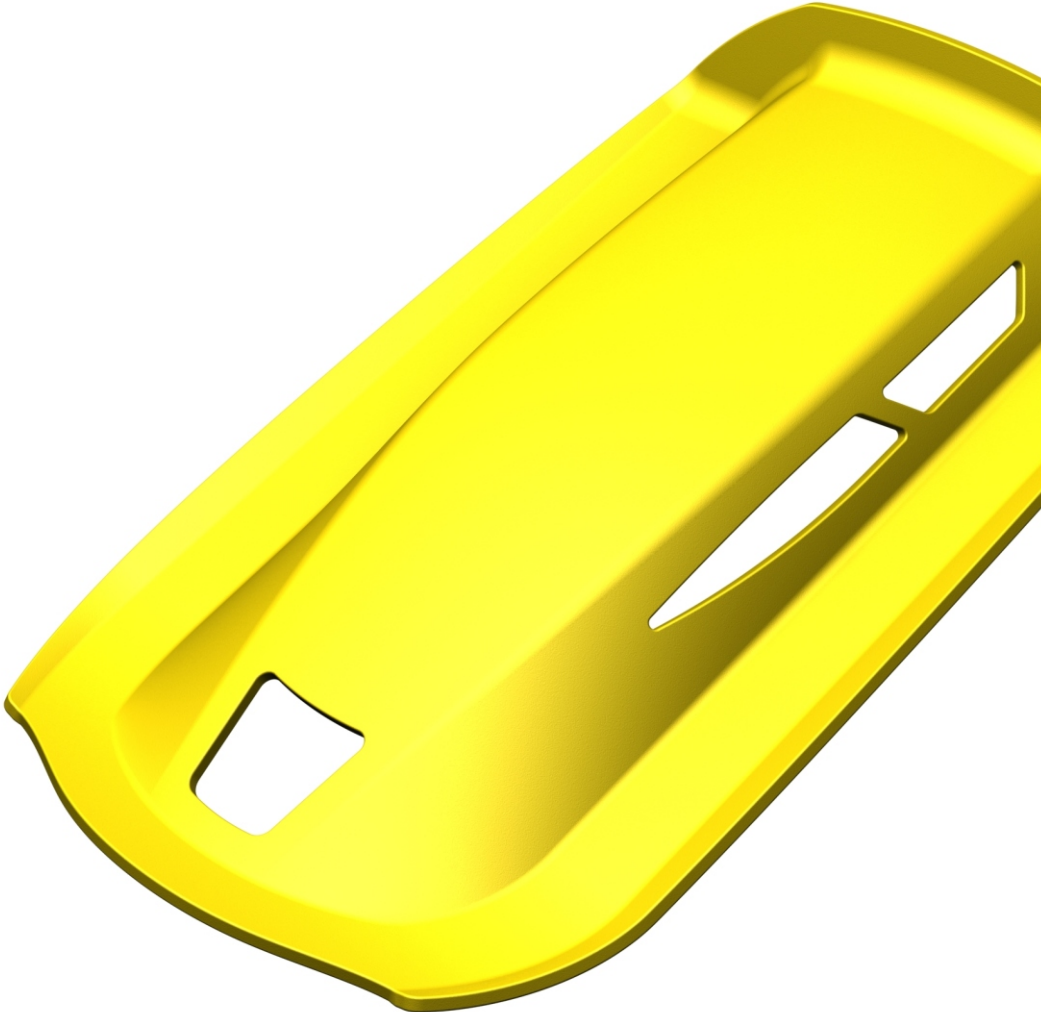


CREAdESIGN



CONTENTS

1	Introduction	3
2	Company overview	4
3	Human Capital	6
4	Relational Capital	7
5	Structural Capital	11

Introduction

This report clarifies Creadesign Oy's mission, vision and strategies more comprehensively than e.g. annual balance sheet, focusing on value creation and company's potential reflection. We want to communicate more clearly with our stakeholders: clients, suppliers and with our other partners. This Creadesign's first public IC report is created under guidance of "Nordic Harmonised Knowledge Indicators: Putting IC into Practice" –project, and it is partly funded by the Nordic Innovation Center.

