CodeIT

Coding a better future, one line at a time!
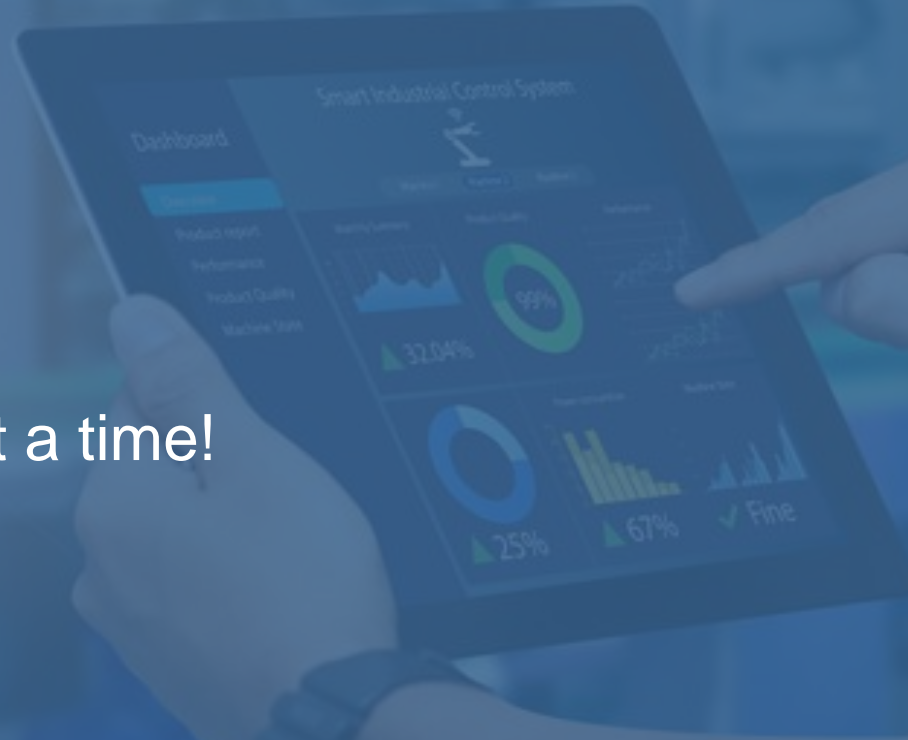
Nareg   **Fawaz**   **Karen**   **Aren**

PHOENIX
consulting

CodeIT is aiming to refresh its business model to generate annual recurring revenues and better value its products…

Situation Overview

Industry Landscape

Industry Size:
*The global **Industrial Software industry**, worth ~$93bn, is expected to grow by a **CAGR of 9%** reaching **$157bn by 2027***

Growth Divers:
*Increasing **demand** for **automation** & rapidly emerging **advancements** in **technology***

Trends:
*Growing development of **versatile software** and increasing needs for **efficiency**, **convenience**, and **security***
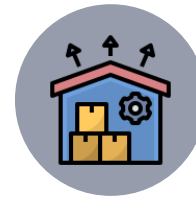
Company Overview

CodeIT Group:
*A Norwegian **software development** company that delivers industrial software solutions with annual revenues of ~**95mn NOK***

Value Proposition:
*Delivers a **hardware-brand-independent** software with high **versatility**, **scalability**, **reliability,** and **accuracy***

Aspirations:
*Aiming to **refresh business model** to start generating **annual recurring revenues** and **better value** products*

Sources: Case Slides; Yahoo Finance

… and there are several opportunities that CodeIT can capitalize on to achieve its aspirations

Opportunity Overview

1

**Extracting
Additional Value**

2

**Augmenting Core
Offerings**

3

**Energizing Client
Relationships**

… and there are several opportunities that CodeIT can capitalize on to achieve its aspirations

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Opportunity Overview

1 **Extracting Additional Value**

As CodeIT's value proposition and offerings are worth much more than what you currently charge

2 **Augmenting Core Offerings**

With access to vast data and capabilities, CodeIT can explore opportunities to monetize innovative add-on digital solutions

3 **Energizing Client Relationships**

Further embrace current relationships and develop new strategies to effectively acquire new relationships
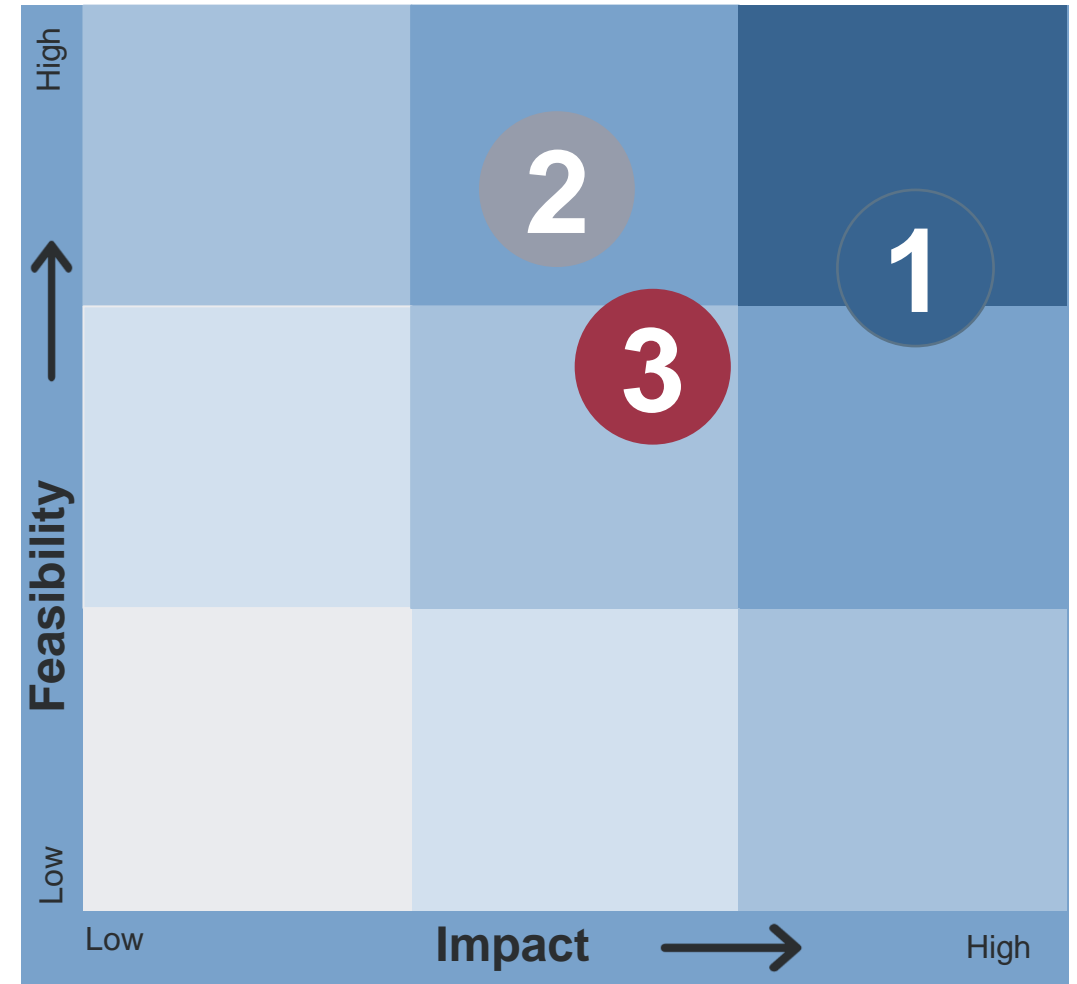
High

2

1

3

Feasibility

Low

Low

Impact →

High

How can CodeIT Enterprise™ develop Project Phoenix to successfully transition into an ARR business model?

Executive Summary

How can CodeIT Enterprise™ develop Project Phoenix to successfully transition into an ARR business model?

Opportunities

Extracting Additional Value	Augmenting Core Offerings	Energizing Client Relationships

Strategy

RISE

A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

KPIs by 2028

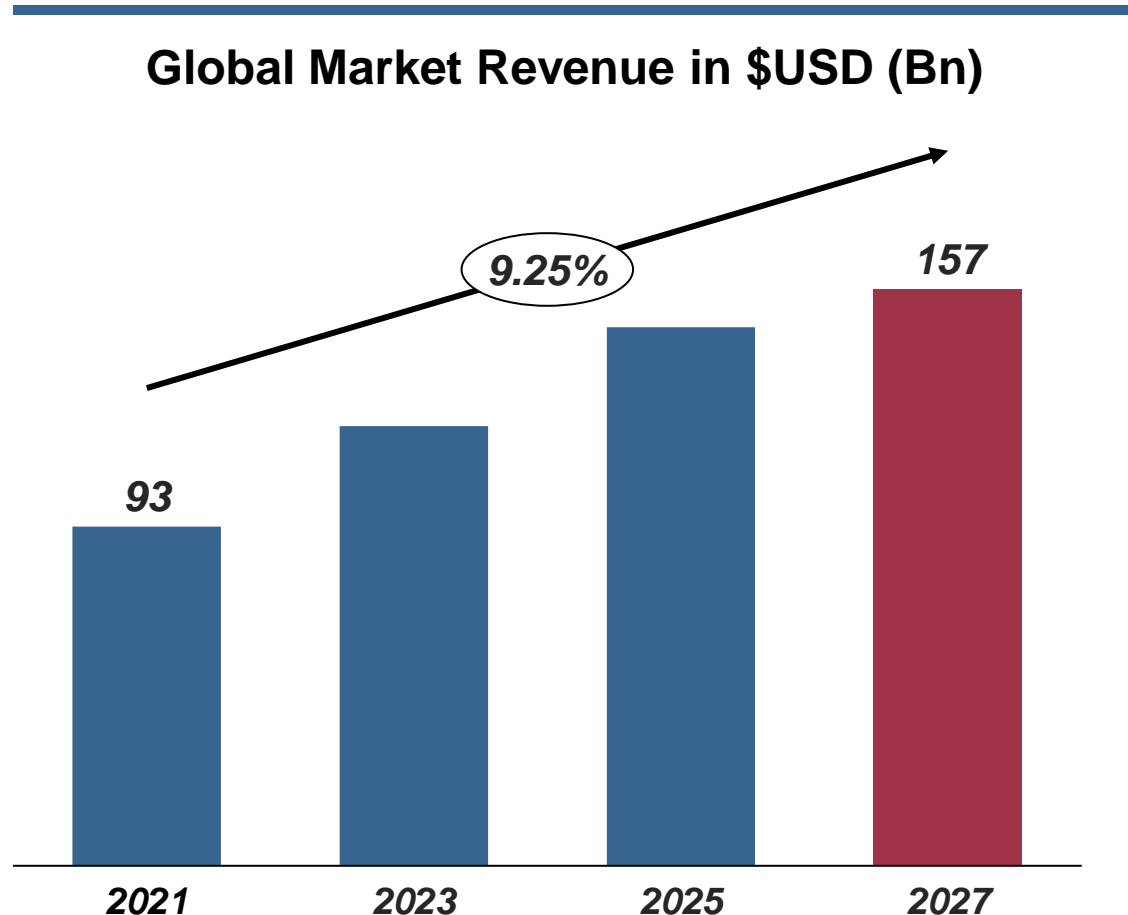| Increase Revenues to 216Mn NOK (25% CAGR)	Promote 4+ SDGs and Launch Carbon Calculator	Pivot to an ARR-based model (50% of Total)

Analysis

The global industrial software market size is expected to reach $157Bn by 2027

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Industry Analysis

Global industrial software market size is poised for growth at a CAGR of 9.25% …

Since digitalization offers advantages to businesses that are unavoidable …

Global Market Revenue in $USD (Bn)

9.25%

157

93

2021   2023   2025   2027

30% | **Increase Productivity**

40% | **Quality Improvement**

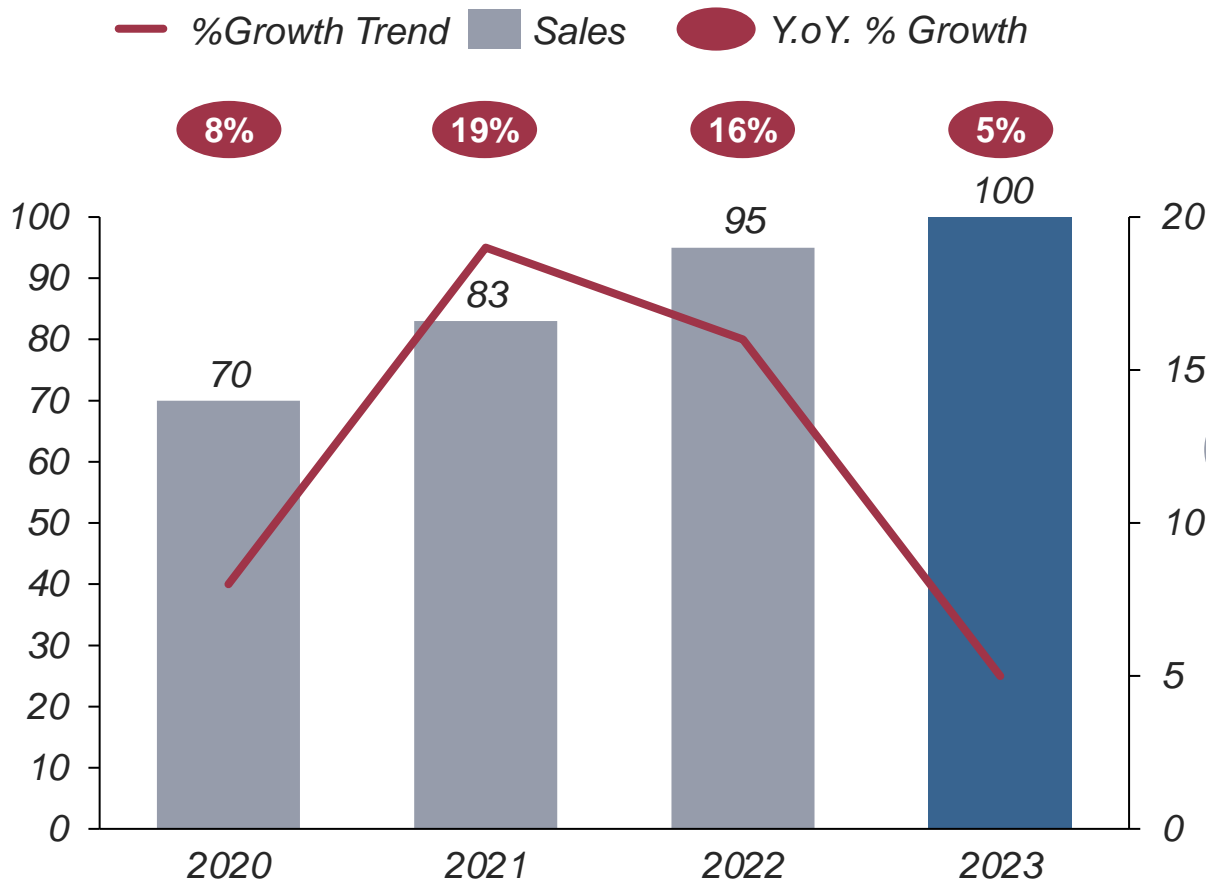**20%** | **Cost Reduction**

Source: Yahoofinance and Mckinsey Industrial Software Hub

CodeIt Enterprise's services are in demand, but %Y.o.Y growth is fluctuating

Company Analysis

CodeIT sales is growing at a CAGR of 13% and is expected to reach 100Mn (NOK) …

…Due to the unavoidable value proposition, you offer your clients through your software that is:

Legend: — %Growth Trend ▬ Sales ⬤ Y.o.Y. % Growth

Chart data:
- 2020: Sales 70, Y.o.Y. % Growth 8%
- 2021: Sales 83, Y.o.Y. % Growth 19%
- 2022: Sales 95, Y.o.Y. % Growth 16%
- 2023: Sales 100, Y.o.Y. % Growth 5%

Value proposition:
- **Versatile** — 1
- **Scalable** — 2
- **Flexible** — 3
- **Reliable** — 4

Source: Case Material

CodeIt Enterprise's services are in demand, but %Y.o.Y growth is fluctuating

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Company Analysis

CodeIT sales is growing at a CAGR of 13% and is expected to reach 100Mn (NOK) …

…Due to the unavoidable value proposition, you offer your clients through your software that is:
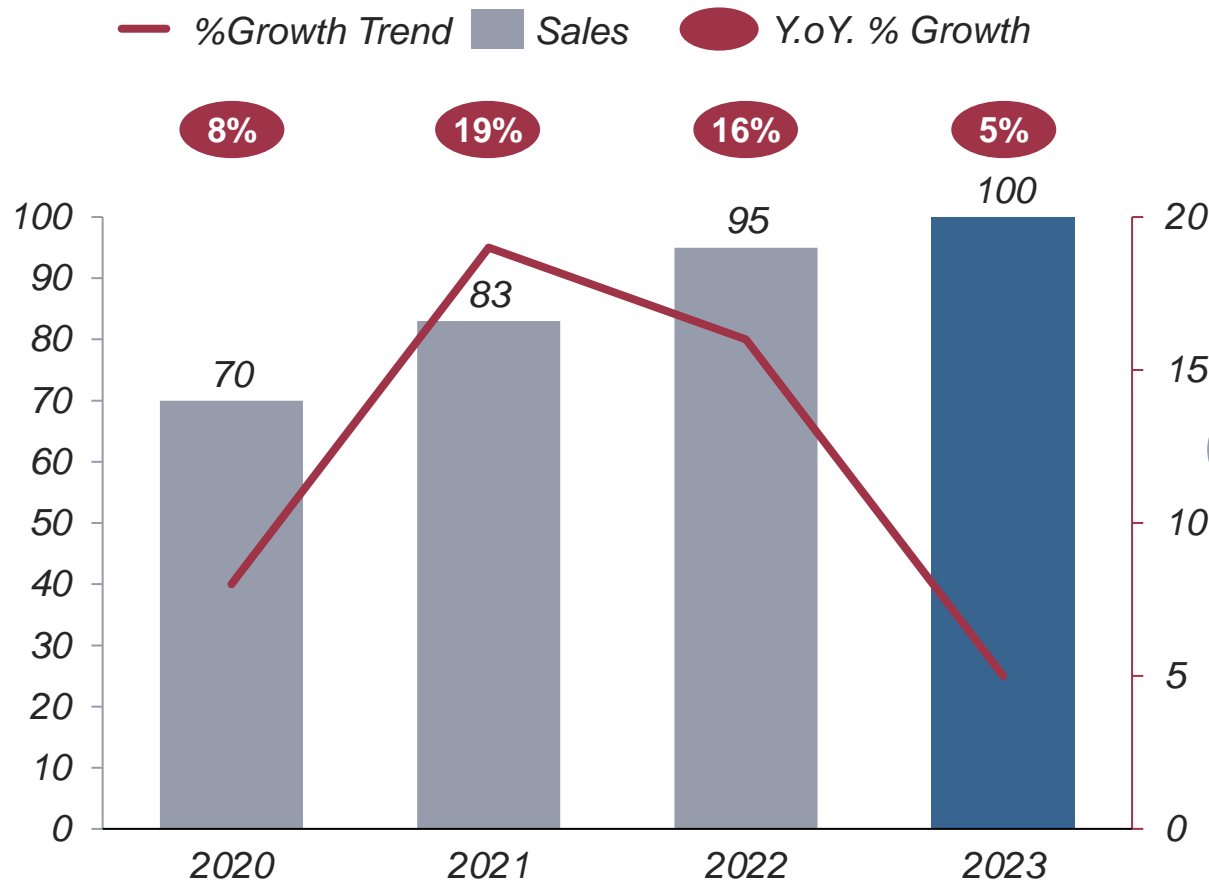
Legend: — %Growth Trend ▪ Sales ● Y.o.Y. % Growth

