

7. Appendix

Appendix A: Questionnaire

To Whom It May Concern:

Mr. Hemal De is Alwis is a registered student at the University of Moratuwa, Department of Computer Science and Engineering. [Reg: No – MBA/IT/05/9079]

He is currently reading for his MBA in Information Technology and is conducting research on “Analysis of factors affecting to the Business Valuation Model for Software companies in Sri Lanka”.

We would greatly appreciate if you could kindly provide with necessary facilities and information in order to assist him.



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Section A

1.) Percentage of revenue earn by company servicing

Offshore Software development	Products

2.) No of years in business:.....

3.) Ownership

Sole Proprietor	Partnership	Pvt (Ltd.)	Guarantor

4.) Percentage distribution of total investment

Proprietor capital	Capital issue by JV/Partnership	Debt Finance	Grants	Other

5.) No of engineers and professional service staff

	Software Engineers	Software/QA Engineers	Leads	PM	Consultants	Any other senior personals
No. of Professionals						
Highest qualification						
Years of IT/domain experience						

6.) No of engineers and professional service staff with following qualifications

BSc	MSc	MBA	CIMA/CIM	Higher Diploma

7.) No of engineers certified on following certification exams

Java	Oracle	Unix	MCSE	MCSD	Cisco

8.) Technologies used

C++	VB	Java	.Net	SQL	Oracle	DB2	WL	WS	Jbox	Automa tion	Load testing

For off shoring companies

9.) Service domains served

BFI	Telecom	Entertainment	Ecommerce	ERP	Retail	Other

10.) Operations in

	Local	Foreign
% sales		
% profits		

11.) Operational Markets

USA	UK	Europe	Asia Pacific	Australia/NZ	Other

12.) Are you providing any professional IT consultancy services such as?

Business Analysis	BPR	ERP Consultancy	Any other

For Product Companies

13.) Total number of Products developed by the company:

14.) No. of Products successfully deployed in Market:

15.) No. of Products successfully deployed in Market in year 2006:

16.) Industry sectors served by the product

Healthcare	Traveling	BFI	Retail	Telecom	Entertainment	Other

17.) Distribution of Products/Product Sales

	Local	Foreign
Number of products		
% of product sales		

18.) Product maturity

1=strongly disagree 2=disagree 3=neither agree or disagree 4=average 5= strongly agree

# of products	Criteria	Level of confidence				
	Both market share and market growth of existing products are high	1	2	3	4	5
	Market share is high and market growth is low for existing products	1	2	3	4	5
	Both market share and market growth of existing products are low	1	2	3	4	5
	Market share is low and market growth is high for existing products	1	2	3	4	5
	Matured products are generating enough cash to invest on new products	1	2	3	4	5
	Matured products are generating enough cash to invest on existing products which is having a good potential to grow in future	1	2	3	4	5

19.) Any awards, achievement in the past

Section B

- 1.) No. of employees as at 1st January 2006:
- 2.) No. of employees as at 31st December 2006:
- 3.) No. of employees joined during the 2006:
- 4.) The growth of employees:

5.) Efficiency of operations

Capacity utilization%	Billing %

6.) State whether your company possesses any of the following process or quality standards:

CMMi :
 ISO 9001/2000: Which Level:
 Any other :

7.) Process Maturity

1=strongly disagree 2=disagree 3=neither agree or disagree 4=average 5= strongly agree

Properly established SW development and QA process is evident	1	2	3	4	5
All development and professional service staff are aware of processes adopted by company.	1	2	3	4	5
All the engineers strictly adhere to the establish process	1	2	3	4	5
Process is periodically review and updated for current needs	1	2	3	4	5
Senior management commitment is evident for continuous improvement of process	1	2	3	4	5

8.) Meeting commitments to stakeholders

1=strongly disagree 2=disagree 3=neither agree or disagree 4=average 5= strongly agree

Always meeting delivery deadlines and commitments to client	1	2	3	4	5
It is evident company is able to deliver all agreed features at acceptable quality on or before the schedule date	1	2	3	4	5
The schedule overruns evident in past projects	1	2	3	4	5
The cost over runs of projects are evident in past projects	1	2	3	4	5

