

Mato Valtonen

The Wapit Story

RIDING ❖

THE WIRELESS WAVE

"What did we learn from this? Nothing! – The Journey of the Worm"

Mato Valtonen

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translated by Allan Halme

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Contents

Forward | 4 -- 5

Preface | 6 -- 8

1. "The sky's the limit." From the Leningrad Cowboys Website to becoming an Internet "expert." | 9 -- 15
2. "We all believed we were creating a new culture that would change the world." Information to mobile phones. | 16 -- 22
3. "You need to be able to browse with the phone." Antti Piippo: rewriting the script. | 23 -- 36
4. "Capable people, not mushrooms." The Wapit spirit. | 37 -- 43
5. "We should have founded a business card company." The plan for globalization. | 44 -- 57
6. "We should have had a queuing machine at the door." The first financing round. | 58 -- 67
7. "I'm not going to start dragging myself to some suburb every morning." Into wider spaces. | 68 -- 74
8. "The train chugs along." The second round of financing. | 75 -- 87
9. "It was as if the whole round was cursed." Deepening difficulties. | 88 -- 101
10. "This has to be saved." Desperate survival attempts. | 102 -- 116
11. "Everyone stood up and applauded." Bankruptcy. | 117 -- 126

Epilogue | 127 -- 128

Acknowledgements | 129 -- 131

Forward

"What did we learn from this? Nothing! – The Journey of the Worm"

This book is an opera, with the usual three acts, and all the characters waiting for the deus ex machine, the machine from the Gods, to descend in the third act and save them, lifting them from the burning stage, singing all the while.

I am not spoiling the story to tell you the deus ex machine does not come. It doesn't spoil the story because, like the movie Titanic, the vast majority of those hearing the story already know how it ends.

The bubble burst. Wireless technology lives, but the market of endless expectation and speculation could take no more, blown up like so much bubble gum, except this story is twice as sweet as pop, told as it is by Mato Valtonen, Finland's own Leningrad Cowboy, roller coaster operator and living proof that a Finn can take the world stage by storm, again and again and again, making a difference and making a dollar at the same time.

Countries like Canada and Finland share certain characteristics. Like second-born children, they are raised in the shadow of a bigger, older sibling; in Finland's case, Russia; in the case of Canada, it's the United States.

Growing up as I did in what some call Baja Canada, (Chicago, Illinois) I think I understand Finland better than most. I've spent lots of time in both Canada and Finland, and it is fair to say both countries are fantastic places to both live and visit, but they suffer from an inferiority complex, an insecurity born of living in the shadow of something bigger and older that denies them the attention they're due, even in the best of times.

Besides, they're both damn cold, but that is way beside the point, which is that they both have a syndrome about their global status. During the Olympics, it is not hard to imagine Finns shouting at the television, "Go for the Bronze!"

Which is funny mostly because unlike Canadians, the Finns are Gold-medal winners, and because to understand the Finns is to realize they don't often realize this, except when they are confronted with exceptions, like Paavo Nurmi (winner of the Olympic Gold Medal for the Marathon in 1950) or Mato Valtonen or Linus Torvalds or Nokia or ... well, you get the picture: These guys have no reason to feel insecure, or second-best.

Unless, of course, they are competing in the Eurovision song contest, but that is another story, because Finland excels when the race is not to the swift but for endurance, for tasks that take patience and planning and hanging in there when everyone else, especially Americans raised on Short Attention-Span Theater, have packed it in and called it a day.

Which makes Mato's explanation of Pizza Time in this book all the more interesting. Finland understands Pizza Time, roughly translated into the long time it takes for you to realize

that where there was once a pizza parlor in town, now there are many, including delivery to your home.

I could go on, but won't, because it might spoil this opera, narrated by Markku Valtonen, aka Mato, Finnish for, well, *worm*.

The tale is as classic as Mato's collection of American cars: It seems Mato was once living in a sleeping bag, having burned what wooden furniture he owned for heat, now relegated to crawling and inching his way across the floor, like a worm. The name, coined by his friends, stuck.

Besides, Finland boasts many men and boys named Marko, or Markus, or Markku, but only one Mato. Actually, Finland never boasts or brags at all, which is why an American boaster and braggart like me is writing this introduction. I am a ringer, an import, with the honorable task of introducing to the English-speaking world this remarkably honest tale of the rise and fall of WapIT.

This is not a story about Finland, or the wireless future. It is a book about change, about looking within, seizing the day and the decade and everything in-between and making every day count. It happened in Finland, during a time that spanned a change in millennia, but it transcends time and place.

It is the rare book that owns up to failure, that chronicles the collapse of a company by its founder without excuse or complaint. This book looks to the future by accepting the past without excuse. We need more stories like this, more people like Mato Valtonen, more learning from mistakes without blame or rancor.

Enjoy this translation, but – like the opera – keep your eye on the stage, not the words. It's a joy to experience, and the scenes are worth reading and picturing. Maybe someday they'll make an opera of it, and I for one will be the first in line to watch, because this is the tale of how and why it happened, and I know that every word is true because I was there, watching over his shoulder, shaking my head in amazement, thankful for the joy and genius that was WapIT, and for its pilot and this book's narrator, Mato Valtonen.

Jim Griffin

3 March 2003

Preface



For a few years in the '80s I was on the city council of the small Finnish city of Lahti. My clearest memory from that time was a discussion about disposable plates. Regardless of the topic at hand, the discussion would invariably conclude with some representative of the communist party walking up to the dais to sternly

criticize us: "How can you even talk about this when we still haven't discussed home care support for the elderly?"

The question was whether meals for elderly people being cared for in their homes should be served from disposable plates or whether real plates should be washed after the meal – a matter of about fifty dollars in the budget. It was talked about for weeks.

Meanwhile, a family park project worth over 15 million dollars had been approved after a ten-minute discussion.

Everyone seemed to understand the big issue, but not the minor one, even to this day.

This isn't a story about plates, but about how once upon a time, not too long ago, all sense of proportion went out of whack. On a daily basis, IT entrepreneurs blithely discussed enormous sums of money. I did it myself. It was all new stuff, especially for an ex-musician such as myself.

Money was being shoved through doors and windows, just like real estate and currency loans had been at the end of the '80s. This time, however, they weren't loans, but investments.

Investments which would increase a hundredfold for anyone willing to flick their nickel or dime on the line.

The stock exchange became a member of the family, whose well-being was monitored much more closely than that of children or pets.

Those who got lucky could begin the first few years of their careers earning double what their parents had earned in a lifetime.

Most who drifted into the industry, however, only saw that sort of money on spreadsheets projecting their personal wealth. Or in the rapidly shrinking bank accounts of their freshly financed companies. Everyone's stake was brewing in shares or options, which would be cashed in a year or two. Or even earlier, when their company listed on the stock market. *Then* you'd be made.

Back then, reports of the latest revolutionary technology or of friends' Ferraris used to be daily news. You still hear these stories, but it's uncommon. It's also rare to hear about some guy, fresh from a little town somewhere, bashing the latest products or marketing campaigns from Microsoft or Nokia, even though he hasn't yet managed to sell more than his old T-shirts at the flea market in order to scrape together cash for the uniform of the new economy: a cheap suit and a tie.

Will we ever again see a time like the end of the past millennium? Sure. The phrase, "What did we learn from this – nothing," precisely describes human behavior. The same mistakes have been made for thousands of years, and will be made yet again.

If there is advantage to be gained somewhere nearby, then that's where we run. It's the little greed in each of us that is, ultimately, the true force that drives the markets.

When the smoke clears, perhaps we will again enjoy good investment tips from cab drivers. And we may once again see queues of people investing their money in the strangest of companies and projects without a hint as to what the firms actually do.

If such a time were to return, I definitely want in. The ride was *that* good. No use being bitter, even if I did get beaten up in the first round. Otherwise I'd be like the guy in the band who can't do anything except reminisce over "the '82 tour" and enthuse about "how cool we were back then." That guy needs to be kicked in the ass, handed his guitar, and told to hit the road again, with his sights set higher than before.

This isn't a story just about money. It's not even primarily about money. Maybe it is, above all, a story about a dream that almost came true. It wasn't a dream that could be measured in money; it was an opportunity to see the products of your own hands and thoughts change the world. Maybe not the entire world, but at least some small part of it. It was an opportunity to

be on the crest of the wave, doing something great.

For many people, it was a time to live and realize their dreams. It was *fun* to come to work – an experience that couldn't be bought for any amount of money. Investors and company management plunked powerful computers with fast connections in front of you and said, "Do something." They also gave you a contract, a handsome title, and a good salary to ice the cake.

The company we founded, Wapit Ltd, was not the only company where everything, nevertheless, melted away in our hands.

The exhaustion and pain of the final moments – having to swim toward shore, regardless of the cold and the cramps – are also on view. The boat capsizes more easily on the crest of the wave than in the trough.

No use blaming it on anyone. We'd rowed ourselves out too far from the shore. Someone said that there were bigger fish out there, and heaps of them, too boot.

More important, anyway, is the story of Wapit's team spirit, the belief that prevailed in our own work. Of long days, laughter, and tears. Of the spirit that became self-sacrifice in the final feet of the dive.

Here and there in the book I've sprinkled fragments of press releases and internal emails. They are there as windows, through which to peer into Wapit and the feelings of Wapitees. ("Wapitee" was what we all called ourselves at Wapit.)

Also included are excerpts from "My Wapit Story" – personal, very emotional, letters in which Wapitees recall their experiences a few months after the bankruptcy.

I still want to separately thank a group of people who greatly helped in the making of this book. Thank you Hannu Bergholm, Antti Hynönen, Lare Lekman, Thomas Lindström, Eki Korpiola, Petri Melaja, Vesku Paananen, Pekka Palin, Antti Piippo, Petteri Terho, Ansku Valtonen, Jouko Vierumäki and Lars Wirzenius. Without you I would hardly have remembered even half of it.

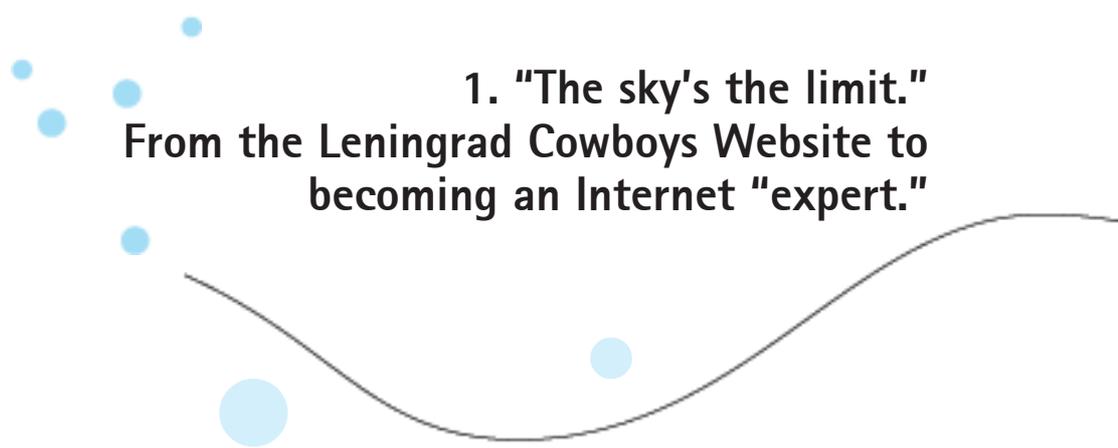
In the end, thanks for this book belong to the whole Wapit staff. That's why the names of all those people who gave their efforts to Wapit until the end – or at least almost the end – are listed at the end of this book. Thank you, all Wapitees.

This book is hardly comparable to the Finnish Olympic javelin medalist and legendary master tango singer Tapio Rautavaara in value or historical significance, but I'll quote him anyway: "Dear listeners, this story is true."

Espoo, Finland

26 September 2001

Mato Valtonen



**1. "The sky's the limit."
From the Leningrad Cowboys Website to
becoming an Internet "expert."**

"By God, we're geniuses!"

Pekka Palin and I noted this several times between ourselves. We didn't boast quite so conceitedly to others, though we did hint along those lines every now and then.

It was 1995 and the famous Finnish movie producer Markus Selin had introduced me to Internet guru Pekka Palin a few months earlier, when we were looking for someone to create a Website for my band, the Leningrad Cowboys.

Pekka was a remarkable character, whose thoughts lived in spheres all their own. His mind was full of all sorts of Web experts, companies, and financiers. And he didn't hang around waiting, either. He went at things like a pig goes after a loaf of bread.

The Internet was a brand new thing and I, too, became enamored with it. Before the Web, my whole world, in all its possibilities and impossibilities, was on the little Macintosh that I used to store the lyrics for my previous band the Sleepy Sleepers, for the Cowboys, and cover songs. I also used my Mac for compiling gig sets. Stuff written on the computer stayed legible even when we got particularly drunk.

Pekka's team didn't use Macs; they had the latest model PC's. Those guys competently typed away on their machines, and images flickered at just the rate you'd expect when professionals demonstrate the fine points of their gadgets to dummies. It was impossible to keep up, and you had not a clue as to what you'd just seen. But fascinating nevertheless.

Especially when the milieu is the miserable basement of a house in a distant suburb of Helsinki, walls and wicker tables covered with phones and faxes. And, of course, trade magazines by the stack.

We quickly came to an agreement as to how the Cowboys' pages should roughly look. Real Russian stuff, with no lack of tractors, hammer and sickle combos, and long shoes.

We even created a shopping cart system, where it would be easy to collect all kinds of band merchandise. After that, we'd sit back and wait for the orders to come in from all over the world.

Previously, no Finnish company had done international mail ordering, but, surprisingly, the Finnish Post Office gave us very good service. They were also interested in putting together this pilot project.

Once again, for some strange reason, I was involved in doing something that no one had done before. Maybe it's a character flaw.

There were issues that slowed us down, of course. Transferring money internationally wasn't as simple as we had wanted to believe. (And it still doesn't work properly today). Customers thought it was too risky to reveal their credit card numbers.

And so we had to accept orders by fax, so that the card numbers wouldn't end up in the wrong hands. And we had to get the money before we could ship the merchandise. In God we trust, all others pay cash.

Despite some initial difficulties and low sales volume, we eventually did international mail order business via the Internet for Leningrad Cowboys buttons. That was a clear victory. Anyone, anywhere could access our mail order pages, as long as they had a network connection. Wow, what a setup.

We're gonna do business here, and a lot. The sky's the limit.

At this point in the story I think that I should make clear the level of my technical skills. At that time I didn't know anything about PCs except for a rumor that you turn it off where it says "Start." I would probably have been unable to turn one on without help.

I guess it came down to a matter of principle: the Macintosh or nothing.

I had become acquainted with the Mac through my studio work. In the late '80s and early '90s I was doing a show called the *Pullakuskit* (bun drivers) for the first commercial Finnish radio station, Radio City (founded in 1985), as well as some radio ads, out of personal interest but also for the money. They paid decently for a relatively quick job.

As an altar to this job I founded my own small studio in the corner of the H-D Center, the Harley Davidson dealership I owned with my band mate, Sakke Järvenpää. The studio was a modest cubicle with one two-track recorder and a small mixing table and not much else.

I did so many ads that occasionally there were ad breaks on Radio City where every ad was mine. Commercial radio was a new thing and there wasn't much competition yet.

During this period something megalomaniacally fabulous came onto the market – a whole bloody studio on a computer, fully digital and perfect for whipping up radio ads and band demos. I had to get one of these and right away.

At that time the Pro Tools music programs only worked on Macintosh computers, and so that's where I started.

My relationship with the Mac was broken only much later by the Wapit Network administrators, who coldly informed me that they refused to connect a Mac to the Wapit system.

Working in the studio, I became familiar with the way the Mac works, which is far better than the PC will ever be. Unfortunately, market forces saw to it that, once again, the best didn't win.

Becoming a Web designer

Back to the Internet. Pekka and his team sat in the basement with their computers, and lil'

ol' me worked on the vision. Good God what a time. I could propose any idea and the guys would go off to figure out how it could be done.

I must have come up with a hundred ideas a day. Our heads buzzed at such a rate that our feet barely touched the ground.

We were only interrupted when Pekka's family had to go to the sauna, which was right next to the computers. Then the masterminds had to vacate.

To make sure our ideas didn't get stuck in the basement, we started to offer solutions to companies, to help their businesses flourish. We had to convince companies that the Net was the solution to all problems.

As a Finnish "celebrity" with a certain kind of street credibility, I had the advantage that company bosses would be more receptive if I went and arranged a meeting. You don't always have to start from the ground floor. In this way we quickly got to present our ideas to the decision makers.

