales representatives examine their own sales activities - opportunities and bottle-necks - with the objective of achieving significant improvement

within a few months. The focus is on concrete activity, as well as the most effective methods in modern sales.



Manager's Path

This training programme gives supervisors practical tools for their everyday challenges. The training takes place at a very concrete level and with a forward-looking approach. We clarify the direct supervisor's identity and focus on the

training of skills such as providing feedback and personal guidance. With our tools, the supervisors can establish a culture of teamwork and cooperation.



Presentation Skills

Our Presentation Skills training programme makes a gem out of a diamond in the rough. We have a firm belief in learning by doing and providing feedback from authentic situations, not theories or ideal situations. The training fo-

cuses on conveying the message and creating the desired effect. Participants get personal tips on how to structure and execute better presentations.



Fight Club

In the Fight Club programme, participants hone their strengths together. They learn a systematic way to increase their energy levels. In guided morning exercise sessions, they improve their fitness to be ready to face

whatever their professional or personal life throws at them. Personal well-being is not something you achieve by chance. It is in your hands!

THE PULSSI (PULSE) CHANGE MANAGEMENT SYSTEM

In 2013, we launched PULSSI 4.0, which is more visual and practical. On their PULSSI home page, each user sees the key actions they are expected to carry out that week. PULSSI provides the environment and materials that support learning, such as a weekly training videos, support documents or marketing material.

CHANGE MANAGEMENT ON A WEEK BY WEEK BASIS

Change is about people either starting, stopping, increasing or decreasing actions. Usually, it takes a combination of all four. **The PULSSI (Pulse) change management system is the easiest way for monitoring desired actions.** With PULSSI, the desired change in actions is managed at a weekly level.

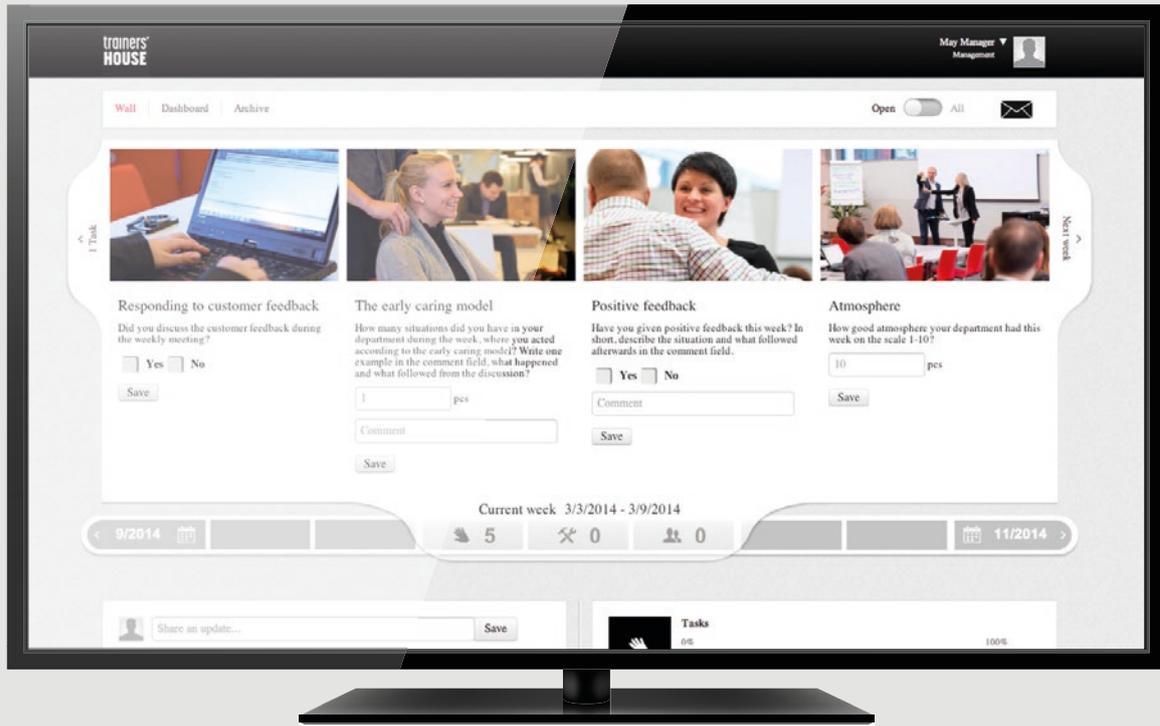
We use Pulssi in all our tailor-made training programmes. It establishes a framework and schedule for the actions, helps identify and tackle what stands in the way of change, encourages individuals to commit to their work and provides them the tools to do so. Representatives from Trainers' House and the client organization work together in the steering group to specify critical changes in actions. Based on these, we create activity metrics, which the management can easily monitor weekly and daily.

VISIBILITY TO EVERYDAY ACTIONS

One of the greatest challenges in the management of change is the delay between the initiation of the change and seeing the results. With PULSSI, management groups, managers and supervisors can monitor the change in their organization from the moment the implementation starts.

