

Case Study on:

*ByteLife*



# **Country Representative** *European Business Awards 2011*

**Country Representative - Estonia**  
*ByteLife Solutions OÜ*

 **European**  
 **Business**  
 **Awards™**

# ByteLife Solutions

## Solid Foundations Keep Business Stable in Turbulent Times

### Words from the Judges

*“Celebrating continuous growth despite difficult trading conditions.”*



Tallinn-based ByteLife Solutions was founded at the end of 2005 by five well-known Estonian IT experts. The goal of the business was to build up a truly customer-centric and innovative IT company and become a trusted advisor who could provide the very best technologies to meet customers' specific needs.

The IT world is very dynamic with new technology emerging every day; it is also very broad and complex. ByteLife made a strategic decision to focus on one specific area of IT infrastructure where it could build excellence rather than trying to provide solutions for every issue. The company focuses on **storage solutions** and has developed its own methodology called the 'Magic Ring'. This consists of four elements in a circle all feeding each other: vision, focus, competence and execution.

**“In order to make bets on the right technology, one has to understand the bigger picture. Understanding trends in business and technology has helped us focus on the right areas. It is this focus that has enabled us to develop a very high level of competence in our selected fields. Our competence makes it possible for us to excel in project delivery. Projects bring experience, experience provides vision and so the 'Magic Ring' is self-enforcing and becomes stronger with every cycle.”** Taavi Must, Managing Director, ByteLife Solutions

The most important result of the 'Magic Ring' is that it generates customer trust. However, the trust itself will not last if it is not built upon strong foundations within the company and it is these core values that ByteLife take very seriously.

**“Our core values are simple: keep promises, be open and honest and use initiative. This is what differentiated us from many other start-up companies – we started to work on our core values from the very beginning and have never forgotten them.”**

ByteLife's core values have held them in good stead when solving other challenges in the industry – how to be adaptive and fast enough to not only adopt technology trends but also to sustain uncertainties in the economy.

Early on, ByteLife took an innovative approach to its business and looked at its management style in order to develop a structure where all employees were empowered to make decisions.



**“We felt intuitively that the classic 'command & control' style of management would not work for our business. We wanted something flexible so developed a 'mission-control' form of management where we all work as a team. We keep top down management to a minimum and base our work on trust. This works because everyone shares the company's core values.”**

ByteLife understands that in the 'knowledge' industry, making money cannot be the only objective and as such, has identified its main stakeholders (customers, employees and shareholders) and drawn up value propositions for each of them. Customers' interests always prevail, but as employees serve the customers, the value proposition for ByteLife's employees is also extremely important.

**“Our promise to our stakeholders can be described in three words: development, autonomy and purpose. We follow these principles as much as possible. As an example, even during the most difficult economic times, we never cut our training budgets, preferring to continue with our staff development programme. Our employees manage their own time and make their own decisions. The result is a challenging but highly rewarding environment for employees and customers alike.”**

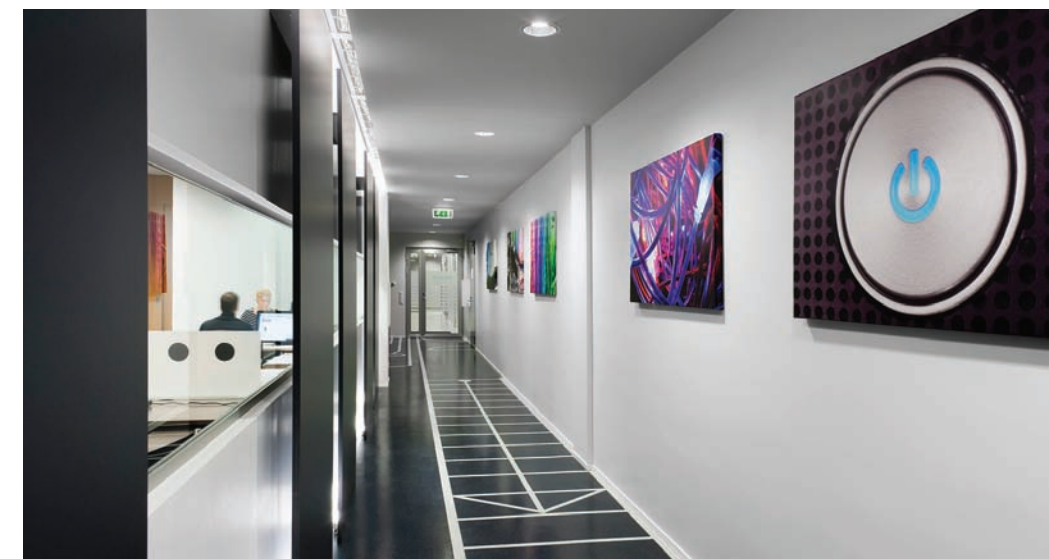
Innovations in management have allowed ByteLife to build up a flexible company. The moment of truth emerged at the end of 2008 when the Baltic States were hit by severe crisis. In 2009, the spending on IT infrastructure decreased by 40%.