Unfortunately, we were on the move a few years too early. Only a few even knew what the Internet was. Unlike us, who were "totally" in-the-know.

Comments like "We've been operating for 50 years without the Internet; we should be able to manage in the future," and "10,000 dollars is quite a lot for a Website – can't we get anything for a thousand?" lent our belly flop wings.

These days the same companies have Websites for which they're sure to have paid significantly more than ten thousand.

With some, though, our negotiations paid off. Nevertheless, I've got to describe a few inspiring examples of failure:

A certain Russian banker, owner of oil fields, gas fields, and who knows what other fields, heard of us. I won't mention his name for reasons that will become clear at the end of the story.

We showed off the Net to him in Pekka's basement, and even this billionaire, dressed in his Italian designer clothes, was impressed.

He tested whether the Net could solve a few tricky problems. After tracking down a few "normal" addresses, he started asking some surprising questions, such as, "Can you locate hospitals that do penis enlargement operations?" Palin started up the search engines and produced long lists of hospitals that perform this particular operation in all corners of the world.

Now this guy was convinced that Russia had to get the Internet. Pekka and I would be the ones to organize the operation, with his financing. With rubles in our eyes, we held several negotiations in Helsinki and in Moscow. The vision was clear. A big job, but a big fee, too.

One day, however, an acquaintance of ours, who had heard of our partnership, got hold of

an article about our Russian friend in an American magazine. The picture's caption read: "Capo Di Tutti Capi of the Russian Mafia." He was Moscow's top boss.

At that point my instinct for self-preservation urged me to withdraw. I also managed to convince the slightly more resistant Pekka. I was afraid that once our fee grew to be sufficiently large, these gentlemen would come up with an alternative, and for them more favorable, method of payment.

Or maybe I've just watched too many movies. Maybe it was a mistake to withdraw from the project. Anyhow, I haven't regretted it for a second.

Another adventure that's more amusing in retrospect than when it was happening was with Veikkaus, the Finnish state gambling monopoly. We must have had at least fifty meetings with a man I'll call "Mr. Smith." The idea was to set up a Veikkaus site on the Web: new, faster games for the Net, and later for mobile phones. No more plodding through the rain to the kiosk with your lotto coupons. By joining the Gamesman club you could load money into your gaming account any time and place bets from anywhere.

The negotiations progressed in good faith, though Mr. Smith would always arrive at least half an hour late. Sometimes an hour and a half. Luckily, he enjoyed his food (revealed by the ten-gallon beer belly on his stout frame), and treated us to many delicious lunches and steak sandwiches.

During one of these meetings, Mr. Smith brought in one of the Veikkaus experts to tell us about their servers and firewalls. For the duration of the presentation Mr. Smith excused himself and went to his office. When the presentation was over we waited a long time for him to return. After the third cup of coffee, bored, we finally called his secretary to ask where the guy was. Apparently he was already on the way to the airport. We called him on his mobile and were informed that he had completely forgotten us in the meeting room. Makes you feel really important.

We tried to get the deal signed many times, and it was always supposedly ready. Every time, though, there was always some small obstacle.

Eventually we went to meet Mr. Smith's boss, who told us that nothing of the sort had ever been discussed. It wasn't even possible for Veikkaus to offer gambling on the Web.

Half a year's hard work went down the drain. It had all been in Mr. Smith's head. He is no longer employed by Veikkaus.

We also developed an ambitious Virtual Post project for the Finnish Post Office with the

company then known as Digital. An email address for every Finn and the possibility of doing business on the Web, among other goodies.

We had dozens of meetings with the top management. We also took people from the Finnish Post and other companies to seminars in Cannes in southern France and to gamble in Monaco's casino – only to read one morning, on the front page of *Helsingin Sanomat*, Finland's largest newspaper, about a Web system being set up by the Finnish Post, which was nearly identical to our idea with Digital. But without us.

We got around to sharpening our axes, but ultimately decided to swallow this shit as well. In this project we hadn't talked with errand boys or middle management, but directly with the biggest bosses, including the managing director.

In business matters, you mustn't trust anyone too much. If there's money to be made, people quickly reveal their small minds.

The problem with ideas is that when you go and tell one to someone, you can be almost certain they'll steal it. Yet it's difficult to get representatives of large companies to sign non-disclosure agreements to protect your idea. If you go in and say, "I've got a hell of an idea but I won't tell you until you sign," your counterpart will ask, "Why sign before hearing the idea?" How do you know they haven't already had the same idea? And he won't sign until he knows what your idea is. And then when, deadlocked, you reveal your larger-than-life brainchild, he says that they've already had that idea in-house for years. While you're off drying your tears, this guy excitedly calls the board of directors together because he has a hell of a new idea.

For sure, there were also successes. In the winter of 1998 we built a competition site for Nokia around the Communicator phone, on which we got some feedback in a most peculiar way.

We were in southern France with the previously mentioned bunch from the Finnish Post. There was a whole pile of experts giving presentations at the convention center.

A presentation by an American professional speaker really impressed me. The subject wasn't anything special, but the dude's style was unbelievable. The guy was like a rock star who had shown up for a spotlight cameo. He had two canvases behind him displaying artfully choreographed projections of fabulously produced images, and he never once glanced back to see what was showing. He spoke theatrically and without pause. Only the smoke and fireworks were missing.

The topic was "Creating Websites," with examples of good and bad pages.

Unfortunately my phone rang yet again and I had to leave the auditorium to take my call.

I returned during the final applause and to my surprise, the audience turned to applaud me. What had happened? I'd just been out to take a call. I thought they were fucking with me

because I hadn't been listening.

Palin was so excited he could barely talk. I finally understood that out of all the Websites in the world the American guy had picked the competition site we'd done for Nokia as his example of a well-made site. And, for sure, he didn't know that the site's creators were in the audience.

From pizza to networks

These stories had to be told to convey how difficult it was to start up a Web business. Many dabbled in the field, but few made any money. And so it is today.

I have a "pizza theory" about starting and establishing new things, which says that everything takes at least ten years.

The first pizzerias came to Finland in the 1970s. From then it took ten years for just about every Finn to know what pizza was. By then, it could be found in restaurants and the frozen food sections in the store. It could even be delivered to your home. Everyone knew what it tasted like and what it looked like.

A few years later lasagna followed, and now TexMex is also starting to become familiar. (The word "tortilla" is already known by quite a few.)

It took 10 years before "everyone" had a mobile phone. Previously it was a "yuppie gadget," which you didn't dare talk on in the bus or in the store. This modesty problem is no longer an issue: everyone blabs wherever, whatever, and whenever.

Even television needed its years. Freezers, CDs – always ten years.

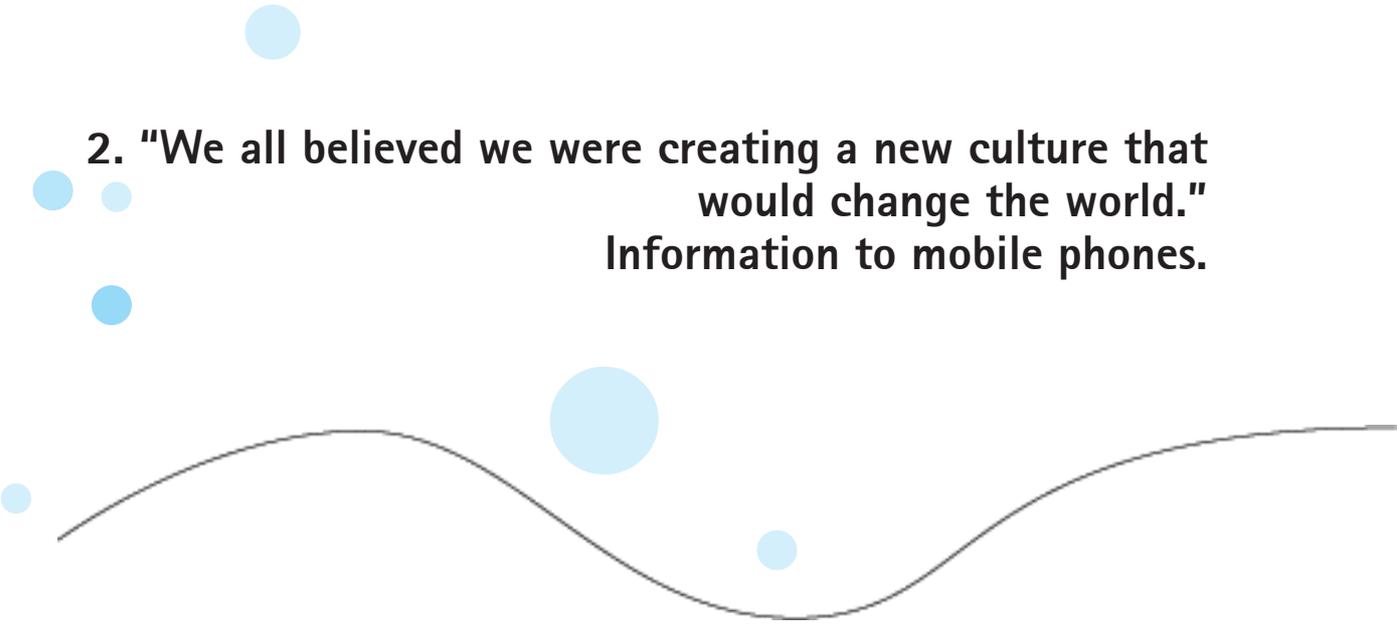
The automobile took longer, and videos seemed to barge into homes faster. (At that time Finnish TV broadcast such shitty programming that *something* had to be done.)

The Internet was introduced to the public sometime in the mid-90s and the Web won't ever be ready. Nevertheless, in ten or fifteen years it'll be in such shape that we'll be using it in the unlikeliest of places without even noticing. It may be displaying weather forecasts in elevators.

Mobile phone services, which Wapit was also developing, are still at the beginning of their journey. Much water will flow down the Mississippi and the Amazon before every idiot uses these services from dawn 'til dusk. But that time will come, just as long as the services improve, become easier to use, and prices drop.

Wapit was once again simply an example of how dangerous it can be to be the first to do anything. Indeed, one Canadian business expert advises watching for new trends and joining in only with the second wave, after the pioneers have fallen.

But before we bury Wapit, let's look at its brief, brilliant time as a rising star.

A decorative graphic consisting of several light blue circles of varying sizes and a thin, dark grey wavy line that spans across the lower half of the page. The circles are scattered around the text and the line.

**2. "We all believed we were creating a new culture that
would change the world."
Information to mobile phones.**

I became familiar with text messages through my bands. Text message culture had completely infiltrated Finnish society. Sending messages from one phone to another is so popular here that Finns' thumbs have become the dominant finger.

Text messages are brilliant when you're traveling in a group. They work as reliably as an old-fashioned train toilet. (There's a hole. Plop, right on the track.) How else do you get a message to the drummer that the band's bus departure time has been changed, while he's philosophizing in his favorite bar? Or to the bass player, who doesn't answer the phone because it might be the debt collector?

On tour we'd send text messages continuously. Colorless, odorless, and flavorless. But they got there. And the drummer could finish his theory uninterrupted.

But we also wanted something more. Like all kinds of news, especially from the world of ice hockey and Formula 1. Sometimes, we wanted it desperately, especially after placing a bet. Because these services didn't exist there was a clear market niche.

Pekka and I had been banging our heads against the wall over and over about this, but we felt it was all mainly a kind of just-do-it path that we had to jump on in order to learn anything. We believed we were on the right track.

Then lightning struck from around the corner. Anne Larilahti from Nokia was in Cannes at a large mobile phone industry exhibition in February 1998. We met her on the beach in a giant tent pitched by the Noga Hilton hotel. Every year Nokia held a party there that was a must for all the congress visitors. If you didn't get an invitation, you were nothing. I was there performing with the Leningrad Cowboys, and Pekka was there on business.

Anne showed us an idea demo that could be implemented on a phone. She sent a text message query to a number and after a few seconds got a reply on her phone listing the Cowboys' songs for that evening. This new way of using the phone was being demonstrated to the party guests.

The information was pulled from the Internet. In other words, information fed to the Net could be "fetched" to the phone and delivered as a text message. Thanks to the blindingly fast world of electronic networks, the response arrived in only a few seconds, even though we sent the query message from southern France and the text message centers were in Finland.

Any information could be fetched in the same way. As long as the file had "active tags" installed at the beginning and end of the desired words or phrases, everything between them could be sent to anyone's text message-enabled phone.

Anne knew of Pekka's and my enthusiasm and ability to come up with visions of the Net and urged us to contact a carrier, such as Radiolinja, and offer to whip up content for mobile phone services.

Well, here it was. We'll use the Net as a tool, and bring it to mobile phones. The customers already exist, as well as a clear billing system. And no one else was doing anything even similar. *This is it!*

Anne even arranged a contact for us in Radiolinja, and Pekka and I got to thinking of all the fun things we could offer. You can be sure that we had no lack of visions.

Pekka isn't the most modest of guys when it comes to a brainstorming session. Later, someone described Pekka with the phrase "focus wider than the galaxy."

The English word "brainstorming" was new to me, amusing and characteristic of its time. A company's nerds, marketing people, and sometimes management would assemble at some laid-back location, enjoying tenderloin steak, adventures, and sauna, in order to detach themselves from reality and come up with new, immortal ideas. All colors of pens had to be brought along and the paper on the flip charts would get a hard workout. Some poor guy was forced to be secretary to write down everything that these drunk, loose cannons could invent.

I told a few of my music acquaintances about this practice. They shook their heads in pity. "Mato, you sure don't have it easy."

Radiolinja goes along

In February 1998 Radiolinja, to our surprise, decided to take a risk and began negotiating with us about developing a text message service package. They would do what they knew best: carrying calls, messages, and data, and would handle marketing. Outsourcing the service concept might also even be a good idea. At this stage we were only given an opportunity: a few months to show whether anything would come of the whole exercise.

We started putting together the package from a user's point of view, not an engineer's. After investigating the existing test services of a few operators we found some of them to be useful, but there were many among them that felt more like gimmicks made by computer freaks. Someone had figured out what tricks a computer could do and had then contrived a service around it that no one actually needed.

We instead decided to come up with the service first, and only then ask whether it could be done, and if so, how. The programmers shook their sleep-deprived heads but said that if that's what we wanted, they'd figure out a way to get it done.

Here, too, attitude was the most important factor. I don't mean myself, so much as those who were responsible for the whole technical side. At that time I was running in a hyperstate, cracking ideas left, right, and center. And the guys hacked away. If there is a will, there is a way,

as the ancient Romans said.

The fact that Pekka remembered often enough to say those magic words, "Fantastic idea!" about my ideas must have played its own part in the success of that time.

It was incredible, the energy that came from that father of five, slightly later six, and now who knows how many children. (At least they were with the same woman. Warm regards to the courageous wife.)

Pekka knew how to fully book not only his own calendar but mine, too. Where the hell was he finding all these content providers to bring all sorts of information, such as horoscopes, to phones?

The most important challenge, though, was Radiolinja. You don't just march in to big companies and announce that you're their new strategic partner who's going to bring all the content services to their network as turnkey solutions.

Maybe it was our own fire-bright enthusiasm that always got us through to the next phase as the negotiations progressed. But we have to give at least some credit to software house Yomi Media, who had previously been involved with Radiolinja, and had been outsourced to provide the technical work,

Yomi, Radiolinja, and Wapit all agreed upon an arrangement whereby we conceived and procured the content, Yomi did the technology, and Radiolinja marketed and billed. At least as long as we paid our bills.

In several meetings and brainstorming sessions, the child prodigy Vesa-Matti Paananen represented Yomi. He and I hit it off excellently. He greatly influenced Wapit's focus and direction, especially as we moved forward.

We had at least 50 meetings, planning the whole thing, including the wording of the contract. We had so many meetings partly because in large companies, the content of an agreement is usually worked out with people who don't make the decisions. They give the draft to their lawyer, who makes his changes without asking anyone's opinion. When we get the contract back, we are of course upset about the modifications, and so the contract starts off on yet another round of changes.

Never did we get to sit at the same table with the actual lawyer. By our logic, a single meeting with him would have sufficed. We would have sat until smoke had risen from the chimney and the conclave had been declared closed.

It was a far cry from the Sleepy Sleepers' recording contract, which was scribbled out in a rush on a piece of toilet paper with Mr. Atte Blom. The text was reduced to an understandable and acceptable form: "Work will continue for as long as the job gets done." We all signed on the dotted line.

