

SOFTWARE INDUSTRY SURVEY 2012

This questionnaire is a part of the annual Software Industry Survey. The results are published as statistics and tables that will not reveal individual companies. By responding to this survey, you help us to collect valuable information about the current state of software business in Finland.

The main results of the survey will be published in early June and each respondent will be delivered a firm-specific analysis of their responses later in June.

The survey is supported by:



INSTRUCTIONS: Fill the form according to the current state of your firm. If responding to a question requires information that is difficult to obtain, please estimate an answer. Also partial responses are useful.

After filling in the survey, please return the form to us by using the attached postage-paid return envelope. If you do not wish to participate in the survey, please return an empty form to indicate this. You can also fill in the survey online at <http://www.softwareindustrysurvey.fi>. If responding online, please use response code **[CODE HERE]**.

ALL YOUR RESPONSES ARE CONFIDENTIAL.

This survey is conducted by Aalto University School of Science and Tekes. Our contact person is Mikko Rönkkö, email mikko.ronkko@aalto.fi. See <http://www.softwareindustrysurvey.fi> for more information.

START ANSWERING:

1. Which one of the following options best describes your business? (Please select only one.)

Product firms

☐ Software product firm

☐ Firm that manufactures devices that contain software. (Embedded software)

Service firms

☐ Firm that delivers software projects or other related services

☐ Consulting firm in the software industry or closely related to it

Not software firms

☐ Software reseller

☐ Firm that is not in any way related to the software industry ➡ **Please return an empty response.**

2. Please estimate the following figures for your firm's last fiscal year and this fiscal year.

Revenue in 2011..... €

Revenue forecast for 2012..... €

Personnel at the end of 2011 persons

Personnel forecast for the end of 2012..... persons

R&D expenses in 2011 €

Operating profit in 2011 (Profit before extraordinary items, interests, and taxes) . €

3. What would be the ideal size for your firm in five years according to the management team?

Number of personnel..... persons

Revenue..... €

4. How well do the following statements describe the growth of your firm?

Growth is the most important objective of our firm..... 1 2 3 4 5

At the moment, the size of our firm is ideal, and we see no
need for strong growth..... 1 2 3 4 5

Growing our firm is the most important personal objective for many
members of our management team..... 1 2 3 4 5

The growth of our firm must not take place at the expense of profitability..... 1 2 3 4 5

Our firm must grow even if it means that we would need to take more risks..... 1 2 3 4 5

We aim at strong growth in international markets 1 2 3 4 5

Our management team believes that our firm is or will be an important
player in international markets 1 2 3 4 5

Our firm has targeted international markets from its founding..... 1 2 3 4 5

Strongly disagree
Disagree
Do not agree or disagree
Agree
Strongly agree

BUSINESS MODEL

5. Please estimate the following figures about your business.

Share of revenue that is generated from three largest customers	1	2	3	4	5
Revenue from products or services that are specific to a particular industry (e.g. banking, manufacturing, medical)	1	2	3	4	5
Market share of your main product/service in the main market	1	2	3	4	5

6. What percentage of your operating costs is spent on the following items?

Salaries and other personnel costs	1	2	3	4	5
Products or services purchased from third parties (e.g., licenses, subcontracting)	1	2	3	4	5
Products or services purchased from the three most important third parties	1	2	3	4	5

7. How is the revenue of your firm distributed between the following sources?

Product sales	Sales of our own software licenses	_____ %	} Total 100%
	Sales of third party software licenses	_____ %	
	Providing an application as a service used over the Internet	_____ %	
	Selling devices with our embedded software	_____ %	
Service sales	Customer specific software development projects	_____ %	
	Maintenance contracts related to software products	_____ %	
	Deployment projects related to software products	_____ %	
	Other services directly related to software	_____ %	
Other sales	Advertising or selling content related to software	_____ %	
	Revenue not directly related to software	_____ %	

8. Which third party software platforms has your firm to a significant degree developed software for in 2011 or plan to do so in 2013? (Choose all that apply.)

Mobile platforms		2011	2013	Servers		2011	2013
Android	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General web or application server (e.g., Linux web server, Microsoft IIS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iOS (iPhone / iPod touch)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Microsoft server product (e.g., Sharepoint) ..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iOS (specifically tailored for iPad)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Non-Microsoft server product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MeeGo / Maemo / Moblin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Web publishing platforms and CMSs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Symbian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Windows Mobile/Windows Phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Social media platforms (e.g., Facebook)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Cloud computing platforms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desktop or laptop computers				Game consoles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linux or other Unix	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Embedded systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mac OS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

9. Which of the following applies better to your products or services?

We offer a single product or service.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	We offer a broad portfolio of distinguishable products/services.
Our products/services are highly related.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Our products/services are completely unrelated with one another.