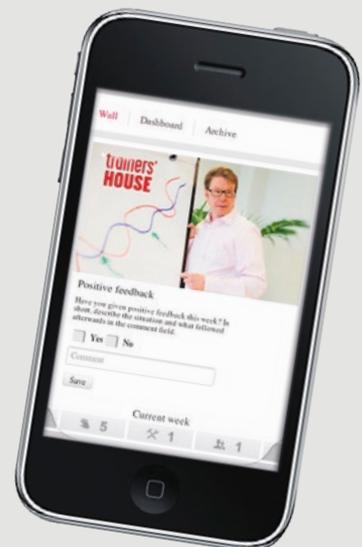
At its most effective, PULSSI is used as a practical tool and integrated into the company's management system. To ensure success, the organization should use the tool regularly at all levels, including the management group meetings. PULSSI guides management resources to where they are most needed, helping managers to use their limited time where it matters the most.

PULSSI has been designed to fit into screens of all sizes to ensure usability on the go. In 2014, we will launch WP8, Android and iOS applications.



LARGEST CLIENT ENVIRONMENT HAS
700
USERS*

MORE THAN
3500
USERS IN TOTAL *



*Situation at the end of the 2013



EDITA PUBLISHING

A PHYSICALLY ACTIVE WORKFORCE

Edita Publishing Ltd operates with many sectors and subject areas. Edita is known for its high-quality textbooks and study materials and is also acknowledged for its various publishing and communication services. The publishing programme of Edita also includes Edilex, the most comprehensive digital legal information service in Finland. Edita Publishing Ltd. is a subsidiary of Nordic Morning, a leading Nordic communication services provider.

ASSIGNMENT

MORE ENERGETIC AND EFFICIENT PERSONNEL

Operations in publishing are often project-based, which means a significant variation in workloads. According to a survey among **Edita Publishing's** personnel, they found it hard to recover from their high-intensity workload and long-term projects.

"I had previously taken part in the Fight Club training programme organized by Trainers' House. A training programme that would make our workforce more physically active seemed like a good way to start tackling questions related to well-being at work and working ability," says Pälvi Myyry, Director of HRD and Administration at Edita Publishing Ltd. "Our goal was to help people identify their personal loading and recovery mechanisms, and adopt individual methods and physical activities that help them manage their total load."

EDITA'S "ILO"

In Edita's **"ILO"** (Ilo=joy, Liikkuminen=exercise, Onnistuminen=success) programme, employees were given the opportunity to participate in training for six months that encouraged increased activity levels and healthy lifestyle choices by means such as fitness tests at the start and end of the programme, body age measurements and joint training events.

Jarmo Riski from Trainers' House was responsible for the content and execution of the programme. He has extensive experience in top-level coaching in professional sports such as cross-country skiing. Participants could also refer to an online training programme. *"We organised three half-day training events during the course of the ILO programme, where we discussed mental, physical and social well-being and the ability to work from the point of view of the individual and the working community," Myyry says. "Edita also sponsored*

activity events, such as floor ball and a cross fit experiment. We also organized several small-scale projects at the office, such as Take the Stairs Week and an obstacle course for exercise breaks," Myyry continues.

RESULTS

"We have been extremely satisfied with the controlled way the project was implemented, because we lack the resources to do something like this ourselves," Myyry praises the implementation. "The body's age among the participants fell by 1 year and 3 months on average during the programme.

"As participants worked together, our team spirit and working atmosphere improved, and people found new ways to recover from their intensive work loads. It was great to see how the entire organization was motivated to participate, and the steering group kept providing new ideas to support the programme," Myyry explains.

There were no group exercise sessions, but even so, the step count measurements indicate that the group reached the commonly recommended activity levels. In five months, the participants' muscle strength increased by 17 per cent on average, and 74 per cent of the participants achieved a lower total body fat percentage.

"During the programme, I personally became more convinced of the fact that team spirit is built by working together," Myyry concludes.

**"THE BODY AGE FELL...
TEAM SPIRIT IMPROVED"**



Anne Oljelund
Trainers' House

Päivi Myyry
Edita Publishing

EDITA



Tatu Hauhio
Cramo

Aku Rumpunen
Cramo

Mikko Hämäläinen
Trainers' House

Katriina Juntunen
Trainers' House





CRAMO

ROLE MODEL IN RENTAL

Cramo is a service company specialising in equipment rental services, as well as rental of modular space. Cramo's equipment rental services are comprised of machinery and equipment rental as well as rental-related services. Cramo is one of the industry's leading service providers in Europe. Cramo's 2,500 employees serve over 150,000 customers in 15 countries through a network of almost 400 offices.

ASSIGNMENT

CHANGE IN LEADERSHIP CULTURE

Cramo's top management wanted to introduce a change in the Group's leadership culture to boost business results. Cramo and Trainers' House started their cooperation in early 2012 by setting the following goals: improved efficiency at the depot level and improved agility at the management level to help the company cope with the current economic uncertainty.

"We wanted to turn the traditional management model upside down. To avoid micromanagement, we wanted to allocate more responsibility for operative actions to those in the field and their direct supervisors," says **Tatu Hauhio, Executive Vice President Eastern Europe** at Cramo Group. *"At the same time, we wanted to give our employees more responsibility, so that they can solve everyday problems independently, which would greatly enhance our ability to react quickly."*

PRACTICAL IMPLEMENTATION OF PERFORMANCE MANAGEMENT

We started our cooperation with a thorough analysis of Cramo's current situation. We then created an Impact Map specifying those actions - and metrics - that are the most critical for business results. *"The most critical factor in the implementation was that we had a proper project organization, we allocated a realistic amount of time for the implementation, had a project-specific steering group and clear metrics and actions for the follow-up,"* Hauhio says. *"The project was very engaging: all key employees from our rental and service organization participated in the creation of the new leadership model. Trainers' House turned our supervisors into coaches who implemented the new performance management model in practice."*

Reporting and objective setting also worked from the bottom up. *"Employees and their direct supervisors reported on the progress of actions, ideas and results to upper management, which proved a successful method of changing the direction of communication. Objectives were set by the*

employees themselves, and their supervisors reported on the achievements to the management," Hauhio explains.