With Atte, I would still do anything, anytime.

Most important, however, was the spirit of the deal. If there were a falling out between the contract parties, would it be worthwhile to continue any longer? Fighting takes time, effort, and money, and anyway, further cooperation is no longer fruitful.

And in truth, in the case of Atte and the Sleepers, recording deals protect the artist with various copyrights, to which our toilet paper agreement didn't extend.

Even though the negotiations with Radiolinja felt time consuming, they advanced in good faith, and so we endured everything like men. Every now and then we engaged in some brainstorming to keep everything moving along. We focused on our belief that we were creating a new culture that would change the world.

As a standard part of Finnish negotiations, we acquainted ourselves with many kinds of saunas. Beer drinking couldn't always be avoided, either.

AskIT

Our service package was to consist of everything that the user of a mobile phone might be interested in or need even in the slightest: news, horoscopes, museum opening times, bus schedules, jokes, stock quotes... Any need for information or entertainment that came to mind while driving the car or walking in town we noted and tried to implement as quickly as possible. And if something was not needed, then we would need to create the need as well.

We did agree, though, that unconventional services would be left out. Thus we would not implement the cash cow of the future: sex services. At least, not yet.

Our counterpart at Radiolinja was Mr. Juha Lintula, who shared our enthusiasm and vision. Though as a consequence of his job, the visions were slightly more focused. At least once a day we would sit down with him to design the content of the package. Eventually even the days weren't enough, and we would also use the evenings for discussion.

The whole nebulous outcome had to be molded to fit the Radiolinja way and be tailored to its brand. And so, fortunately, we had to listen to Juha's opinions at every turn.

This was also a showcase for Juha, a young guy who had been entrusted with something entirely new. At that time, even Radiolinja hardly considered what we were doing to be tremendously important. They were just trying something out.

For me, though, everything was just as I liked it: I was fulfilling myself to the utmost. In most cases, any idea at all that jumped into my head could be tested that same day on my own phone.

And no one else had ever put together anything like it. There was hardly anyone to ask for

advice. We believed we were doing something that would, in the long run, radically change people's ways of living and working. (And it eventually will, whether we want it to or not.)

Copyrights turned out to be a problem. When you fetch information from the Net, it's easy to assume that everything out there is, in a way, free information, that anyone can use. However, that's not how it is. We learned this when dissolving an agreement with a certain key information provider, after we discovered that they didn't have the right to distribute all the information we were using under our contract. Lesson: you must ensure that the information provider holds the copyright or a license that allows it to be used in the way you need it.

A mobile phone is not yet considered a browser in the same way as a browser program on a PC. I cannot freely go to Ecclestone's F1 pages with my mobile phone, though I can with my PC.

And yet it's the same thing: viewing information from an Internet page.

The first employee

Who knows from which dark corner Pekka found Ari-Tapio Talaskivi. But we needed somebody to manage the various and constant content updates. We no longer had time to do it ourselves, since our days were fully committed to coming up with new ideas and running from one revolutionary meeting to another.

Pekka suggested that we permanently hire the fellow on a monthly salary.

This was late spring of 1998 and Wapit had not yet been founded, but we worked out of the H-D Center, my Harley-Davidson dealership. I had a hard time justifying hiring a guy to do a job that *might* someday make money.

Pekka and I weren't yet paying ourselves any salaries. We were living in anticipation of the millions to come.

Nevertheless, we hired our first employee, Ari-Tapio Talaskivi, better known as AT (*a-tee*), who was with us from the charmed beginning to the bitter end. He was a quiet worker, with no need to draw attention to himself. A man who cannot be faulted at any level. Later, after the birth of Wapit Ltd, his pay slip justifiably read "number 1."

Pekka and I would sit in meetings, negotiating and eating cookies from dawn till dusk, while AT, Yomi, and Radiolinja would rapidly set up almost anything that popped into our heads. I say "almost," because some ideas were so absurd that it would not have been in good taste to implement them.

We thought the system we had developed was perfect. With a small staff, we created a good invoicing in a few months, along with our own hopeful predictions of explosive usage

growth.

Our only little fear was that, some day, new technologies would arrive that we would have to deal with. But we had Yomi who, for money, was sure to do whatever was required.

In early summer 1998, after all the twists and turns, we put together a trial period agreement, during which we would have to convince Radiolinja of our excellence, both idea- and technology-wise.

Pekka and I believed that we had hit the jackpot. Our compensation was specified in the agreement as being based on the volume of usage of the service package, and we had projected that usage would be insane.

For every joke, weather forecast, or use of any other service, we would get our pennies, from which we would pay the information providers their share.

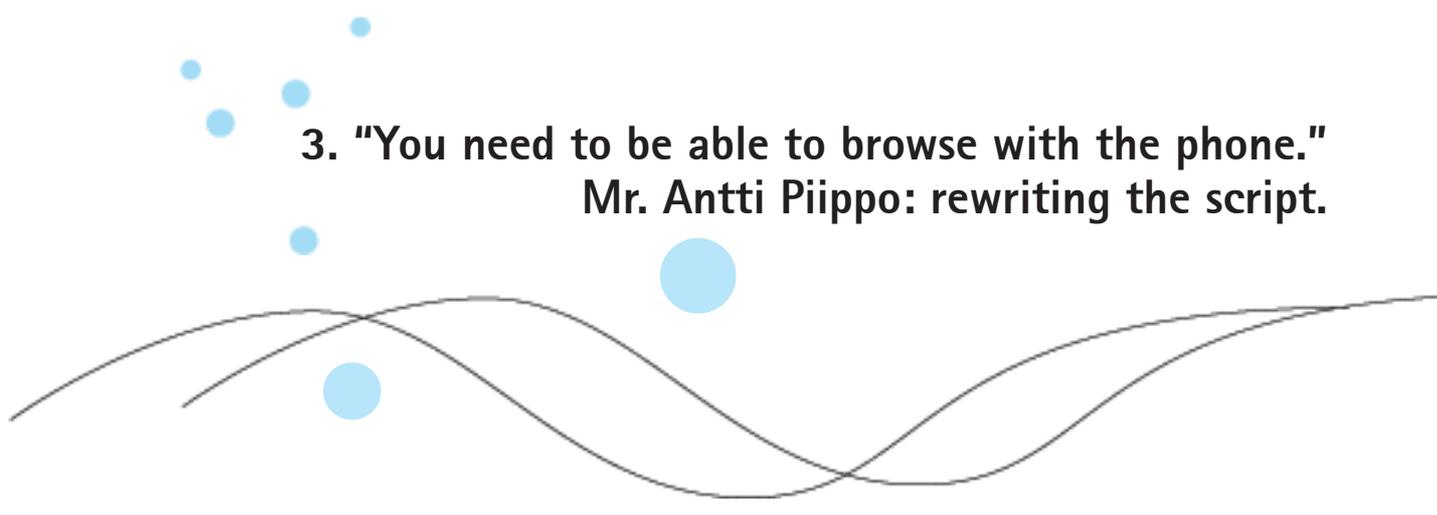
All we needed were services that people would enjoy using. In professional language these are called "killer applications" or just "killer apps" for short.

The professional vocabulary of the IT industry consists almost solely of abbreviations or acronyms, of which I have learned maybe two percent to this day. When some true nerd or engineer held a presentation I wouldn't even understand what was being discussed for the abbreviations. Though I would bet right now that half the audience didn't either. It was like they were talking in some code language in a lousy futuristic science fiction game.

But we all pretended we understood and exchanged business cards. "Pleased to meet you," "We need to meet as soon as possible," and "I have an idea for a collaboration" kinds of pleasantries lent wings to the exchange of those pieces of paper. All my drawers were full of these cards.

I quickly learned that it wasn't worth handing them out to just anyone. The recipient might be more interested in making contact with me than I was with him. And then I'd have to deal with his phone calls.

One day in the spring of 1996, a stylishly dressed man who wanted to buy a Harley-

A decorative graphic consisting of several light blue circles of varying sizes and two thin, wavy grey lines that sweep across the lower half of the page. The circles are scattered, with a cluster of smaller ones in the upper left and a few larger ones below the text.

**3. "You need to be able to browse with the phone."
Mr. Antti Piippo: rewriting the script.**

Davidson walked into the H-D Center. He had no previous experience with the machine, but the guy was clearly serious. Sakke showed him all the available models, and one bike pleased him more than all the others. By coincidence, it was the bike that I had ordered for myself. The only one remaining of its model and color. Of course I told him that it was not for sale. He would have to pick another one.

Antti Piippo is famous for not giving up easily. From the midst of the cigar smoke came the ultimatum that it was either *this* bike or no bike.

Sakke sold it to him. After all, it was business. As consolation I got a Harley every bit as good, but still – it wasn't *that* bike.

Then he started fucking with me. Antti was clearly proud of his bike and never forgot to remind me about it. Some mutual acquaintances even came asking whether Piippo had taken my bike. One time Antti even drove to our store just to tell me how good it was to drive and to ask whether I like the color.

You can't beat up a customer, so time and again I bit my lower lip until it bled. At the same time we got know each other, somewhat.

Antti's good friend and sparring partner, Father Ambrosius, the bishop of Finland's Orthodox church, blessed the machine and wished Antti and the bike safe riding. After all, the Orthodox church allows for blessing houses and other objects. I guess that on the vehicle side, Lutherans concentrate more on blessing cannons, armored personnel carriers, and other holy devices, in order to bring joy, good will, and mercy to these depths of sorrow.

Once I heard of Father Ambrosius's gesture, there was nothing else I could do, except admit my defeat. I informed Antti that the bike was now finally his.

The happy side of this was that along with this hassle, I got the opportunity to get to know Father Ambrosius. A wise man, with whom discussion is never a waste of time.

Antti, though, is crazy, and thus naturally an interesting character. For those who don't know him, he is undoubtedly one of the most successful businessmen in Finland. He started his businesses from scratch and became one of Finland's richest men. Good or bad, everyone in Finland knows who Antti is. A strange businessman with a little boy living inside him, no matter how much success had come his way. (It's worth remembering that, if also later in this book I call someone "crazy," it is to be considered a compliment.) I occasionally had meals with a group of people that included Antti, and I was glad when he asked me to speak at his 50th birthday party.

At that party Father Ambrosius abolished all my preconceptions about men of the church. At the bar table, he asked: "Mato, we are going to the after-party, aren't we?"

At that stage our dominant Evangelical Lutheran Church, in all its cheerlessness, joyless-

ness, and guilt-ladenness, started to feel ever more distant. The Orthodox church had it going. Nevertheless, I still don't belong to any church.

The birth of thoughts of WAP?

Through a few small projects we had done together, I had had the opportunity to note Piippo's abilities to see things farther than two weeks ahead, and so it was natural for me to approach him to test an idea of Pekka's and mine.

While I was suggesting a meeting time, I heard Antti mention that he was going for a jog. Strangely enough, I was also going for a jog for the first time in a long while. And even in the same place. We agreed to discuss the idea there.

As we jogged, between gasps I spoke enthusiastically about our ideas, and Antti actually became quite interested. Our text message service package wasn't enough for him, though, and he had a different vision for it. And he went on to rework the concept.

In his vision people would not fetch their services with text messages. It's too complicated and slow. No one can remember hundreds of index key words and the numbers that they need to be sent to. In addition, tapping out text messages is time-consuming and inconvenient. You need to be able to browse with the phone, like you do with a web browser.

For that to happen, the mobile phone network needed more than a connection to the existing Net. An internal "Internet" had to be developed. Fetching and using services would become significantly easier with the use of this mobile Net.

Antti called all the professors and managers of mobile phone companies that he knew, in order to ask whether anything like this was being planned. Everyone reported that there wasn't, and that this was a new way of thinking.

We also traveled to the northern Finnish technology city of Oulu, where we carefully went over the idea with quite a crowd of technology experts that Antti had gathered together. Everyone was of the opinion that this was a wild idea, which, when implemented, would change many things.

My excitement meter was at its boiling point. On the return trip on the plane, I asked Antti how the hell he had gotten together that kind of a crowd just to listen to one idea, because it had been a very impressive group.

"The Oulu technology city was actually born from an idea that I had got off the ground, so they still listen to me to a certain extent," he explained.

We took yet one more trip to Savonlinna, in eastern Finland, to the summer cottage of

Nokia's Mr. Kalevi Kaartinen, to hash through our chances of success. Kalevi works out of Nokia's Düsseldorf office. I had become acquainted with this wild guy while arranging the Nokia-sponsored joint rock concert between the Leningrad Cowboys and the 160-member Red Army Choir in Berlin on 18 July 1994. Another utterly crazy man.

According to Kalevi's understanding, it was possible to implement Antti's concept. Possible but not easy. Sitting in the sauna and, afterwards, standing out on the jetty for the swim in the lake, we received much valuable insight and confidence.

Sometime around five in the morning, we started to drive back from Savonlinna to Helsinki. Both Antti and I had business to take care of there. The number of ideas we discussed during that car ride was not ten, or even a thousand. We could do anything! Well, we wouldn't quite be able to pee the dog, but just about anything else.

We were more confident than ever that we were doing something big. At the time Wapit was still just a dream, and in it we were bringing the Internet's services to the phone. In Antti's thoughts, the phone would have its own environment built for it – which is indeed what has since happened.

Of course, many others may have been casting out similar ideas at the same time. So to whom do the Oscars and Nobels and other glory belong? This can be wrangled over until the cows come in from the pasture. In any case, Nokia's highest management had told us that these things had never been thought about before from this point of view. And if they didn't know, then who did?

It was after that Savonlinna trip, at the latest, that we thought to ask Antti to participate in our project. I gathered my courage and asked. I told him that I'd feel safer pushing forward with the company with Antti's experience and vision. There was no talk at this stage of participation in financing. Pekka and I believed that we wouldn't need financing or loans, because money would imminently start to flow in from Radiolinja at such a pace that it would suffice as long as we kept costs low.

One particular job laid ahead that required diplomatic skills. I had to introduce Pekka and Antti to each other. I have never had any difficulties working with Pekka, but it can't be denied that he's quite a personality and didn't come in to this world to please others. And also, to the ear of someone who didn't know him, his visions might sound far-fetched, utopian, or just plain air-headed. Nevertheless, I knew how to read Pekka and constantly found nuggets of gold in this flood of ideas.

I prepared both of them for this first meeting the best I knew how, and then we sat down at the same table.

Pekka's habit of almost constantly interrupting while someone is speaking was a bit of a strain. In meetings, Antti has the habit of sticking strictly to the subject, and after having listened to the others, speaking in a serious tone and using carefully selected words. Antti is also used to being listened to when he speaks. Pekka, though, never listens quietly. His mind goes pedal to the metal and in his enthusiasm he just has to interrupt, even if Chairman Mao himself were to be hitting on the woman of his dreams.

Nevertheless, we got Antti enthusiastic enough to join us. We came to the conclusion that with this new band it would be impossible to continue operating in the H-D Center's name. The best thing would be to form our own company. We instructed our lawyer to do just that.

Setting up the company

At that time, in the summer of 1998, we were still operating out of Pekka's basement. The place was full of various computers, printers, showers and saunas. The steady hum of the computers still rings in my ears. Every morning, AT diligently made his way there to maintain the system, while Pekka and I ran around town eating cookies in various meetings.

And every time I went on tour with the band the whole deck would be reshuffled. Pekka, never one to sit back on his heels, had always arranged who-knows-what kind of grandiose co-operation projects with various colleges, universities, bus companies, or some other party. And I'd always have to meet the guys right after I got back from the trip.

But services started running. And we compiled usage estimates for them and their cash flows.

It was pleasing to astonish Radiolinja almost daily with what we had developed: "Today we opened a service with which you can view the feeding times of the baboons and seals at the Helsinki Zoo." Or: "Now there's movie reviews and soccer results."

Sometimes we also astonished the content providers. I went to the courier firm DHL to present an idea where by sending a message "DHL + *package tracking number*" you could track the progress and delivery of your package on your phone. They were excited about the idea and when I left in the afternoon I called AT to set it up. The next morning I called the customer and informed him that he could test the service. On his own phone.

The guys were so excited they almost jumped through the phone lines. Since, they have demonstrated the service in several exhibitions around the world, and it has even won awards. Not as my idea, but it doesn't matter. That's mostly my fault. Many times they asked for help in demonstrating the service abroad, but none of us could ever make it. There weren't enough

hours in the day. Well, the dogs may bark, but at least the wagon train keeps on moving.

Mid-September was approaching fast. That was when the services were to be opened to the users. The deadline could not be missed.