Y.o.Y. % Growth values: 8%, 19%, 16%, 5%

Sales values: 2020: 70, 2021: 83, 2022: 95, 2023: 100

Source: Case Material

✅ **Key Takeaway:**

Your **software services are in demand** however sales **growth trends are fluctuating** …

…Next steps should be focused on finding solutions to **benefit from Annual Recurring Revenues (ARR)**
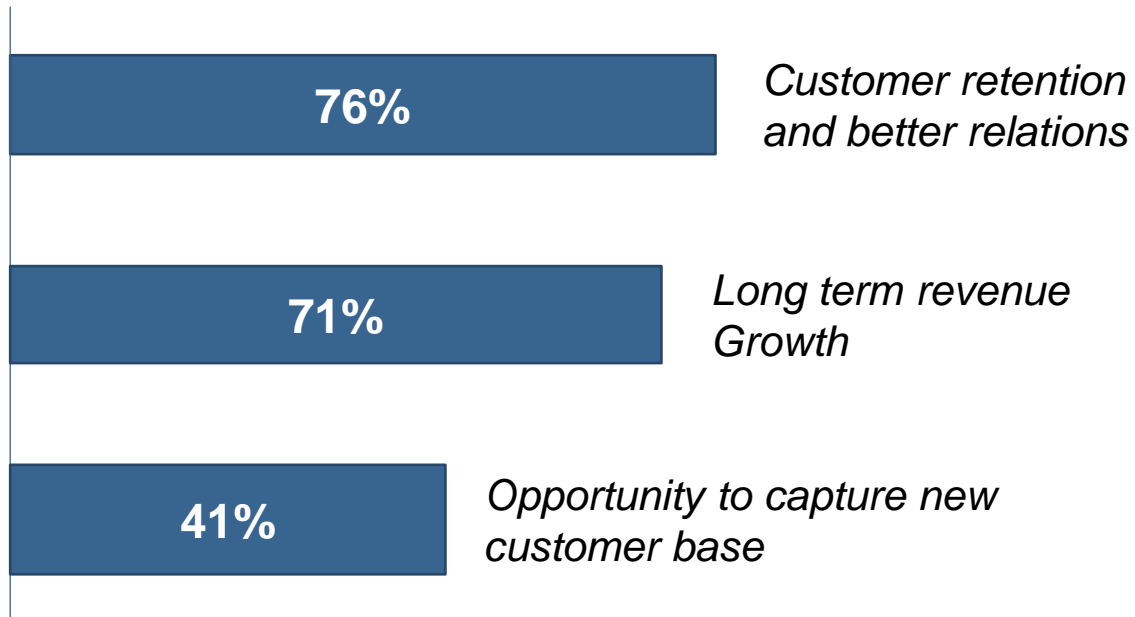
Considering subscription models as a method to generate annual recurring revenue

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Subscription Model Analysis

> ## Subscription Model
> Provide options for long-term ARR, but they are subject to short-term decrease in annual turnover

Decision Drivers

76%	*Customer retention and better relations*
71%	*Long term revenue Growth*
41%	*Opportunity to capture new customer base*

Transition Period

Source: CitiBank; Comprehensive guide to subscription revenue
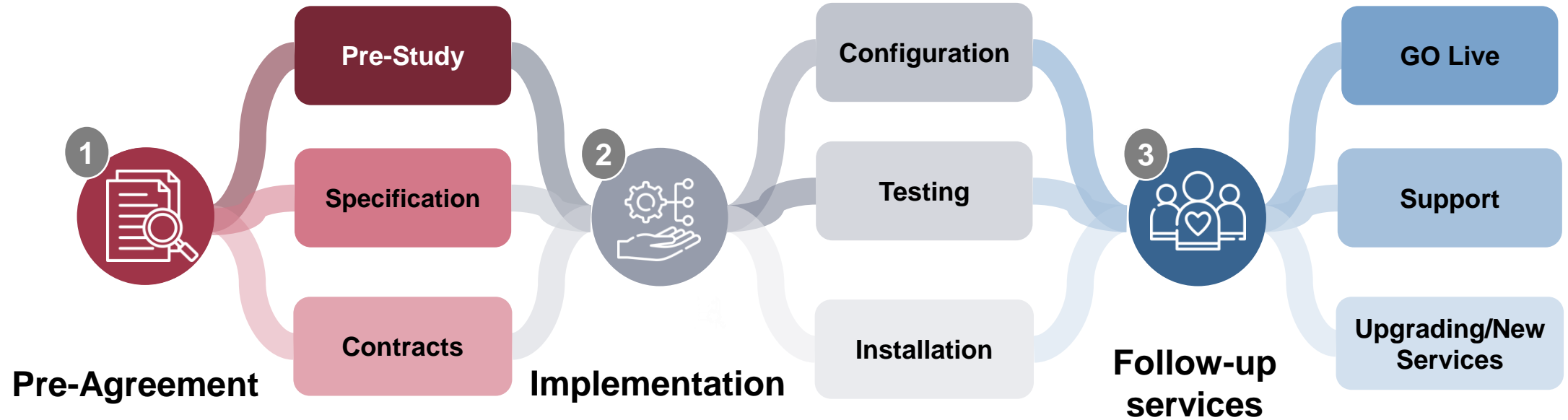
However, first we must analyze your revenue generating model to determine how to implement subscriptions

Revenue Generating Model Analysis

Segmenting 10–steps to success into 3 Phases

Source: Case Material and Team Analysis

However, first we must analyze your revenue generating model to determine how to implement subscriptions

Revenue Generating Model Analysis

Pre-Study

Specification

Contracts

Pre-Agreement

Configuration

Testing

Installation

Implementation

GO Live

Support

Upgrading/New Services

Follow-up services

One time Payment

Recurring payment

Key Takeaway:

Explore alternatives for subscription model implementation along the revenue generation model

Source: Case Material and team analysis

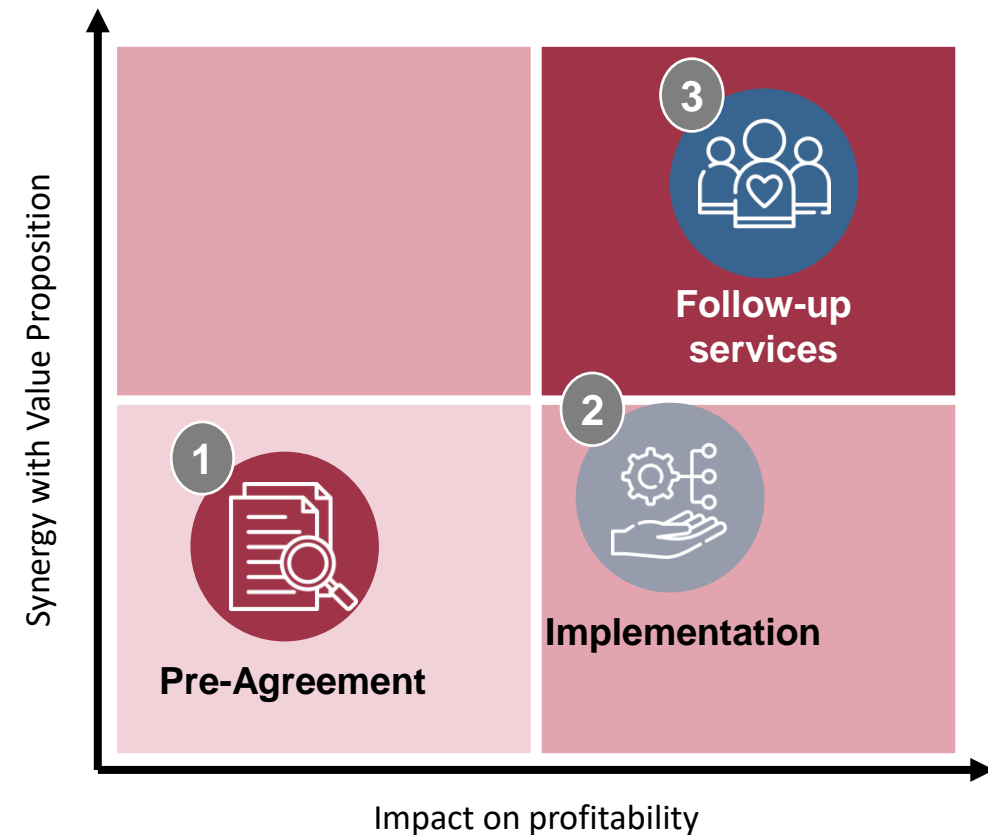Overview | **Analysis** | Recommendation | Impact | Risks

… leading us to a hybrid subscription model implemented for your follow up services

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Subscription Implementation Analysis

*Exploring **different revenue generating models** across the entire chain…*

*… Will allow you to choose **what services** can **adopt a subscription model***

	Weight Allocation	Fully Licensing Model	Hybrid Subs. Model	Fully Subs. Model
Customer Buy-in	0.3			
Employee Buy-in	0.2			
Shift from VP	0.2			
Financial Sustainability	0.3			

Synergy with Value Proposition

3 Follow-up services

1 Pre-Agreement

2 Implementation

Impact on profitability

Recommendation

Currently, we see that your business model has a distinctive value proposition that would be challenging to modify

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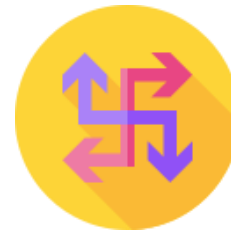
Current Situation Recap

Current Model

**Customizable
Platform**

*The tracibility software can be **configured** on any system*

**Versatile &
Flexible**

***Differentiates** CodeIT from others in industry*

**Perpetual
Software License**

*Bulk of revenue generation through **one-time payments***

Currently, we see that your business model has a distinctive value proposition that would be challenging to modify

Current Situation Recap

Current Model

✅ ***Key Takeaway:***

CodeIT needs to generate "annual recurring revenues (ARR)"…

…But cannot transform its core offering to a subscription model

Customizable
Platform

Versatile &
Flexible

Perpetual
Software License

The tracibility software can be configured on any system

Differentiates CodeIT from others in industry

Bulk of revenue generation through one-time payments

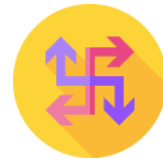# Introducing "Project Phoenix" – a 4-step approach to generate ARR while maintaining a unique value proposition

Current Model

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Versatile & Flexible

***Differentiates** CodeIT from others in industry*

Perpetual Software License

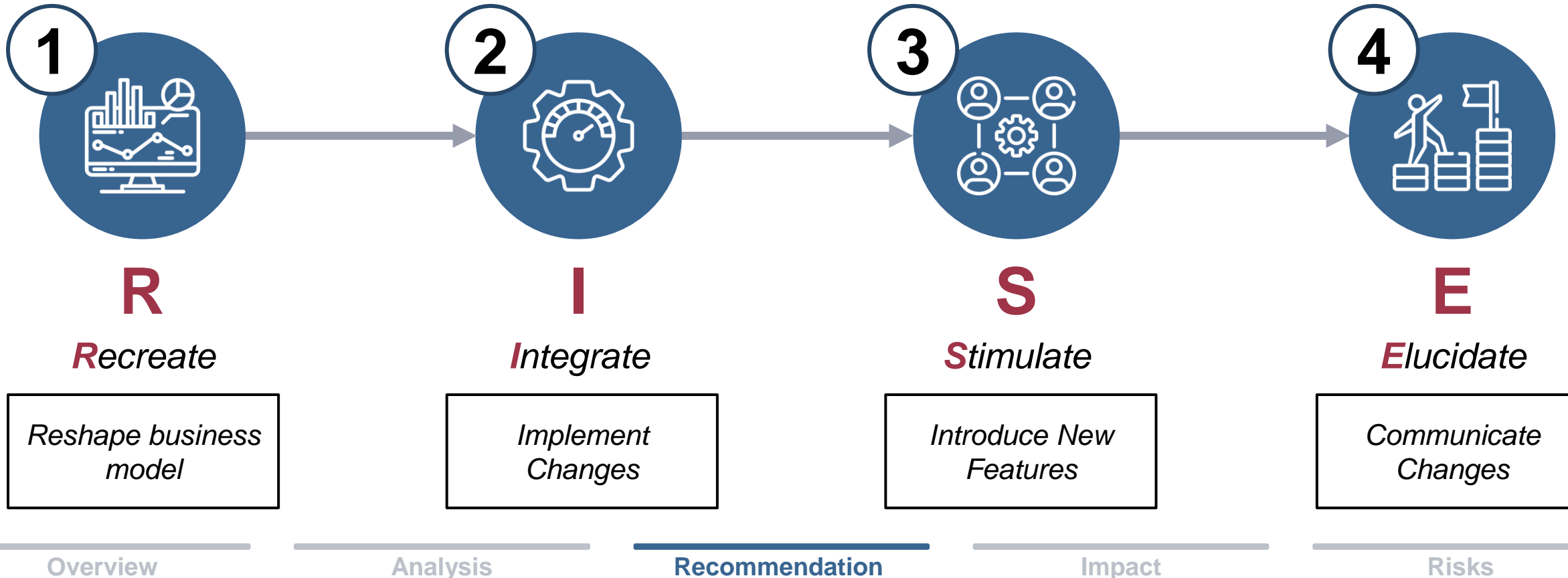*Bulk of revenue generation through **one-time payments***

Project Phoenix

A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

Project Phoenix, based on the "RISE" framework, is composed of: Recreate, Integrate, Simulate, and Elucidate

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

1	2	3	4

R **I** **S** **E**

Recreate *Integrate* *Stimulate* *Elucidate*

Reshape business model	Implement Changes	Introduce New Features	Communicate Changes

Starting off with the first step of the framework: Recreate!

Step 1;

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software
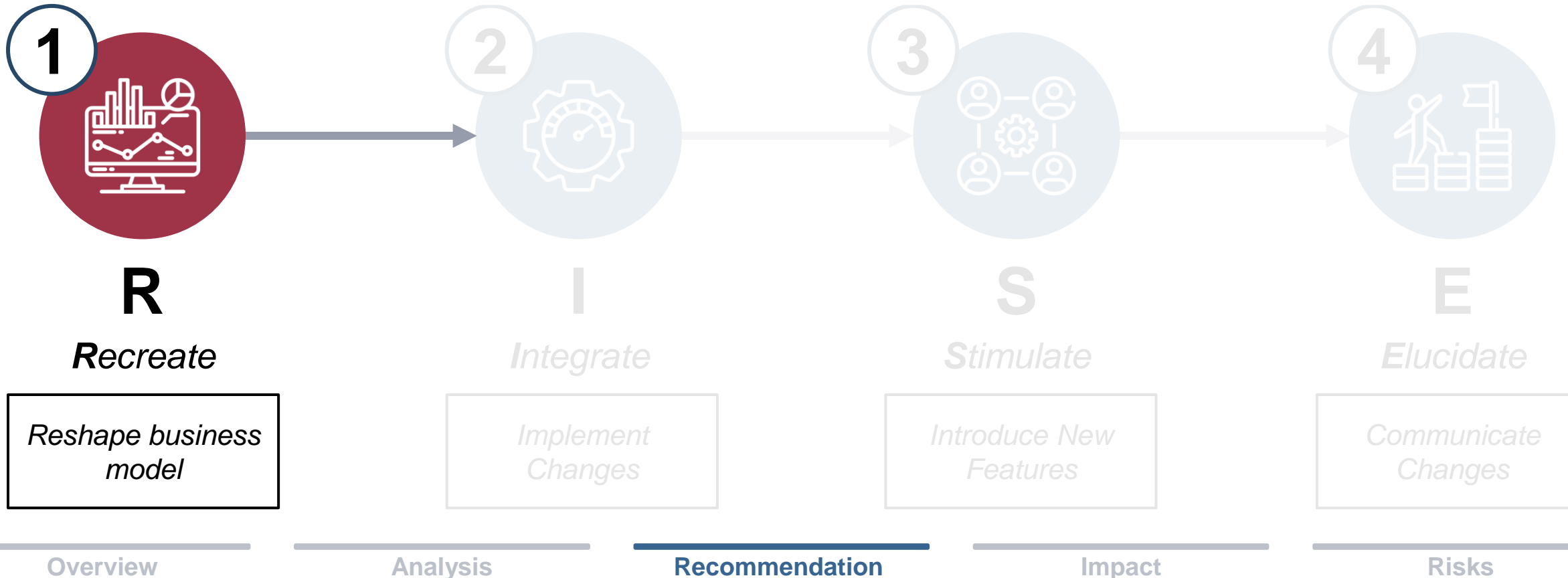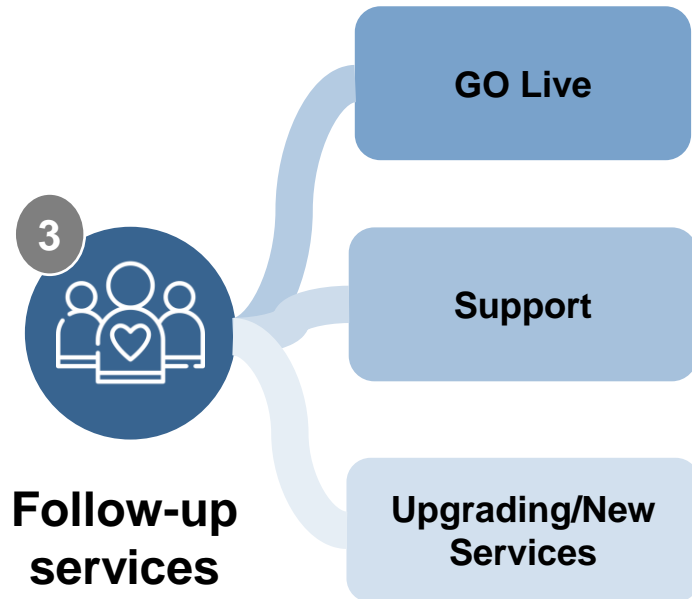
1

R

***R*ecreate**

Reshape business model

2

I

Integrate

Implement Changes

3

S

Stimulate

Introduce New Features

4

E

Elucidate

Communicate Changes

Overview | Analysis | **Recommendation** | Impact | Risks

Here, we recommend transitioning all follow-up services which you offer to a subscription-based model

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Reshape Business Model

① **R**ecreate

Phase III:

GO Live

Support

Upgrading/New Services

③ **Follow-up services**

What to do?

