



Quality Handbook

Enterprise Estonia Headquarters

Liivalaia 13/15, Tallinn 10118 Estonia
Phone: +372 627 9700
Fax: +372 627 9427
eas@eas.ee
www.eas.ee

enterprise estonia

ENTERPRISE ESTONIA
QUALITY HANDBOOK

The quality handbook describes all activities of Enterprise Estonia.
The management board is responsible for the maintenance of the handbook.

Our vision on entrepreneurship

Estonian business environment is among the best in the world.

Our vision on Enterprise Estonia

We are an acknowledged promoter of business and regional policies in Estonia.

Our mission of Enterprise Estonia

We implement business and regional policies, understand the clients' needs,
co-operate with partners and thus increase the competitiveness
of the business environment.

In force since January 1, 2005

Who wins?

In the long-term, the state as a whole and all the local residents benefit from all the activities directed at customers.

Who we are?

Enterprise Estonia was founded in 2000 and it is one of the largest institutions within the national support system for entrepreneurship in Estonia. Enterprise Estonia is the main implementer of business and regional policies being at the same time one of the largest agencies implementing European Union Structural Funds in Estonia.

In order to implement its activities, Enterprise Estonia has founded regional representative offices in Tartu and Jõhvi, and foreign offices in Helsinki, Stockholm, London, Hamburg, Moscow, and St. Petersburg. In addition, our network involves tourism information centres in each county. Our good cooperation partners, the country development centres, are also located in each county.

Enterprise Estonia provides financing products, advisory services, cooperation opportunities, and training.

The main purpose of our activity is the systematic and effective implementation of financing programmes and measures financed by Estonian state budget and the EU funds. Through our activities we aim to develop Estonian businesses in the following way:

- ▶ Developing small- and middle-sized businesses;
- ▶ Increasing the competitiveness of Estonian enterprises in foreign markets;
- ▶ Developing innovative products and services;
- ▶ Accelerating the development of competitiveness for living and business environments in Estonia's regions;
- ▶ Developing tourism exports and local tourism;
- ▶ Attracting foreign direct investments.

OUR QUALITY POLICY AND QUALITY OBJECTIVES



“...If I were to order a general to flit from blossom to blossom like a butterfly, to write a tragedy, or transform into a seabird, and if this general does not fulfil my order; who is at fault, him or me?”

“You” answered the Little Prince resolutely.

“Exactly. You must demand from everyone, that which they can give,” continued the King. “Power is based on reason...”

Wise and sensible setting and fulfilment of objectives leads us to the high-quality results. Fulfilment of objectives is based on cooperation and primarily on trust.

We wish to achieve maximum efficiency in the use of state resources by cost-effective activities, involvement of our customers and partners, and at the same time considering the balance between resources and objectives.

Our quality policy is based on our values, which inspire teamwork in the organisation and help to achieve the best results.

We review our quality objectives annually.

Our Values

Enterprising and dedicated

We are enterprising; we demonstrate initiative when we feel or see that something can be changed for the better. We all have different backgrounds, different knowledge and skills. Therefore, it is important that we use as many of our skills and experiences as possible in order to achieve better results based on synergy. We pay attention to each other, are open to cooperation, and value teamwork.

Honesty and openness

We are honest toward others and ourselves. We communicate sincerely and openly, and express our opinions. We respect our co-workers and employer, our customers and partners. When we make promises, we fulfil them.