RESULTS

The results of the new leadership model were quickly seen also in numerical terms. *"We soon noticed that **this was a great way of controlling costs**. There are less surprises now, and we can anticipate costs better. Despite the challenging market situation, **both our net sales and profitability improved significantly in those areas where performance management implementation was the most successful**,"* Hauhio says. *"Employees also gained insight into the causes and effects in our business, which makes them **more interested in the results posted by the company and their respective units**."*

After the adoption of the company-wide leadership model, supervisors are less busy and have clear job descriptions. *"Now that responsibility is shared, we have more time for customer visits. Previously, only supervisors visited customers, but today, some employees also do that,"* says a rental depot supervisor.

FROM FINLAND TO GLOBAL IMPLEMENTATION

In the autumn of 2012, we started to build a Group-level Performance Management Model based on the model created for Cramo Finland. *"Cooperation with Trainers' House has been smooth. I'm especially pleased with the hands-on approach of Trainers' House, and the scheduling, resourcing as well as the final result of the project were all great,"* says **Aku Rumpunen, SVP, Group Business Control**. *"We have started to implement the Group-level Performance Management Model in all Cramo's country organizations in 2013."*

"SALES AND PROFITABILITY IMPROVED"



ESPERI CARE

“LOISTE” LEADERSHIP PROGRAMME

Founded in 2010, the Esperi Care Group has a nationwide network of over 80 facilities offering continuously evolving social and health services to senior citizens, people recovering from psychological problems or substance abuse and the disabled. Esperi aims to provide a humane touch in the care of its target groups, as well as well-functioning solutions to the growing needs of such services in Finland. Esperi employs more than 3,000 professionals in social services and healthcare. The Esperi Group's net sales in 2013 were some EUR 120 million.

ASSIGNMENT

HIGH-QUALITY MANAGEMENT AND IMPROVED PROFITABILITY

Esperi and Trainers' House launched their two-year co-operation, dubbed the “Loiste” programme, in 2011. Esperi wanted to be better equipped to provide its customer base with improved levels of care with high-quality management methods, as well as to improve the Group's profitability by adopting consistent management and leadership methods. The “Loiste” programme provided a comprehensive cover for the different aspects of management in business and care. Success was measured by monitoring results development and conducting a well-being at work survey.

Esperi's organizational structure is typical in the care industry: it is a flat organization where supervisors also work with customers. At the start of the project, supervisors found their role very challenging as the working communities were relatively tight-knit and small. As the business grew, the Group needed to specify the leadership roles and tasks in more detail, as well as establish common leadership practices and a Group-wide management system.

Esperi took its time to find the right change management organization before choosing Trainers' House. “All along, we considered it very important that the persons who came to pitch the offer to us would also be training our supervisors. We saw this as an indication of commitment to the project,” says **Juhana Olkkola, Director, Personnel and Law** at Esperi Care.

ESPERI CARE'S “LOISTE” LEADERSHIP PROGRAMME

The “Loiste” programme consisted of the specification of Esperi's management culture and practices in management workshops and four two-day supervisor training sessions. Before the sessions, Trainers' House interviewed Esperi's employees and observed work in different units as well as reviewed the work of all supervisors.

“The supervisors at Esperi have clearly benefited from the training. The training consultants had taken the time to

familiarise themselves with our operations in different sectors and truly spoke our language,” says **Marit Telin, Group HR & HRD Manager** at Esperi Care. Every supervisor from all Esperi units and support functions took part in the training, including Group Management.

“We were well impressed by the training consultants, they were professional and a great inspiration to us all. The topics covered were relevant to the challenges our supervisors tackle in their daily work. Networking and peer support among the supervisors were also important during the two-day sessions,” Telin says. “Esperi's management system was complemented by other tools such as a leadership SWOT analysis and implementation of weekly, monthly and yearly timetables. With these new tools, management is more structured. Much to our delight, this has been noticed by external auditors, too.”

RESULTS

Feedback from the “Loiste” programme participants has been very positive all-round. They were happy with the expertise and enthusiastic attitude of the training consultants, and felt that the training provided them with practical support and leadership tools. “According to our annual well-being at work survey that is conducted by an external party, **the leadership practices of direct supervisors have improved continuously since 2011,**” Telin says. “We also reached the profitability goals.”

“We are more than happy to recommend the Management Training Programme provided by Trainers' House. The training consultants are experts in sparring and motivating others and have a great attitude. The training sessions were genuinely tailored to meet our needs,” Olkkola and Telin say.