Those at Radiolinja whose heads were on the line, especially Juha Lintula, were visibly nervous. Does the whole shit work? Will it stay up? Is anyone going to use these services? Pekka and I had no other choice but to cross our arms up to our elbows and hope that nothing would go badly wrong.

Opening day finally arrived. The Radiolinja subscriber magazine dropped into every customer's mail box, with the services' usage instructions. We had set up the world's first, and unquestionably largest, service package. A total of 162 different services. A few operators around the world had two, maybe ten services running experimentally, but no more.

And we waited impatiently for the first usage reports.

I am still bound by the non-disclosure clauses defined in the contracts, and I cannot describe the usage amounts in detail. They weren't anything insensibly large. Although I will say, even at risk of being sued, that the various entertainment services were unquestionably the most popular. And with blond jokes clearly in the lead.

Pekka and I reviewed our estimates and we noticed that we hadn't been completely lost in the woods. A three-man company would make a good profit with this. At that time we were still not paying ourselves salaries, but soon already we would be able to support ourselves with this.

We put all our charm and other ammunition into the game in order to get Mr. Vesa-Matti Paananen from Yomi Media to become a partner and technical manager in the company we were forming. I believe that Vesku was close to coming along, but emotional factors forced him to continue at Yomi, in whose founding he had played an important role. Indeed, who would leave their baby just like that?

Vesku nevertheless remained our contact in Yomi and, with us, started to design a mobile phone "browser" that would allow for mobile phone services that were significantly easier to use.

We decided to have that contraption developed by Yomi, because our own technical staff still consisted solely of AT. In this way we got Vesku halfway on our team.

This project then, in a single blow, changed our plans for a comfortable little salary and an easy job. We decided to put all the money coming from Radiolinja into development work, and still more should be acquired. A lot more.

We had to create a credible and realistic business plan. There was no time to waste if we were to be the first mover.

In the meantime, Pekka had had a new house built, in which he would be able to live tolerably with his large family. We often held business plan meetings in his living room for the simple reason that Pekka had to babysit while his wife went out on her errands and to the health center.

It was then that I noticed the difference between people who were childless and those that had a family. No matter how much they had been warned about the importance of the grown-ups' meeting, of course Pekka's kids would make some kind of noise. Clearly those that didn't have their own children suffered from the "disturbance," while those with family didn't even notice the racket made by the children.

In any case, we often thought about bringing along sheet metal cutters to the next meeting in order to perform a small but final sterilization operation on Pekka.

Partnership with Nokia

The browser we planned would not come about just like that. We needed both help and money. Help mainly from Nokia in the form of a partnership, and financing from the National Technology Agency. A common interface had to be developed with Nokia and industry standards created for it. Nokia knew what kinds of phones and networks were under development. We would have to adapt our browser to match them.

We started the negotiations. I attended at least a hundred meetings. The issue was hashed and rehashed from every direction and the dots on the i's were inspected with magnifying glasses. I'm not being critical. Big companies have to do it. No one dares to or indeed can take responsibility if there is a clear error in the contract to the company's disadvantage.

Sometimes we didn't just fire blanks. At one stage in the negotiations, Nokia's lawyers wanted to protect their backs by demanding a clause in the contract whereby, in a certain situation, they would have the right to buy us, so that the ready product would not end up in the hands of a competitor. Understandable from their side, but we felt the contract would not quite be in balance without a small correction. Thus, with completely straight faces, we demanded the right to buy Nokia in the equivalent situation.

To our surprise, the agreement that was born was quite simple. And it didn't need to be taken out of the safe for inspection too many times, either. Neither acquired the right to buy the other.

We had earlier already contacted the National Technology Agency, and now the project was credible. Nokia's involvement convinced the Agency. Initially, we received support for speci-

fication work. The responsibility for this job lay with Vesku and Yomi and was completed by the deadline, which was the end of 1998. It had to be ready, because otherwise we wouldn't have gotten the dough out of the Agency. The actual product was to be ready by the end of 1999, at an estimated cost of 2.5 - 4 million dollars.

One strange characteristic of the IT industry is that products are often already out of date as soon as they are completed. The race against time is merciless. Our product would take a year to be completed, but during that time technology would have moved forward so much that the next version would have to be well along in the pipeline when first version came on the market.

And so right from the start we began to plan the next stage alongside the actual product. Totally shooting in the dark. You had to know about something that didn't even exist in order to get the product out on time and sufficiently fresh.

It's a bit like coming up with a new music trend that you had to be completely sure would be the big thing in a year's time.

Financially, our project was very top heavy and because of the competitive situation, we couldn't draw it out past the deadline. This extremely demanding project had to be seen through in a year.

Time would be our worst enemy.

A name for the company

Pekka and I debated what to call the new company. A difficult task, finding a name that works in all languages, is not yet reserved as a domain or in the trade register, and that describes the company's business in some way. And is cool.

Here are a few hints to those that don't yet have experience in founding a company or in protecting their name or brand:

It's worth thinking twice about the name you choose for your company or product. Will it endure even after ten, or a hundred years? Changing a name is a simple task as such, but communicating that change becomes expensive. All the recognition that has been achieved with the old name is valuable, and now it's thrown down the well. Though, of course, it can also be done with style and be turned into an advantage. Timing and ideas are the key. We also ended up in this situation later.

I have always tried to get as much as possible for free from marketing. We were taught about the durability and internationality of names by a law firm that specialized in name registration. For example, you have to look up what a name means in every language in order to

avoid such legendary screw-ups as the automobile make whose model name means "wanker" in Spanish. If the name of your company is Pajero, then you can be sure that, in Spain, you'll only sell products intended for wankers, via unobtrusive mail order.

The law firm sang praises for alternatives like "Sonera" (Finland's largest carrier) and "Merita" (Finland's largest bank). Apparently they sound slightly Latin, have no meaning, and offend no one. However, they are boring. I think that the famous Finnish comedy production company "Monkey and Gorilla of Pirkkahäme Ltd" sounds much more interesting. On the other hand, if these favorites ever decide to change into a modeling agency, then the name might end up as a burden.

I no longer even remember the three possible names we brought with us when we marched into the trade registry in October 1998. What I do remember is that all three were already taken. Then, while recovering from the annoyance, Pekka had a brain flash and made a suggestion that hadn't come to mind yet: "Hell, let's call it Wapit!"

Once we had checked that such a name was available, we thought hard on it for about thirty seconds and the decision was made. It was Wapit. I'd be managing director and Antti Piippo chairman of the board.

Only a distant rumor had been heard about WAP phones, that something like that was being developed here and there. We believed in the rise of this technology. Even the WAP Forum, which became the umbrella organization for the industry, had not yet gotten up to speed. Later they forbade all their members from using the word WAP or its parts in their names. Sometime later they even sent us a lawyer with a paper to sign in which they asked what we intended to change our name to. We responded with precisely the same question to them, because we had registered the word WAP in our name around the world before they did. When they noticed they were on thin ice they nobly let us keep our name. A privilege that would not be granted to others. We were also merciful and allowed them to keep theirs. When you get along, there's more room. Even in the WAP business.

Some time after our registration, WAP showed signs of taking off and we were excited. After all, it was a bit the same as if you had registered the GSM acronym for yourself.

Our name was of immense help while the WAP boom was at its height. We rode the crest of the wave. The name was easy to remember and described what we were doing. Only much later, when WAP phones came on the market and users were disappointed with them, did the name acquire a negative ring.

We also needed a Net address. When registering a domain name, in addition to registering .com, .net, .fi, and .org, you have to remember to register in every country where you imagine you might someday want to do business.

We didn't register wapit.net and, what do you know, some idiot went and registered it for himself with a mind to making some money. The guy put up as much damaging and spiteful content as possible, just so that we'd be in a rush to buy off the address.

I managed to track down the guy and called an Estonian mobile phone number, only to talk to the most fucked-up asshole ever. He thought we were clowns and as a mobile business entrepreneur he had full rights to maintain the site. He had even set up email addresses for our names and explained how much fun it was to read the stupid email we got. He said he even responded to them.

I don't know where they turn out such blockheads, but I had much to think about. What makes some people want to cause harm to others? This guy's mother must have fed him her elbow instead of her breast.

We found out that the guy had registered just about all other company and trademark names for himself. An interesting profession. He must write "Dickhead" on his tax form as his occupation.

On the other hand, we learned lesson number 278954 on the wretchedness of the world. We let him keep his address.

Next, we needed a logo. A logo's significance to companies and products is incredible. Some pay many hundreds of thousands for its design. And ad agencies are happy to justify their research, visions, and plans in meetings. We noted right from the start that we could only afford an outlay of a few grand, so let's forget the ad agencies.

At that time, my wife was studying art. Through my wife, I sent a request to the academy's students to participate in a company logo competition. Simple rules: we pick the logo that's to our liking, and the designer gets 500 dollars in exchange for all rights. Losing entries don't get anything.

Surprisingly, the competition aroused enormous enthusiasm, and we received dozens of entries by the deadline, each better than the previous. The graphical design students shined especially. Just about all of them submitted really professional work.

We finally decided on the entry designed by Satu Paakkala. It received much praise when used. I'm still proud of it.

Satu also designed the stationery, business cards, and letterhead for the company.

And then off to do business.

To a new address

From the moment the company was founded, we searched feverishly for office space.

Pekka Palin's basement no longer sufficed and meetings in hotel lobbies and bars didn't always give a completely reliable image to clients or potential partners. After having checked out the options we found a place that seemed decent, on Atom Street in a Helsinki suburb. 10,000 square feet of air-conditioned space that had previously been full of computers, so rigging a network wasn't an overwhelming task. The only thing that concerned us was the rent. 3,000 dollars a month seemed enormous. Pekka felt we could afford one thousand dollars rent at most.

We decided to take the space nevertheless. It seemed pretty big when empty. It felt like you could land a plane in there.

We had even been blessed with a few personnel. And Pekka arranged meetings with new employee candidates at full speed. Things seemed to be moving right along.

We got the keys to Atom Street in early February 1999.

The building had a parking garage where even I got my own spot. This was a new experience. My very own spot. And even with a private electric socket to plug in the car engine warmer in winter. Now I felt like a managing director. Just swipe the pass card and the doors would open.

One specialty of the building was a peculiar marble-walled corridor through which visitors would normally be shown in. The architect who designed it had definitely been to school in East Germany. It was that corny. I always lied to all our visitors that it had been built to be like that at our request. That Russian style corridor fit well with my Leningrad Cowboys background.

I even dug out all my gold records from some chest and hung them up above my desk. Now everything was rock. Previously I hadn't had the nerve to put them anywhere. On the living room wall, they would have made me feel like I was bragging.

But now it was time to put them to work. They were a big hit with all the customers that visited our office, and especially with American journalists. Photographers usually wanted them as background for their pictures. Thus, we visually linked rock and roll and the IT business. Wapit stories were usually about this strange combination.

Or with me sitting on my Harley-Davidson, and the cameras would roll.

A change of direction

From the summer of 1998 on, I had had too much work to do, because in between developing services I was still constantly touring with the Leningrad Cowboys. In addition, I was running a studio, I was involved in the Harley-Davidson business, in restaurants, in a TexMex

food importer. My main job was still managing practical issues at the Cowboys' office. Meanwhile, the family park project in Oittaa was also in full swing. On the side, there were radio jobs, Russian language programs on TV, and movie projects. I had plenty of meetings and odd jobs as Chairman of the Board of the charity hockey team called the St. Petersburg Street Oilers, and arranging the acoustic music festival Pyhä Unplugged took its own share of doing. It was always a delight, then, when the phone rang and someone asked whether we had rear carriages for a Suzuki in the bike store.

Pekka Palin booked all my remaining minutes for me. My head was like a merry-go-round and stress ensured that I barely slept at night. I would fall asleep easily enough in the evening, but then I woke up around one or two, and after that there was no way sleep would return. This continued for a long time, and I paid for it in forgetfulness and difficulties concentrating.

Only later did I learn the word, "No." I've always been easily tempted into doing almost anything. In addition to my main jobs I'd run around doing all kinds of events, interviews, opening ceremonies, and television shows, both for charity and for a fee.

Certainly, there were limits. Quiz shows and interviews with purely entertainment value along the lines of "Mato Valtonen's summer day" were left out. My family, home, and private life have always been my own business, and I don't want to share them with the public. Period.

Since I have learned that concise word, "No," my life has become a hell of a lot easier. I even wrote it on a piece of duct tape, which I stuck on my phone. Just so that I wouldn't forget.

I was working from dawn till dusk, and on tour every night. I had to think about my life. This way of living had about as much sense as a horse's ass. By that time, I'd been on the road with my bands for 24 years, and had done the show about 3,000 times. Would anything change during the next thousand gigs? Would I still be cranking it out when I'm 60? What'll it look like when my leg doesn't even rise to the level of my navel? How many thousand gallons of beer and booze will I slurp before my liver says "poof?"

Few succeed in ageing gracefully in the rock world. At Finland's latitudes, that's mostly because no one buys old stars' records. Teenagers don't buy records by anyone over 35. They're the products of fossils. And no one – apart from kids and teenagers – really even buy records at all. And neither do the aged hippies go to old-fart concerts any more, unless it's after some frightful fit of nostalgia, or if a band has been booked for a company party as a symbol of youthfulness. That's the year's rock quota, then. We're young, and rock will never die.

Only a few artists become icons whose brilliance is enough for them and their families to live off the music. Many ex-big stars complain of the scarcity of shows. And what do you start doing all of a sudden, when you've toured all your life and the engineer or doctor's degree was left incomplete?

The music business has also become harsher. These days even really well known names are thrown out of record companies if their latest recording doesn't reach high enough in the charts.

In the early days of the Sleepy Sleepers, sometime right after the Ice Age, we would easily tour for one and a half years on the basis of a new record. Then audience attendance would start to fall off and we had to do a new record. And then off we went again.

These days that cycle is something between three weeks and a month. And then you're out again, and you have to come up with either a divorce or a musical quiz show to get in the papers.

I saw myself playing in ever-smaller clubs to ever-smaller audiences, slightly drunk, night after night. Hell no, I have two daughters and they should be brought up to be happy! At this rate it wasn't going to succeed. Somehow I might manage to get through this with my wife, but the girls were approaching their teens.

And besides, sitting in tour buses and in airports day after day was starting to be frustrating. I was already indifferent to what city we were in, unless it was a highlight like Hong Kong or New York. Some Überböbingen in Germany no longer excited me. Wake up in a hotel, in the bus for hours, arrive at a new hotel, do the soundcheck, back to the hotel to sleep, play, a couple of beers, then to sleep, and in the morning the same shit over and over again. The gigs I'd still somehow manage, but I was tired of all the shit surrounding them. In the words of the famous Finnish songwriter Juice Leskinen: "travel, travel, travel, travel, from diesel's fumes to the disco's tunes." Even stepping on stage anymore had all the excitement of taking a shit. I'd often wonder what the hell I was doing here any more. I was at the point where it was wisest to quit.

Once our phone thingy had gotten wind under its wings. I told the band guys in August 1998 that I was giving up playing. I'd honor all arranged gigs to the end of the year. It was the toughest decision in my life so far. Somehow I'd grown attached to the band and to that way of life. Even the future was slightly horrifying. What if everything screwed up? In addition, I have always had the delusion that everything stops if I'm not personally present. This is of course the largest load of crap imaginable. Gradually I started to accept the actually pleasant truth that others can plan and do things even without me. And that's good. Life is all great co-operation.

My departure was made tragicomic by the fact that after all the world's famous and historic venues my last gig was in Turku, Finland's second largest city. On the nineteenth of December 1998, the Cowboys performed at Turku's Elysee Arena. All I can say is, shit. So it ended in Turku.