10. Which of the following best describes your company's main product? (Choose only one)

- | | | |
|--|--|--|
| <input type="checkbox"/> Game or other entertainment | <input type="checkbox"/> Consumer application | <input type="checkbox"/> Business application |
| <input type="checkbox"/> Portal or other web service | <input type="checkbox"/> Other type of product | <input type="checkbox"/> We do not have any products |

11. Which of the following options best describes the business that your firm is currently pursuing?
(Choose one on each line.)

Product or service uniqueness:	Several firms offer very similar products/services	Many competing products/services exist, but we are well differentiated	Our product/service is unique in our target market	Our product/service is unique in the world
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Novelty for main customer segment:	Many companies have served our customers before us with similar products/services	We are not the first firm to serve our segment, but offer something new	We are the first ones to target specifically this customer segment	Our product/service is entirely new for our customer segment
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The typical customers:	Private persons	Firms, under 100 employees	Firms, over 100 employees	Public sector
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geographical markets:	Local	Whole Finland	International	Global
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total size of the market:	Under 1 million €	1-50 million €	50 million – 1 billion €	Over 1 billion €
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If everything goes well, what is the most likely outcome of your firm:	A healthy small business, that provides a living to the owners	A business that provides the owners a much better income than working for others	Growth firm that can make the owners rich	A very lucrative success story that is highly regarded at least in Finland
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUSINESS ENVIRONMENT

12. How has Nokia's alliance with Microsoft affected your business?

	Strongly disagree	Disagree	Do not agree or disagree	Agree	Strongly agree
Nokia's strategy decisions do not have direct effects on our business	1	2	3	4	5
Our sales have decreased because of Nokia's new strategy	1	2	3	4	5
Nokia's new strategy threatens the viability of our core business	1	2	3	4	5
We have had to make changes to our strategy because of Nokia's new strategy....	1	2	3	4	5
Nokia's new strategy provides us with new business opportunities	1	2	3	4	5
We have already realized new business opportunities because of Nokia's strategy change	1	2	3	4	5
We are planning to recruit people that Nokia or its subcontractors have laid off	1	2	3	4	5
Nokia's former employees have special skills that are valuable for our business...	1	2	3	4	5
Generally, we think that Nokia's new strategy has a positive effect on the Finnish software industry	1	2	3	4	5

13. Have you recruited anyone who has left their jobs at Nokia or its subcontractors due to downsizing?

Number of people recruited from Nokia persons

Number of people recruited from Nokia's subcontractors persons

14. Please compare the product development capability of your firms to your closest competitors.

	We are...				
	Much weaker	Weaker	Equal	Stronger	Much stronger
Cost of product development.....	1	2	3	4	5
Efficiency of product development investments.....	1	2	3	4	5
The time taken to develop a new product or product feature.....	1	2	3	4	5
Observing the commercialization potential in product development.....	1	2	3	4	5
The product life cycle costs to customer	1	2	3	4	5
Improvement in product functionality and quality	1	2	3	4	5
The speed of the technical development of the product	1	2	3	4	5
The amount of significant technological innovations in the product	1	2	3	4	5
The amount of significant product innovations	1	2	3	4	5
The development of new product concepts.....	1	2	3	4	5

15. Please compare the marketing capability of your firm to the closest competitors.

Creating and managing durable customer relationships	1	2	3	4	5
Predicting changes in markets and customer preferences.....	1	2	3	4	5
Creating durable relationship with channel members such as resellers or agents ..	1	2	3	4	5

16. Please compare your firm to your closest competitors in the following general areas

Industry specific expertise	1	2	3	4	5
Firm capital and funding	1	2	3	4	5
The operational management capability	1	2	3	4	5
The reputation of the company	1	2	3	4	5
Experience in cooperative alliances	1	2	3	4	5
Growth of our firm	1	2	3	4	5

17. How many firms provide competing products/services to your main product/service?

☐ None ☐ 1-3 ☐ 4-9 ☐ 10 or more

INTERNATIONAL BUSINESS

18. Does your firm have revenue from outside Finland? (Choose one that applies best.)

- ☐ Yes, we have significant and regular international revenue.
 ☐ No, but we are planning to internationalize.
 ☐ No, international business is currently not relevant.
 ☐ No, but we have previously had international revenue.
 ☐ Yes, but it is minor or very irregular.