“THE LEADERSHIP PRACTICES
HAVE IMPROVED... **WE'VE
REACHED OUR PROFITABILITY
GOALS”**



Sissi Moberg
Trainers' House

Juhana Olkkola
Esperi Care

Marit Telin
Esperi Care

Jutta Tikkanen
Trainers' House



Juha Kemppainen
Fujitsu

Ritva Serkamo
Trainers' House





FUJITSU

CONTINUOUS FEEDBACK

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Fujitsu's Configuration and Supply Services organization provides pre-installation, logistics and recycling services to Fujitsu's Nordic customers. Located in Finland, Fujitsu's Nordic Logistics and pre-installation centre providers pre-installed devices to users in 60 countries.

ASSIGNMENT

CONSISTENT LEADERSHIP CULTURE AND A HEALTHY WORKING COMMUNITY

Fujitsu's Configuration and Supply Services organization and Trainers' House launched their cooperation in the spring of 2013 to improve leadership culture. "We wanted to improve the quality of our leadership practices after the results of our personnel survey. We did not have consistent management methods, nor common rules or practices. We also wanted to integrate the Lean culture of continuous improvement into our leadership and management practices," says **Juha Kemppainen, Head of Nordic Supply Chain** at Fujitsu Finland. "We wanted to involve our entire personnel in this change, and in so doing, we introduced a well-being at work aspect to the project."

"We liked the practical approach adopted by Trainers' House. The topics discussed were directly related to our daily work, and we could easily identify the critical changes required and the metrics for them. Initially, the preparations seemed extensive, but they did help us to find the correct point of view and content for the training and the entire cooperation," Kemppainen says.

LEADERSHIP SUPPORTED BY FEEDBACK

After analysing the current situation and turning the desired changes into tangible objectives, we created a common leadership model with supervisors. "We identified the critical actions that our supervisors should change in their leadership work to make our management methods consistent. Each supervisor started to implement the new model in practice and reported on their success in the PULSSI (Pulse) Change Management System. After each training session, we had both a common understanding and a tangible task list that we could implement in practice," Kemppainen says.

"Continuous feedback was an essential driver in the project. Personnel was involved in the implementation of the change

by providing weekly feedback on the work of their supervisors. This enabled us to monitor the progress together, implement any changes quickly and maintain a clear view as to what we wanted to achieve."

RESULTS

Fujitsu has seen tangible results in both its leadership and communication culture. "I'm glad to report that our management practices have become more consistent: supervisors who previously received the lowest grades have **improved their results by 0.3 to 0.5 points on the scale of 1 to 5**. I'm delighted to see that my goals in this area have been reached," Kemppainen says. "The project was also well received among the personnel. Their feedback was relevant and to the point, not overly emotional. It has been great to see how we have established a culture that encourages positive feedback."

Continuous feedback had an important role in the change. Over seven months, Fujitsu personnel gave feedback 1,200 times in the feedback system tailored for the project. "**This has been a great tool for quickly implementing good ideas, and it is impressive that the changes are initiated by the personnel**," Kemppainen explains. "Our communication culture has become much more open. We do not shy away from quickly tackling issues that can be seen as difficult and would previously not have come up at all."

"The change has been perceived outside the organization, too. We've received positive feedback from customers who have visited our facilities," Kemppainen concludes.

**"MANAGEMENT PRACTICES HAVE
BECOME MORE CONSISTENT....
WE HAVE ESTABLISHED A
SUPPORTIVE CULTURE"**



ATRIA

RENEWING ATRIA

Atria Plc is a growing and international Finnish food company. Atria is one of the leading food companies in the Nordic countries, Russia and the Baltic region. Atria's net sales in 2012 amounted to EUR 1,343.6 million and it employed some 5,000 people. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic. Atria's roots go back to 1903, when its oldest owner co-operative was founded.

ASSIGNMENT

COMPETITIVE ADVANTAGE FROM A MORE CONSISTENT COMPANY CULTURE

At the end of 2012, **Atria** and Trainers' House discussed ways of implementing the company strategy and creating a more consistent operational culture in different geographical areas. "We created Atria Group's new strategy in 2012, encompassing three themes: commercial excellence, efficiency and the way of work. We wanted to establish a shared value base and principles that guide the way we work across all countries. Based on these requirements, we launched the "Atria Way of Work" project with the objective of establishing consistent, international ways of working for the Group," says **Mika Ala-Fossi, CEO**, Atria Finland.

"We considered many options and Trainers' House's model seemed like the best fit for us. It was the engaging and modern approach to establishing company values that won us over. The team also seemed energetic," Ala-Fossi explains.

THE ATRIA WAY OF WORK

The cooperation was launched in the spring of 2013 with the creation of Atria's new vision until 2020, which later served as a guideline for establishing the new Atria Way of Work. Every Atria employee had a chance to participate and contribute to the specification of the Group's values and common practices. "The personnel was approached in a new and interesting way at pop-up stands. This was seen as a good and effective approach all-round," Ala-Fossi says. **Close to 3,000 production and office employees, some 75 per cent of the workforce, participated in the initial phase of specifying the Group's values.** "After that, some 200 people had in-depth discussions on the meaning of these themes in our daily work. In so doing, we established a solid and shared value base for Atria Finland, which we can later re-visit if needs be," Ala-Fossi says.

"In the next phase, supervisors communicated these values to the organization. Each supervisor organised a "WoW" session to discuss the Atria Way of Work with the personnel. Trainers' House provided tools to support these sessions, namely a WoW video and workbooks. Supervisors were also supported by so-called WoW Agents, trained by Trainers' House to provide guidance and support while we worked on our values," Ala-Fossi explains.