Expert organisation

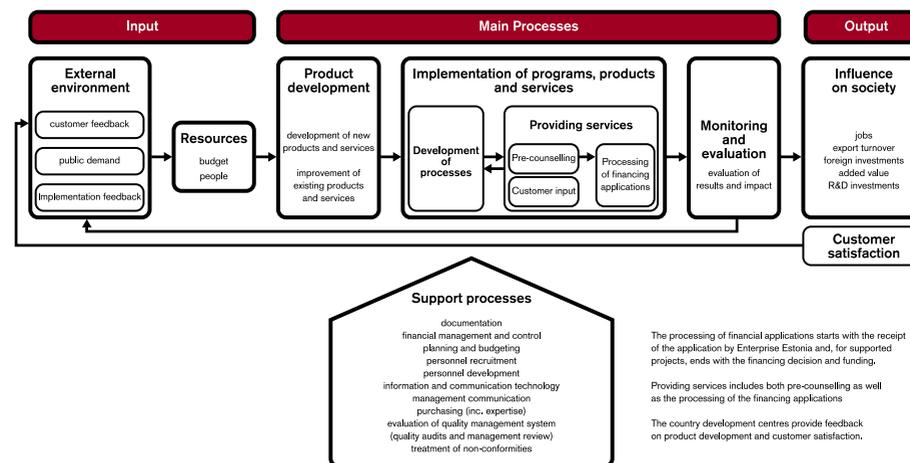
We use the best experts to evaluate financing applications. We conduct sector-based surveys for the development of financing programmes. We improve our programmes and processes based on these surveys.

Development and innovation

We are eager to learn and develop ourselves. We set goals and accomplish them. We demonstrate initiative and courage to improve our everyday work.

Quality

We are trustworthy and friendly toward our customers and cooperation partners. We are objective and independent in our work. We organize our work in such a way that customers receive answers to their questions and solutions for their problems in the simplest and smoothest manner.



STAGES OF OUR MAIN ACTIVITIES

...The Little Prince set his planet in good order. He carefully wiped the two active fire mountains and also the extinguished volcano, tore out the baobab sprigs, watered the flower and placed it in the shade under a glass dome...



Enterprise Estonia quality management system is based on the requirements of the ISO 9001:2001 standard.

Product development

We value development and innovation. Based on that, product development is also a part of our main process.

The goal of the product development process is to develop new and to improve existing products and services.

When applying new support programs and processes, we evaluate whether they meet our objectives and concur with existing systems and customer expectations.

Programs implementation

Our main activity is implementation of different financing programmes. This includes both the customer service process and the cooperation between all our business units in the development of our internal processes.

Development of our internal processes is regulated by the procedure of processing and financing applications. This procedure prescribes the sub-processes for pre-counselling and processing of financial applications:

- ▶ By **pre-counselling** we mean the consultations given before the customer submits us the financing application. These consultations are given by the specialist from Enterprise Estonia or by the people working for the county development centres. Why? In order to make sure that the submitted applications are correct and correspond to the objectives of the programme.
- ▶ By **processing of financial applications** we mean the analysis of the applications, reports and payment applications submitted. This work is done in Enterprise Estonia.

Monitoring and Evaluation

According to the procedure of monitoring, we monitor the implementation and the results of funded applications. In the interests of the customers and state, all these projects should be successful!

We regularly prepare and publish the overviews on our organisation's results and impact on the Estonian business environment.

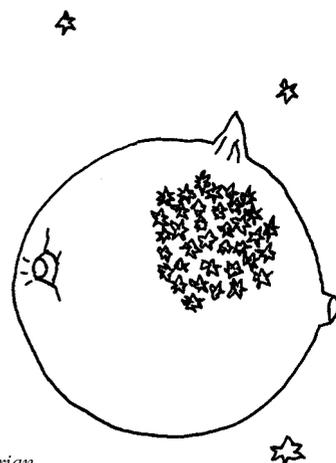
PROCESSES THAT SUPPORT OUR MAIN ACTIVITIES

Before the discovery of electricity, an entire army of lantern lighters had to be maintained on Earth, which numbered four hundred and sixty-two thousand five hundred and eleven on six continents.

Viewed from a certain distance, this left a wonderful impression. The movement of this army was organised just as perfectly as a ballet.

First it was the turn of the New Zealand and Australian lantern lighters to start work. Then the Chinese and Siberian lantern lighters came into play. Thereafter, it was the turn of Russian and Indian lantern lighters followed by their African and European counterparts. And then the South American and finally the North American lantern lighters.

The order of their arrival on stage never got mixed up. It was a magnificent spectacle.



Our main activities are supported by the following various support processes.

Documentation

This process guarantees that all the documents are relevant and available. It is supported by our internal administrative regulations.