9.) Sales for year 2006(\$ millions)

<.2	<.4	<.6	<.8	<1.0	<1.2	<1.4	<1.6	<1.8	<2.0	<2.25	<2.5	<3.0	<3.5	<4.0

Sales for year 2005(\$ millions)

<.2	<.4	<.6	<.8	<1.0	<1.2	<1.4	<1.6	<1.8	<2.0	<2.25	<2.5	<3.0	<3.5	<4.0

- 10.) Operational profit margins for year 2006:
- 11. No. of customers/Projects completed successfully from the inception:
- 12.) No of repeat projects from existing clients:
- 13.) Average number of projects undertaken per year:

14.) Number of projects contributing to revenue (Starting from highest revenue earning project)

25% of total sales	50% of total sales	75% of total sales

15.) Number of Products contributing to revenue (Starting from highest revenue earning product)

25% of total sales	50% of total sales	75% of total sales

16.) Technology focus of the company

1=Not at all 2=To Little Extent 3=To some extent 4=To greater extent 5=To a very greater extent

Rely on existing technology to serve existing market	1	2	3	4	5
Rely on existing technology to serve new markets	1	2	3	4	5
Rely on new technology to serve existing market	1	2	3	4	5
Rely on new technology to serve new markets	1	2	3	4	5
Rely on existing technology to serve existing service domains	1	2	3	4	5
Rely on existing technology to serve new service domains	1	2	3	4	5
Rely on new technology to serve existing service domains	1	2	3	4	5
Rely on new technology to serve new service domains	1	2	3	4	5
The ability of the company to grasp new technologies	1	2	3	4	5
The cultural fit of organization to fit with latest technologies	1	2	3	4	5
Senior management motivation to invest in new technologies	1	2	3	4	5

17.) Degree of market attractiveness of existing/potential Service Domains

1= Very Poor 2= Poor 3=Moderate 4= High 5= Very High

Market attractiveness of existing service domains in existing markets is	1	2	3	4	5
Market attractiveness of existing service domains in new markets is	1	2	3	4	5
Market attractiveness of potential service domains in existing markets is	1	2	3	4	5
Market attractiveness of potential service domains in new markets is	1	2	3	4	5
Market attractiveness of existing products in existing markets is	1	2	3	4	5
Market attractiveness of existing products in new markets is	1	2	3	4	5
Market attractiveness of new products in existing markets is	1	2	3	4	5
Market attractiveness of new products in new markets is	1	2	3	4	5

18.) Strategic alliances with technology/marketing/clients partners

Criteria	Number of partnership
Access to technology	
Business domain knowledge	
Market access	

19.) Significance of this alliances/partnership for

1=Not at all 2=To Little Extent 3=To some extent 4=To greater extent 5=To a very greater extent

Significance of these alliances to access latest technology	1	2	3	4	5
Significance of these alliances to access new markets	1	2	3	4	5
Significance of these alliances to increase market share in existing markets	1	2	3	4	5
Significance of these alliances to access service domains	1	2	3	4	5
Significance of these alliances to access achieve some form of competitive advantage	1	2	3	4	5
Significance of these alliances for revenue growth	1	2	3	4	5

Section C

1.) Expected future growth

	2008	2009	2010
Expected revenue growth			
Profit margin to be maintained			
Growth of staff			
Number of new products to invest			
Number of new products to launch			
Capital investment (as a % of revenue)			
Tangible Assets			
Intangible			
-Patents & Copy rights			
-R & D			
-Process Maturity			
-KM Infrastructure			
-Training & staff development			

2.) Is there any plan to build new strategic partnership with other global players?

If yes,

Criteria	Number of partnership
Access to technology	
Business domain knowledge	
Market Access	

3.) Provide any one of the following information

3.1) Cost of capital used for investment analysis purposes:

3.2) Return On Capital Employed:

Appendix B: Calculation of Stakeholder Risk Avoidance

The stakeholder risk avoidance was derived value according to following formula.