RESULTS

"The modern approach has worked well in practice, and we saw Group-wide involvement as the only option for a project such as this," Ala-Fossi says. "This process and how we got about it is part of the new Atria Way of Work. We got exactly what we wanted. The way Trainers' House packaged and drove the process was great. Our objective was a more consistent Atria, and we are heading in the right direction," says **Juha Gröhn, CEO** of Atria Plc. Ala-Fossi continues: "Trainers' House brings solid expertise to a project such as this and we are happy to recommend them as a partner in value specification."

The next step is implementing the Atria Way of Work in practical leadership work and measurement.

**"3 000 PRODUCTION AND OFFICE
EMPLOYEES PARTICIPATED...
WE GOT EXACTLY WHAT WE
WANTED"**



Atria
Atria Kulinari
-autunnaleikkleet
**LIHAISAMPAA,
ILMAN LISÄTTYÄ
FOSFAATTIA.**
LIHAPITOISUUS 95 %
maailma maailma maailma
Atria

Vesa Honkanen
Trainers' House

Mika Ala-Fossi
Atria

ATRIA PLC
Good food - better mood.



Sari Ström
Trainers' House

Peter Jung
Sokos Hotels

Harri Ojanperä
Sokos Hotels

Hannu Takala
Trainers' House

SOKOS  HOTELS



SOKOS HOTELS

TAILORED EXPERIENCES

Comprising more than 50 hotels in Finland, Tallinn, and St. Petersburg, Sokos Hotels is the largest and best-known hotel chain in Finland. The Group underwent the biggest concept change in its entire history in 2013, dividing its hotels into three types to provide tailored experiences for different customers. Solo by Sokos Hotels are high-quality classics, Break by Sokos Hotels are for recharging your inner battery and Original by Sokos Hotels is a hotel chain which is Finnish to the core.

ASSIGNMENT

SERVICE CONCEPT CREATION AND VALUE-BASED LEADERSHIP

Sokos Hotels wanted to implement their new service concept in practice so that the customers can experience tailored pampering. The cooperation in service concept creation and value leadership was launched in Solo by Sokos Hotels, and was later expanded to Break and Original hotels. The objective of the cooperation was to ensure that the customers could experience hotel stays at a completely new level. *“Our Solo hotels are each very different and unique. We wanted to establish a service identity that encompasses the spirit of Solo hotels and creates world-class experiences for our customers,”* says **Harri Ojanperä, Senior Vice President** at Sokos Hotels. *“To truly implement our service promise in practice, we needed an experienced partner to guarantee us.”*

*“We chose Trainers’ House because Sokos Hotels needs transformational learning and **Jari Sarasvuo and his crew are the number one experts in Finland when it comes to the discourse and critical reflections that according to Jack Mezirow lead to transformational learning,**”* Ojanperä explains the foundation of the cooperation.

SOLO BY SOKOS HOTELS

Value-based leadership and the involvement of Group personnel are at the core of the new leadership model. The Group wanted to encourage the personnel to live and breathe the new identity of Solo by Sokos Hotels. *“First, we organised training sessions for the entire personnel, to provide a forum where they could discuss how the new Solo identity is visible in their own work”,* Ojanperä says. *“We ensured the commitment of key personnel to the change and deepened their understanding of introducing a change in company culture. In addition to the themes above, we also discussed the new involvement model with service owners. In leadership*

training, the focus was shifted from the current situation to future possibilities; leadership of the new way of working and empowering and involving the personnel. Each hotel got their own leadership model and their individual identities are supported with the common value base in mind,” Ojanperä explains. *“The next step was practical implementation with Trainers’ House and S Group’s training and learning centre Jollas Institute. The PULSSI (Pulse) Change Management System was used as a tool in rooting the culture.”*

RESULTS

Sokos Hotels continuously collects spontaneous feedback from its customers. As a result of the cooperation with Trainers’ House, the hotels that participated in the training have received top marks in customer service. **“On a scale from 1 to 5, our grades have improved from 4.14 to 4.71.** For example, Solo Sokos Hotel Paviljonki in Jyväskylä has received amazing reviews in Trip Advisor,” Ojanperä says. *“This has been a great boost to our team spirit. **The work with Solo Sokos Hotels served as a pilot project for value-based leadership, which will be introduced in the entire chain.** We expect to see similar great results with the Break and Original Sokos Hotels in the future. Every hotel monitors the level achieved with the PULSSI (Pulse) Change Management System, which helps us ensure successful practical implementation.”*

“Just visit a Solo Sokos Hotel such as Tornii, Aleksanteri or Paviljonki to see and feel the difference yourself,” Ojanperä concludes.

**”TOP MARKS IN
CUSTOMER SERVICE...
GREAT BOOST TO OUR TEAM SPIRIT”**



PERSONNEL

Over the years, we have evolved from a Training Company into a Change Management Company. We support our clients in the management of change. To this end, we have recruited some of the finest experts in the field and support their personal growth through continuous mentoring and training.

In 2013, we began to recruit Implementation Managers to our organization. We are seeking professionals with a business background to implement change projects together with our client organizations' managers. These recruitments will continue in 2014.

We are also using mentoring increasingly in our internal induction process. We appoint a personal mentor from among our experienced consultants to each new employee.