In the report Creadesign Oy states the company's value creation and potentials and demonstrates the integration of its core values and strategy for value creation in utilising harmonized indicators. The aim is to monitor the initiatives and goals and show results of how the company develops its resources and cares for its values using IC monitoring as a management tool. We have found IC reporting very beneficial, and I hope you will experience this report as profitable for you, too!



Owner and CEO
Hannu Kähönen

Company overview

Creadesign Oy is an internationally awarded industrial design agency that specializes in industrial design based brand building. Since 1981, we have been creating and consulting customer-oriented and user-centered, unique design solutions. In addition to launching hundreds of brands, we have produced tens of patents and protections of design for our clients as well as numerous innovations of our own. Creadesign Oy has its headquarters in Helsinki, Finland.

Creadesign Oy is an innovation based full service industrial design agency. Our products are research, project management, design management, concept creation, industrial design, graphic design, GUI design, model construction and final CAD files for production, as parts of the creation process. The income comes from two separate lines: consultant assignments and licensing own-patented innovations.

Values and an ethic code

Creadesign's values are client orientation, focusing deeply into markets, human needs, respect of environment and furthering of well-being. Creadesign has also an ethic code: we will not offer our services, products, patents or competencies to company, which might harm environment, people or economical growth.

Mission, vision and strategies

Creadesign's mission is "Client's success by industrial design business solutions". The core purpose of company is to create absolute added value to the clients by our products. Creadesign's vision is to be leading Finland based innovation focused industrial design agency, that licenses products for specified clients globally.

Creadesign Oy leads the way straight to the vision by the following three strategic principles. First, Creadesign achieves its assignments to the best results by following Creadesign's own creation and quality procedure. Secondly, Creadesign offers better substance for clients. For example, Creadesign offers well-ordered way to develop products by its own interactive Design Spring © product development portal. Thirdly, Creadesign offers own-patented innovations globally to the most leading companies in different market sectors.

CREAdESIGN

My Contents Processes Actions
 Process Maps Organizations Notes

[Model]: Variotram [<-Back] [Print] [Bookmark] [Add to Basket] [Actions]

Variotram
 Variotram development project.

Graph

Recent actions

Type	Header
<input checked="" type="checkbox"/>	Details
<input checked="" type="checkbox"/>	Report
<input checked="" type="checkbox"/>	Desing guidelines
<input checked="" type="checkbox"/>	Variotram development guidelines

Created: 02.05.2003 8:52:46
 Last Changed: 14.09.2004 10:23:00

Design Spring © Creativity Portal ensures the smooth process and makes it easy to understand Creadesign's work.

3**Human Capital**

The most valuable asset of Creadesign is its human capital and the results that employees accomplish. Creadesign Oy employs six people, of which three have master degrees and three BA degrees. All of our employees have a certified knowledge. Average length of service in Creadesign is 7,8 years. Our job satisfaction is quite high, if measured it by absent days per employee (3,1 days per year, year 2004 2,4 days). Also, we have our own ideation and innovation process in use (see page 11 IPRs and innovativeness). Creadesign has had its own and active reward system in use last three years.

During year 2005 Creadesign has visited Milano's furniture fair, Sport fair ISPO in Munich, International Boat Show in London, Railway Interiors Expo in Köln and Innovation & Design Expo in Hong Kong. These fair visits have been part of training, benchmarking and selling activities.

Relational Capital

Market position

Creadesign's different market segments (lifestyle, professional and transportation) have mostly separate markets. However, common for all these three different market segments Creadesign offers design products and own-patented innovations. 81 % (year 2004 83 %) of Creadesign's income came from private sector and the rest from public sector.



Variotram, Helsinki new low floor tram is a visible example of Creadesign's work among the public transportation.