Stakeholder risk avoidance = Commitment to stake holders*Number of repetitive projects/Clients

Company	Commitment to stake holders	Number of repetitive projects/clients	Stakeholder risk avoidance
1	10	0.80	8.00
2	8	0.70	5.60
3	9	0.40	3.60
4	8	0.10	0.80
5	8	0.25	2.00
6	10	0.25	2.50
7	7	0.75	5.25
8	10	0.90	9.00
9	10	1.00	10.00
10	9	0.90	8.20
11	10	0.93	9.30
12	8	0.90	7.20
13	10	0.75	7.50
14	10	0.77	7.70
15	9	0.64	5.75
16	8	0.65	5.20
17	9	0.45	4.05
18	8	0.40	3.20
19	9	0.44	3.95
20	9	0.25	2.25
21	8	0.80	6.40
22	9	0.80	7.20
23	10	0.90	9.00
24	8	0.70	5.60
25	10	0.70	7.00
26	9	0.57	5.10
27	9	0.70	6.30
28	7	0.40	2.80
29	8	0.48	3.80
30	8	0.41	3.25

Appendix C: Calculation of Quality of Engineers

Certification	Assigned Value	Number of employees	Marks(Assigned value*Number of employees)
Java	3		
Oracle	3		
Unix	3		
MCSE	4		
MCSD	4		
Cisco	5		
Total Marks for certification(Sum of marks)			

Degree	Assigned Value	Number of employees	Marks(Assigned value*Number of employees)
Higher Diploma	1		
Bsc	3		
CIMA	3		
CIM	3		
Msc	5		
MBA	5		
Phd	5		
Total marks for academic(Sum of marks)			

Total marks for educational qualifications of Engineers = Total marks for certification + Total marks for academic achievement

Index for the Education level Of Engineers = $\frac{\text{Total marks for the company}}{\text{Total number of employees}}$

Company index for engineer competency level = Index for the education level of engineers + Average experience of an engineer

Calculation of Quality of Engineers

Company	Index for the education level of engineers	Average experience of an engineer	Company index for the engineer competency level
1	3.94	3.81	7.75
2	3.91	3.19	7.10
3	4.51	3.43	7.94
4	4.66	2.36	7.02
5	3.92	2.38	6.30
6	4.74	3.50	8.24
7	4.4	3.37	7.77
8	5	1.10	6.10
9	3.64	2.76	6.40
10	5.69	1.41	7.10
11	3.34	2.33	5.67
12	4.1	2.59	6.69
13	4.57	1.70	6.27
14	3.9	3.60	7.50
15	3.85	3.45	7.30
16	4.55	2.51	7.06
17	4.7	3.28	7.98
18	3.85	3.13	6.98
19	4.7	1.40	6.10
20	4.5	1.30	5.80
21	5.5	2.45	7.95
22	3.72	3.28	7.00
23	5.1	1.24	6.34
24	3.52	2.99	6.51
25	4.3	1.78	6.08
26	4.52	2.26	6.78
27	3.52	2.65	6.17
28	3.6	3.49	7.09
29	3.45	3.25	6.70
30	4.1	3.7	7.80

Appendix D: Calculation of Quality of Management

Degree	Assigned Value	Number of management team	Marks(Assigned value*Number of employees)
Higher Diploma	1		
Bsc	3		
CIMA	3		
CIM	3		
Msc	5		
MBA	5		
PhD	5		
Total marks for academic (Sum of Marks)			

$$\text{Index for the education level Of management} = \frac{\text{Total marks for the company}}{\text{Total number of management team}}$$

$$\text{Company index for the management competency level} = \text{Index for the education of management} + \text{Average experience of management team}$$