The weekly meeting for our entire personnel will also focus increasingly on training. We also provide to selected employees the opportunity to participate in personal training programmes that are offered to our customers.

The Trainers' House Growth Academy is a tailored on-the-job-training programme in which some 60 economic students study and work in part-time marketing roles. Our personnel participates in monthly training sessions on

business and personal management as well as personal growth. In 2013, we invested in the recruitment of marketing personnel, and this focus is set to continue in 2014.

As our business focus changed, Trainers' House organized co-determination negotiations.

At the end of 2013, the computational number of the company's employees was 82 (108). The majority of them worked as training consultants as well as in project management and marketing positions.

Trainers' House recruited four new Implementation Managers and one new ASC consultant in permanent positions during 2013.







HELENA SOMERO

47, Master of Business Administration
Group Director, Consultant

Helena joined Trainers' House in 2013, having previously acted as Director, Media Sales at the Kauppalehti newspaper (Alma Media) and a member of the Management Team. Helena's latest accomplishment is earning her MBA while working, and she is currently enrolled in Leadership Path at Trainer's House.

Helena emphasises the importance of maintaining your skills and competence, both in your personal and professional life. She is keen to use her new skills in practice. *"My heart beats for sales in all its forms. What motivates me is seeing others succeed, knowing that we have reached the goal together. At its best, sales management happens through each sales representative: as individuals with different needs, they need tailored leadership and mentoring,"* she explains.

Helena values the corporate culture at Trainers' House: *"We have a very strong service identity. As a change management organization, we live what we teach: we talk the talk and walk the walk. Our actions are highly systematic, our practices transparent and apply to the entire organization – including our CEO."* The structure of the Trainers' House organization is also reflected in sales management. *"As a team leader, I value the flat structure of our organization, because it makes us very agile. The decisions we make are quickly implemented in practice. Instead of quarterly monitoring, we monitor our actions on a weekly, or even on a daily level. By doing so, we can see results quickly,"* Helena says.

MARC MOBERG

44, M.Sc. (Econ.)
Senior Vice President, Consultant

Marc graduated from the Hanken School of Economics in 1996 and started his career at an advertising agency in Helsinki. He joined Trainers' House in 1998 and has since acted in several roles. At the moment, Marc is a member of the Management Team and responsible for Trainers House's personal development programmes and personnel skills development.

Marc remarks on how the corporate culture affects his own work: *"The culture at Trainers' House is truly unique, even exceptional, and suits me perfectly. Highly ambitious top-class professionals work together here, but with a great rock'n'roll attitude. We have a great group of people who work really well together, but we also have the opportunity to grow and develop as individuals."*

Despite his managerial role, Marc is still involved in hands-on work with the clients. *"At Trainers' House, managers also participate in operative work: we get the chance to sell, train and lead. Sometimes I'm busy meeting clients, other times I may be leading a training session that spans several days. I'm very motivated by my role: I am given power and responsibilities and the work itself is meaningful,"* Mark explains.

It is important that work has real value. *"We have helped our clients turn companies around, achieve notable improvements in terms of financial results and succeed in motivating people who have been stuck in a rut for years and have lost their motivation. Whether one is motivated or not makes a world of difference. Fundamentally, everyone wants to be good at what they do: our task is to be there to give them the occasional nudge when they need it. It is great to be able to see how our trainings empower and energize people and teams,"* Marc says with enthusiasm.



HANNU TAKALA

34, Bachelor of Military Science
Group Director, Consultant

Hannu has a background in the Finnish Defence Forces, the National Defence University and the Armoured Brigade. His ambitious attitude and interest in leading and motivating people brought him to Trainers' House in 2007. He has progressed from a Project Manager to a Training Consultant and currently works as a Group Director.

"I am very interested in looking into what motivates people and what I can do about it. With motivation and a can-do attitude, a person can achieve so much more, in terms of results and satisfaction. I want to trigger this spark in people and help my clients do the same," Hannu says.

As a Group Director, Hannu is responsible for the development, growth and results of a sales team in addition to his personal responsibilities. He sees availability and approachability as the most important leadership quality. *"I am also interested in a streamlined approach to managing people. When people know what is expected of them, and these expectations are realistic, your work as a leader becomes simple: you just need to be available, help them and guide them back on track."*

Hannu is as fascinated as ever by the founding principle of Trainers' House: *"Everyone here is very client-oriented and interested in how our clients are doing. Everything we do focuses on the clients and their change projects. When people are this focused, we can provide great results."*

SARI STRÖM

36, Bachelor of Business Administration
Customer Manager

Sari joined Trainers' House in 2005, having previously worked in Hämeen Puhelin telephone company with directory products in a leadership role with business responsibility. Before her current role, Sari worked at our subsidiary Ignis and as a Training Consultant at Trainers' House.