Transition pricing of **"follow up services"**, **"SMAs"**, **"SLEs"**, and **"new feature roll-outs"** into subscription-based pricing

Why is a subscription model feasible?

✓ **Repetitive Nature**

✓ **Better Value Extraction**
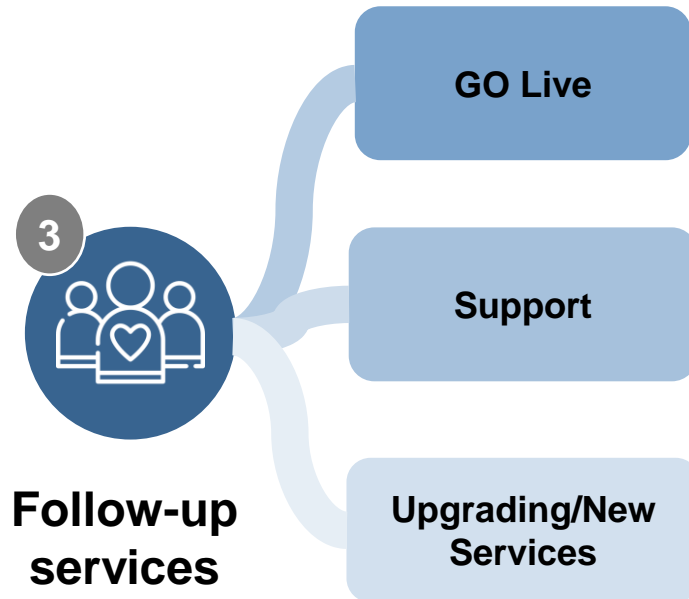
✓ **Alignment with Value Proposition**

The **repetitive nature** of these services allow you to generate **reoccurring revenues**

Here, we recommend transitioning all follow-up services which you offer to a subscription-based model

Reshape Business Model

① **R**ecreate

Phase III:

GO Live

Support

Upgrading/New Services

③

Follow-up services

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Better Value Extraction

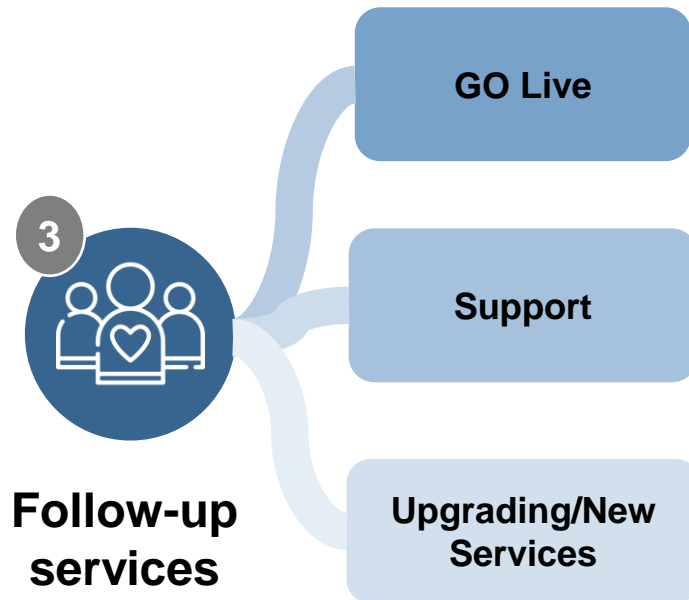**Alignment with Value Proposition**

A **subscription model** will allow you to continue providing **top-quality services** and maintenance

Here, we recommend transitioning all follow-up services which you offer to a subscription-based model

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Reshape Business Model

① **R**ecreate

What to do?

Phase III:

③ **Follow-up services**

- GO Live
- Support
- Upgrading/New Services

Transition pricing of **"follow up services"**, **"SMAs"**, **"SLAs"**, and **"new feature roll-outs"** into subscription-based pricing

Why is a subscription model feasible?

✅ **Repetitive Nature**

✅ **Better Value Extraction**

✅ **Alignment with Value Proposition**

This **does not tamper** with you highly configurable traceability platform, which will remain on a **perpetual license pricing** model

For example, you can offer 3 different subscription plans to cater to a wide range of customers with different needs…

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Sample Subscription Model

① **R**ecreate

1

Basic Tier
Introductory rate

2%

of contract size

- Basic & essential support (9:00am – 5:00PM)
- Bug Fixes & essential updates
- Low priority support

Start Today

Billed Annually

2

Smart Tier
Best for SMEs

5%

of contract size

- Extended hours support (7 am – 12am)
- Frequent updates
- Access to 1 new feature

Start Today

Billed Annually

3

Premium Tier
Best for Enterprises

10%

of contract size

- Unlimited & high-touch support services (24/7)
- Priority support with dedicated personnel
- Access to all new features

Start Today

Billed Annually

Overview | Analysis | **Recommendation** | Impact | Risks

…Keeping in mind the following considerations:

Sample Subscription Model

① **R**ecreate

1

Basic Tier
Introductory rate

2%

of contract size

2

Smart Tier
Best for SMEs

5%

of contract size

3

Premium Tier
Best for Enterprises

10%

of contract size

Considerations

Lower Initial License Fees

Cancellation Policies

Churn Rate

Customer Lifespan

Finally, let us have a look at how an identical contract would look like by comparing your current business model to the new one

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New V.S. Old Models

① **R**ecreate

"Contract #162":
Current Pricing Model V.S. New Pricing Model

Current Model

License Fee: 1mn NOK

SMA: 200K NOK

Upgrades: Included + hourly fee

Features: Small Fee

V.S.

New Model

License Fee: 500K NOK

SMA: 50K NOK/year

Upgrades: Included in SMA sub.

Features: Subscription-Based

Fixed one-time fee   *Recurring fee*

After reshaping the business model…

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software
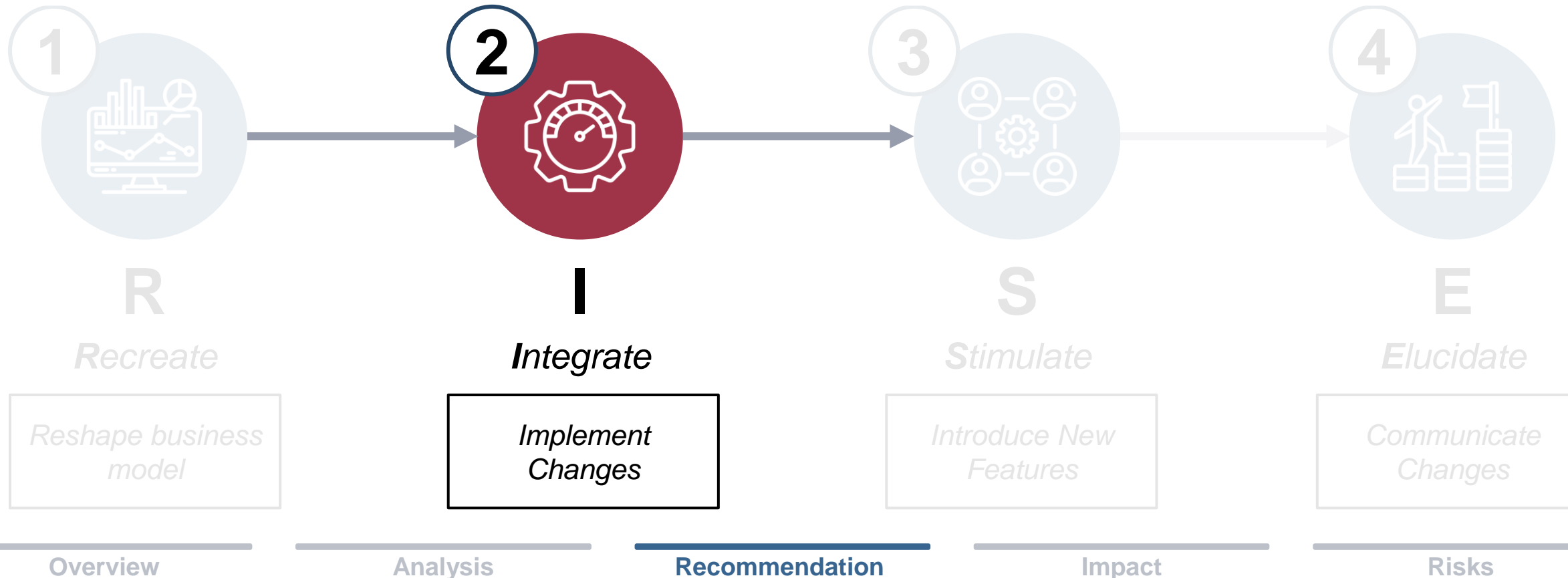
1

R

***R*ecreate**

Reshape business model

2

I

Integrate

Implement Changes

3

S

Stimulate

Introduce New Features

4

E

Elucidate

Communicate Changes

Overview　　Analysis　　**Recommendation**　　Impact　　Risks
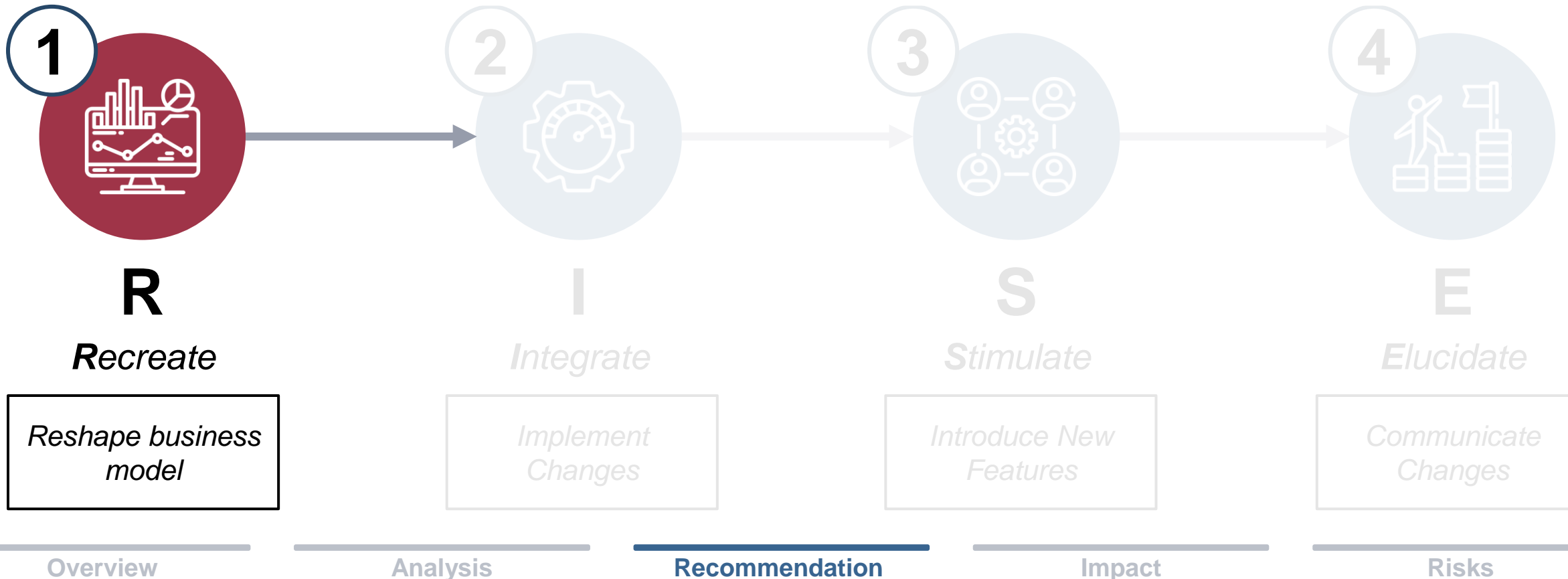
…we move on to the second step: Integrate

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

1
R
Recreate

Reshape business model

2
I
Integrate

Implement Changes

3
S
Stimulate

Introduce New Features

4
E
Elucidate

Communicate Changes

There are currently 3 main teams involved with client interactions…

3 Involved Teams

② **I**ntegrate

① Sales Team
Communicates with clients and sells licenses

② Technical Team
Configures the platform according to client needs

③ Support Center
Follows up and provides support for customers

…starting with the sales team who lead client contact

Sales Team

② **I**ntegrate

Sales Team

Communicates with clients
and sells licenses

②

Technical Team

Configures the platform
according to client needs

③

Support Center

Follows up and provides
support for customers

The engineers then step in to configure according to client needs

Technical Team

② **I**ntegrate

Sales Team
Communicates with clients and sells licenses

Technical Team
Configures the platform according to client needs

③

Support Center
Follows up and provides support for customers

Signed contracts are then in the hands of the CodeIT Support Center

CodeIT Support Center

② **I**ntegrate

Sales Team

Communicates with clients and sells licenses

Technical Team

Configures the platform according to client needs

Support Center

Follows up and provides support for customers

But will this process work for a new, subscription-based model?

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New Subscriptions

② **I**ntegrate

This is working well for the current licensing model…

…but what about the **new subscriptions**?

Sales Team
Communicates with clients and sells licenses

Technical Team
Configures the platform according to client needs

Support Center
Follows up and provides support for customers

McKinsey reports suggest the need for cross-functional win rooms

Cross-Functional Win Rooms

② **I**ntegrate

Cross-Functional Win Rooms

Create **cross-functional win rooms as the new standard,** where different teams are working at a structured cadence to focus on supporting subscription models

McKinsey & Company Report:
Future of B2B Sales: The Big Reframe

Source: McKinsey & Company Report: Future of B2B Sales: The Big Reframe

| Overview | Analysis | **Recommendation** | Impact | Risks |

Introducing "Venner", a consolidated communication platform where win rooms can collaborate to work on certain contracts

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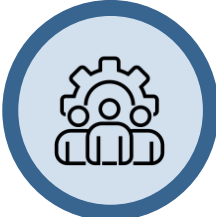
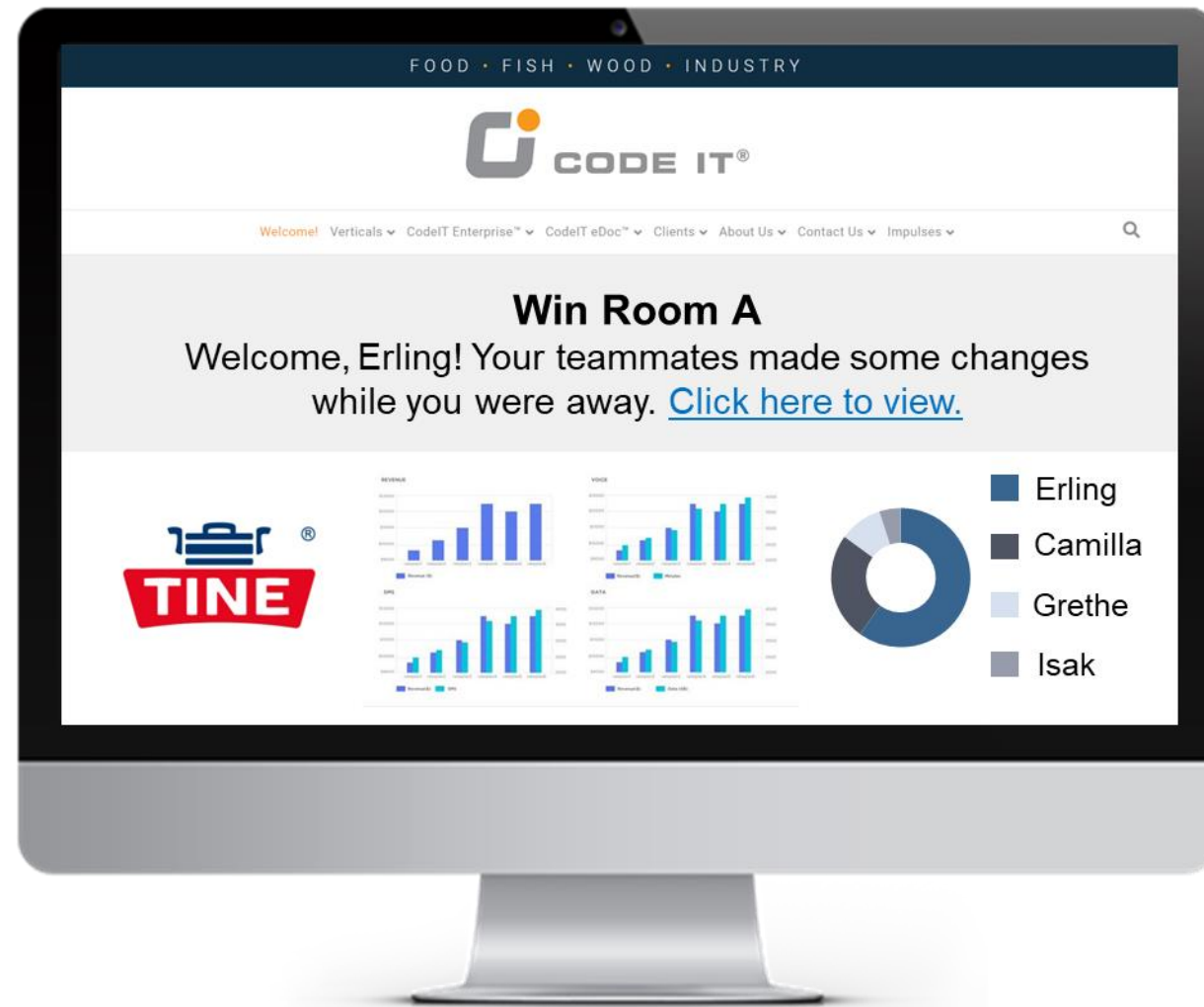*Platform "Venner"*

② **I**ntegrate

Erling

Software Engineer

Configures source code based on TINE's needs

Placed on a team with people from sales and support

Works with members to align efforts for the TINE contract

FOOD · FISH · WOOD · INDUSTRY

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Welcome! Verticals ⌄ CodeIT Enterprise™ ⌄ CodeIT eDoc™ ⌄ Clients ⌄ About Us ⌄ Contact Us ⌄ Impulses ⌄

Win Room A
Welcome, Erling! Your teammates made some changes while you were away. Click here to view.