**“When the crisis hit, we had to adapt very quickly to the new reality. We implemented a number of different measures which enabled us to stay profitable even when the situation worsened and it was these enforced changes that have helped us emerge stronger than before.”**

These changes were only possible because of ByteLife's management model. It clearly demonstrated that investing in 'organisational capital' made the company stronger. The core values of the business provided secure foundations to build a successful company in a very turbulent world.

*“ByteLife has built a highly successful data infrastructure company that manages and guarantees critical business information systems by providing expert help in migrating data storage to cloud-based solutions for clients whose transaction data must be guaranteed 100 per cent safe from loss. Its success can be measured by a continuous record of growth that has increased steadily in spite of very difficult trading conditions.”*

**Phil Forrest, Chairman of Judges, European Business Awards 2011**



### Looking to the Future...

In 2010, the company launched its Virtual (Cloud) Datacentre initiative. To develop this, ByteLife worked closely with worldwide networking leader Cisco Systems, data storage giant EMC and virtualisation technology vendor VMware. ByteLife invested heavily in all these technologies and is now a fully-accredited VMware Premier Partner, EMC Velocity Signature Solution Center Partner and Cisco Advanced Technology Partner, the highest accolades awarded by those vendors.

The decision to invest in the Virtual Datacentre has positioned ByteLife as a significant player in the IT infrastructure industry within the Baltic States. Its partners, including Cisco, EMC and VMware are market leaders in their field and bring vast experience to this unique project which has the potential to radically change the way data is stored across the region.

**“Virtualisation and Cloud Computing are very positive for our customers. It is cost efficient as well as being secure and accessible. As with all new technologies, there has been some resistance, especially from more traditional sectors, but we are now implementing a number of different practices that enable our customers to see first-hand the benefits of using a Virtual Datacentre.”**

In summer 2011, the company built a Solution Center at its Tallinn-based headquarters. This 'mini' Virtual Datacentre enables ByteLife to host live demonstrations, hands-on workshops and regular seminars. It is unique to ByteLife and allows customers to see proof of the concepts being explained; giving them a chance to have a 'live' test run of how the Virtual Datacentre will work for them.

**“Research has shown that an average of 70% of any company's IT budget is spent on simply keeping the 'lights on'. Only 30% is used to develop new applications. At ByteLife, we are showing our customers the importance of developing for the future especially in areas such as security and capacity.”**

In its Solution Center, ByteLife shows customers how to build reliable, flexible and cost efficient Datacentres. There are two main steps: virtualisation and automation. Virtualisation significantly improves the use of resources and allows less spend on hardware.

The introduction of automation makes it possible to spend less on operations. Both concepts together enable vast improvements in a company's IT infrastructure and allows IT to operate as a Service (ITaaS) for business.

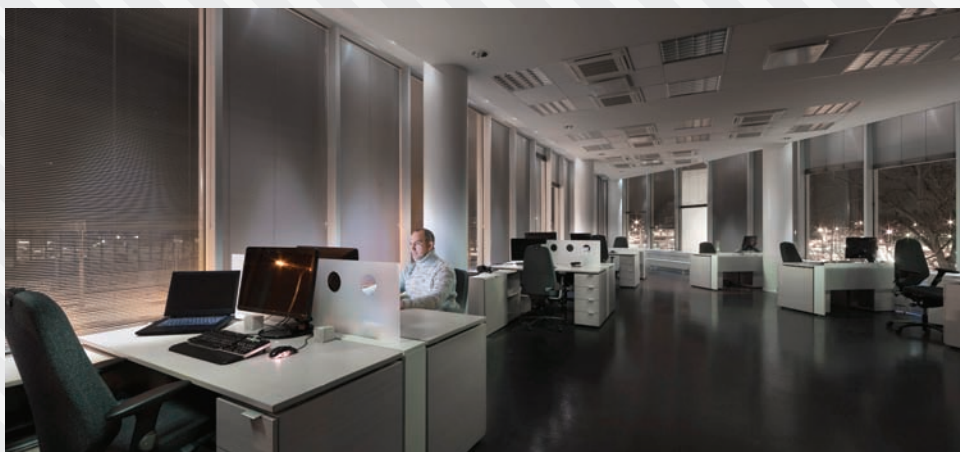
By using the Virtual Datacentre, companies can order IT services through a service catalogue and have them delivered automatically – making huge cost savings while always being able to access high quality, cutting-edge technology. ByteLife's services enable businesses to focus on the main question – how IT can help drive business, rather than just simply making it run.