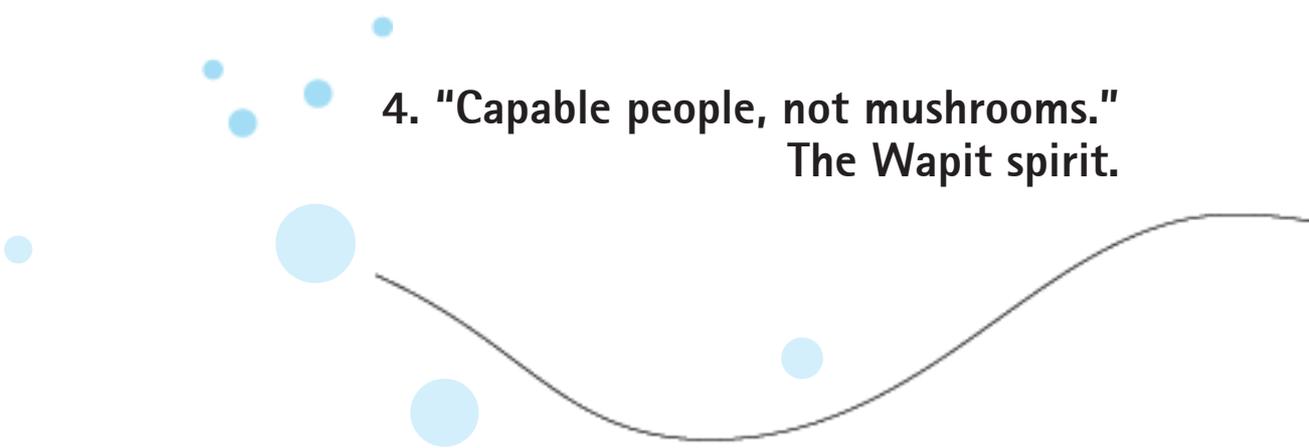
We made no rush to announce my departure. The Cowboys have always been a band where the individual has no great significance to the audience. It's more like a herd of gnomes that

makes a big stink wherever it goes.

In Finland, though, my change of business was some sort of news when it was allowed to leak to the public a few months after my departure. A whole page in *Helsingin Sanomat*, and several in one of Finland's most popular afternoon rags. They came up with five whole pages of babble.

Not once have I missed working in the band. I haven't even had time to think about the whole thing. The Wapit ride was so intense that I could hardly think about anything else.

The Cowboys is a fine band and the guys that play in it are important people to me. As I write this, the Cowboys are still going strong. Shows are sold out and the train steams on. I wouldn't even imagine joining any other band. Been there, done that.

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**4. "Capable people, not mushrooms."
The Wapit spirit.**

The traditional termination notice in bands is to stop the bus at the point where the situation becomes unbearable and for someone to give the magic command to the poor musician to be removed: "Out." These oustings usually aren't challenged in court. The poor musician either returns humbly to the band as if nothing had happened or finds a new band. Life goes on and rock keeps on playing.

Things weren't as simple in the business world. Employment contracts included clauses to protect the worker, such as defined vacation, end-of-vacation pay, and health care as required by law. There were also, of course, horrible threats about non-disclosure and non-competition. You knew when hiring someone that you would only get rid of him by paying his termination period's salary. Totally unknown concepts in rock bands.

Time passed quickly. We got furniture, computers, refrigerators and microwaves for the Atom Street office and got the workshop going.

Right from the start, the spirit was to make decisions together and stick to them. We made plans, and everything was even written down.

Markus Aurala, recruited to Wapit in November 1999, described his first experiences:

Wapit's relaxed atmosphere, which I hadn't been used to when working for large companies, had the greatest effect on me. Everyone seemed to know each other and people shouted at each other across the office, asking questions. The attitude to work was very entrepreneur-like and at least I had the feeling that together we were building something great and unique. We had a clear mission and everyone was contributing to moving it forward.

I think that an extremely great thing at Wapit was that no one in upper management even tried to be above us workers. Everyone had the possibility of discussing issues on their minds with the Managing Director or with Mato whenever they wanted to.

Jouko Vierumäki

Pekka had seen Linus Torvalds in the Helsinki World Trade Center while searching for new employees, and though Pekka wasn't previously acquainted with him, he had no problem whatsoever going over to chat.

Pekka told Linus about our company and our goals and asked whether he knew anyone good to run a technology project.

Enriched with Pekka's business card, Linus promised to think about it. A while later he had run into his friend Jouko Vierumäki in one of Helsinki's many Irish pubs. Jouko was left with the detective work of finding "Wapit, or something like that." Linus had already managed to lose Pekka's business card.

Somehow, though, Pekka and Jouko managed to arrange a meeting.

Even with his mouth taped shut and his hands bound, Pekka can talk circles around just about anyone, and so soon I was introduced to our new project manager.

Pekka didn't realize at the time that he was also digging the sand out from under his own feet. He and Jouko view the world through slightly different lenses, which caused conflicts later on.

Hannu Bergholm

To our surprise, Antti Piippo spent a lot of time on Wapit in the early days. We sat with him in meetings many times a week. He quickly realized that Pekka's and my energy was clearly directed towards everything but accounting issues and studying numbers. In one meeting in the winter of 1999 he politely but decisively proposed that we might be interested in meeting his good friend Hannu Bergholm, who could briefly look over our calculations as a sort of consultant. At that time ideas were received with enthusiasm, and so this one, too, was deemed a worthy thought. We were living in a "yes, yes" period.

Hannu had a very strong business background and his specialty had always been contractual negotiations and playing with numbers.

I don't know if Hannu has ever regretted joining us, but right from the start he was significantly more than merely a consultant watching from the sidelines. He started doing a tough job whose final result would be seen later during the wind-up of the bankruptcy estate. It ended up being two and a half years of round-the-clock work, pressures, pain, a hell of a lot of money lost, and much travel away from his family.

And still he claims with a straight face that it was nevertheless a valuable experience.

Take this much as a brief introduction. We'll return to Hannu many times in this book. He became one of the most central people in the Wapit story.

The gang starts to tire

Flexible working hours resulted in some amusing effects. Regardless of what hour you

came to the office there would always be people at work. Some preferred to work at night because there were less distractions then. You could concentrate on your section of code in peace. In the beginning, I thought the guys had come to work before me, which was when the rooster crowed.

For some reason the guys never made a point or bragged about having been at work all night. There the poor devils had stared at their screens while others slept. And even in the morning they didn't go home. Tables flowing with pizza boxes, empty Coke bottles, and cans of Battery energy drink. Every bloody night.

It's a strange feeling, comparing my own condition to these zombies. Here's me, just having had breakfast and a shower and ready to make miracles, and these guys are yawning and babbling incomprehensibly. Nevertheless, they were clearly pleased with their achievements.

At Atom Street there was a sofa set where you could take a nap if you were really exhausted. The Wapit sergeant-major and company mother, Mari Pehkonen, was one of these night owls.

Mari joined the company right from the start, as a jack-of-all-trades. Actually, in the beginning, she did everything. Everyone else was in a rush to change the world.

That gift to the company from a little town in eastern Finland would often be shaking the sleep from her eyes as she came to work, and the sofa looked just like someone had just slept in it. She would bid good morning with a generous eastern Finnish accent and put on the coffee.

The barefoot Mari's cunning objective was to get that dialect of hers to become Wapit's official working language.

Later on, the night shift became professional to the degree that they built a real resting room, which even had a few beds.

Even though these people were young, this kind of schedule eventually shows. It's not surprising that some had a slightly searching and languid look. These phantoms set off alarm bells and we urged them to reduce their nighttime work. Later, we had to broach a truly sensitive issue and hint that excessive consumption of Coke and Battery was not healthy in the long run. Might they reduce consumption of Coke to, say, one liter, and Battery to a half per work spell?

Our suggestions had about the same effect as if we had recommended that famous Finnish film director Aki Kaurismäki stop smoking, even though he has been smoking since birth.

The night shift continued. For many, flexible working hours meant that you could work as much as you were able to. The matter should have been handled more strictly at the time. The fuse was burning, and we should have caught the smell of its bitter smoke.

Commitment

In order to keep people working in any company, they have to be kept satisfied. Especially in industries where competitors lure your staff daily with boxes of chocolate and bunches of flowers in hand.

It's even fair to think of ways for everyone who has contributed to a company's success to enjoy the fruits of labor, in fame or in cash.

My own philosophy has always been that you shouldn't have to do a single day's work with dickheads, and I believe that most of the Wapitees shared my philosophy. And thus one of the most important ways to keep good people in your company is not to be a dickhead.

Here's another difference between company life and band life: In a modern-day company, if the employees complain that the toilet paper is out, it's management's responsibility to take care that the paper shows up bloody quick and to promise that it won't happen again.

In a band this asshole would be advised either to wipe on his sleeve or to get the fucking paper himself.

Flexible working hours and no secrets in company matters were already our holy values. We had capable people at work, not mushrooms that could be managed by being kept in the dark and fed shit.

But people aren't kept on board solely with openness and by not being a prick. They also need to be brought to the same side of the table.

Options were our solution to this dilemma.

It took the first proper rebellion, though, to figure this out. A couple of boys sent an open letter to the Wapit board of directors. To some, this letter might have felt like these guys were fucking with us, but after we recovered from the shock, we found that they were right. According to the boys' message, Wapit was

"a hell of a good thing ... except for four small things:

The CEO – undoubtedly a good musician on occasion but surely you realize that he can't manage what this is going to be

The other founder: get him off our backs

The project manager: has to be fired immediately or everything stops

oh yeah ... and we need to be shareholders

Otherwise pretty good "

In order to bring back the peace and atmosphere to the office, we started to develop an employee commitment program in May 1999 that addressed the much-discussed options. The problems with the CEO, the other founder, and the technology project manager would be solved in time.

Jouko acted as the employees' spokesman. He was afraid that he couldn't keep his team (and himself) motivated without anything more than salary compensation. Wapit's fate was in the hands of those employees who hacked at computer keyboards. And they knew it.

The situation had changed quite a lot, when motivation was spurred on with bonuses. However, sales were lower than they needed to be, at least for the salespeople to become rich. How would the nerds get their bonuses?

Jouko's basic argument was that the group was satisfied with the company as such but that there was still much to do. The employees were looking for the opportunity to influence things – to take responsibility and make the company a success.

Of course, the gang also wanted to create a safety mechanism for themselves. Especially in the case where some big company were to buy Wapit out from under them. It wouldn't be surprising if it happened. If anything, it was assumed. The employees wanted to get their share; they wanted seed money with which to continue their lives or to found something new.

They also wanted a slice of the equity if the company were listed. Getting listed on the stock exchange was in the air. Queues would start to gather in front of the underwriters' doors in the small hours of the morning any time any IT company was listed. Everyone was looking for quick profits without even knowing precisely what business they were investing in.

Options are trickier than you'd think. The old Russian proverb says there's no free cheese except in a mouse trap.

The problems were discussed with the gang and apart from minor complaints I reckoned they understood the situation. Everyone wanted to move toward the idea that this ship is driven together. And that was just fine with us.

However, first the company had to be refocused, then key resources and financing needed to be secured, and only then could shares and options be handed out. Everyone knew what kind of effort he or she was committing to.

For the purposes of the option program the firm's current value was calculated and approved, by complicated and who-knows-what kind of occult equations, to be about a hundred million dollars. That is, for the employees. Wapit would never have been sold for such a low amount.

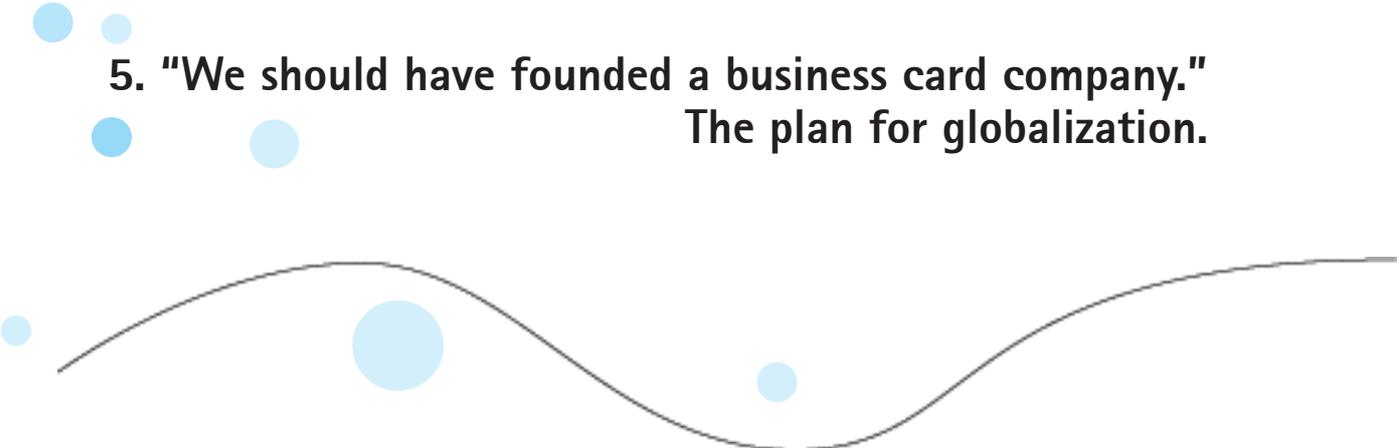
By this arrangement Wapit would have everything necessary for the journey to paradise: a hell of a good idea, a little bit of capital remaining with more being shoved in the doors and

windows, and, most important, a committed team.

Our entire fortune was in those guys' heads. We would be nothing without technical and creative minds. And these guys would not look well upon success if it meant admiring management's Ferraris while munching on dry bread.

Wapit's owners never considered it a problem to hand over a slice to the doers. On the contrary.

We agreed at that stage that once the option program had been implemented, 20% of Wapit would belong to the staff.

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5. "We should have founded a business card company."
The plan for globalization.

"Improbable as it may seem, Mr. Valtonen is part of a very serious rush across Europe into wireless data services that is keeping the Continent, along with Japan, well ahead of the slower-moving United States."

The New York Times, July 27, 1999

At one of the meetings we held at Piippo's place, he drew a diagram of a business plan with a ballpoint pen. It would have made no sense to an outsider. I tucked it tightly away for the history books. Amazingly enough, there was barely any need to depart from that paper's basic idea at any stage.

We would set about to become a global player. We would duplicate our Radiolinja concept and offer complete technical solutions for our customers, who would be wireless carriers from all around the world. It was the classic franchising model.

In franchising, the business model is rented and co-operation agreements are made on that basis. We would duplicate the whole system with all its ideas, programs, upgrades, contract templates, marketing concepts, and content. A wireless McDonald's.

The only difference from our Finnish operations would be that we would always need a partner in the target country to help us acquire local content. It might be difficult for us to find a local joke writer or someone responsible for bus schedules in Singapore. The franchise businessman would find them and update the content, and then we would share the money we got from the carrier with him. Our partner would adapt our components to local conditions. We would change all our Swedish jokes into Finnish jokes for the Swedes. Programs designed for horse racing would also work beautifully in camel races. Fine-tuning.

In any case, turnkey delivery for the customer.

And again we sat in meetings. Not many franchising concepts have gone out into the world from Finland, and so once again we were involved in something that really hadn't been tried before at these latitudes.

Now, though, we were selling software and ideas, not hamburgers. And ideas are the easiest to steal. The biggest challenges were protecting the business and keeping the customer a loyal payer of bills.

Mobile Wonderland

Foreign journalists started running around Finland in the spring of 1999 by the hundreds.

The Ministry for Foreign Affairs, the Finnish Foreign Trade Association, and Nokia introduced Wapit to them as a company worth interviewing. And interviews we gave. The world's leading papers like *The Wall Street Journal*, *The New York Times*, *Red Herring*, *Newsweek*, *Time*, the *Herald Tribune*, and *U.S. News and World Report*, to mention a few, sat in our office marveling at our head start on the rest of the world. To say nothing of news agencies, smaller papers, and TV and radio stations.

The publicity we received, if bought with cash, would have undoubtedly cost us millions. I was already doing more PR jobs than actual CEO work. It felt like this opportunity should not be missed. And indeed it shouldn't.

Scandinavia should have taken more advantage of the times. With better co-operation, "Mobile Silicon Valley" could have been set up on the Helsinki-Stockholm-Copenhagen axis. Then everyone would have won.

Americans in particular were totally caught with their pants down in the wireless technology race. Even text messages were totally unknown to them. Our Northern head start was roughly a light year. Americans marveled at our progress. They openly and completely admitted defeat in their articles. Accounts of wife-carrying, boot-throwing, and other swamp-running competitions increased interest in Finland. An utterly mad people that danced the tango and loved the sauna, and only grunted before the mobile phone was invented. But they were unquestionably the world's leaders in technology and the number of Internet connections and mobile phones.

As practically the only export band in Finland at the time, the Leningrad Cowboys neatly complemented Wapit's peculiar image. A Coca Cola machine that worked using text messages provided the finishing touch. Wireless Disneyland.

That would have been a million dollar opportunity. To brand Northern know-how. But I guess everyone was too busy with their own projects. Maybe it's not yet too late. Much would have to happen on the co-operation front, though.

The journalist army has already decamped elsewhere writing other stories. They would need to be stirred again.

But we are still proud of Finland, even though the rest of the world may be catching up with us. As a test field Finland is splendid. Just about everyone has a mobile phone and an Internet connection. Whatever you do, feedback comes immediately and very extensively.