TINE®

- Erling
- Camilla
- Grethe
- Isak

Source: McKinsey & Company Report: Future of B2B Sales: The Big Reframe

Now that changes have been integrated into CodeIT...

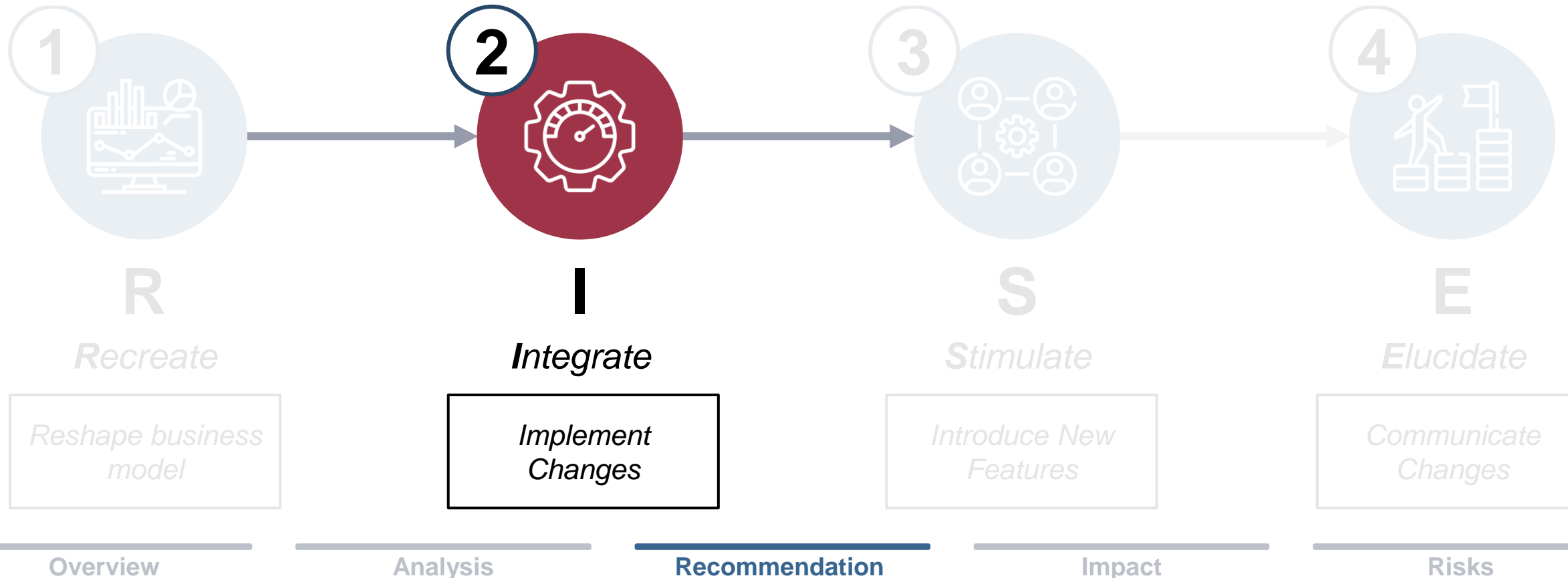*Project Phoenix – RISE Framework*

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

1

2

3

4

R
Recreate

I
Integrate

S
Stimulate

E
Elucidate

| Reshape business model | Implement Changes | Introduce New Features | Communicate Changes |

Overview | Analysis | **Recommendation** | Impact | Risks

Step 3

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software
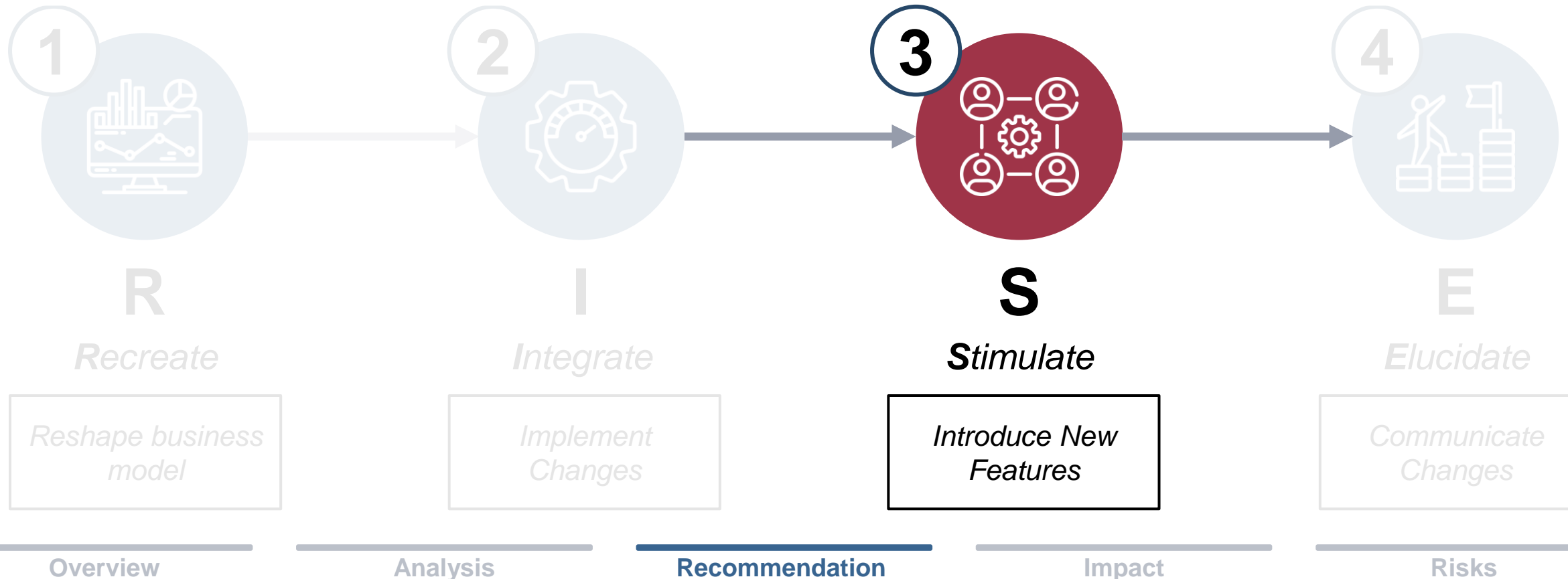
1

R

Recreate

Reshape business model

2

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Integrate

Implement Changes

3

S

Stimulate

Introduce New Features

4

E

Elucidate

Communicate Changes

New software plug-ins will achieve many benefits for CodeIT…
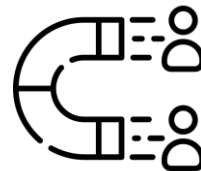
③ **S**timulate

Why does CodeIT need to **introduce new software plug-ins?**

Communicate new subscription model to existing consumers

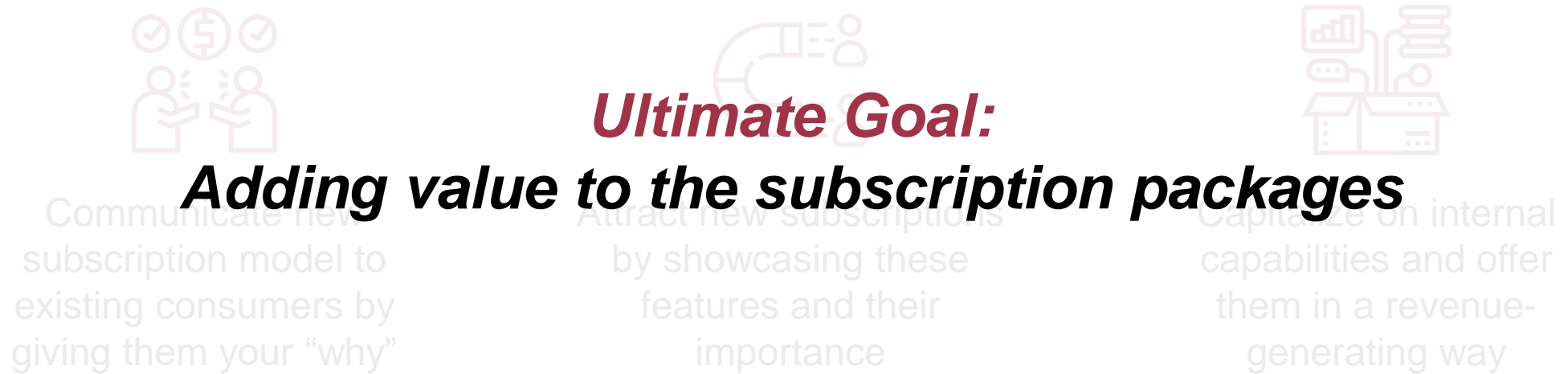**Attract** new subscribers by showcasing importance of the plug-ins

Capitalize on internal capabilities while generating revenue

Software Plug-ins

③ **S**timulate

Why does CodeIT need to **introduce new software plug-ins?**

Ultimate Goal:

Adding value to the subscription packages

Communicate new
subscription model to
existing consumers by
giving them your "why"

Attract new subscriptions
by showcasing these
features and their
importance

Capitalize on internal
capabilities and offer
them in a revenue-
generating way

CodeIT has the opportunity to build upon its current data-driven features

Data

③ Stimulate

Explore the new gold mine, Data

What you currently do

Leverage data to enhance production efficiencies and profitability

Leverage data with production monitoring, workstation dashboards, and visualizations

Opportunity to unlock further plug-ins *by leveraging the* ***quantity and quality*** *of the data your software can gather*

CodeIT has the opportunity to build upon its current data-driven features

Data

③ **S**timulate

Explore the new gold mine, Data

What to **unlock**

Leverage data to enhance production efficiencies and profitability

Leverage data with production monitoring, workstation dashboards, and visualizations

CodeIT should look at monetizing its OEE reports, which will now offer even deeper insights than before…

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Data Plug-ins

③ **S**timulate

Explore the new gold mine, Data

What to **unlock**

Make your **OEE reports subscription-based** with deeper insights

Leverage data with production monitoring, workstation dashboards, and visualizations

Data Plug-ins

③ **S**timulate

Explore the new gold mine: Data

What to <u>**unlock**</u>

Make your **OEE reports subscription-based** with deeper insights

Monetize dashboards that can be communicated throughout the client's organization for increased **convenience and transparency**

③ **S**timulate

Explore the new gold mine: Data
and the new goal: Sustainability

...and CodeIT Enterprise gathers relevant digital footprints needed to evaluate its clients' carbon footprint

③ Stimulate

**Explore the new gold mine: Data
and the new goal: Sustainability**

Data Sources for
Carbon Footprint:
- **Raw Materials**
- Produced Goods
- Packaging
- Load Carriers

...and CodeIT Enterprise gathers relevant digital footprints needed to evaluate its clients' carbon footprint

③ **S**timulate

Explore the new gold mine, Data, and the new goal, Sustainability

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Data Sources for
Carbon Footprint:
- Raw Materials
- **Produced Goods**
- Packaging
- Load Carriers

…and CodeIT Enterprise gathers relevant digital footprints needed to evaluate its clients' carbon footprint
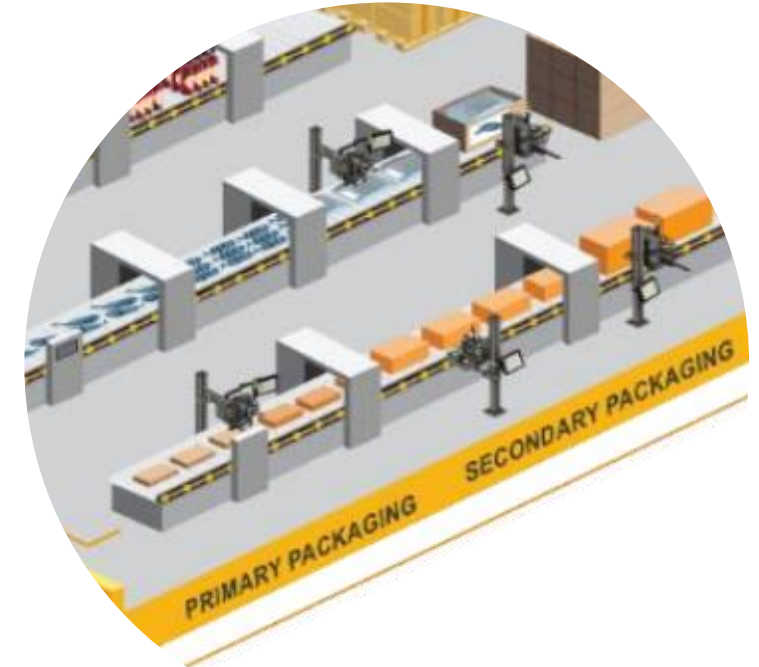
③ **S**timulate

Explore the new gold mine, Data,
and the new goal, Sustainability

Data Sources for
Carbon Footprint:
- Raw Materials
- Produced Goods
- **Packaging**
- Load Carriers

...and CodeIT Enterprise gathers relevant digital footprints needed to evaluate its clients' carbon footprint

Data Sources for Footprint

③ **S**timulate

Explore the new gold mine, Data,
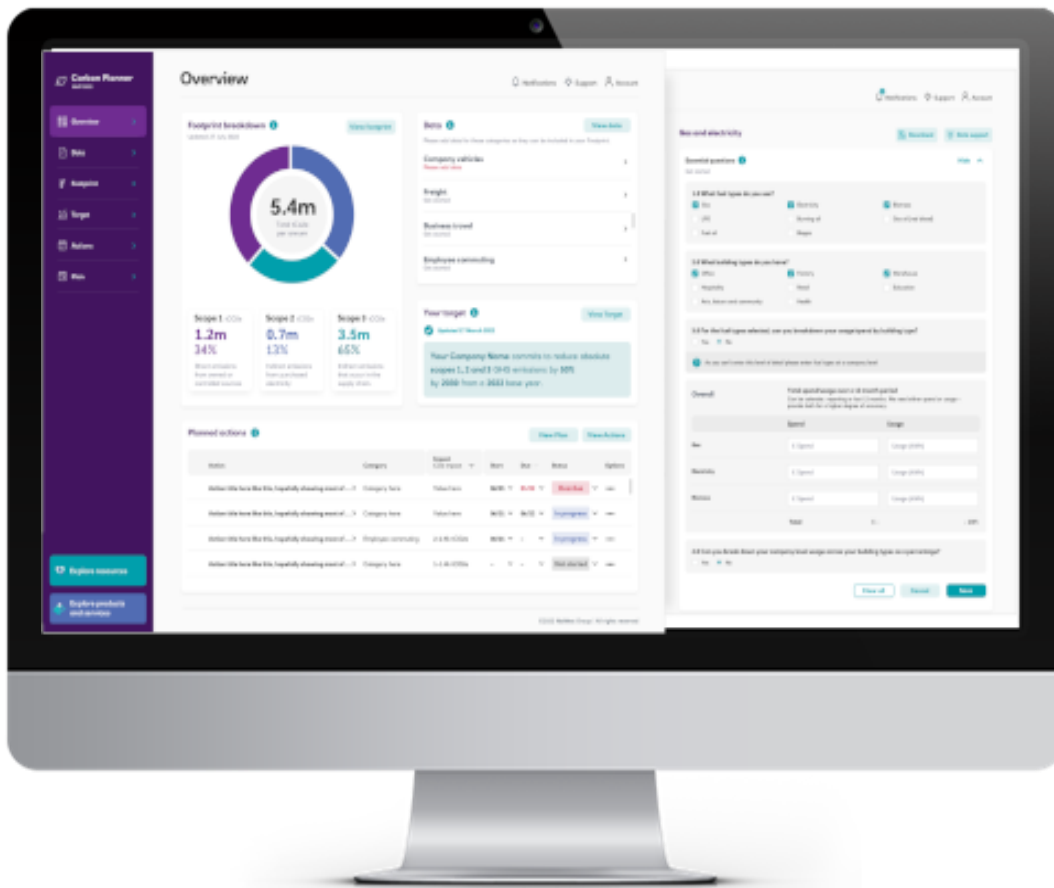## and the new goal, Sustainability

Data Sources for
Carbon Footprint:
- Raw Materials
- Produced Goods
- Packaging
- **Load Carriers**

This gathered data can now be part of a new plug-in, the CodeIT Carbon Calculator

CodeIT Carbon Calculator

③ Stimulate

Introducing: **CodeIT Carbon Calculator**
A step forward, to higher sustainability!