Company	Index for the education level of management	Average experience of management	Company index for the management competency level
1	10	4.80	14.80
2	15	4.00	19.00
3	10	4.43	14.43
4	11	4.00	15.00
5	10	4.60	14.60
6	10	5.00	15.00
7	6	4.33	10.33
8	5	1.50	6.50
9	8	4.00	12.00
10	10	5.00	15.00
11	13	4.60	17.60
12	8	4.33	12.33
13	13	5.00	18.00
14	10.5	4.5	15.00
15	8	4.20	12.20
16	12	4.00	16.00
17	9	4.33	13.33
18	11	4.00	15.00
19	9	4.33	13.33
20	10	5.00	15.00
21	6	4.33	10.33
22	7	5.00	12.00
23	7	4.00	11.00
24	10	5.00	15.00
25	11	5.00	16.00
26	8	4.00	12.00
27	12	5.00	17.00
28	11	4	15.00
29	10	4.8	14.80
30	10	5	15.00

Appendix E: Calculation of Project Risk

Projects served by the company for year 2006 were placed in the descending order based on revenue from each project. Then the percentage of highest revenue projects out of the total number of projects contributing more than 50 percent of the sales was calculated.

Associated Project Risk = $(1 - \text{Percentage of projects contribute 50\% of sales}) * \text{Cost and schedule overruns}$

Company	Percentage of projects contribute 50% of sales	1-Percentage of projects contribute 50% of sales	Cost and schedule overruns	Associated Project Risk
1	0.45	0.55	9	4.95
2	0.75	0.25	9	2.25
3	0.50	0.50	6	3.00
4	0.50	0.50	9	4.50
5	0.40	0.60	9	5.40
6	0.80	0.20	6	1.20
7	0.60	0.40	9	3.60
8	0.43	0.57	8	4.56
9	0.50	0.50	6	3.00
10	0.67	0.33	8	2.64
11	0.67	0.33	3	0.99
12	0.80	0.20	4	0.80
13	0.67	0.33	6	1.98
14	0.56	0.44	6	2.66
15	0.65	0.35	8	2.80
16	0.70	0.30	8	2.40
17	0.50	0.50	5	2.50
18	0.60	0.40	9	3.60
19	0.40	0.60	8	4.80
20	0.75	0.25	5	1.25
21	0.67	0.33	8	2.64
22	0.35	0.65	7	4.55
23	0.60	0.40	5	2.00
24	0.60	0.40	7	2.80
25	0.70	0.30	3	0.90
26	0.75	0.25	4	1.00
27	0.60	0.40	5	2.00
28	0.44	0.56	8	4.50
29	0.50	0.50	8	4.00
30	0.34	0.66	7	4.60

Appendix F: Calculation of Business Value for respondent companies

Business value calculations for respondent sample companies shown below were based on the following assumptions.

- All expenditures were taken as a percentage of forecasted revenue for the year.
- The salary scales of all the respondent companies are on par with the salary scales stated in the IT work force survey 2007 report [31].
- Expenditure on Intangibles comprises of expenditure on patent and copyrights, research and development expenditure, expenditure on process maturity, investment in knowledge management infrastructure and training & staff development.
- Capital expenditure comprises of investment in land and building, computers, communication and IT infrastructure.
- Forecasted revenue and expenditure data was collected only for the next four years. Offshore software development companies would not be in a position to predict more than four years.
- Cash flow at perpetuity was calculated based on the assumption that year 4 net cash flow will continue for the rest of the business years indefinitely.
- The 25% discounting factor considered for this research was calculated based on the average value given by the respondent sample.
- Interest paid for debt financing included in the administrative expenditure. It was assumed that none of these respondent companies are paying dividends.