Financial management and control

This process guarantees cost efficiency in our activities. It is supported by the financial management and control handbook, which prescribes how to use the financial resources to meet our goals.

Planning and budgeting

This process guarantees that all our activities are targeted towards our common goals and that they are covered by the necessary financial resources. It is supported by the procedure of planning and budgeting.

Personnel recruitment

This process guarantees that we recruit people, who are both competent and share our values.

Personnel development

This process guarantees that we develop all our people according to our activities and development plans, development and training strategy, as well as development discussions.

Information and communication technology management

This process guarantees that our information system is of high quality and we provide necessary resources for that. It is supported by different IT procedures.

Internal communication

This process guarantees that relevant information is available for all our people. This is supported by the internal communication procedure.

What does Enterprise Estonia offer?

We offer a wide selection of products and services to our customers: from pre-counselling and consultations to support in R&D activities.

We also support companies entering into foreign markets, promote tourism and attract foreign direct investments.

Purchasing, including expertise

This process guarantees proper and cost-effective purchase of products and services. Thereby it also supports the quality of all the products and services we offer. It is supported by the procurement regulation (regarding products and services) and the procedure of processing and financing applications (regarding expertise).

Evaluation of quality management system

This process guarantees up-to-date and appropriate quality management system. It prescribes how and when we check the fulfilment of quality objectives and implementation of improvement activities. It is supported by different quality management procedures.

Treatment of non-conformities

This process guarantees that the number of non-conformities is reduced to a minimum. All our people have a significant role in discovering mistakes and improving or work. It is supported by the procedure of treatment of non-conformities.

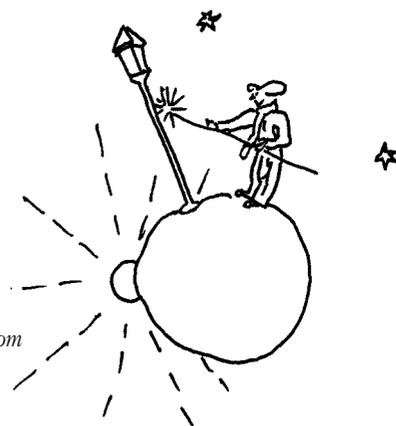
Public relations

This process guarantees the delivery of relevant and uniform information to the public. It is supported by the public relations procedure, which prescribes the obligations and responsibilities of people regarding communicating with the public.

CRM

Since July 2004, we have been using the Navision software. This is an effective tool for processing projects, coordinating customer relations, and financial management in order to avoid the creation of bureaucratic documents. Navision also identifies the promises made to customers and enables to check their fulfilment.

WHAT ARE THE RESULTS OF OUR WORK?

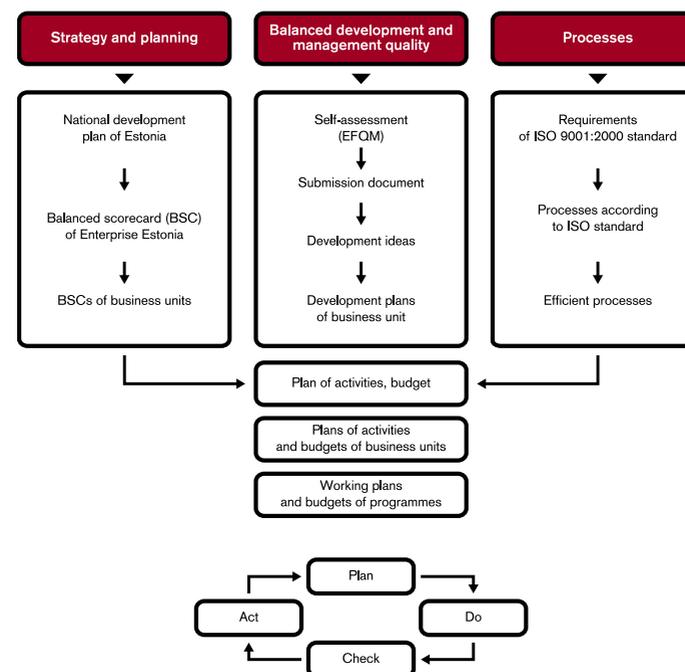


The fifth planet is very strange. It was the smallest of all. There was just enough room for a lantern and lantern lighter.