Based on **international standards** of carbon footprint measurement (ISO 14064)

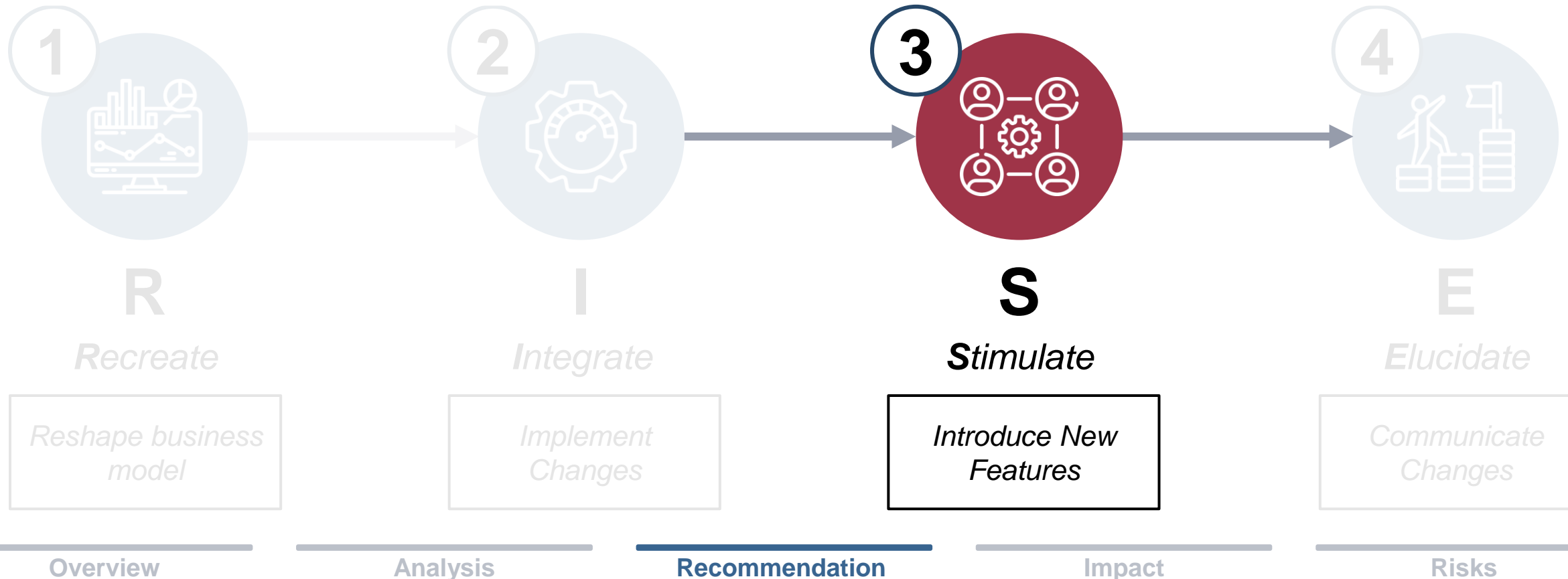Creates **dashboards** to provide convenience and transparency to clients

Abides by the **EU Fit for 55 policy** for carbon emissions

Finally, with a reshaped model, integrated changes, and new plug-ins,…

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

1	2	3	4
R	**I**	**S**	**E**
Recreate	*Integrate*	*Stimulate*	*Elucidate*
Reshape business model	Implement Changes	Introduce New Features	Communicate Changes

…it is time to go back to your clients and elucidate!

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Step 4

Project Phoenix
A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software
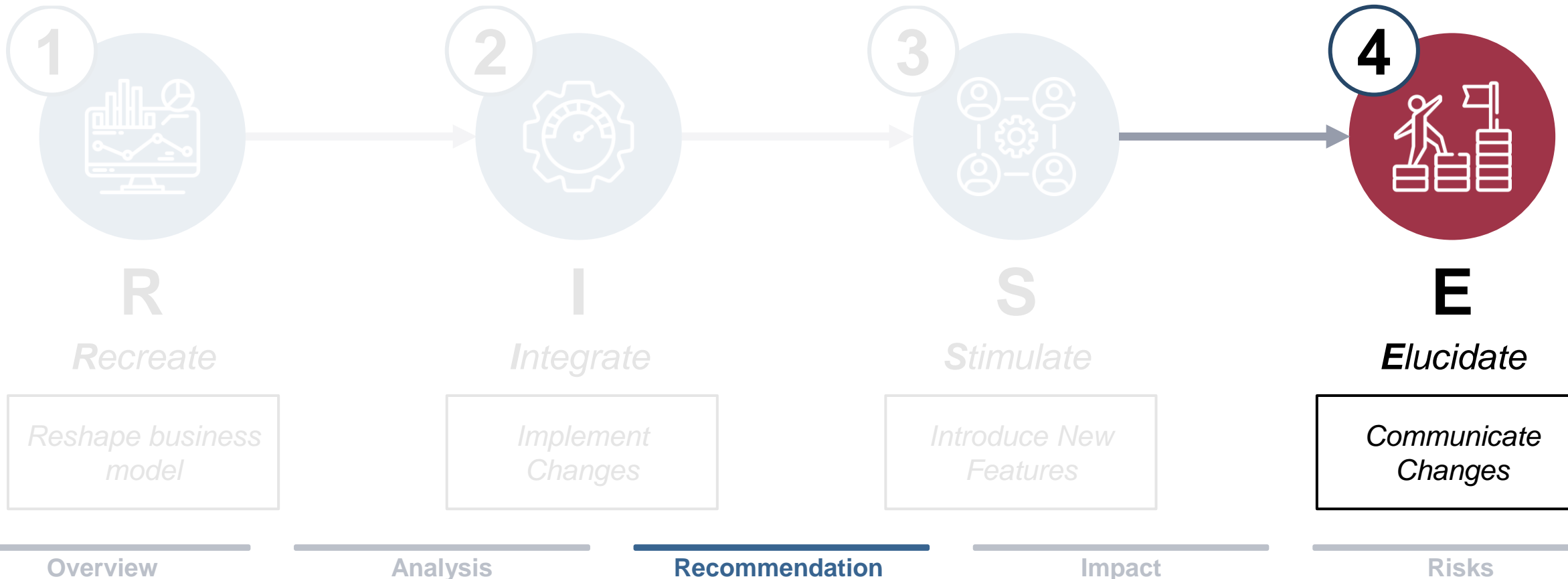

1	**2**	**3**	**4**
R	**I**	**S**	**E**
Recreate	*Integrate*	*Stimulate*	*Elucidate*
Reshape business model	Implement Changes	Introduce New Features	Communicate Changes

Clear communication with clients is the needed final key to maintain your company's value proposition…

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B2B Marketing

④ **E**lucidate

Elucidate

*Establish a **clear way of communicating** changes to your new and existing clients while keeping your **company's value at the center** of the conversation*

One-time Fee

Recurring Fee

What?

Traceability Platform → **LICENSE**

SMA/SLA Model → **SUBSCRIPTION**

New Features + Extended Customizations → **SUBSCRIPTION**

B2B Marketing

1

Internal

Rethink, train, and incentivize sales team to boost talent

2

External

Reinforce current relationships and foster new ones by reaching out

Source: McKinsey & Company Report: Future of B2B Sales: The Big Reframe

Internal Adjustments

④ **E**lucidate

Internal Adjustments

Sales leaders see **reskilling** as their immediate **priority**…

… as **< ½** of sales leaders believe most of their reps have the **right capabilities** to sell subscriptions

97%
Top Priority

3%
Low / Not a Priority

44% *Capable*

Not Capable **56%**
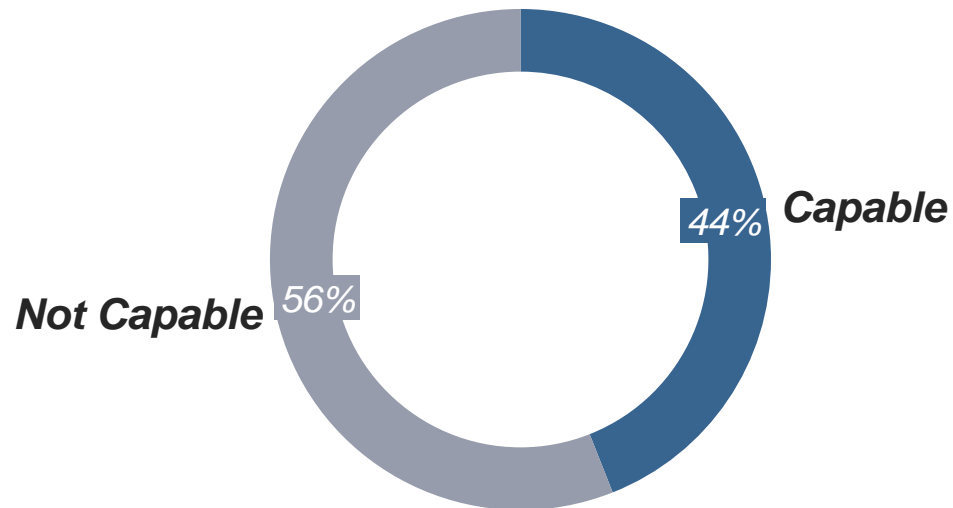
01 **Rethink Talent**
Sales reps should have a range of competencies to stay ahead of customer

02 **Use Analytics to Train**
Leaders use analytics to improve seller performance
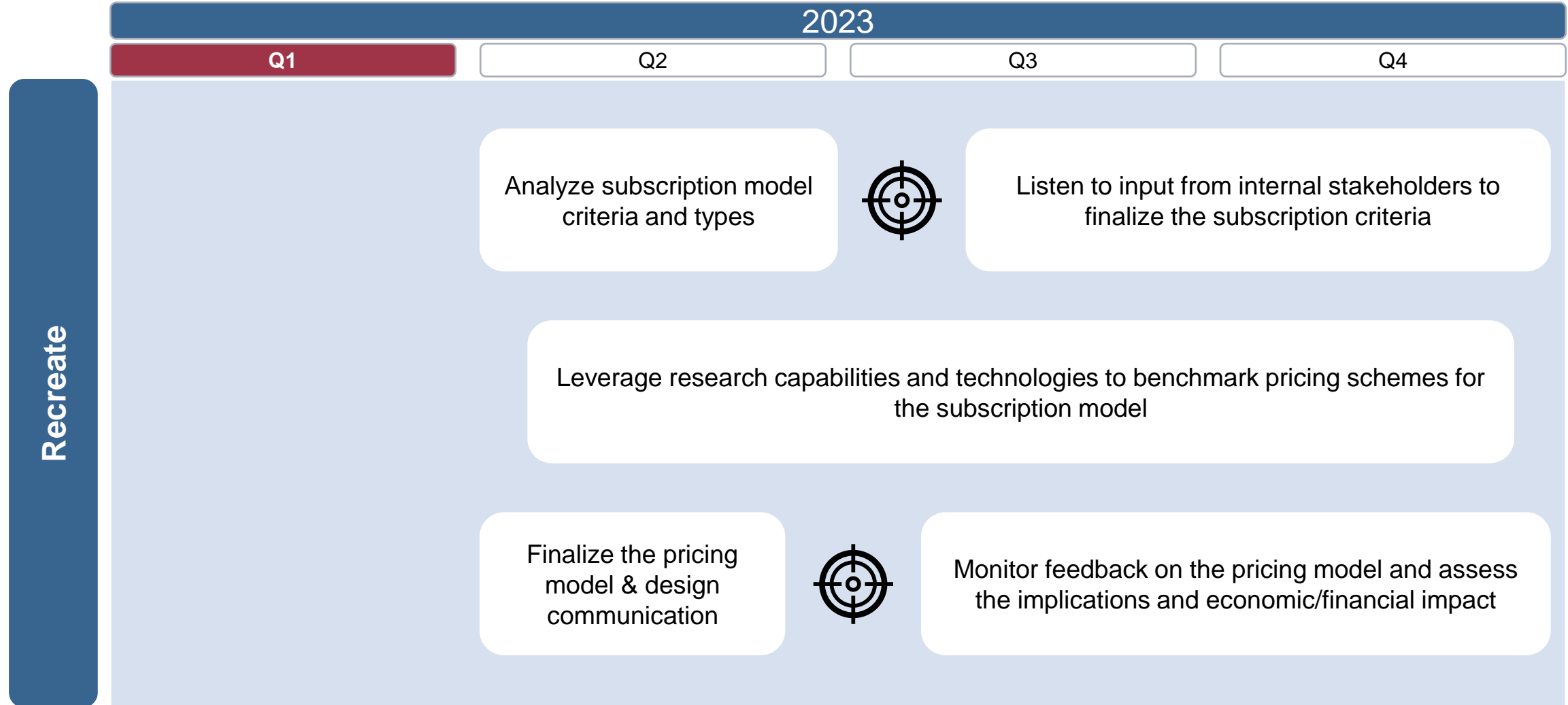
03 **Incentivize Sellers**
Multi-year incentive schemes for sellers lead to an ownership mindset

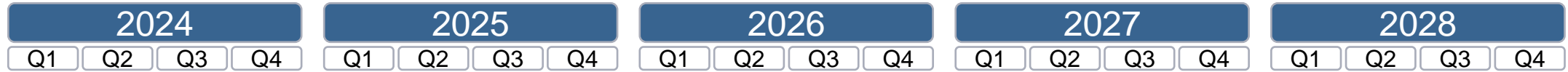*Source: McKinsey & Company Report: Future of B2B Sales: The Big Reframe*

Impact

RISE will be implemented accordingly

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Timeline

	2023			
Q1	Q2	Q3	Q4

Recreate

Analyze subscription model criteria and types

Listen to input from internal stakeholders to finalize the subscription criteria

Leverage research capabilities and technologies to benchmark pricing schemes for the subscription model

Finalize the pricing model & design communication

Monitor feedback on the pricing model and assess the implications and economic/financial impact

RISE will be implemented accordingly

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Timeline

2024	2025	2026	2027	2028
Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4

Integrate

Hire a learning & development partner

Launch Code IT "family" trainings & coaching to ensure an agile team

Leverage existing open-door and flat hierarchal policy to establish strong "Win-Rooms":

Outsource the development of "Venner"

Launch the platform & incentivize employees to use it, monitoring its implementation

Stimulate

Hire the Data Analysis & Engineering Team

Assess team performance and their impact on Code IT's capabilities & culture

Collaborate with the Research & Development team to ensure innovation with efficient implementation

Develop & bug-test the Carbon tool

Update & enhance the platform, in addition to rolling out new features to clients

Elucidate

Partner with a business coach

Train & incentivize the sales/business development teams on the new model

Design the B2B Marketing strategy required to launch the new pricing model

Monitor business performance targets & KPIs

Test & implement internal adjustments

Roll-out incentivization plans to further encourage employees

---

Overview   Analysis   Recommendation   **Impact**   Risks

To birth Project Phoenix, the strategy bears the following additional costs

Incremental Costs – RISE

Cost Drivers

Shifting the Model

Growing CodeIT

Empowering the Culture
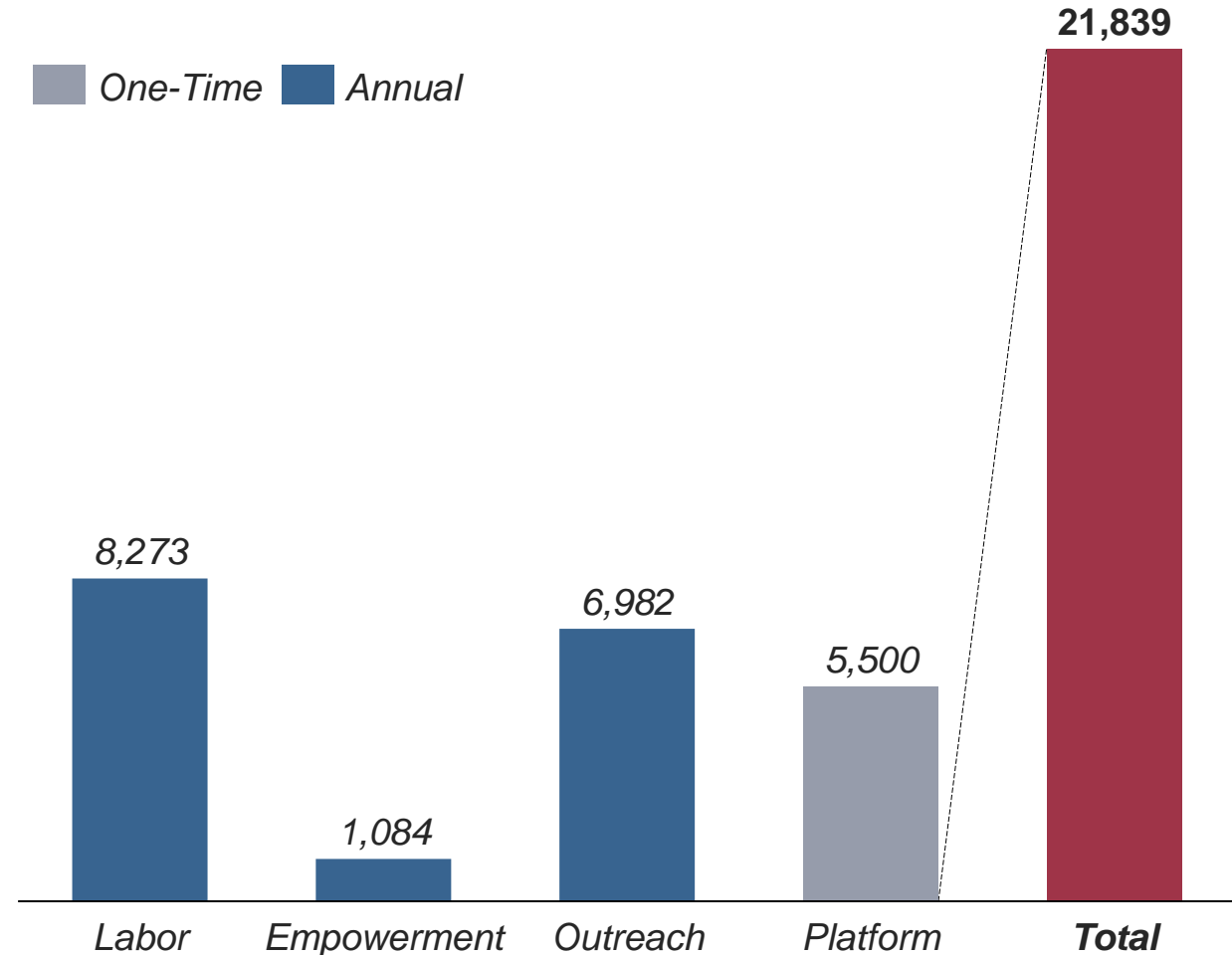
Key Assumptions

Budgeting to facilitate B2B marketing and outsourcing Venner's development

Hiring a team of ~10 FTEs to develop data expertise & manage CodeIT's growth

Breakdown *(in '000 NOK)*

21,839

One-Time Annual

8,273

1,084

6,982

5,500

| Labor | Empowerment | Outreach | Platform | **Total** |

Overview   Analysis   Recommendation   **Impact**   Risks

RISE will drive CodeIT towards a recurring revenue model, increasing to result in 50% ARR by 2028