Calculation of Business Value for respondent companies

Company	1					2					3				
	Year0	Year 1	Year 2	Year 3	Year 4	Year0	Year 1	Year 2	Year 3	Year 4	Year0	Year 1	Year 2	Year 3	Year 4
Revenue Growth		1.45	1.4500	1.4500	1.45		1.2	1.2	1.2	1.2		0.04	0.23	0.5	0.25
Revenue	25	36.2500	52.5625	76.2156	110.5127	3.25	3.9000	4.6800	5.6160	6.7392	6.25	6.5000	8.0000	12.0000	15.0000
Salary		0.23	0.2300	0.2300	0.2300		0.3	0.3	0.3	0.3		0.21	0.21	0.21	0.21
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.10	0.1	0.1
Exp. On Intangibles		0.19	0.19	0.19	0.19		0.07	0.07	0.07	0.07		0.08	0.08	0.08	0.08
Capital expenditure.		0.20	0.20	0.20	0.20		0.17	0.05	0.05	0.05		0.05	0.10	0.10	0.05
NCF		10.15	14.7175	21.3404	30.9435438		1.404	2.2464	2.6957	3.234816		3.64	4.08	6.12	8.4
CF at perpetuity					123.7742					12.9393					33.6000
DCF @ 25%		0.8	0.6400	0.5120	0.5120		0.8	0.64	0.512	0.5120		0.8	0.64	0.512	0.5120
NPV		8.1200	9.4192	10.9263	63.3724		1.1232	1.4377	1.3802	6.6249		2.9120	2.6112	3.1334	17.2032
Business Value					91.8378					10.5660					25.8598
Company	4					5					6				
Revenue Growth		1.2	1.2	1.2	1.2		1.3	1.4	1.4	1.4		1.5	1.75	2	1.5
Revenue	0.9	1.0800	1.2960	1.5552	1.8662	2.125	2.7625	3.8675	5.4145	7.5803	0.7	1.0500	1.8375	3.6750	5.5125
Salary		0.34	0.34	0.34	0.34		0.4	0.4	0.4	0.4		0.48	0.48	0.48	0.48
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.07	0.06	0.06	0.07		0.20	0.20	0.20	0.20		0.03	0.03	0.03	0.03
Capital expenditure		0.10	0.25	0.05	0.05		0.15	0.05	0.05	0.10		0.40	0.10	0.10	0.10
NCF		0.4212	0.324	0.6998	0.8211		0.4144	0.9669	1.3536	1.5161		-0.0052	0.5421	1.0841	1.6262
CF at perpetuity					3.2846					6.0642					6.5048
DCF @ 25%		0.8	0.64	0.512	0.5120		0.8	0.64	0.512	0.5120		0.8	0.64	0.512	0.5120
NPV		0.3370	0.2074	0.3583	1.6817		0.3315	0.6188	0.6931	3.1049		-0.0042	0.3469	0.5551	3.1049
Business Value					2.5843					4.7482					4.7482

Calculation of Business Value for respondent companies

Company	7					8					9				
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Growth		1.2	1.2	1.2	1.2		1.2	1.2	1.2	1.2		1.3	1.3	1.3	1.3
Revenue	1.1	1.3200	1.5840	1.9008	2.2810	0.9	1.0800	1.2960	1.5552	1.8662	2.375	3.0875	4.0138	5.2179	6.7832
Salary		0.33	0.33	0.33	0.33		0.2	0.2	0.2	0.2		0.19	0.19	0.19	0.19
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.11	0.11	0.11	0.11		0.20	0.20	0.20	0.20		0.20	0.20	0.20	0.20
Capital expenditure.		0.05	0.20	0.10	0.10		0.10	0.10	0.10	0.10		0.10	0.10	0.10	0.10
NCF		0.5412	0.41184	0.684288	0.821146		0.432	0.52	0.62208	0.746496		1.265875	1.645638	2.139329	2.781127
CF at perpetuity					3.2846					2.9860					11.1245
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.4330	0.2636	0.3504	1.6817		0.3456	0.3318	0.3185	1.5288		1.0127	1.0532	1.0953	5.6957
Business Value					2.7286					2.5247					8.8570
Company	10					11					12				
Revenue Growth			1.1	1.1	1.1		1.4	1.4	1.4	1.4		1.5	1.4	1.4	1.4
Revenue	1.4	2.6040	2.8644	3.1508	3.4659	0.5	0.7000	0.9800	1.3720	1.9208	0.9	1.3500	1.8900	2.6460	3.7044
Salary		0.35	0.35	0.35	0.35		0.44	0.44	0.44	0.44		0.56	0.56	0.56	0.56
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.11	0.08	0.08	0.08		0.15	0.15	0.10	0.15		0.23	0.18	0.14	0.14
Capital expenditure		0.03	0.03	0.03	0.03		0.05	0.05	0.05	0.05		0.10	0.05	0.05	0.05
NCF		1.06764	1.260336	1.38637	1.525007		0.182	0.2548	0.42532	0.499408		0.0135	0.2079	0.3969	0.55566
CF at perpetuity					6.1000					1.9976					2.2226
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.8541	0.8066	0.7098	3.1232		0.1456	0.1631	0.2178	1.0228		0.0108	0.1331	0.2032	1.1380
Business Value					5.4938					1.5492					1.4851