Client satisfaction

Creadesign accomplished an end-user survey during AIHEITA-exhibition in Design Forum Finland (see page 8 for details). According to this survey, the visitors valued all the products by the average value of 4.0 (all the product evaluations included) by the 5-point Likert scale. If we look at the values of all the 4 and 5 values, we got average cluster value of 69 % of all the respondents. According to these statistics, the created products aroused a great interest and favor.

Creadesign has planned to gather customer survey twice per year during next accounting period in order to get deeper insight of our image. Creadesign has also planned to gather data, which concerns end-user satisfaction as a part of client satisfaction survey.



Image in the markets

According to the rate of interested people applying for a job, Creadesign Oy has an attractive image. Especially among students Creadesign is seen as a challenging and promising career opportunity.

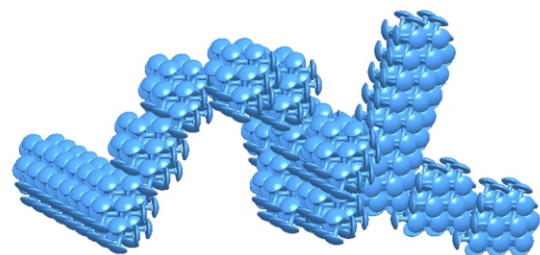
Because of the separation of Creadesign markets, the image in the different market sectors can't be the same. Creadesign has focused its marketing communication actions taking into consideration the characteristics of different markets. Concerning year 2005 Creadesign had more than 9 international press articles (e.g. Washington Post, New York Times, many international design magazines) and a Finnish TV-document.

Creadesign has not had a comprehensive media search. So, those 9 international press articles concerns only publications that Creadesign has been interviewed as a company, not quotations where company's name has been stated. We can only assume, how many times company name is referred when products designed by Creadesign are presented.

An essential part of professional industrial design agencies' is exhibit their new creations to the focused audiences. Creadesign organised own exhibiton called Hannu Kähönen AIHEITA-Themes. AIHEITA-exhibiton consisted of seven totally new Creadesign's innovations, which are patented. Creadesign managed to licensiate many of these products before the grand opening of the exhibition.

Concerning the credits: the works of Creadesign were awarded two times during 2005 by international Design Prizes: Fennia Prize Design Competition, Helsinki and Focus Know How, Stuttgart.

S.O.M.A. is a part which can indefinetely connected in all directions. Only the imagination is the limit for what can be made of this "mass": self-shaped toys and furnitures, houses...





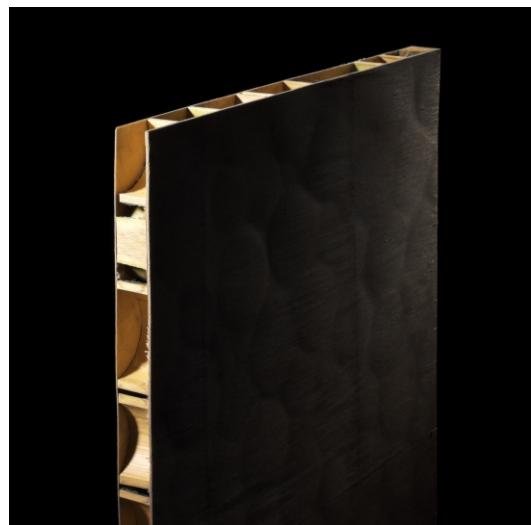
Lahti Pro sledge belongs to a product family of winter sports and activities. The Sledge resists impacts and is dimensioned to be used by both grown-ups and children.

Creadesign's CEO Hannu Kähkönen curatorised SAUMA - Design as Cultural Interface - exhibition, which was held in Finnish Cultural Institute in New York. The SAUMA-exhibition exhibited experimental, fresh Finnish design.

Creadesign participated also in two other exhibitions: Inspired by Bamboo, Design Forum Finland and Creative Industry, Designmuseum Helsinki. Bamboo project was designed for Hagi Chamber of Commerce, Japan. The production facilities for these products are going to be build up during 2006.