Finns also become quickly excited about experimenting with anything related to communications and the Internet. Maybe the long, dark, and cold winters play a part in this.

Here we're also critical about the operation of services and networks. Quality must be kept up. For example, it is really no longer acceptable for a mobile call to be cut off mid-call. It has long

been intolerable and odd in fixed wireline phones. Now there's a challenge for mobile carriers.

Speaking at conferences

I became a sought-after speaker at all sorts of events. At the start, I was flattered when I was asked to speak amongst professors, CEOs, or other legends of the field. Some even suggested topics for the presentations, but it was flexible. Just as long as I showed up.

In the company, we calculated that participating might be advantageous, and Pekka the motormouth ran through them with ease. I quickly tired of the time they wasted. And the ever-growing piles of business cards. You could heat up a Finnish wood-burning sauna several times with them. Why the hell do you have to dig out your card even if you just meet someone in the hall or stop by an exhibition stand at the same time? And later you have absolutely no recollection whatsoever as you stare at some card with a strange logo and a completely unfamiliar name. It brought canine territorial marking to mind. Every bush is marked with a message to other dogs. "Spot was here."

We should have founded a business card company.

I'd let out white lies like "Sorry, but I've run out, you use up so many here that I wasn't prepared," with a stack of cards bulging in my pocket.

The cards bring to mind the boys of the legendary band Jethro Tull. I once exchanged phone numbers with their figurehead Ian Anderson and bassist David Pegg. I made the cardinal error of pushing my freshly printed cards on them. They almost shit their pants. Mato Valtonen has a business card! After pitifully amused expressions and snickering/sniggering/giggling they scribbled their names on some scrap of paper torn from the corner of a newspaper and said that that was how English *men* did it.

After that I have handed out cards only when completely sure that the recipient really is one of those harmless card people who just need to collect the whole series. Or if it's a person I really want to call me back.

My first speaking trip was in Frankfurt, in early autumn of 1998. There was some kind of save-the-planet cat christening and they also wanted to hear something about this new way of using the phone. There really weren't any other companies in the business, and because I was already somewhat known in Germany due to the Cowboys, I was invited.

I decided that my stage costume would be a leather jacket. There were already sufficient suits and ties present. That uniform I would not wear.

I started by telling the deathly-silent audience that my speech would not be as technical

as those that had spoken before me, but that at least I knew how to handle a microphone and how to talk into it. That broke the ice. I, too, relaxed and then preached to my heart's content about how Wapit was going to completely change all their lives, and in just the next few weeks.

Even though I was already used to performing before audiences of various sizes, the situation was now different. Wise words and blood-curdling PowerPoint slides were the norm for speeches. It would always easily take a day or two to prepare the presentation, and another day for the actual exhibition. It was easy to waste three or four days on a foreign speaking trip.

With mouth foaming, I'd usually tell about the future of wireless services and about how soon no one would be able to manage without them. And of course I'd remember to mention often, and with impressive turns of phrase, about Wapit's excellence.

Or then I'd just talk about creativity in the IT business in general. There was plenty of that.

Naturally, it would have been more useful to do work at the office, or, say, to give interviews to French newspapers.

Speaking engagements are also lousy because they are often booked far in advance. Then the brochures and ads are printed and are efficiently distributed to companies all around. I'd often get on their front pages with a picture. And then if all of a sudden I had to travel abroad to meet a customer and the engagement had to be cancelled, it was a big hassle in all directions.

Eventually I developed a ready response on my computer politely refusing these requests. In Finnish and in English. Copy-paste that into the response mail, and all I had to do was change the recipient's name.

The world's first WAP services

Once the phone manufacturers started to compete in the WAP boom, they rushed to get something ready for the GSM World Congress to be held in Cannes, France, on February 25-27, 1999. This is the industry's top event, the launching pad for new products.

Nokia had plans to display a working version of the 7110 WAP phone. Of course, the phone also had to have working services and here we saw an opportunity to be seen by the world.

Nokia gave us the opportunity to provide a few of our services for their demo and to unofficially hang around their stand presenting them. Colorlessly, odorlessly, and tastelessly. Our brochures had to be under the table and our logo could not be visible anywhere. However, it ended up being visible – in the best possible place.

Atom Street started to buzz. It was really important for Wapit to get those few services running. Our honor and reputation were on the line. If a company called Wapit couldn't set up a

few simple WAP services, we would be laughed into the swamp. At least that's what we figured.

At the fair we had a fright when just about every phone manufacturer was strongly marketing their new WAP products. But luckily only on paper. One phone manufacturer in particular boasted that they were the world's first provider of WAP applications. Martian-looking gals by the dozen handing out brochures that unashamedly touted their technical lead. But no phones to be seen. Except in the brochures.

Nokia was the only company that was able to demonstrate a working phone. And there hid our promotional bomb.

The customer saw three things when they went to the phone's main menu: CNN, GIN, and Wapit. Services were chosen from among these. It was the first time that WAP services were demonstrated publicly. Under the Wapit logo there were horoscope, weight index, biorhythm, and Helsinki metropolitan area bus schedule services.

Once again Pekka and I almost burst at the seams as we proudly demonstrated the services to customers. "Have you seen this? First WAP services in the world. Look at here, you can see our logo. Yes we are co-operating with Nokia. Yes, yes, one of the leading companies globally."

And again we negotiated from morning 'til late at night.

And, of course, off to Nokia's megalomaniacal party after babbling all day.

At least I managed to go to that party as other than a performer. The Cowboys had performed at dozens of Nokia's happenings, including two or three times in the tent at Cannes.

A business trip to Italy

One of my all-time strangest business trips was a sales visit to Italy's largest carrier, Omnitel, in May 1999. Maybe the Sleepy Sleepers' record company and booking agent trips to Helsinki from our home town Lahti were in the same league. In those days we'd stop by a liquor store by half-way, at the latest.

On the other hand, at least the records and concerts sold well.

On its introduction trip to Finland's Mobile Wonderland, Omnitel's management had also made a visit to Wapit. We proudly showed them our products, plans, and our office. Their interest was aroused and we connected.

Soon it came time to go to Milan to take the negotiations to the next level. We could hardly hook a larger fish than this. Ten times the size of Radiolinja and growing at that time by almost a million subscribers a month.

We worked out our tactics with the Nokians. After all, this was in their interest as well. They had their own cow in the ditch. At that time Nokia wasn't really providing any services

themselves, and it would be to their advantage if a co-operative party were to provide them.

In addition to myself, the freshly hired sales director and sales manager went as well. After all, it was their area of responsibility. I would have wanted our more experienced technical director Jouko to come, but he had a different trip arranged.

We prepared as best we could with people who had only been at work a few days. Go get it, boys!

We got to our destination, and we reviewed Italian negotiation culture at Nokia's Milan office. Reputedly, everyone arrives terribly late and spreads their arms, saying "trafico" to complain about the traffic. Nokia had had many discussions with Omnitel and we got the impression that our products and services were precisely what Omnitel was looking for. After the quick training course, we believed that we would come through the meeting of cultures with honor.

At the appointed time, we went to the Omnitel office to sign in as guests of the director of development. We had already met Guido a couple of times in Helsinki. We were told that he was in the middle of another meeting: we would have to wait a while. A nearby restaurant was suggested to us as a more comfortable place to wait.

We went there and to our surprise, Guido was there having a stand-up meeting with some customer. He wasn't particularly pleased about meeting us and complained about being busy. He was clearly irritated. Nevertheless, he sent us to talk to some technical guys. Told us that he'd be coming to Helsinki in the near future and that we could meet then. This meeting, however, would be more technical, and he didn't need to be part of it.

We were pissed off. Including travel, we had reserved four days for this meeting and come to the other end of Europe, and the old man couldn't care less about us.

Right from the start, the discussion with the technical boys turned away from the issues that the preparation with Nokia had allowed us to assume. They completely caught us with our pants down by asking mainly very technical questions, and in our opinion, completely irrelevant questions. Our sales director, who had also boasted himself to be a technical virtuoso, wasn't at all familiar with our products yet. After introducing himself he didn't manage to say a single word. Nor was our sales manager any help. Having become the de facto speaker, I tried to get out of the fix by turning the conversation in all possible ways to content and concepts. I didn't feel at all at home.

When we left the customer, we had somewhat confused feelings. Is this how deals are made?

The only remaining official part of the trip was a dinner sponsored by the Nokians. By then our sales manager had already let loose and relaxed in the company of a glass of beer. And the aperitifs were popular at dinner.

Chatting in the company of good food about our products and about working away from your home country, our sales manager was hit with a longing for foreign places. By now in quite a state of inebriation, he started to proclaim in a loud voice: "Fuck, I want to go abroad. Shit, I love foreign countries. Can I resign from Wapit? I'm going now!" This company-image enhancing splutter from the midst of a cloud of cigarette smoke raised my blood pressure into the red. And the waiter brought more grappa to the table. In classic Finnish style, the guy was utterly smashed at the business dinner.

Undoubtedly, our hosts still say thanks in their evening prayers for every day that they haven't seen us.

Afterwards at Wapit we thanked the Lord that we hadn't started any partnership with Omnitel then. We wouldn't yet have been able to deliver on our promises with honor. If we had screwed up with them, the bell would have rung hard and long.

Kannel

While I was giving presentations and interviews and touring the world, the prodigious Paananen and Vierumäki children were already having their digital conversation on new visions. Zeros and ones flew across the table at such a rate that often I didn't understand a single bit of this code language.

You could even see a bit of competition between Vesku and Jouko over who was cleverer.

Of course, they knew my level of understanding and occasionally simplified their brilliant insights. I always pretended to understand.

One of these nuggets was a thought that Vesku must have originally mentioned in spring 1999 about setting up an open source project like Linux but in the wireless arena. He and Peter Vesterbacka, who worked for Hewlett Packard, had come up with this royal idea in some bar in Montreaux over a couple of glasses of wine.

The idea was to start to build the WAP protocol stack in such a way that its source code would be available to everyone. Thus, as opposed to commercial software, anyone could see how the program was built.

Jouko got excited about the idea – so much so that even that goal, ambitious in itself, wasn't enough for him. A WAP and SMS gateway would have to be built, one that would connect both SMS and WAP phones to the Internet. Surely the eight-person Wapit of the time could pull it off!

A gateway is normally a computer the size of a refrigerator that directs your text message to your friend or your service command to the right place on the Net or in some database,

fetches the information, and directs the stock quote or the bus timetable back to your particular phone. There are enough of these machines lined up in the operators' machine room that they are capable of handling all the Christmas text messages and peak times. WAP technology would bring a whole new update to these gadgets.

Gateways are sold and manufactured by Nokia and Ericsson, for example. And they aren't cheap.

This was the project we should strike upon. Open source is source code that anyone can download from the Internet. It also has many developers, but someone, in this case Wapit, coordinates the whole worldwide developer network. This large group puts their heads together and things start to happen. After all, this is how Linux was born. Rebel code that's a thorn in the side of even large houses like Microsoft.

Open source projects have several characteristics that differentiate them from proprietary projects. One of the most important is to infuse a good spirit into the developers.

In the Atom Street meeting room the boys assured us others of the workability and importance of open source. This was a product we were missing. And the WAP standards were practically screaming for one.

Every operator has a different brand of gateway and Wapit's technology would always have to be customized to each model. But if we were to offer operators software that would seamlessly communicate with their contraptions, bypass them, or even be an alternative to them, then we would really have the advantage. Thus it would also help Wapit's business.

The boys handily brushed aside our stupid questions, like how the project would be financed, by assuring us that financing would be easy to get, even many times over.

But why create such a product in the first place, whose source code anyone would download anywhere and freely use?

For the simple reason that operators would still nevertheless order it from us, because we would give support. And besides, we would push for the code we created to be the industry's standard, on top of which even the big manufacturers would eventually build their products. For this reason we should also join them in the gilded pigsty, the WAP Forum, whose membership fee was a paltry 30,000 dollars a year. There we would present the project and, once it was ready, aggressively push for it to be the industry standard.

There we then sat and pondered whether to set up a project whose costs would potentially be up to two million dollars, including all membership fees and travels. And all the while with another ongoing development project worth several million.

On the upside, as coordinators of that open source, we would be the mother of all the world's service providers. Honor, glory, and customers!

Jouko hoped to get Mr. Lars Wirenius on the team. Lars had been an important person in the creation of Linux. He had years of experience in Linux development, free software, and just about every tool related to the project. Had worked as a teacher and a research assistant at the University of Helsinki and at the University of Technology in Espoo and had participated in various projects revolving around Linux for a decade. People in the business knew him as "General Linux."

These guys had a real grip on open source thinking.

The green light flashed and off we went again, believing that more than enough financing would appear.

We went to work immediately. Right away we started thinking about which WAP Forum meeting the project would be announced at. It had to be done fast, before someone else had the opportunity. In other words, we had to announce it at the next meeting, which was in San Francisco in June 1999. By that time, we'd need a proof-of-concept text version ready as well. The WAP version would be completed later. Most important was to announce it and to say that Wapit Ltd from Helsinki was coordinating the project.

All we still had to do was join, bring Lars around, come up with a name for the child, and get Linus Torvalds to be a guest at the launch ceremony.

It cost money to be a member. Thirty thousand dollars was a bit steep, but it was the only way.

Lars was easy. I don't know what Jouko promised him. Admittedly, Lars only committed to joining for a fixed time in order to get the project off the ground. That time later stretched to "life." Lars stayed on board until the end.

In coming up with a name, I didn't even try to interfere. I left it, justly, to that devout group of Linux believers. Their child.

At the start, they considered "Espoo" for a long while. Figured the name of this neighbor city of Helsinki, known for its technology companies and affluent residents, and the location of the Nokia headquarters, described the product well. Everything also goes through the gateway as quickly as possible, nothing can stop.

They finally settled on "Kannel," a wonderfully tuned wooden string instrument, indigenous to Finland, with a beautiful sound. Pronounceable in all languages and no other product in the world had the same name. The Kannel name has continued to live on since the death of Wapit.

We decided to launch in the presidential suite of the WAP Forum conference hotel. And it only cost like hell. In addition, eight Wapitees flew over. Just about the whole company. An important event.

Linus also promised to show up, but we didn't mention his name in the invitations. It would not have been appropriate, because Linus is like a bar of soap with Linux's free code. A person that you can't get a proper hold of; rather, he has to be neutral and always slip through your fingers when someone tries get a grip. He could not be the front man for our project. Though admittedly whenever we handed out an invitation to our event we would mention that Linus would be dropping in.

The hotel's list prices were salty enough that we really had to think about what we would serve our guests. We ought to have good food and drinks, but at these prices our money would only buy raisins and water.

On the other hand, there were liquor stores downstairs on the street, and in America, drink doesn't cost much in stores.

And so we took plan B into use. We bought bags full of beer, wine, liquor, and chips from a small store. Then we lied in waiting for a moment when the receptionists or guards didn't notice, and slipped into the elevator. And in the suite we hid the stuff in the closet so that the maids wouldn't see. And then a second trip, and a third, and a fourth, and so on. I don't know how many times we went there, but the sales clerk was all sunshine and claimed that we had bought as much alcohol as he normally sells in a month. We carried enough that we were drenched in sweat afterwards. Although of course, you never complain about the weight of bags of booze, and we didn't complain then either.

Elsewhere the other guys were looking for appropriate guests to slip invitations to, without forgetting to mention Linus's attendance. We were aiming for a few hundred important people.

The evening approached, charged with expectations. Peter Grönholm of the Kannel development team and I were to act as service staff, in addition to socializing. The others would focus on presenting Kannel and other revolutionary Wapit products. Peter showed up in his confirmation suit and without glasses. At first I didn't recognize him in this unusual attire and I thought he was our first guest.

The laughter didn't last long because we were in a hurry to get everything ready.

The chips, olives, disposable cups, and drinks were laid out between the computers as finely as only a herd of men is capable of. Beers cooling under cold water in the bathtub and sinks. Would anyone come? At least we had something to drown our sorrows in, if no one showed up.

Ridiculous numbers of people started to show up in waves even before the designated time. Soon the whole suite was packed. We estimated that at least 95 percent of those invited showed up.

Peter and I poured drinks like crazy, but the queue at our station just wouldn't let up. It was so hectic that for the first hour I didn't manage to socialize with even a single customer.

And then the fools took me for a hotel waiter.

The boys presented the pearls of our development work by telling the same story over and over.

The project got the attention it deserved, and, the guests indeed got to see Torvalds in real life. Wireless open source was now earmarked for Wapit. It became a brilliant and emotional project.