Calculation of Business Value for respondent companies

Company	13					14					15				
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Growth		1.5	1.5	1.2	1.2		1.15	1.15	1.15	1.15		1.15	1.2	1.2	1.2
Revenue	1.9	2.8500	4.2750	5.1300	6.1560	1.3	1.4950	1.7193	1.9771	2.2737	3.2	3.6800	4.4160	5.2992	6.3590
Salary		0.35	0.35	0.35	0.35		0.33	0.33	0.33	0.33		0.27	0.27	0.27	0.27
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.15	0.15	0.15	0.15		0.09	0.06	0.06	0.06		0.20	0.20	0.20	0.20
Capital expenditure.		0.10	0.10	0.10	0.10		0.01	0.03	0.03	0.03		0.10	0.10	0.10	0.10
NCF		0.855	1.2825	1.539	1.8468		0.70265	0.82524	0.949026	1.09138		1.2144	1.45728	1.748736	2.098483
CF at perpetuity					7.3872					4.3655					8.3939
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.6840	0.8208	0.7880	3.7822		0.5621	0.5282	0.4859	2.2351		0.9715	0.9327	0.8954	4.2977
Business Value					6.0750					3.8113					7.0972
Company	16					17					18				
Revenue Growth		1.2	1.2	1.2	1.2		1.3	1.3	1.3	1.3		1.2	1.2	1.2	1.2
Revenue	2.8	3.3600	4.0320	4.8384	5.8061	3.2500	4.2250	5.4925	7.1403	9.2823	1.1	1.3200	1.5840	1.9008	2.2810
Salary		0.29	0.29	0.29	0.29		0.21	0.21	0.21	0.21		0.37	0.37	0.37	0.37
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.08	0.08	0.08	0.08		0.10	0.10	0.10	0.10		0.10	0.10	0.10	0.10
Capital expenditure		0.17	0.05	0.10	0.10		0.15	0.15	0.20	0.20		0.10	0.15	0.10	0.10
NCF		1.2096	1.94	2.080512	2.496614		1.859	2.4167	2.784698	3.620107		0.4356	0.44352	0.627264	0.752717
CF at perpetuity					9.9865					14.4804					3.0109
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.9677	1.2386	1.0652	5.1131		1.4872	1.5467	1.4258	7.4140		0.3485	0.2839	0.3212	1.5416
Business Value					8.3846					11.8736					2.4951