In Sari's current role, everything revolves around people. *"The best thing in my work is forging genuine relationships with people. I am responsible for large-scale change projects, and work in close contact with my clients. Once the parties know each other well, it is easy to talk about things, even the challenging ones. It takes courage to talk honestly, make the necessary decisions and proceed with the project,"* she explains. *"You do feel absolutely energised when you see the change take shape in the client organization, see the tangible results. And, most importantly, when you have the privilege to celebrate the success with the client! My role also involves sales activities, which makes the mix more interesting."*

Sari cannot praise Trainers' House's client-centric approach enough. *"Our clients trust that we hold the reins firmly and manage their change project, and that we keep them up to date with the project's progress. In long-spanning projects, the implementation of the change may sometimes become a secondary consideration at the client organization, and the client may show signs of "battle fatigue" – they often have other projects to manage, too,"* Sari says. *"In situations like these, the approach of our Customer Managers is very important. We are there to manage the project with the desired goals in mind: we monitor the progress weekly, keeping an eye on the big picture and all the small things. This is a way of challenging the organization in a positive way, which helps us keep to the project schedule and deliver the desired results. When Customer Managers commit 110%, the clients will exceed themselves, too. It's a win-win-situation!"*





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. Furthermore, Trainers' House's investor relations, communications and marketing functions report directly to him. 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: a 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 duties of 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).



MANAGEMENT TEAM

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 and 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 shareholding in the company are presented on page 40.

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 2013 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 2013, the Group paid auditing fees in the amount of EUR 49,372.



MIRKKA VIKSTRÖM

CFO

Year of birth: 1961

Education: Business College Graduate
(Financial Administration)

Work experience

Trainers' House Plc
CFO, 2008-

Trainers' House Oy
CFO, 2006-2007

Trainers' House Oy
Financial Manager, 2001-2006

Other current positions of trust
None

Ownership
191,062 shares

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-
Senior Vice President 2012

Veikon Kone Oy
Deputy Managing Director 2008

SEK & Grey Oy
CEO 2006-2007

Tele Finland Oy
CEO 2004 -2005

Teliasonera ja Sonera
Vice President 2001 -2004

Pohjola Group
Marketing Director 1995-2000

Other current positions of trust
None

Ownership
25,500 shares





CORPORATE GOVERNANCE

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 Trainers' House Articles of Association and in 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 19 March 2013. The AGM adopted the company's Financial Statements for 2012 and discharged the members of the Board of Directors and the CEO from liability.

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 2013-2014 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 44-47.

MEETINGS

The Board of Directors convened 14 times in 2013. The attendance rate was 97%.

REMUNERATION

The Annual General Meeting of 2013 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.



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.



TARJA JUSSILA

MEMBER OF BOARD

Member of the Board since 2008, independent of the company and major shareholders

Year of birth: 1970

Education: M.Sc. (Econ.)

Main occupation:
CEO,
Hill & Knowlton
Finland Oy

Work Experience:

Hill & Knowlton Finland Oy
CEO, 2002-

Other current positions of trust

Hill & Knowlton Finland Oy
Member of board, 2002-

Gambit Hill & Knowlton A/S
Member of board, 2002-

MTL, the Finnish Association of Marketing Communications Agencies
Member of board, 2007-2013

Pro Filharmonia -Association
Member of the Board, 2005-

Ownership
None.

JARMO HYÖKYVAARA

MEMBER OF 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

Smartum Oy
Chairman of the Board, 2013-

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

Top-Sport
Chairman of the Board, 2013-

Aino Health Management Oy
Hallituksen jäsen, 2011-

TOC Private Oy
Member of the Board, 2011-

Myvision Oy
Chairman of the Board, 1990-2013

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

Ownership
Indirect through a company controlled by Mr. Hyökyvaara; 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 Oyj

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 solid 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
Direct and indirect through a company controlled by Mr. Aktan; 3 021 000 shares







VESA HONKANEN

MEMBER OF BOARD

since 2013

Year of birth: 1956

Education: M.Sc.

Main Occupation:

Trainer,
Trainers' House Plc

Work experience

Trainers' House Oyj, CEO 2011-2013

Trainers' House Oyj, Senior Vice
President 2008-2010

Trainers' House Oyj, CEO 2003-2007,
Senior Vice President 2002

Aston R5, CEO 1998-2002

Trainers' House Oy, Training
Consultant 1997-1998

Tiedonhallinta Oy (later Solteq Oyj),
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

JARI SARASVUO

MEMBER OF BOARD

since 2011

Year of birth: 1965

Education: Studies in Economics

Main Occupation:

Trainer,
Trainers' House Plc

Work experience

Trainers' House Oyj
CEO, 2008-2010

Trainers' House Oy
Chairman of the Board, 1990-2007

**Länsiväylä, Uusi Suomi, Suomen
Kuvalehti, Kymmenen Uutiset,
Radio City, Contactor** magazine,
journalist

Writers' Studio, management
positions

**Hyvät, Pahat ja Rumat,
Minä ja Sarasvuo, Diili, Sarasvuo**
-television-shows

Entrepreneur since 1990

Other current positions of trust

GSP-Group Oy
Member of Board, 2007-

Ownership

**Direct and indirect through a
company controlled by Mr. Saras-
vuo; 17,395,760 shares**





INTERNAL CONTROL AND AUDITING

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 authorisations 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; and
3. discussing investments, acquisitions and significant expansion or downsizing plans.



INTERNAL CONTROL AND AUDITING

INTERNAL AUDITING

The purpose of internal auditing is to use systematic methodology for analysing and developing the risk management, internal control, management and administrative processes of the Trainers' House Group.

Internal audits shall evaluate risks related to the company's management and administration systems, functions and information systems, as well as the adequacy and efficiency of internal control procedures related to the following:

- reliability and integrity of financial and operational information;
- profitability and efficiency of functions;
- safeguarding of assets; and
- compliance with laws, regulations and contracts.