19. How is your revenue distributed between the following geographic areas?

Finland.....	_____ %	} Total 100%
Other Nordic countries	_____ %	
Western Europe (other than the previous).....	_____ %	
Eastern Europe and Russia	_____ %	
North America	_____ %	
South and Central America	_____ %	
East Asia (e.g. Japan, China)	_____ %	
South Asia (e.g. India)	_____ %	
Middle East.....	_____ %	
South Pacific (e.g. Australia)	_____ %	
Africa	_____ %	

20. What share of your software development work is done in low-cost countries outside Finland?

Internal or subcontracted software development in nearshore countries

(e.g. Baltic states, Russia, other Eastern European states)..... %

Internal or subcontracted software development in offshore countries

(e.g. India or China) %

MANAGEMENT AND STRATEGY

21. How does your company make strategy and strategic decisions?

		Strongly disagree	Disagree	Do not agree or disagree	Agree	Strongly agree
Our company adopts a written strategic plan each year to guide our operating activities.....	1	2	3	4	5	
Strategic planning in our firm is a formal procedure occurring in a regular cycle	1	2	3	4	5	
We have a written mission statement that is communicated to employees	1	2	3	4	5	
Formal analysis of the business environment and our competitors forms the basis for our company's strategic plan.....	1	2	3	4	5	
Strategy, for this company is primarily set by the CEO and a few of his or her direct reports	1	2	3	4	5	
The CEO primarily defines our firm's 'vision'—its basic purpose and general direction	1	2	3	4	5	
The Chief Executive of our company determines and executes the strategy based upon analysis of the business situation.....	1	2	3	4	5	
Strategy is made on an iterative basis, involving managers, staff and executives in an on-going dialogue	1	2	3	4	5	
Business planning in our company is ongoing, involving everyone in the process to some degree	1	2	3	4	5	
Most people in this company have input into decisions that affect them.....	1	2	3	4	5	
Our company continually adapts its strategy based upon feedback from the market	1	2	3	4	5	
Strategy is important for our company	1	2	3	4	5	
All members of our organization think that strategy is important	1	2	3	4	5	
Our past and future success depends to a large extent to our strategy	1	2	3	4	5	
Most of the decisions that have been strategic to use have been done during scheduled strategic planning sessions.....	1	2	3	4	5	
Informal day-to-day discussions play a great role in shaping strategic decisions ...	1	2	3	4	5	
The role of strategy workshops and strategy sessions is mostly documenting or planning the implementation of decisions that have been made earlier.....	1	2	3	4	5	
Our top management continuously discusses strategy	1	2	3	4	5	
We make strategy in a very informal way.....	1	2	3	4	5	

22. Estimate the importance of the following strategies to your firm.

		Not used	Not important	Slightly important	Important	Very important
Importance and use of product- or service-related patents	1	2	3	4	5	
Branding and advertising as part of firm's marketing strategy/approach	1	2	3	4	5	
Be unique in our industry (e.g. with regard to the product, delivery system, or marketing)	1	2	3	4	5	
Offering products/services at a more competitive price than competition.....	1	2	3	4	5	
Minimizing product-related expenditures, in particular through process innovations	1	2	3	4	5	
Emphasizing economies of scale and scope with products and services	1	2	3	4	5	
Be the low-cost producer in our industry	1	2	3	4	5	

23. In our general approach to utilizing resources (e.g. technology, staff, knowhow), we...

...make do with the skills and other resources that we currently have even if they were limited.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...continuously invest in improving the skills and other resources that we have to stay competitive.
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24. The technologies and other resources of our firm...

...are more of a result of what we have happened to accumulate over time.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...are more of a result of systematic development and acquisition.
...require broad and intimate knowledge so that new employees would have great difficulty working with them without extensive supervision.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...are well documented and follow generally known principles so that new employees can quickly work with them without extensive supervision.

25. When dealing with our customers, we...

...have very informal relations and often even involve them in our daily work tasks.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...always have a professional approach with some formality in our customer relations.
...often help our customers to solve a wide range of problems that other firms did/would not help them with.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...acknowledge that our customers have many needs we should not try to serve.
...also serve customers that our competitors consider to be less attractive.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...focus on well-chosen and profitable customer segments.

26. In our way of operating, we...

...often do things in “our own special way” instead of using approaches that other firms would consider to be conventional.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...only use methods and practices that are generally accepted and common in our industry.
...abandon conventional industry practices, if it leads to a better outcome.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...do things “by the book”, even if it sometimes means disappointing customers
...combine resources in unorthodox ways for a company in our industry.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	...have the same approach to utilizing resources as other companies in our industry.

- 27. Please answer the following questions related to external financing:**
- | | No | Yes |
|--|--------------------------|--------------------------|
| Is your firm planning to seek external financing during the next two years?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| During the past year, has your firm had trouble obtaining external financing?..... | <input type="checkbox"/> | <input type="checkbox"/> |

INFORMATION ABOUT INFORMANT

28. In order to receive a firm-specific analysis of responses, please provide an email address:

Email address: _____ (optional)

We are collecting feedback about our last year's company-specific response analyses to improve the response analysis. If you choose to participate, we will send you either the response analysis for your company or a demo report and call you so you can give us feedback over the phone. This will be used to improve this years report.

29. Would you like to participate in a short telephone interview about the company report?

☐ Yes, send me more information by email.

FEEDBACK

Please provide us with feedback to help improve the survey.

Thank you for your time!

Return address:

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