Almost two years from this launch, the WAP Forum certified four WAP gateways in the world. Kannel was one of them. The others were our small competitors like Nokia and Ericsson. Kannel was, of course, overwhelming in its performance.

I have one more story from the Frisco trip, about the compatibility of Microsoft's software. Just for the joy of Wapit's Linux fanatics.

Microsoft sponsored a truly wonderful trip to the Alcatraz prison museum for the conference participants, and dinner at a harbor restaurant on top.

At dinner, the guests received two bottles of good wine as gifts, one red and one white. Beautifully packaged and even a bottle opener included. Yes, a bottle opener, not a corkscrew. You would have been able to open a bottle of orange soda or beer with it, but there was a problem with a wine bottle.

Presumably, the bottles were intended to be opened at home, but every now and then Jouko surprises you. Clearly amused by the bottle opener, he had to get his own bottle of red wine open by any means. Apparently this kind of thing wouldn't happen in Linux. The waiter kindly lent his own opener, and to the enjoyment of the other dinner guests, Jouko made a show out of sucking down the entire bottle. In a couple of swigs.

For once, the Linux man got something from Microsoft that felt good, even though it took borrowed tools to open the program.

The marketing scooter gets out of hand

By all accounts, WAP technology should have been a big hit. However, around the time of the February Cannes exhibition, the marketing and communications started to go off track. Just about every company went onto the freeway with a scooter. The cause: totally underestimating the end user.

At more than half the exhibition stands, companies were snapping their suspenders about how they would be the one to bring the Internet into every fellow's pocket.

And everyone started waiting for the arrival of the Messiah. "Will the Internet really come

to my pocket, too?" thought the deluded masses.

Only a year later did a few of the largest companies succeed in getting their phones into stores. Just few samples. By now the public was really desperate. They clamored desperately to get one of the magic appliances in their hands immediately.

By this stage, small firms like Wapit that were building services had already invested a year of development effort without a clue as to when the first WAP dollar might be billed.

But what happened then? If the public is told with grand gestures that the wireless Net is the future and that everything is going to be easy from now on, you don't have to be stupid or even easily fooled to assume that now all the wonders of the Net are gonna be right there. By God, you can run the whole world from a tiny little phone.

Bullshit. When you finally get your hands on that magical device and start to check out the services, to your surprise you're waiting for minutes just to get to some menu that has a few titles. Then you wait some more, and if you're lucky and your connection holds, you can get several new menus and after a long wait, a TV guide or joke menu, from which you can wait for program information or a joke. By this time you've spent several dollars and in no way do you feel like you're on the Internet. I stared at the "Connecting to service" text so much that I couldn't be bothered to try out WAP services except when doing a customer demo.

And then the general complaining began. Catch phrases like "WAP's a flop" chipped away at the technology's reputation.

The word "Internet" should have been left out of the whole marketing show. Even though the Net was used for fetching information, it was only one of the mediaphone's tools. Some just thought that it was so easy to sell using that word. And sell they tried. The whole exercise felt hysterical.

If wrong impressions had not been created right from the start, people might have understood that we're on the first step and that this is just the start of a development that might potentially change many things. Someone wise has said that the Web is like a buffet and WAP is like room service.

But the damage had been done and the negative ring won't be shaken from the word "WAP" for some time.

Wapit also sensed that its named caused ill will and considered changing it. New suggestions were hotly debated.

The Japanese didn't start building their mediaphone on top of WAP technology, but developed their own system. NTT DoCoMo decided in 1999 that their services would not be called the Internet, but I-mode. At least there they got it right.

As a technology, WAP will form the basis of many future solutions, but in order for it to

work in the desired manner for end users, it needs many kinds of updates. Firstly, network upgrades. Data transfer rates must be raised to a whole new level and the phones must offer new features, such as better color screens, cameras, and geographical locators.

It has to be simpler, faster, and cheaper to use services. Preferably even become completely free. Advertising should make this possible.

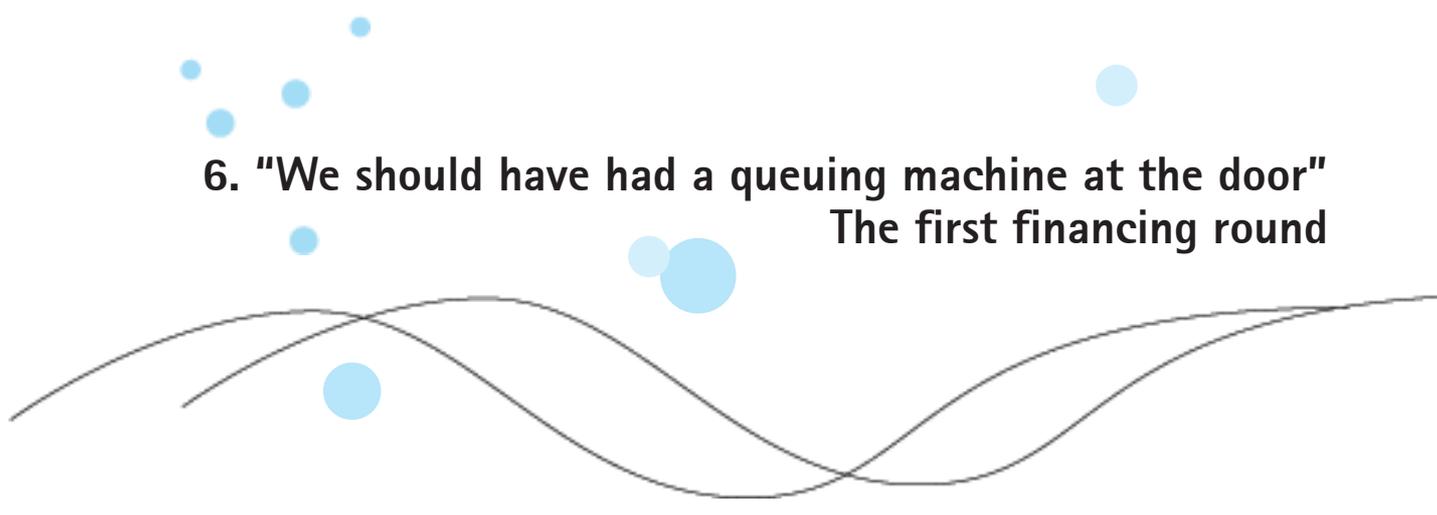
Users also have to change. They are used to getting lotto numbers from TV or the newspaper. It takes a certain amount of time to learn new habits. But new generations will come along. These apes will adopt new habits that we can only guess at.

All this will happen. Only a little bit of time, effort, money – and, unfortunately, bankruptcies – are needed. The pioneer's lot has never been easy.

As I write this book, we're at the stage with the wireless Net where the Internet was in 1995. Difficult, slow, no devices. And not really any content, either. Just a belief in the future.

Prejudices have also always been an obstacle. When the first automobiles were developed, experts estimated that humans could not withstand speeds of more than fifty kilometers an hour. Even in the early Sixties IBM predicted that the world would not need more than five computers.

Once again, we return to the ten-year pizza theory.

A decorative graphic consisting of several light blue circles of varying sizes scattered across the page. At the bottom, there are two overlapping, wavy, light grey lines that create a sense of movement or a horizon line.

6. "We should have had a queuing machine at the door"
The first financing round

"Wapit pushes all the right buttons."

–Tornado Insider, May 2000

The first time I got a feather-light premonition that this thing might screw up some day was when the Association for Finnish Work's Golden Key committee decided on October 12, 1999, to award me with a Golden Key in recognition of "a significant, unprejudiced and supportive contribution toward building Finnish society." And even for the first time to an individual, not a company or organization.

My uncertain feeling didn't come from anything wrong with the recognition. I was very taken by my golden key. After all, in addition to everything else, I had received awards before, so accepting it came naturally. Ages ago the Youth Board of the city of Lahti handed Sakke Järvenpää and me 2,000 dollars in shared recognition of "significant and unprejudiced" work for the good of music in Lahti.

Unfortunately the debt collector got wind of it and signed off for the money on our behalf. At the time he was managing our finances.

But now I was concerned. Even though I don't follow business news with a magnifying lens, I have often drawn attention to how municipality Entrepreneurs of the Year or other recognized leaders often fail in their endeavors within a few years of receiving their award.

There is a natural explanation for this. Awards are given, as they should be, precisely to "unprejudiced and supportive" people. To people that courageously try to create something new, and on the foundation of their idea happen to employ a crowd of people, who possibly also believe in this fool, who fearlessly commits himself and his wealth.

For some pioneers, the jump into the unknown crashes into the asphalt. The bungee cord can't take the intended weight.

Change of managing director

The firm had grown quite briskly. 23 people working in autumn 1999, and the plan was to raise the number to over a hundred in a year. That much more strength would be needed in development, marketing, and sales work in order for us to stay on course.

My skills as managing director were reaching their limit. The job was changing into something of a completely different nature now that my fingers and toes were no longer sufficient to count the crowd. Completely new problems.

Every now and then I would have butterflies in my stomach. To be honest, I was scared by the responsibility for everything, both to the staff and to the board. No way could everything get my personal touch once there were a hundred people at work. Up until now, everything had been handled within the family, but soon there would be several departments that would have to be synchronized to work together. With a small group, everyone does everything, but a big gang really has to be organized into a machine. And a motivated one. I had never done anything like that before. And again I pondered at night with the sheets wet from sweat.

In my weakness I peeped to Piippo and told him that I wished to give up the managing director's position if someone more professional could be found. I no longer felt safe.

In addition, handling the PR and marketing side already took up such a large portion of my days that I didn't even have the time to handle the managing director job. I did promise to continue for even a year, though, if only I knew that the search was on for a new managing director. And the new one would of course have to be the best possible.

Nor did the train that had been already set in motion help my uncomfortable situation: searching for external financing and listing the company as soon as possible. Efforts that required much of the managing director.

The matter stayed at that for some days. Antti sat down with Hannu Bergholm to consider the problem, as the two veterans were often in the habit of doing when thinking about Wapit's future.

They tossed out a surprising proposal at the next board meeting. If the board, in its wisdom, were to so decide, Hannu would accept the position of managing director of Wapit. He was thoroughly familiar with the company, having consulted for it for close to a year, he had the required skills, and even experience in listing companies.

There was a moment of deep silence. I felt how a cold shiver went through my body. Here is Wapit's chance, I thought.

I promptly announced that, for me at least, this was the best possible solution. I could hand over the managing director's cloak to Hannu right away and immediately started out in marketing the next day. I wouldn't need to orientate him for even a second.

The others also nodded smilingly. A unanimous decision was made at once. No use hashing about obvious issues. It won't improve them.

Jouko came and really praised me after the meeting: "You've been the best possible managing director until now." I understood from the friendly "until now" that he had also come to the conclusion that Valtonen's resources would no longer suffice from here onward. And indeed they wouldn't have.

A real hell of a large burden fell off my shoulders. I would continue on the board and in the

management team, and would take the wheel while Hannu traveled, but otherwise I'd get the job at which I'm most at home: making Wapit known.

They who churn out business cards rubbed their hands once again. The new ones would read: "Mato Valtonen, Marketing Director."

An announcement had to be released, of course:

WapIT Ltd Strengthens its Resources

Since its founding, WapIT Ltd has grown to be a significant developer of mobile phone services and service platforms.

The company's 1999 revenue of 850,000 dollars was accrued primarily in Finland. Our staff has grown quickly and was 23 people at the beginning of November.

The company is investing significantly in internationalizing its operations.

In order to build a competitive organization in a fast-growing but highly competitive business, WapIT Ltd's board of directors has appointed Hannu Bergholm (M.Sc. (Econ.), 49) as the company's new managing director.

Bergholm has strong experience in industry, particularly as Nokia Group's Chief Financial Officer, division manager, and member of the Board of Directors.

He is also one of WapIT Ltd's owners.

The company's current managing director and founder, Mato Valtonen (R&R, 44), has been appointed marketing director.

Valtonen has worked previously on building one of Finland's internationally recognized bands, the Leningrad Cowboys.

The company is confident that these changes form an excellent base for international development for the year 2000.

WapIT Ltd

As is custom in business life, Hannu's name was followed by the abbreviation M.Sc. (Econ.), indicating his degree. And of course I also had to put something after my name. My education, however, had been received elsewhere than in a university, so I put down rock 'n' roll as my school. R&R.

Who would we accept money from?

Coming from a completely different line of work, the supply of money was an unbelievable experience. And all the stories about how to get it. Guys in their early twenties spoke of tens of millions just as they would of bread. And it was important to keep your face expressionless while discussing those humongous amounts. Like it was something completely natural. You'd have been a total amateur if you wondered aloud about those amounts even in the least. A million was a trifle in our company as well. We spoke only of billions.

All you needed to do was just slightly hint that now Wapit was ready to take in some money in order to complete its products, and what do you know, you're having to set up a queue for the bankers behind your door.

At the best time you would have needed a queue number machine at the door. Investors, press the blue button, journalists, the red one. Many large international banks. And negotiations with no end.

It felt almost too easy.

The guys were mainly relatively young finance geniuses, whose expensive suits didn't really match up with the cookies in our meeting rooms. And so many meetings were held in the conference rooms and restaurants of the best hotels in Helsinki. Luckily the filet mignon and other slurpables generally went on their expense accounts.

It was really fine, talking with the taste of roast and quality wines in your mouth. Of dollars, pounds, euros, or marks. It didn't really matter, as long as there were enough zeros. Whatever the sums were that we spoke of, you had to be completely natural. Small change to us.

A written business plan was essential to getting money. That magical document into which companies poured their world-embracing illusions of conquest. In business, you now had to be a writer, in addition to being an expert in international tax, a lawyer, and an accountant.

There were even a few companies who had no intention of doing anything besides writing that plan, raising and using the money, and then spreading their hands. And even they got tidy amounts.

The same deal went for both large and small companies. As soon as someone had a good idea, a press release was put out double quick before anything was done about the product itself. It was important to show the world what hole the chicken peed from. You didn't have to think about financing. It was taken for granted.

Often the product was left uncompleted. Only demos were shown at exhibitions and to the customer. There wasn't anything else. One of the company nerds would stay at work the previous night and hack together some kind of gerryrigged contraption, which was then demon-

strated with great fanfare. No one had time to complete their products, because that would have taken a few months and then the products might already be out of date.

The only forum at which software developers would be guaranteed to take their projects to completion was PowerPoint. The presentations were polished, exquisite, revolutionary.

Companies' Web pages also promised much. It was important for them to be splendid. If you invested tens of thousands of dollars into creating your pages and convinced investors with them, you might see tens of millions dropped into your account.

The pages had to be built to be "scalable." In other words, they would be able to handle any numbers of visitors even while standing on their head. In reality the numbers of visitors were such that a machine with the power of a pocket computer or a wristwatch could have handled them. But when you added lots of .com advertising on the sides of buses, the money came rolling in. "Image is everything – reality is nothing."

The investors' tactic was to invest in several IT companies in the belief that from them a few would rise and the others would end up however they ended up. But the few would be enough. Their value could increase a hundred fold. And then the rest wouldn't really matter. And because you can never tell beforehand which will rise, they invested in many almost blindly.

At least we had something in addition to just the plan. We had offices, credible products, income, a few reputable businessmen, and to top it off, one rock dude. There was no problem getting money. We merely had to decide who to take it from.

After careful consideration we granted the opportunity to a rising star, the English-German investment firm named Durlacher Corporation Plc. They weren't even the best dressed of the lot of candidates we met. And we met these finely besuited and scented wallets daily, torn straight from the covers of fashion magazines. Everyone was so damned cool while speaking of "billions."

From our point of view, Durlacher's edge was their research. In the business, their mobile reports were like bibles. Thus we believed in their expertise. And besides, we needed more than just money. We needed contacts, analyses, and information.

To top it off, Durlacher must have increased its value in the stock market by 2,000% in a short time. Many investments in the new economy. This was going to be good.

Hannu started the wrangling over the price of the money and the firm's valuation. We needed a couple of million dollars. Sure, we would have needed even more, but the tactic was to sell as small a slice of the firm as possible at this stage and wait for our value to rise like crazy, and then we'd get a lot of money again by giving up only a few percent of the shares to the next comers. The plan almost held.

The marathon negotiations with Durlacher finally produced results. Hannu and Nick Martin

from Durlacher stayed up late endlessly crossing t's and dotting i's. Afterwards, I asked Hannu how he manages to sit all day in a single room staring at the same piece of paper. He claimed to enjoy it. Apparently it's a bit like an interesting game of chess. Crazy guy.

Finally we got the paper into a form that pleased all the parties and we signed it.