Any unit or function of the Trainers' House Group may be subjected to an internal audit. The Board of Directors is responsible for ensuring that internal auditing is organized appropriately and can be carried out independently.

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.

Trainers' House's insider officer is the company's CFO, Mirkka Vikström. 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 risk is decreased through adequate cash flow, binding credit limits and through efficient accounts receivable tracking. Interest rate risk is managed through the floating and fixed loans ratio. Currency risks are insignificant, because Trainers' House operates principally in the euro area.

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.



INFORMATION FOR INVESTORS

CALENDAR FOR 2014

The Annual General Meeting of Trainers' House Plc will be held on Wednesday 26 March 2014, at noon.

In 2014, interim reports will be published as follows:

- 13 February 2014, at 8:30 am
Financial Statements Bulletin 2013
- 3 April - 23 April 2014
Interim Report 1 January – 31 March 2014
- 31 July 2014, at 8:30 am
Interim Report 1 January – 30 June 2014
- 22 October 2014, at 8:30 am
Interim Report 1 January – 30 September 2014

DIVIDENDS

The Board of Directors will propose to the Annual General Meeting that no dividend be paid for 2013.

CONTACT INFORMATION

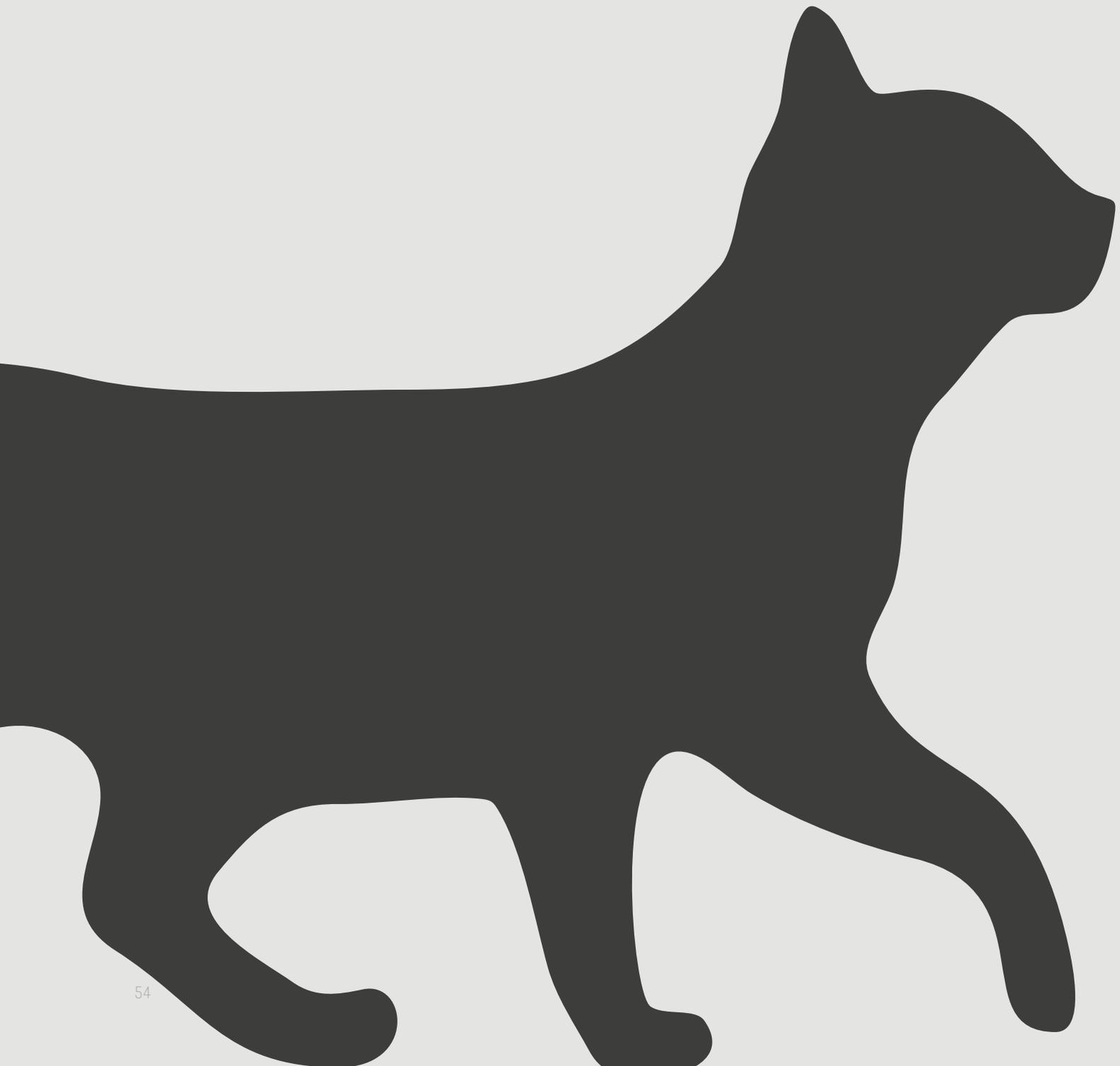
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trainers'
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Thank you, Valued Clients. Together we get there!

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TRAINERS'
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