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Revenue Transformation

P&L Drivers

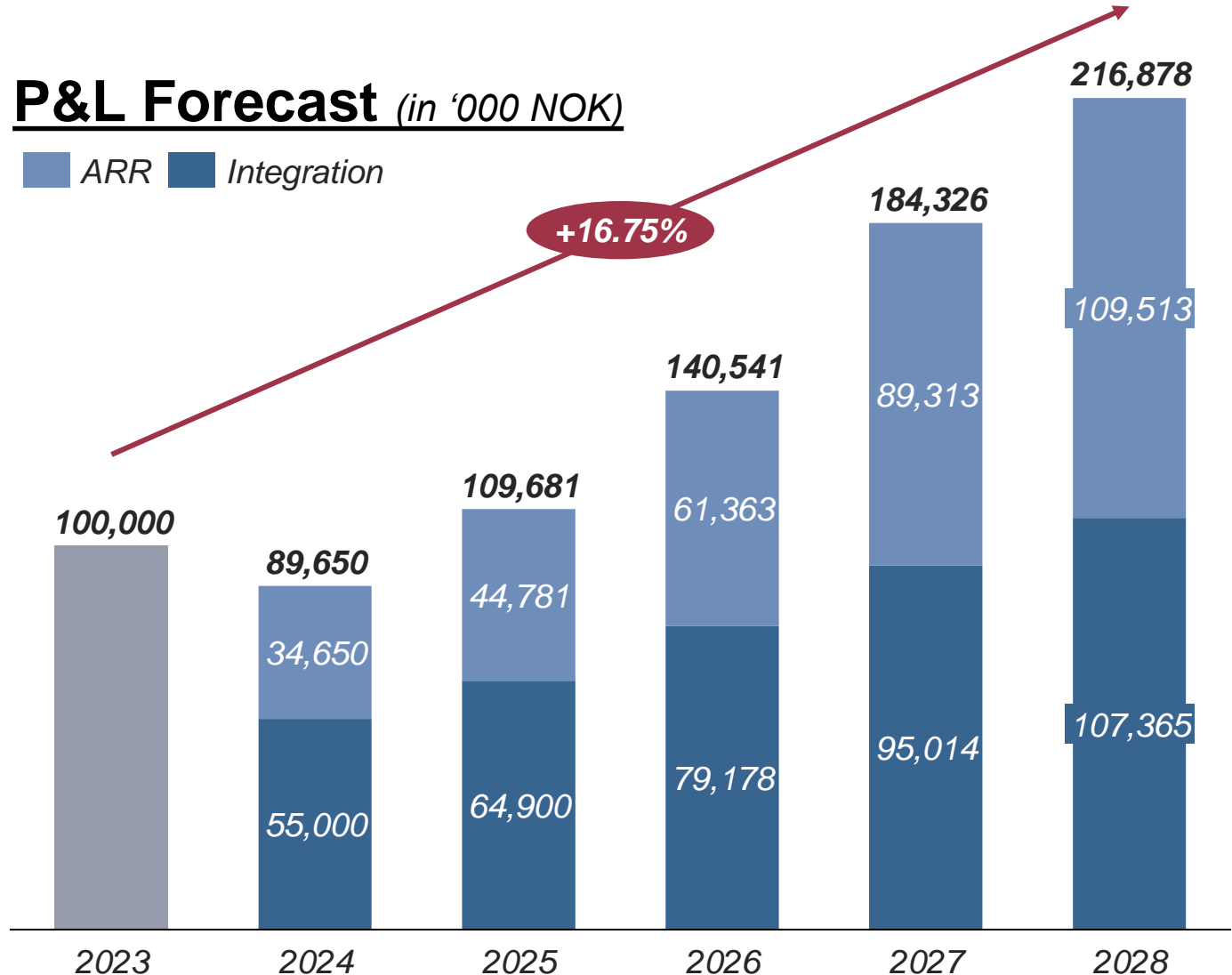Introducing a new pricing model that changes updates & upgrades into **recurring subscriptions**

Converting customers into higher tiers by **adding functionality & plug-ins** to CodeIT Enterprise

Growing CodeIT **organically**, through **business development** & client acquisition/service expansion

P&L Forecast *(in '000 NOK)*

ARR **Integration**

+16.75%

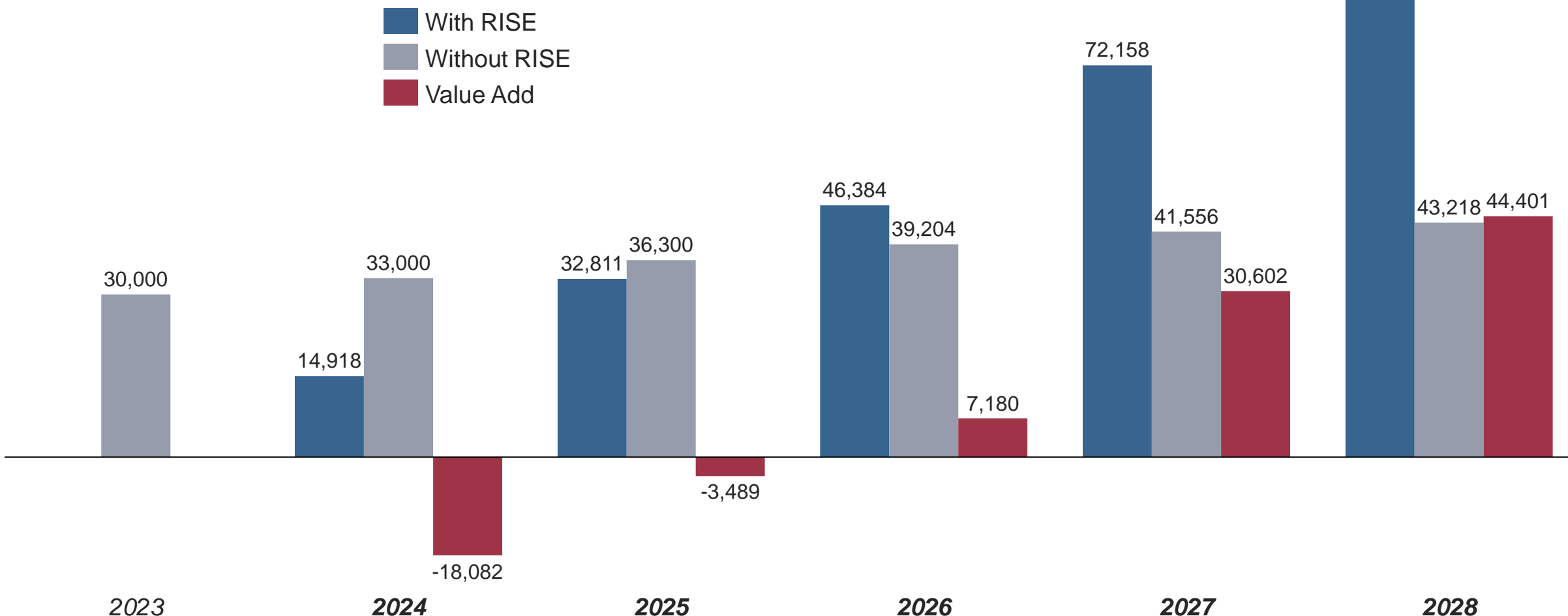| Year	Total	ARR	Integration
2023	100,000		
2024	89,650	34,650	55,000
2025	109,681	44,781	64,900
2026	140,541	61,363	79,178
2027	184,326	89,313	95,014
2028	216,878	109,513	107,365

RISE will generate long-term value for CodeIT, improving their performance

Profitability

Net Income - With/Without Strategy ('000 NOK)

Legend:
- With RISE
- Without RISE
- Value Add

Year	With RISE	Without RISE	Value Add
2023		30,000	
2024	14,918	33,000	-18,082
2025	32,811	36,300	-3,489
2026	46,384	39,204	7,180
2027	72,158	41,556	30,602
2028	87,620	43,218	44,401

The strategy has positive metrics and measurements

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Measurements

ROI — 58.91% (in FY '24-'28)

NOK 33.94 — **Net Present Value**

Average Profit Margin — 31.82% (in FY '24-'28)

4,300+ — **Line Count**
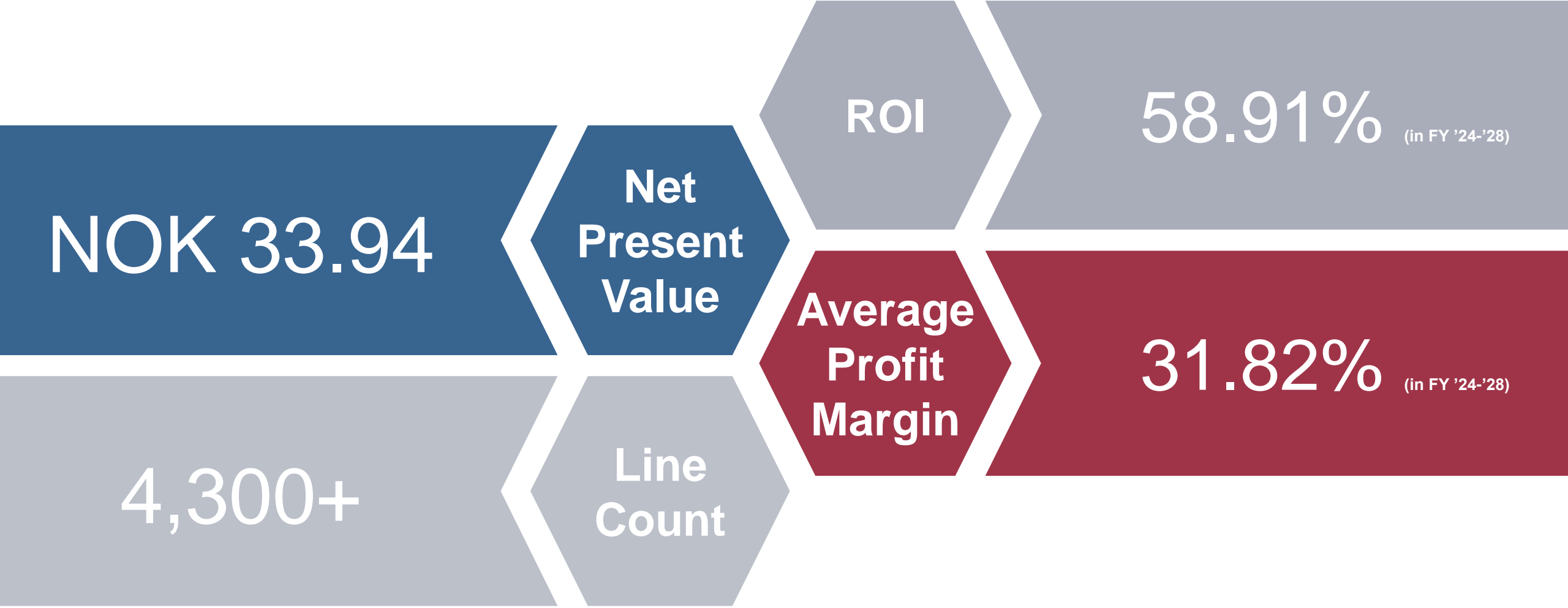
CodeIT's strong values and culture will guide it towards a successful "Project Phoenix"

Code IT – Mission & Values

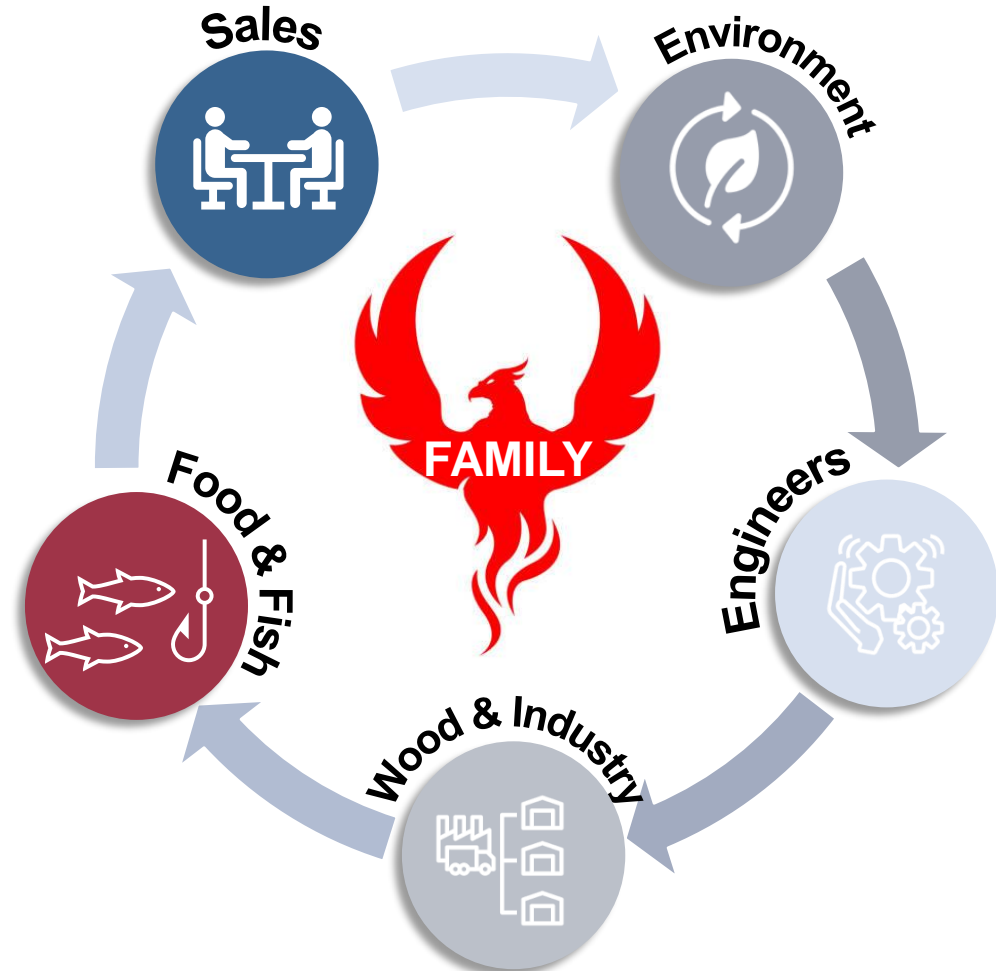## CodeIT "Builds FRIENDS"…

- **Transparency**
- **Commitment to Clients**
- **Loyalty**
- **Sustainability**

… to maintain long-lasting relationships!

Source: CodeIT Group Webpage & Videos

Risks & Mitigation

We identified potential risks, and tailored mitigation plans

Risks, Heat Map and Mitigation

Risks

1 **Data Breaches**

CodeIT is a target for malicious activity to steal proprietary data, both from client & internal sources
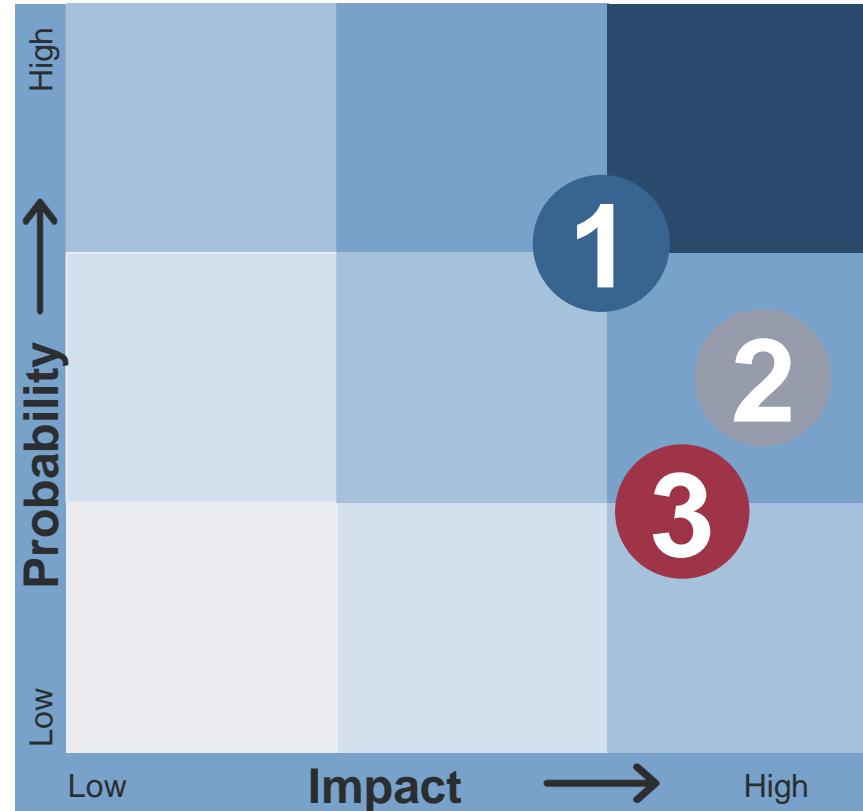
2 **Inflationary Pressure**

CodeIT's SMAs may be negatively impacted with macroeconomic movements and currency rates

3 **Talent Poaching**

CodeIT may face competition for top company talent & software engineers, particularly from competitors

High

Probability

Low

Low **Impact** High

1

2

3

Mitigation

1 **Cybersecurity 2.0**

Implement a suite of measures, including vulnerability testing, intrusion detection and educating on best practices

2 **Indexing**

Adjust the pricing contracts of agreements & subscriptions with inflation indexing and price depending on preferred currency

3 **Culture & Development**

Foster a strong internal culture, mission & values, and invest in employees with L&C programs and loyalty benefits packages

Executive Summary

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Opportunities

Extracting Additional Value	Augmenting Core Offerings	Energizing Client Relationships

Strategy

RISE

A 4-step approach which will allow CodeIT to generate annual recurring revenues (ARR) while maintaining a highly configurable & versatile software