“... At least his work has some purpose. When he lights his lantern, then it’s as if a new star, or a new flower, has been born due to him. This is a wonderful job. It is truly useful, because it is beautiful.”

Results of our work appear when new jobs are created, export turnover increases, as well as volume of foreign investments and R&D investments increase.

We have been productive when our customers are satisfied with our products and services and the entire society benefits from our activities through more competitive Estonian business environment.



DEVELOPMENT OF MANAGEMENT QUALITY



*"It is a question of tidiness," the Little Prince said to me later.
"When you have completed your morning grooming, you must carefully groom
your planet. You must force yourself to regularly pull up the baobab trees,
as soon as you can separate them from the rose bushes,
which they resemble when they are young..."*

Success of every organisation depends on the quality of its management, sensible setting of goals and continuous review of their fulfilment.

Starting from 2003, we have used balanced scorecard principles in our organisation.

Through a desire to be true to our mission and values, Enterprise Estonia applied for and received an ISO certificate in quality management in 2005.

The need for a quality management system was determined by the increasing demands from our customers and also by in-house desire for clear and precise internal procedures.

In order to improve, we regularly conduct self-assessment, quality audits and review the processes. In 2004 we made the first self-assessment in Enterprise Estonia. In order to get the feedback from the professional people outside the organisation, we decided to participate in the Estonian Business Excellence Award Contest in 2005.

What do we want to achieve with this? Continuous improvement of management quality in Enterprise Estonia.

To guarantee the working system, we implement our processes according to all procedures and requirements. In order to check whether the results meet the goals, we use quality indicators. But of course, we are flexible — adjusting and improving, if necessary.

Our customers

Our main customers are entrepreneurs. We support Estonian entrepreneurs through our products and services - funding programs, advisory services, cooperation opportunities, training, as well as through R&D institutions, universities, and through the public and third sector.

MANAGEMENT ACTIVITIES

Most important for the King was that his authority be respected. But since he was very good, he issued only reasonable orders.



Who does a lot, achieves a lot!

In addition to the everyday management of business units, our management:

- ▶ Participates in the development, improvement and reviews of the quality management system
- ▶ Defines and improves quality policy and objectives to better specify the goals of business units and people
- ▶ Provides information regarding future plans to employees, partners, and customers
- ▶ Ensures the necessary resources for the implementation of the quality system.
- ▶ Guarantees an appropriate work environment and infrastructure
- ▶ Determines the necessary responsibilities and authorities in quality system
- ▶ Understands the importance of fulfilling the customers requirements and meeting the legal regulations

Customer service

Our customer service is personal and based on the customers' actual needs and development level. Communication with Enterprise Estonia must be simple for the customers.

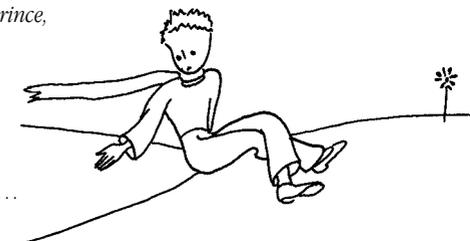
Customer service is regulated by our customer service standards. In order to improve our service, we improve competences of our employees, simplify the procedures and guarantee appropriate infrastructure for high-quality customer service.

WHO IS RESPONSIBLE AND FOR WHAT?

"I must fulfil my promises," the Little Prince, who had again sat down next to me, said quietly.

"What promise?"

"You know... the muzzle for my lamb... I must be responsible for my flower!"



Our responsibility matrix prescribes tasks for supervisors and process owners.

- ▶ **Supervisors**
are responsible for a certain section of the process to guarantee the implementation of their activities
- ▶ **Process owners**
are responsible for the effectiveness of the entire process. In case of a problem, we appoint someone, who will be responsible for the certain section, where the problem has appeared.
Process owners are the members of management board; directors of business units or sub-units.