Sunny forks consists of a bowl and forks.



Construction board has a sandwich structure which makes it very strong and light.

Structural Capital

Information distribution

Creadesign has a collaborative process management system. We have one person who regularly updates and develops system. That system contains quality management (QM), knowledge management (KM) and document management (including e.g. own image bank). In addition to the technical application, KM is managed and advanced by regular meetings. In Creadesign KM steers the process of creating new ideas.

Intranet

Creadesign has an intranet, which main purpose is to ensure human resources management (HRM) and customer relations' management (CRM). We haven't used intranet so much for communicational aspects, because Creadesign is an agency of 6 employees and communication is managed in a more direct way.

Quality management

Creadesign has a formal quality management system, and one person is assigned to develop our quality process also in the future. Our quality management system consists of process and project reviews and internal reviews.

Working conditions

Creadesign's organisational structure is highly effective and integrated self-managed team. We have flexible working hours and mobile working conditions. Strategy is reviewed every quarter and goals are reviewed every month. Our employees participate regularly in these reviews.

IPRs and innovativeness

During last year Creadesign applied for 3 patents, 4 utility model registrations, 11 EU Community design registrations and 4 trademark registrations of its own. The R&D costs of Creadesign were 22 % (2004: the very same percentage 22%) of turnover. R&D consists of the resources that has been allocated creating and developing Creadesign's own inner processes, products, services and innovating new patents and trademarks of its own.

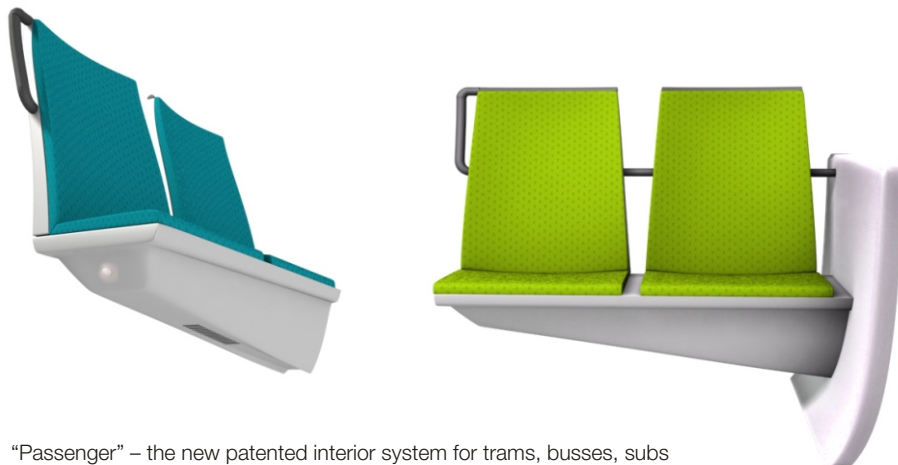
Year 2005 took significantly bigger share of resources, because we planned to take a major leap towards innovation business. And, already Creadesign has licenced four of these IPR's to global manufacturers. This fundamental R&D work is partly funded by Finland's Finnish Funding Agency for Technology and Innovation. Innovation is managed by formal innovation process, which includes e.g. response process to new ideas, feedback to new ideas and merchandising process of ideas.



2F (two faces) chair is one of the patents of year 2005 and it is licenced to Martela Oyj. 2F can change colour in a trice: it opens in two directions in different colours. 2F is made of Finnish birch plywood with minimal waste, and the 25-mm-thick chair can be stacked to fit 100 chairs in a cubic metre.



The structure of KLAPI-bridge is based on identical components. KLAPI will be available in wood, soapstone (licenciaded to Tulikivi Oyj.) and recycled plastic (licenciaded to Muovix Oy).



"Passenger" – the new patented interior system for trams, busses, subs and commuter trains – is one example of the public transportation innovations during 2005.