Another important advantage of the Virtual Datacentre is the fact that by reducing the need for companies to invest in their own data storage infrastructure there are major environmental benefits, something that ByteLife supports whole-heartedly. The computer hardware industry is already obliged to recycle by law so 'green computing' is nothing new, but by transferring data to a Virtual Datacentre, there is reduction in physical hardware investments and therefore also a larger reduction in power consumption.

The use of Virtual Datacentres significantly reduces a company's carbon footprint.







*"The European Business Awards is the first competition we have entered. We now feel we are in a position to show people across Europe what we are doing and we are proud to be chosen as a Country Representative for Estonia. We are a very young business but we have come a long way since we launched in 2005. We have survived the market collapse and have emerged stronger and more focused. We are ready to embrace the future, whatever it may hold."*



**Taavi Must,**  
**Managing Director, ByteLife Solutions**

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#### **About ByteLife Solutions**

ByteLife Solutions is an IT infrastructure company that manages and guarantees critical business information systems. The company is a chosen partner for companies that require constant access to their own transactional data in order to have it available for their end-consumers 24/7. ByteLife's customers are leading banks and telecommunication companies such as Swedbank, SEB, First Data and the TeliaSonera AB companies that provide telecommunications services across the Nordic and Baltic countries, the emerging markets of Eurasia, including Russia and Turkey, and in Spain.

ByteLife's main competencies all focus on Datacentre services including management, virtualisation, storage, networking, backup and archiving.

To weather the financial crisis in 2008/9, ByteLife made four key changes to its business. First, it aggressively cut costs on everything apart from staff training; second, it froze salaries and only paid bonuses based on company results; third, it focused on the Lithuanian market which was hit by the crisis a full six months after Estonia and Latvia and finally, it streamlined its services, cutting out anything that was underperforming or inefficient.

In 2009, the company increased its profits by 100% and in 2010, revenue continued to grow at a faster rate than its pre-crisis levels.

Employees at ByteLife are encouraged to take a very active part in the growth of the company. Board meetings are open to all employees who are welcome to participate in discussions. By being open, the employees know that their opinions matter and because of this they are happy to take on more responsibility, which is very important in a small and rapidly developing company. Experienced employees take an active role in training more junior members of staff.

Unlike traditional companies who focus only on creating shareholder value, ByteLife's ultimate goal is to bring value to its stakeholders: its customers, its employees and its shareholders in that order.

In 2011, ByteLife launched a CSR initiative to help disabled adults find employment

in the IT industry. In conjunction with a Government-run Astangu Vocational Training and Rehabilitation Center, ByteLife is providing training courses for adults with an interest in IT who may be wheelchair bound or less physically able. After completing a course, students receive certification which can then be included on their CV. The company is also undertaking a number of fund-raising projects to help the center, for example, to buy Mac computers with Apple software for computer graphics and web design classes.

**"We wanted to get involved in a project that was relevant to our business. This initiative helps people to either get on the career ladder or to retrain in the IT sector. It is a project that is supported by all our staff and all training is carried out by our employees on a voluntary basis. We can all see the benefits and are inspired by helping change people's lives for the better."**

#### **About the European Business Awards**

Since 2007, the European Business Awards programme has been shining a light on the most pioneering businesses on the continent by promoting excellence, best practice and innovation in the European business community. The awards programme recognises excellence in all disciplines of business including individual business functions. Last year entrants ranged from fish farming organisations to renewable energy firms. Together they had a combined turnover greater than €1 trillion Euros (8.23% of EU GDP) and employed over 2.7 million people between them.

Businesses from over 30 European territories entered the Awards. The competition for is fierce with many of the Europe's most established brands being represented. Entrants are judged by a panel of experts in their fields who bring experience, business acumen and understanding to the board.

Country Representatives are deemed by the judges to represent the very best companies in each territory. In 2011, the standard was particularly high, with the programme engaging with over 15,000 companies in the initial stages.

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