ACTIVITIES	SUPERVISORS	PROCESS OWNERS
General management	Members of management board, Directors of business units (i.e. divisions and units) and sub-units	Members of management board
Identification and following of quality indicators	Members of management board, Directors of business units (i.e. divisions and units) and sub-units	Members of management board
Product development	Director of the Analysis and Scheme Development Unit, directors of divisions	Director of the Analysis and Scheme Development Unit
Process development	Director of the Analysis and Scheme Development Unit, directors of divisions	Director of the Analysis and Scheme Development Unit
Providing services: pre-counselling	Directors of divisions	Director of the Business Start Up's Division
Providing services: processing of financial applications	Directors of divisions	Director of the Business Start Up's Division
Monitoring	Director of the Analysis and Scheme Development Unit, directors of divisions	Director of the Analysis and Scheme Development Unit
Customer satisfaction and feedback	Director of the Marketing and Communications Unit, directors of divisions	Director of the Marketing and Communications Unit
Establishment and amendment of documents and records	Document preparers	Assistant to the Members of management board
Maintenance of documents and records	Document custodians	Office manager
Financial management and control	Manager of the Financial and Administration Unit, the manager of the Budget and Management Information Unit, the manager of the Accounting Unit	Manager of the Accounting Unit

ACTIVITIES	SUPERVISORS	PROCESS OWNERS
Following of activity plans and budgets	Members of management board, Directors of business units, Manager of Budget and Management Information Unit	Manager of the Budget and Management Information Unit
Personnel recruitment	HR Manager, Directors of business units and sub-units	HR Manager
Personnel development	HR Manager, Directors of business units and sub-units	HR Manager
Management of information and communication technology	Director of Finance and Administration Unit, ICT Manager	ICT Manager
Development of internal communication	Director of the Marketing and Communications Unit, Communications Manager, Directors of business units	Director of the Marketing and Communications Unit
Purchasing	Legal Unit Manager, Office Manager, Director of the Export and Technology Development Unit (expertise)	Legal Unit Manager
Evaluation of the performance of quality management system (internal audit)	Head of Internal Audit Unit	Head of Internal Audit Unit
Treatment of non-conformities	All employees	Head of Internal Audit Unit
Evaluation of people satisfaction	HR Manager	HR Manager
Management review of the quality management system	Members of management board, Directors of business units and sub-units	Director of Finance and Administration Unit
Continuous improvement of the quality management system	Members of management board, Directors of business units and sub-units	Members of management board

Customers assess us

To find out customers needs and provide better service, we gather feedback through customer satisfaction questionnaires, which are directly sent to customers and also available on our website. Customers can assess our customer service, our programmes and the person, who personally provide the service.

Quality indicators

Our strategy and quality indicators are approved by our supervisory board.

IMPACT ON SOCIETY

Support for start-ups and operating businesses

1. Number of new companies created with supported projects
- 2.1 Number of supported companies
- 2.2 Number of new jobs created at the end of the projects
- 2.3 Number of jobs maintained by the end of the projects
- 2.4 Number of participants in trainings
- 2.5 Volume of foreign direct investments
- 2.6 Volume of R&D investments
- 2.7 Added value

Development of business and living environment in regions

- 3.1 Number of residents benefiting from the investment projects
- 3.2 Number of tourism attractions and holiday sites that have improved in quality
- 3.3 Number of successful events
- 3.4 Number of private sector jobs created
- 3.5 Ratio of non-profit organisations and residents
- 3.6 Availability and quality of public services
- 3.7 Increase in the tourism exports

CUSTOMER

Services meeting customers needs

1. Customers satisfaction
2. Customers opinion regarding usefulness of our service

Image and reputation of Enterprise Estonia

1. Image of Enterprise Estonia
2. Reputation of Enterprise Estonia

INTERNAL PROCESSES

Optimal internal processes

1. Average speed of processing financial applications
2. Accuracy of financial applications submitted
3. Effectiveness of internal processes according to the principles of EFQM model
4. Share of pre-counselled financial applications

PERSONNEL AND DEVELOPMENT

Competence of personnel

1. Level of competence

Personnel satisfaction

1. Index of personnel satisfaction

FINANCE

Cost effectiveness

1. Ratio of administrative costs and total costs