Calculation of Business Value for respondent companies

Company	19					20					21				
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Growth		1.2	1.2	1.2	1.2		1.15	1.15	1.15	1.15		1.15	1.15	1.15	1.15
Revenue	2.125	2.5500	3.0600	3.6720	4.4064	0.9	1.0350	1.1903	1.3688	1.5741	1.3	1.4950	1.7193	1.9771	2.2737
Salary		0.36	0.36	0.36	0.36		0.48	0.48	0.48	0.48		0.28	0.28	0.28	0.28
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.25	0.25	0.25	0.25		0.03	0.03	0.03	0.03		0.15	0.15	0.15	0.15
Capital expenditure.		0.15	0.20	0.20	0.20		0.40	0.20	0.20	0.20		0.05	0.20	0.25	0.25
NCF		0.357	0.2754	0.33048	0.396576		-0.00517	0.232099	0.266914	0.306951		0.6279	0.464198	0.43497	0.500216
CF at perpetuity					1.5863					1.2278					2.0009
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.2856	0.1763	0.1692	0.8122		-0.0041	0.1485	0.1367	0.6286		0.5023	0.2971	0.2227	1.0244
Business Value					1.4432					0.9097					2.0466
Company	22					23					24				
Revenue Growth		1.3	1.3	1.3	1.3		1.4	1.3	1.3	1.3		1.3	1.3	1.3	1.3
Revenue	0.9	1.1700	1.5210	1.9773	2.5705	1.3	1.8200	2.3660	3.0758	3.9985	1.5	1.9500	2.5350	3.2955	4.2842
Salary		0.18	0.18	0.18	0.18		0.2	0.2	0.2	0.2		0.25	0.25	0.25	0.25
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.20	0.20	0.20	0.20		0.20	0.20	0.20	0.20		0.29	0.29	0.29	0.29
Capital expenditure		0.10	0.10	0.10	0.10		0.10	0.10	0.10	0.10		0.03	0.03	0.03	0.03
NCF		0.4914	0.63882	0.830466	1.079606		0.728	0.9464	1.23032	1.599416		0.6435	0.83655	1.087515	1.41377
CF at perpetuity					4.3184					6.3977					5.6551
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.3931	0.4088	0.4252	2.2110		0.5824	0.6057	0.6299	3.2756		0.5148	0.5354	0.5568	2.8954
Business Value					3.4382					5.0936					4.5024

Calculation of Business Value for respondent companies

Company	25					26					27				
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Growth		1.5	1.4	1.4	1.4		1.2	1.2	1.2	1.2		1.5	1.5	1.2	1.2
Revenue	0.7	1.0500	1.4700	2.0580	2.8812	1.1	1.3200	1.5840	1.9008	2.2810	1.9	2.8500	4.2750	5.1300	6.1560
Salary		0.34	0.34	0.34	0.34		0.41	0.41	0.41	0.41		0.3	0.3	0.3	0.3
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.15	0.15	0.15	0.15		0.25	0.25	0.25	0.25		0.20	0.20	0.20	0.20
Capital expenditure.		0.10	0.10	0.10	0.10		0.15	0.10	0.10	0.10		0.15	0.10	0.10	0.10
NCF		0.3255	0.4557	0.63798	0.893172		0.1188	0.22176	0.266112	0.319334		1.2825	2.1375	2.565	3.078
CF at perpetuity					3.5727					1.2773					12.3120
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.2604	0.2916	0.3266	1.8292		0.0950	0.1419	0.1362	0.6540		1.0260	1.3680	1.3133	6.3037
Business Value					2.7079					1.0272					10.0110
Company	28					29					30				
Revenue Growth		1.2	1.2	1.2	1.2		1.4	1.4	1.4	1.4		1.2	1.2	1.2	1.2
Revenue	0.9	1.0800	1.2960	1.5552	1.8662	0.9	1.2600	1.7640	2.4696	3.4574	1.1	1.3200	1.5840	1.9008	2.2810
Salary		0.34	0.34	0.34	0.34		0.4	0.4	0.4	0.4		0.34	0.34	0.34	0.34
Admin expenditure.		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1		0.1	0.1	0.1	0.1
Exp. On Intangibles		0.07	0.06	0.06	0.07		0.15	0.15	0.10	0.15		0.07	0.06	0.06	0.07
Capital expenditure		0.10	0.25	0.05	0.05		0.05	0.05	0.05	0.05		0.10	0.25	0.05	0.05
NCF		0.4212	0.324	0.69984	0.821146		0.378	0.5292	0.86436	1.037232		0.5148	0.396	0.85536	1.231718
CF at perpetuity					3.2846					4.1489					4.9269
DCF @ 25%		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512		0.8	0.64	0.512	0.512
NPV		0.3370	0.2074	0.3583	1.6817		0.3024	0.3387	0.4426	2.1243		0.4118	0.2534	0.4379	2.5226
Business Value					2.5843					3.2079					3.6258

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