KPIs by 2028

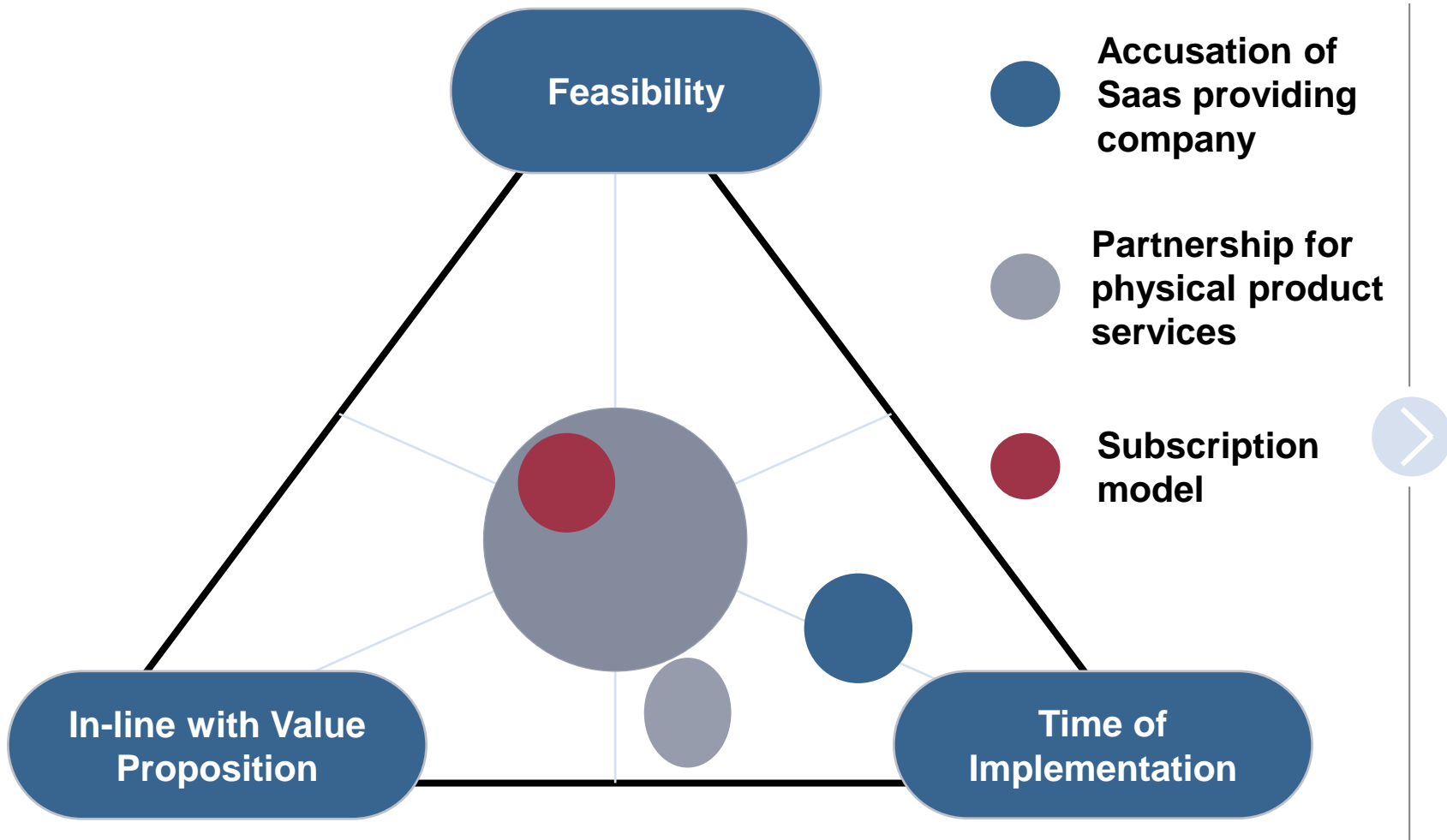| Increase Revenues to 216Mn NOK (25% CAGR)	Promote 4+ SDGs and Launch Carbon Calculator	Pivot to an ARR-based model (50% of Total)

Appendix

Appendix Database:

Analysis	Recommendation	Impact	Risks & Mitigation
1. Industry Analysis	1. Recreate	1. Incremental Costs	1. Timeline
2. Company Analysis	2. Integrate	2. Revenue Transformation	2. Risks and Mitigation
3. Subscription Analysis	3. Stimulate	3. Profitability	
4. Revenue Generating model	4. Elucidate	4. Metrics and Measurements	
5. Subscription Implementation		5. Company Values	
6. Alternatives to Subscriptions			

Supporting Appendix (Recommendation)

1. Current Customer Journey
2. New Customer Journey
3. Old vs. New Revenue Generating
4. SDGs
5. Partners
6. Training and Business coaching
7. Cross-Functional win-rooms
8. OEE
9. Client Dashboard

Supporting Appendix (Impact)

1. Impact Assumptions sheet – for pricing
2. Cost Model
3. P&L Model
4. Net Income
5. Labor Salaries
6. Salaries Overhead
7. Venner Platform

Annual recurring revenue methods that were considered

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Feasibility

In-line with Value Proposition

Time of Implementation

Accusation of Saas providing company

Partnership for physical product services
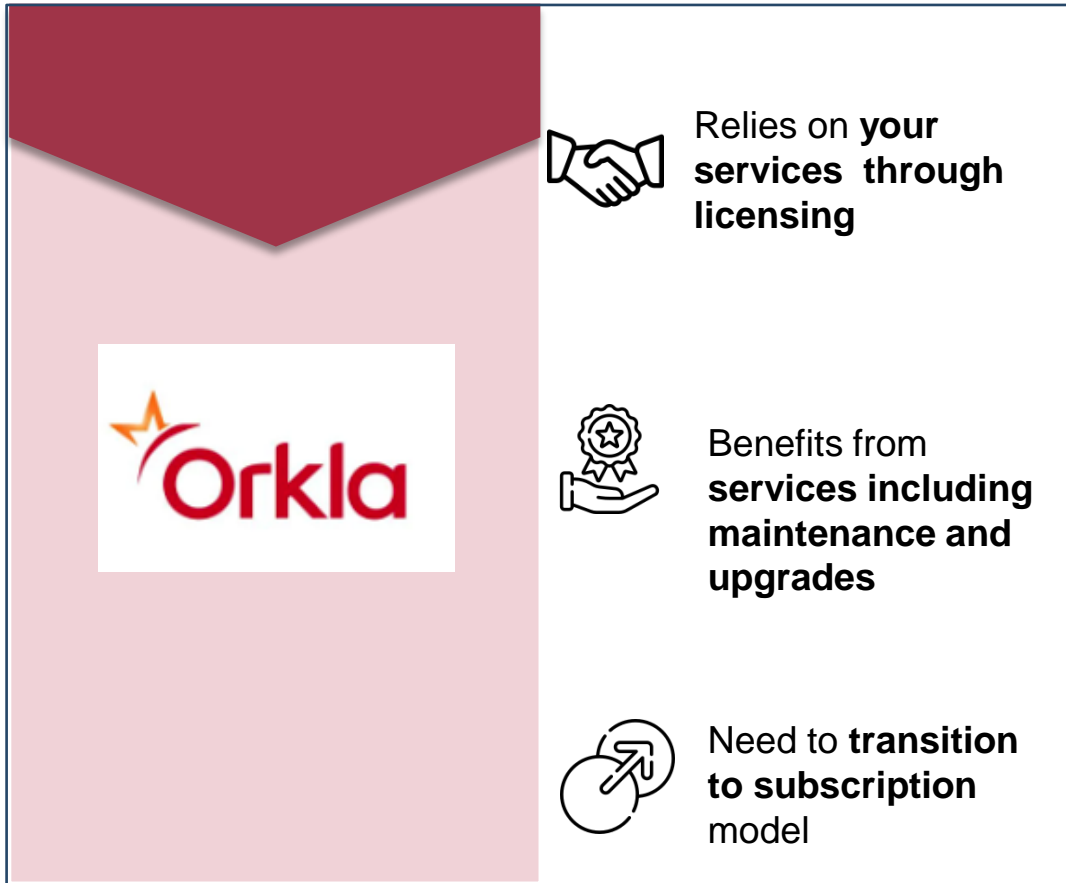
Subscription model

Key takeaways

- Subscription model showed to fit the criteria best as they fit with your value proposition, requiring an intermediate amount of time to implement, and is a feasible option

Customer Journey for current customers

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Customer Journey Visual Current

Relies on **your services through licensing**

Benefits from **services including maintenance and upgrades**

Need to **transition to subscription** model

1 **Pre-Agreement**

Exsisting agreement

2 **Implementation**

Existing Implementation

3 **Follow-up services**

Offered **Free** smart tier Subscription model

Has the opportunity to shift to Premium Subscription

Customer Journey for new customers

Customer Journey Visual New

New Customer

Interested in your services

Wants constant updates

Get in contact through subscription sales team

1 Pre-Agreement

Communicate licensing plan in addition to subscription maintance plans
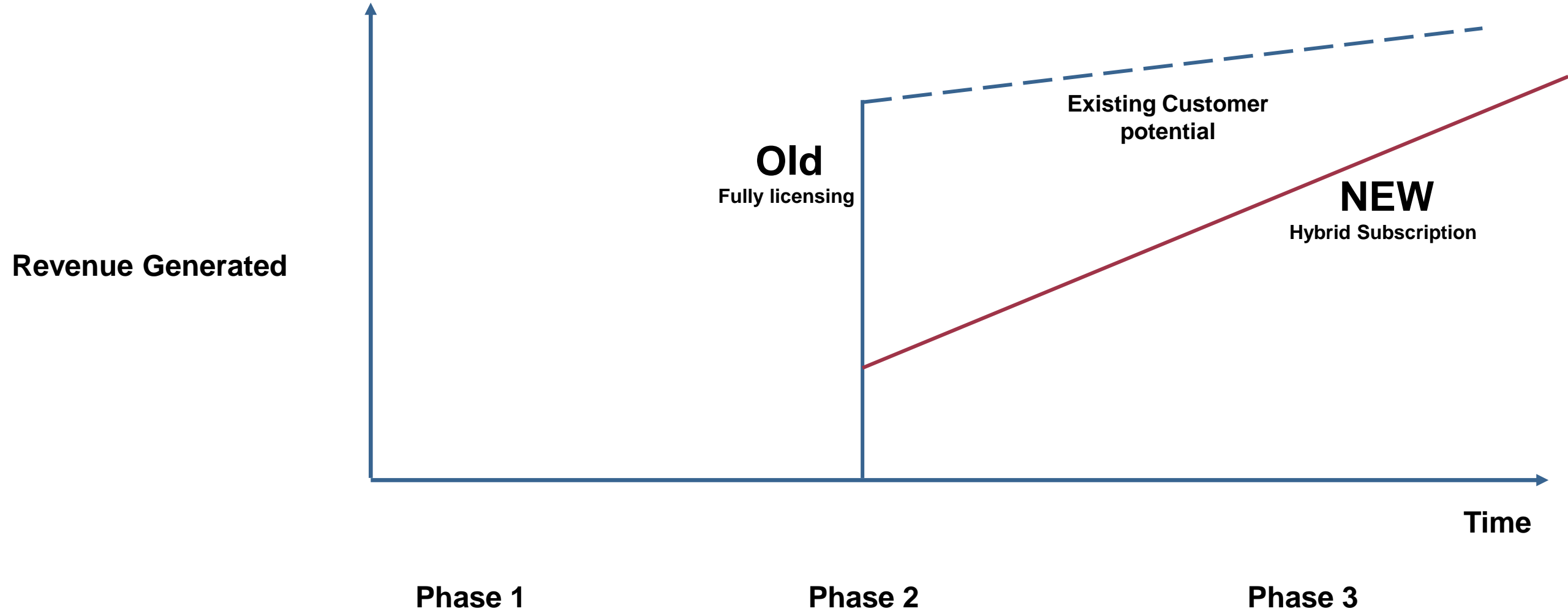
2 Implementation

Implement services and hand over to cross-function win rooms

3 Follow-up services

Has the option to upgrade subscription plan

Old vs New Revenue Generating Model

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Old
Fully licensing

Existing Customer potential

NEW
Hybrid Subscription

Revenue Generated

Time

Phase 1   **Phase 2**   **Phase 3**

Cross-Functional Win Rooms

McKinsey Report

The case for change

71%
more hybrid sales roles hired in 2021 in outperforming organizations

65%
of customers prefer remote human interactions or digital self-service over traditional interactions

45%
of B2B organizations face >30% turnover

The key to sales success is being able to replicate all best practices at scale.

*A win room brings together cross-functional teams comprising people from **sales, marketing, product, delivery, finance, and technology**, all working at a structured cadence to focus on closing deals. **Top-performing sales** functions have embraced and implemented this concept, **bringing focus and rigor to the sales process**.*

Source: McKinsey & Company Report: Future of B2B Sales: The Big Reframe
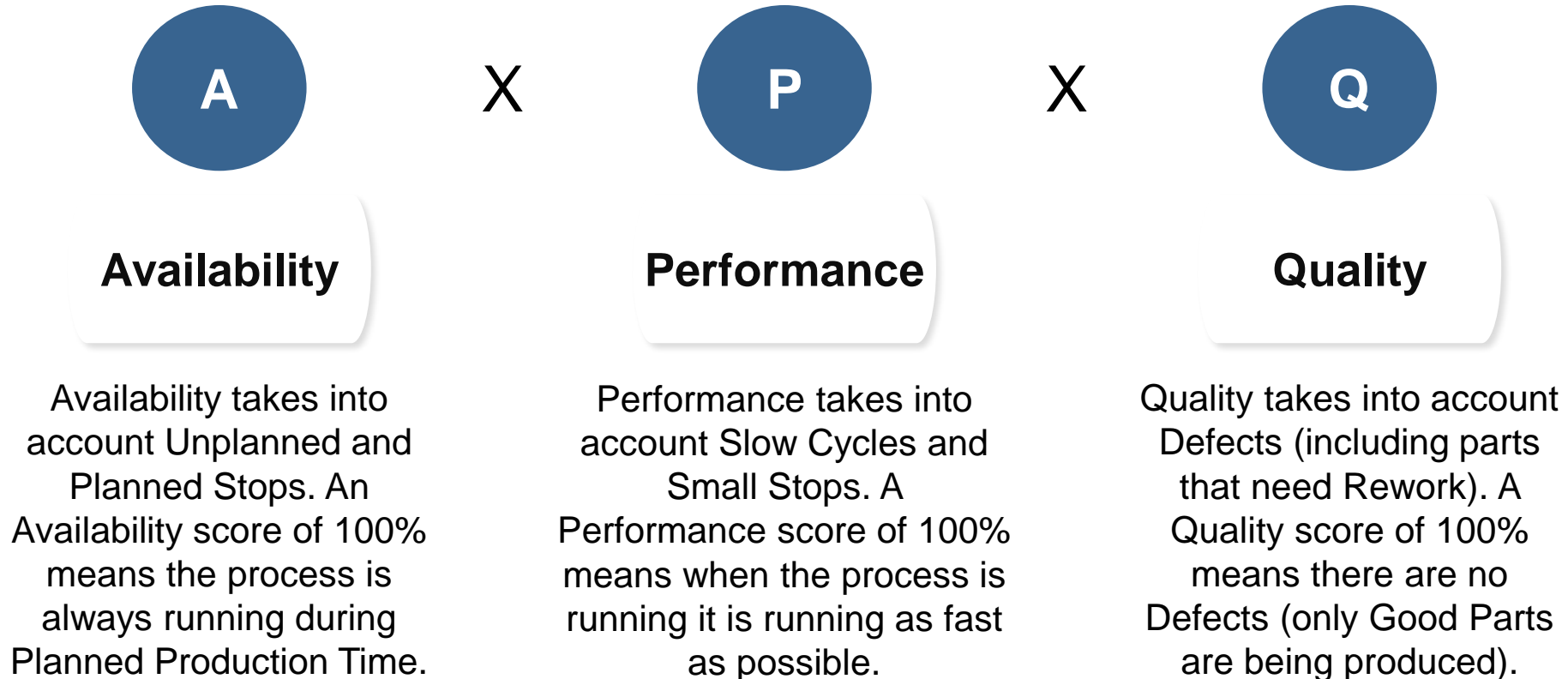
Overall Equipment Effectiveness (OEE)

WHAT

- Standard for measuring manufacturing productivity
- Identifies the percentage of manufacturing time that is truly productive
- 100% score means you are manufacturing
  - Only good parts
  - As fast as possible
  - No stop time

WHY

By measuring OEE and the underlying losses, you will gain **important insights** on how to systematically **improve** your manufacturing process. OEE is the single best metric for identifying **losses, benchmarking progress, and improving the productivity** of manufacturing equipment (i.e., eliminating waste).

Overall Equipment Effectiveness (OEE) (2)

A X **P** X **Q**

Availability

Availability takes into account Unplanned and Planned Stops. An Availability score of 100% means the process is always running during Planned Production Time.

Performance

Performance takes into account Slow Cycles and Small Stops. A Performance score of 100% means when the process is running it is running as fast as possible.

Quality

Quality takes into account Defects (including parts that need Rework). A Quality score of 100% means there are no Defects (only Good Parts are being produced).

Client Dashboards

Widely used KPIs include:
• Delivery performance
• Manufacturing lead time (sometimes called 'total cycle time' — how long it takes an order to progress through the factory)
• OEE (valued because it pulls together data on production rates, quality, and machine availability)

Fit for 55 EU Policy

Fit for 55: how the EU will turn climate goals into law

Energy efficiency

EU emissions trading system

Efforts sharing regulation

Renewable energy

Land use and forestry (LULUCF)

Energy taxation

How will the EU reduce its greenhouse gas emissions by at least 55% by 2030?

Alternative fuels infrastructure

CO2 emission standards for cars and vans

REfuelEU aviation and FuelEU maritime

Social climate fund

Carbon border adjustment mechanism

The decision-making process explained:

European Commission
Presentation of the Fit for 55 package and the proposed new EU laws

proposal sent to

Council of the European Union

European Parliament

Technical discussions
The representatives of the EU's 27 member states meet in several working parties to exchange views on the legislative proposals, preparing the ground for a Council agreement.

Preparation for the meeting of ministers
Based on the work at expert level in the working parties, the Permanent Representatives Committee (Coreper), comprising representatives of all member states, continues discussions to prepare the ground for an agreement on a Council position on each legislative proposal.

Council meeting of ministers
Ministers from the 27 EU member states discuss the proposals during Council meetings with a view to reaching a joint position ('general approach') on each of them.

The Fit for 55 package's proposals are discussed in several Council formations, covering environment, energy, transport and economic and financial affairs.

Once ministers agree their joint position on a proposal, trilogues can start.

Trilogues
Meetings of representatives from the

Council (presidency)

European Parliament

European Commission

Most proposals follow the ordinary legislative procedure, as part of which the Council and the European Parliament negotiate during so-called trilogues in order to reconcile their positions.

EU law

Overview | **Analysis** | **Recommendation** | **Impact** | **Risks**

Current Clients - Food

Current Clients - Fish

Impact Assumptions Sheet – For Pricing

CodeIT - Pricing		
Category	Number	Source
2023 Annual Revenue	NOK 100,000,000	*Powerpoint - Estimate*
# of Production Lines	2,000	*Case*
Revenue/Line	**NOK 50,000**	
SMA - Breakdown	20% of Revenues	*Case*
SLA - Breakdown	1.5*SMA	*Case*
SMA per Line	**NOK 10,000**	
SLA per Line	**NOK 15,000**	
Suite per Line	**NOK 25,000**	
New Model - Reccurring SMA & SLA		
Revenue/Line	NOK 35,000	*Pricing Strategy*
Essential Tier	5.00%	*Annually*
Standard Tier	10.00%	*Annually*
Premium Tier	20.00%	*Annually*
Essential Yearly CF	**NOK 1,750**	
Standard Yearly CF	**NOK 3,500**	
Premium Yearly CF	**NOK 7,000**	
Useful Life	20 Years	*Assumption*
Essential CF	**NOK 35,000**	
Standard CF	**NOK 70,000**	
Premium CF	**NOK 140,000**	
Weight Allocation - E	30.00%	
Weight Allocation - S	50.00%	
Weight Allocation - P	20.00%	
Weighted CF - Per Line	NOK 108,500	

# of Software Engineers to be Hired	4	
Salary per SWE	NOK 582,000	*Payscale/SalaryExpert*
# of Technical Engineers to be Hired	3	
Salary per Technical Engineer	NOK 537,000	*Payscale/SalaryExpert*
# of Project Managers	1	
Salary per PM	NOK 749,000	*Payscale/SalaryExpert*
# of Payroll/Working Capital Specialist	1	
Salary per Specialist	NOK 800,000	*Payscale/SalaryExpert*
# of Data Analysts	2	
Salary per Analyst	NOK 565,000	*Payscale/SalaryExpert*
Total Salaries	**NOK 6,618,000**	
Labor Overhead	25%	
Labor Expenses	**NOK 8,272,500**	
Platform Development	NOK 5,000,000	*From https://syndicode.com/blog/platform-development-cost/*
Platform Maintenance & Updates	10.00%	
Venner Expenses	**NOK 5,500,000**	

Costs Model (2/2)

# of Employees - in Norway & Sweden	40	*Mentioned in Case + Added*
Communication Expenses - Yearly/Employee	NOK 600	
Training & Coaching Budget - per Employee	NOK 7,000	
Trainings per Year	2	
Communication - Total	**NOK 24,000**	
Learning, Development & Coaching	**NOK 560,000**	
Misc. Expenses Budget	**NOK 500,000**	*To account for corporate events, retreats & more.*
Employee Empowerment Expenses	**NOK 1,084,000**	
B2B Marketing Budget	**NOK 5,000,000**	*To account for all the relationship building, PRM etc.*
Comissions Budget	1.00%	
Total Revenues	NOK 148,215,275.47	
Comissions - Total	**NOK 1,482,152.75**	
Comission - per Employee	NOK 37,053.82	
Other Expenses - Marketing	**NOK 500,000.00**	
Marketing & Networking Expenses	**NOK 6,982,152.75**	
RISE Incremental Expenses	**NOK 21,838,652.75**	
Annual Recurring Expenses	**NOK 15,838,652.75**	*Excluding Platform Development*

P&L Model – Project Phoenix

P&L Sheet		2023		2024		2025		2026		2027		2028
Revenue/Line		50,000		25,000		25,000		25,000		25,000		25,000
# of Production Lines		2,000		2,200		2,596		3,167		3,801		4,295
# of Clients		64		70		83		101		122		137
Average Lines/Client		31.25		31.25		31.25		31.25		31.25		31.25
Subscription - Basic	NOK	-		2.00%		2.00%		2.00%		2.00%		2.00%
Subscription - Smart	NOK	-		5.00%		5.00%		5.00%		5.00%		5.00%
Subscription - Premium	NOK	-		10.00%		10.00%		10.00%		10.00%		10.00%
Subscription - Basic - Annual Revenue			NOK	500	NOK	500	NOK	500	NOK	500	NOK	500
Subscription - Smart - Annual Revenue			NOK	1,250	NOK	1,250	NOK	1,250	NOK	1,250	NOK	1,250
Subscription - Premium - Annual Revenue			NOK	2,500	NOK	2,500	NOK	2,500	NOK	2,500	NOK	2,500
Useful Life of Software		20.00		20.00		20.00		20.00		20.00		20.00
Basic Weight				70.00%		60.00%		50.00%		35.00%		30.00%
Smart Weight				25.00%		35.00%		42.50%		50.00%		50.00%
Premium Weight				5.00%		5.00%		7.50%		15.00%		20.00%
Annual Reccurring Revenues - B			NOK	15,400,000.00	NOK	15,576,000.00	NOK	15,835,600.00	NOK	13,301,904.00	NOK	12,883,844.16
Annual Reccurring Revenues - S			NOK	13,750,000.00	NOK	22,715,000.00	NOK	33,650,650.00	NOK	47,506,800.00	NOK	53,682,684.00
Annual Reccurring Revenues - P			NOK	5,500,000.00	NOK	6,490,000.00	NOK	11,876,700.00	NOK	28,504,080.00	NOK	42,946,147.20
ARR Sum	NOK	-	NOK	34,650,000.00	NOK	44,781,000.00	NOK	61,362,950.00	NOK	89,312,784.00	NOK	109,512,675.36
Installation Revenues			NOK	55,000,000.00	NOK	64,900,000.00	NOK	79,178,000.00	NOK	95,013,600.00	NOK	107,365,368.00
Total Revenues	NOK	100,000,000.00	NOK	89,650,000.00	NOK	109,681,000.00	NOK	140,540,950.00	NOK	184,326,384.00	NOK	216,878,043.36
Revenue Growth Rate				-10.35%		22.34%		28.14%		31.15%		17.66%
ARR Split as TR				38.65%		40.83%		43.66%		48.45%		50.50%

P&L Model – Growth Rates

Growth Rates & Margins	2023	2024	2025	2026	2027	2028
Revenue/Line	50,000	25,000	25,000	25,000	25,000	25,000
# of Production Lines	2,000	2,200	2,596	3,167	3,801	4,295
# of Clients	64	70	83	101	122	137
Client Growth Rate		10.00%	18.00%	22.00%	20.00%	13.00%
Average Lines/Client	31.25	31.25	31.25	31.25	31.25	31.25
Basic Weight		70.00%	60.00%	50.00%	35.00%	30.00%
Smart Weight		25.00%	35.00%	42.50%	50.00%	50.00%
Premium Weight		5.00%	5.00%	7.50%	15.00%	20.00%

Net Income - RISE

Net Income	2023	2024	2025	2026	2027	2028
Total Revenues	NOK 100,000,000	NOK 89,650,000	NOK 109,681,000	NOK 140,540,950	NOK 184,326,384	NOK 216,878,043
Strategy Expenses (-)	NOK -	NOK (21,838,653)	NOK (15,997,039)	NOK (16,157,010)	NOK (16,318,580)	NOK (16,481,766)
R&D Margin	NOK (10,000,000)	NOK (8,068,500)	NOK (8,774,480)	NOK (11,243,276)	NOK (12,902,847)	NOK (15,181,463)
SG&A	NOK (60,000,000)	NOK (44,825,000)	NOK (52,098,475)	NOK (66,756,951)	NOK (82,946,873)	NOK (97,595,120)
Net Income - with Rise	NOK 30,000,000	NOK 14,917,847	NOK 32,811,006	NOK 46,383,713	NOK 72,158,085	NOK 87,619,695
Net Income - without Rise	NOK 30,000,000	NOK 33,000,000	NOK 36,300,000	NOK 39,204,000	NOK 41,556,240	NOK 43,218,490
Difference	NOK 0	NOK (18,082,153)	NOK (3,488,994)	NOK 7,179,713	NOK 30,601,845	NOK 44,401,206

Net Present Value	NOK 33,941,410	*NPV Analysis Done on the Difference of Cash Flows Generated from Income with Rise - Income without Rise*
WACC	10.31%	*Discount Rate assumed on benchmarking the Weighted Cost of Capital of different firms in Software & Services*

	2023	2024	2025	2026	2027	2028
Profit Margin	30.00%	16.64%	29.91%	33.00%	39.15%	40.40%
PM without Rise	30.00%	36.81%	33.10%	27.90%	22.54%	19.93%
Average PM - RISE	31.82%					
Average PM - No RISE	28.38%					
Difference	3.44%					
Return on Investment	58.91%					

Growth Rates & Margins	2023	2024	2025	2026	2027	2028	
Strategy Expense Growth	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	*Account for Inflation*
R&D Margin	10.00%	9.00%	8.00%	8.00%	7.00%	7.00%	*Margin decreases with time*
SG&A Margin	60.00%	50.00%	47.50%	47.50%	45.00%	45.00%	*Improved efficiency with RISE*
Income Growth - no RISE		10.00%	10.00%	8.00%	6.00%	4.00%	*NI Growth tapers-off*

Labor Salaries (1/3)

From Payscale

Labor Salaries (2/3)

Source: https://www.salaryexpert.com/salary/job/data-analyst/norway/oslo

Labor Salaries (3/3)

Project Manager Average Salary in Norway 2023

How much money does a Project Manager make in Norway?

$

Average Yearly Salary

649,000 NOK

(54,100 NOK monthly)

LOW	AVERAGE	HIGH
299,000 NOK	**649,000** NOK	**1,030,000** NOK

Switch to monthly salaries

A person working as a **Project Manager** in **Norway** typically earns around **649,000 NOK** per year. Salaries range from **299,000 NOK** (lowest) to **1,030,000 NOK** (highest).

This is the average yearly salary including housing, transport, and other benefits. Project Manager salaries vary drastically based on experience, skills, gender, or location. Below you will find a detailed breakdown based on many different criteria.

Technical Support Engineer Average Salary in Norway 2023

How much money does a Technical Support Engineer make in Norway?

$

Average Yearly Salary

537,000 NOK

(44,700 NOK monthly)

LOW	AVERAGE	HIGH
247,000 NOK	**537,000** NOK	**853,000** NOK

Switch to monthly salaries
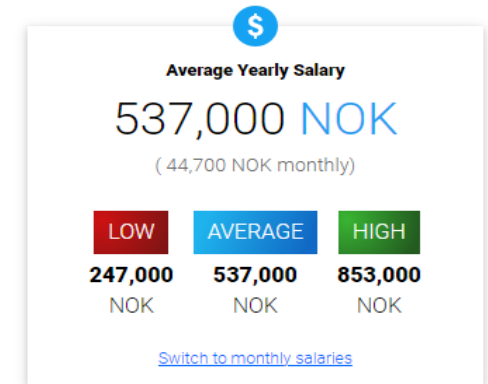
A person working as a **Technical Support Engineer** in **Norway** typically earns around **537,000 NOK** per year. Salaries range from **247,000 NOK** (lowest) to **853,000 NOK** (highest).

This is the average yearly salary including housing, transport, and other benefits. Technical Support Engineer salaries vary drastically based on experience, skills, gender, or location. Below you will find a detailed breakdown based on many different criteria.

From Salary Expert

Salaries – Overhead
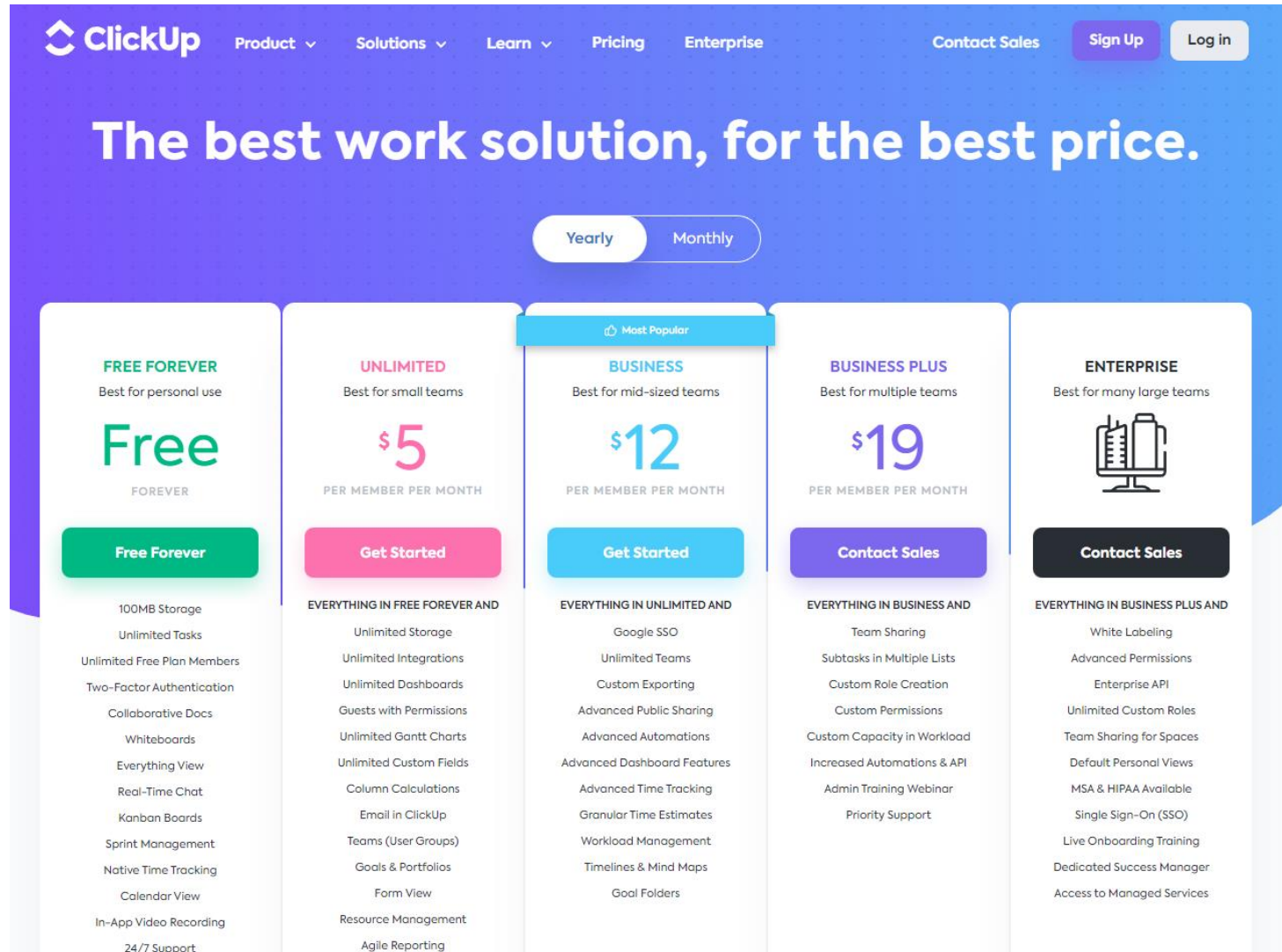
We assume a total labor overhead of **~25% ->** Covering multiple avenues from pensions to vacations!

2. Other payroll expenses and personnel-related costs			
a. Pension contributions	64 000	NOK	Costs that are directly linked to the individual employee's salary, depending on the company's pension scheme. Calculated here as 8 % of the nominal annual salary.
b. Employer's National Insurance contributions	122 388	NOK	Statutory contributions linked to the individual employee's salary. The most common rate (14.1%) is used in the example.
c. Employee insurance	4 000	NOK	Occupational injury insurance and other relevant employee insurance. Here estimated at 0.5% of salary.
d. Welfare costs	8 000	NOK	Total costs divided between all employees. Here estimated at 1 % of the salary.

Source: https://www.forskningsradet.no/en/apply-for-funding/Budget/what-to-enter-in-the-project-budget/calculating-payroll-indirect-expenses/

Venner Platform – Communication

CODE IT®

Can be integrated within internal platforms – **Unlimited plan chosen + Slack, Teams, etc.**

Source: ClickUp

Training & Learning – Benchmarks (1/2)

CODE IT®

Flexible Learning Options Adapted to Your Needs

We design personalized training programs that are both distinguished and effective—world-class, commercial-quality products that you can be proud of.

vILT: Virtual Instructor-Led Training	Classroom-Based Learning	Digital/eLearning
It's common to assume a live lesson can simply be recorded and packaged as video training, but attention spans are shorter on a device than in a classroom. Our vILT creates a compelling, interactive experience that works.	Even though this is typically what comes to mind when you think of learning, our style is anything but typical. We'll work with you to develop lessons that are fun, engaging, and memorable long after the class is over.	When you have staff across various locations or on different schedules, getting everyone trained at the same time can be difficult. Our digital solutions allow for self-paced learning that employees can complete (and repeat) anytime.
LEARN MORE		**LEARN MORE**

Source: Caveo Learning

Game-Based Learning and Simulations

Sometimes, the best way to learn is by doing. Whether virtually or in-person, our game-based and simulation options allow your team members to put their training to the test with enjoyable challenges they can practice until they master the skills.

Microlearning

Did you know people usually stop absorbing information after spending an average of seven minutes on the same topic? Microlearning breaks down lessons into short, digestible bursts that make it easy to get a quick refresher on a process or concept.

LEARN MORE

Mobile Learning

Tools like checklists and manuals that need to be accessed from the field should always be optimized for smartphones and tablets. We consider your needs to design a user experience that wins—no matter the size of the screen.

Blended Learning Programs

No two learners are alike, and certain subject matter may work better in different formats. Our blended learning programs deliver content in a variety of ways to make sure we're covering all the bases and fully resonating with everyone.

Source: Caveo Learning

Business Coaching

More Coaches in Norway

ADD ADHD Coaches (2)

Business Coaches (2)

Career Coaches (2)

Entrepreneurship Coaches (1)

Executive Coaches (2)

Family Coaches (1)

Health and Fitness Coaches (1)

Life Coaches (7)

Performance Coaches (2)

Relationship Coaches (2)

Spirituality Coaches (3)

FAQs about Business Coaching

What is life coaching?

What is business coaching?

How does Noomii help me find a professional coach?

Learn all about business coaching

Are you a Norway Business Coach?
Clients are looking for you! Get signed up with Noomii to expand your client base.

Business Coaches In Norway

Business Coaching FAQs

Business coaches are often hired by business owners who want to grow, increase profitability, improve the performance of their employees, or resolve issues such as high worker turnover, low morale, employee burnout, or poor communication. Business coaching can help businesses of all sizes come up with solutions, strategies, and action plans for attaining their goals.

Read more

The Smart Way To Find A Coach

1 → 2 → 3 → 4

Describe Your Goals **Get Matched** **Free Consultations** **Hire Your Coach**

Find My Ideal Coach Now

Filter by Location ▲

Displaying business coach Norway 1-2 of 2

Erling Boee MA, CPCC
Executive Coach, Business Coach

🏠 **Oslo, Oslo Fylke**

∿ 8.5 Noomii Score ⓘ   ☆ ☆ ☆ ☆ ☆ 0 reviews

I coach executives/managers who are on the edge of burning out, but really want more balance, confidence and good results in their life now. See Full Profile →

Request Free Consultation

Cindy Ann Eliassen Strategic Intervention Partner, Strategic Intervention Coach, NLP Practitioner, NLP Coach, NLP Master Practitioner (2014), NLP Master Coach (2014)

🏠 **Rogaland Fylke**