We had a new partner and they had a seat on the board. Board meetings would be in English from now on.

After they paid for their shares, Durlacher owned 6.7% of Wapit. At this valuation the company's price was about 30 million dollars. From the date of founding, our value had thus increased by about 100,000 dollars a day, including weekends.

I got the feeling that it had been worthwhile to go to work.

A Finnish evening newspaper made a fast calculation of the situation. Once they'd found out the number of shares I owned they grandly put 5 million dollars on their front page as my worth.

This started a buzz among my friends, acquaintances, and every other Tom, Dick, and Jukka. Some predicted that with the crowd that worked for Wapit I'd make tens of millions for sure. The news also did its own share in bringing new entrepreneurs to the business. "If that egghead makes millions, then why not me too."

I was mainly pissed off by a miscalculation made by that evening newspaper. Regardless of whatever mathematics they used, they should have printed my worth as almost 10 million. In the stories of that time, five seemed like hamburger change.

I had to explain away that invisible money to everyone, and I didn't order many luxury items or cars. It was just a balloon value, which could change in a day. And if I were to sell my shares, their value would drop for sure. "If Mato doesn't believe in the company, then there must be something fishy going on."

Nevertheless, in the eyes of the public, I was a millionaire. I had about a thousand dollars in the bank. And the mortgage payment approached.

Even my own children asked, "Are we millionaires? That's what they're saying at school." Just try to explain to a ten year-old that the millions are in these shares and that possibly they don't even exist. And that we can't buy anything more than we have been buying up to now.

When I explained that what I owned was a part of the place I worked, the children asked, what does that mean? Do I own the people that work there? How is it possible? And when I said I didn't own people, they wondered, what did I own then. Then I, too, wondered what it was. Bits of code? Just an idea? Even all the computers were leased, and we were in rented offices. Our desks and chairs must have been the only tangible property. Everything else was something inside the computers and our brains. Millions snatched from the breeze, which would melt into

my hands when we tried to sell.

I guess I didn't manage to explain it all to the children very understandably. Bewildered, they turned the conversation to something else. "Look at the dog, he's being silly again."

The money showed up in the account, and that's when Wapit's rapid growth began. Soon we had so many people working for us that we couldn't fit in our offices any more. New recruits were being introduced daily. I was no longer involved in recruiting, especially not on the technical side. Many I only saw for the first time when they showed up for work. Desks and chairs were carried in and a computer set on top. Everybody was in a hell of a rush. The meeting room was always reserved. Visitors of all shapes, colors, and sizes would be sitting there slurping coffee and popping cookies.

Durlacher turned out to be enthusiastic and active, even though Nick showed up for meetings wildly late and completely unapologetic about it.

Hannu, again, had gotten extra energy from somewhere after having succeeded in the financial negotiations. Now we'd start spending recklessly.

In Wapit, the business plan was a paper that would also be put into practice. It hadn't been made just for getting money. If it had been planned for a certain department to recruit a certain amount of staff in a certain amount of time, then it would be done. The board and the investors had approved the plan, so it was kept too. The plan was considered good and realistic. Which it was, according to the knowledge at that time.

And the weather forecast was purely for fair weather and high pressure. Not a cloud to be seen. Now we'd do it. The best people, the best investor.

Pekka departs

Many things had changed since the company was Pekka Palin's and my two-person workshop, but Pekka's speed didn't manage to slow. Half the company ran around in meetings he had arranged, and at he'd often brief me about them with a text message giving the meeting's time, place, the person to be met, and the meeting's topic with some incomprehensible abbreviations. Going in to the meeting I'd still have no clue what we'd talk about and for how long. Or what it was related to at all. Unknown people, too. Only once the guests introduced themselves could I determine what language we'd be speaking.

This splashy style wasn't to everyone's liking. Now the key word was *focus*. It was pursued, and it had to be held on to. No goofing around was allowed. Jouko, particularly, felt that Pekka was responsible for the ideas and he for their implementation.

When we were just Antti, Pekka, and myself, I described to someone the differences between our ways or working with a lumberjack analogy.

If I were to go into a forest with the task of cutting down trees for a sawmill, I'd probably go in with a hand saw, wander and look around, searching for an appropriate tree. Completely feelings-based. When I'd find the "right one," I'd start to saw away at it after having admired it for a moment. I'd take breaks, but I'd be at it for as long as it took for the tree to fall. And I'd be damned proud.

Antti, though, would go there with forest engineers and technicians to map out the trees to be cut down and to plan transportation routes and methods. The next day a crowd of lumberjacks and forest machinery would rush in to cut down and stack all the marked trees. When the designated wood was carted out of the forest, a planting company would come in and plant new saplings to grow according to a precise fertilization and maintenance plan.

Pekka's tactic would differ decisively from the others. He wouldn't take any kind of saw with him, he'd just jump in the trees' highest branches like a squirrel, crying to those below: "Come on up here, the view is fantastic!"

At the same time that the rest of the company was sweating with the construction of our service packages and Kannel, Pekka already had a new revolutionary vision going on.

He proposed directing Wapit more towards being a kind of nexus of agreements, where operators and content providers would meet. Marketing would be left to the professionals and the media. Everyone would get their slice of the proceeds, and each area would be implemented by powers that knew their own business best.

A pretty good idea, but we neither wanted to nor could we change course weekly. Pekka's idea would have again meant redoing quite a lot.

And so it didn't go through. Pekka, though, was already deeply into his new brainstorm.

He had earlier been put in charge of the Wapit Finland unit, which was responsible for everything that happened in Finland, mainly the Radiolinja partnership. As a universal type, Pekka must have felt this as some sort of punishment. He had been placed into a safe vacancy, from where he wouldn't be able to interfere with other departments' conquest of the world. For him, sitting in the office managing daily routines was a nightmare. Was this the end of personal influence?

Mr. Thomas Zilliacus had joined the picture through the AsiaComOne company that he owned, and was an often seen visitor at Wapit. AsiaComOne was a one-man operation that brought companies in the Asian telecom sector together. His connections and expertise opened the doors for us in the Asian market.

Thomas saw the possibilities that Pekka's newest invention offered. Together they squeezed out a real plan from the marketplace idea and decided to found a company that would do it.

Open Mobile Ltd was born.

The countdown to Pekka's departure from Wapit had begun.

Of course, we had to consider competition aspects and the problems that came from Pekka's Wapit ownership. Once we agreed on certain non-competition clauses, we concluded in peace that the time was ripe for Pekka to move on from Wapit to the next challenge.

For me, the feeling was bittersweet. After all, we had set up the whole show together. Many kinds of visions and creative drives had been hammered out, shared, and experienced over the past few years. And now everything would end without my having much to say about it. I could only shrug my shoulders.

Luckily, the best thing about Pekka is his positive outlook. He didn't grieve for long about this, either. No matter how screwed up something was, Pekka always found a grain of hope in it.

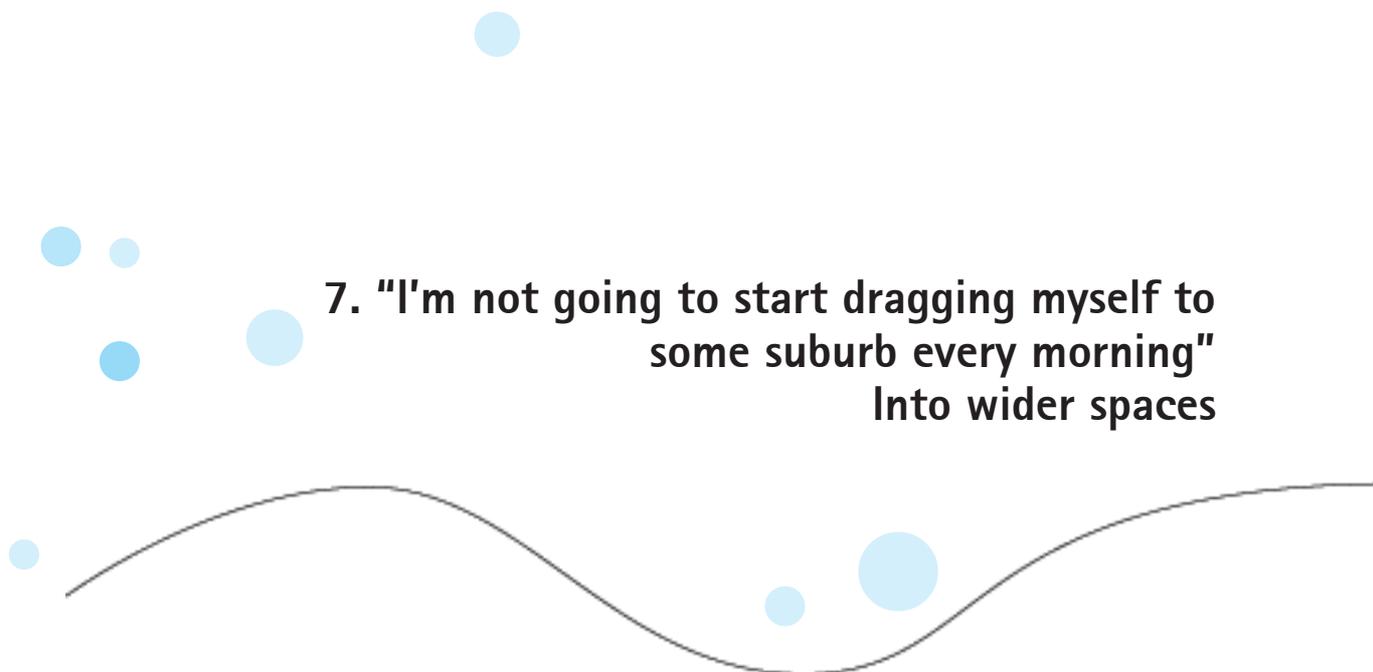
Pekka guided his successor to his responsibilities and quietly departed the office. Naturally, he was allowed to keep his share, but he no longer had anything else to do with Wapit. I think I saw some slight bitterness in Pekka, but surely his positive-thinking brain lobe turned the whole hassle into victory.

Nothing but to wait around for the millions that Wapit's shares would bring in the near future. Then he could laugh at the whole thing.

A few months later, Pekka called me and asked if he could give my number to some investment banker who wanted to talk with me about him (Pekka) before he made a decision about investing in Open Mobile. Of course I gave permission and promised to talk to the guy, but only if I could honestly say what I thought. At this point I couldn't bullshit much in the investment markets, because Wapit also had financing and listing plans. Pekka said to go right ahead.

The guy did call soon after and asked about my experiences in great detail. I told him that Pekka was a brilliant guy for developing an idea, gathering the right people around it, and breathing life into the whole package. But after that he should be removed and set on to the next project. Chaining him to the office with its daily routines wouldn't work. If Pekka were let out of his room or was given any device with which he could communicate with the outside world, soon everyone would be in a rush. I told this banker that he would never have so much money that Pekka couldn't come up with a project, if needed, into which it could all be put. It might even be a good deal.

Whether that guy invested in Open Mobile or not, I don't know. But they got money from somewhere. And survived for longer than Wapit.

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**7. "I'm not going to start dragging myself to
some suburb every morning"
Into wider spaces**

"By 9:30 a.m., Wapit's office has filled with young, goateed and T-shirt-clad programmers. The small space, on the ground floor of a drab complex in an industrial suburb, is a jumble of cubicles, desks jammed with monitors, and pizza boxes and Battery drink cans spilling out of garbage pails. There's barely room to move. From three people in the summer of 1998, the company's staff has grown to forty, and Valtonen expects it to double by the end of this year. But there's nowhere to put them, so we pile into his station wagon and head downtown to check out Wapit's new digs."

—Shift Magazine, May 2000

The lack of space at Atom Street had already become difficult toward the end of 1999. Some refused to come to work except at night for the simple reason that only then was there enough space to work at your desk and have some peace. In just a few months, we'd run out of office space.

We looked heatedly for a bigger place. The madness of that time left us with downtown Helsinki as the only practical choice.

We wanted the best workers on our payroll, and they really had to be persuaded. From our own gang's circle of acquaintances, universities and other educational institutes, we had already scraped what cream we could get through contacts. But we needed more, and only the most competent.

Many top people considered our industry interesting and challenging, and Wapit's story sounded enticing. Our location became a problem. "It's great, but I'm not going to start dragging myself to some suburb every morning," was the comment from interviewees who had just been offered a hell of a good salary, free working hours, and the possibility of joining the firm's option program.

Some were snot-nosed pimply-face teenagers who had just completed school. Sure, they could afford to spew that kind of crap. The train station was on the building's corner, and the ride from the downtown was twelve minutes. And the area was hardly a development zone. Although, of course, there weren't any Chinese, Japanese, or even Thai restaurant in the immediate vicinity. To say nothing of trendy cafés.

The nerds knew they were worth their weight in gold, and the whole IT industry joined the game with dollar signs in their eyes.

Jouko was active in searching for a new place and found an alternative which wasn't scary

except for the cost. Our current rent would increase ten fold, but there would be a hell of a lot of space and right in central downtown.

There we went. Every kind of service right nearby, and the form of public transportation didn't exist that wouldn't bring you right to the door. If we didn't get our recruiting in shape now, then we never would.

The place needed surface renovation, and running network cables was a particularly big job. Cable was laid down from one end to the other by the mile. People moved in bit by bit from the cramped spaces of Atom Street.

I wanted something rock and roll in this office as well, and so I called in the airbrush painter Kimmo Takarautio from northern Finland to craft a few pictures on to the walls of the new lobby. One had a young Elvis using our services. In his hand he had a Nokia WAP phone that was receiving the words to Hound Dog as a text message from a telecommunications mast in the distance. Alongside, Marilyn entered blonde jokes into our system on a PC. In the other picture, Keith Richards sat on a sandy beach under a palm tree with a guitar in his lap.

These paintings were visible in the background of the pictures in many Wapit articles.

Once again I got my own parking space in the building's basement. This time a heated one. Smack in the middle of downtown.

This office, too, seemed big at first, but now people were joining at such a rate that I couldn't keep up the count any more.

This former insurance company office was differentiated from Atom Street's open spaces by its boxiness. Two corridors led away in different directions from the reception lobby, and they were full of doors that led to one-, two-, or at most four-person rooms. So now we would be isolated from each other. Signs forbidding disturbances quickly appeared on the doors. Concentrating on work was now the big thing.

At this point, I noticed that Wapit was no longer my little firm, but that I too was part of a company where I didn't know everyone even by name.

But the view was handsome. We were on the sixth floor and from the corner meeting room you could see over Helsinki for as far as you could look.

A sauna and a sea view

For a long time already, I had been privately troubled about our family's living conditions. We lived in a 94 m² (850 sq. ft.) apartment in a suburb of Helsinki. It was a good flat in a comfortable neighborhood, but a few minor details didn't quite work. If I wanted to go in the morning in peace to the only toilet, I'd have to set the alarm clock sufficiently early. Otherwise no

hope. Always reserved.

And the clothes drying rack was always in the living room. It didn't fit anywhere else. The bathroom-toilet was so damned small. For this reason we rarely invited friends or relatives to visit. It would have been too much effort clearing space just to get the visitors to fit in.

It's no use claiming that we wouldn't have managed. We even had two garages, where we could keep our junk and my big toys. The girls could walk to school. But you just cannot be satisfied with what you have. A house was what it had to be.

For years already, my wife and I had had the habit of going and dreaming and looking at various houses. As the eternal optimist, I was completely sure that some day we would have such a one.

By chance, things started to roll toward such a state of bliss.

My friend Mr. Ari Salmivuori had a seafront construction project ongoing in Helsinki, and he boasted to me about the place. Twenty houses on a fantastic spot. "Mato, you have to move there," he goaded me on and presented the plot, justifiably proud.

Ari started to pressure me to sell a small number of Wapit shares so that I could buy the house. Not so much as a salesman as a friend.

Initially I wasn't enthusiastic about selling, because the signs indicated that the shares' value might yet multiply manyfold in the near future.

Ari, though, gave me a lecture about balancing risk and tried to prove to me how I'd still be left with so many shares that selling a few wouldn't make any difference. If their value were to eventually rise significantly, it wouldn't make any difference whether they were worth a hundred or a hundred and twenty million. In any case, there would be enough for one family.

And if things got screwed up, at least there'd still be the house.

He offered to buy the shares himself if I couldn't sell them elsewhere.

Often when confronted with difficult decisions I contact Piippo. We arranged a lunch meeting at a hamburger joint downtown, and while munching away at hamburgers, I started to carefully ask Antti's opinion on selling.

To my surprise, Antti considered it a good idea. It might be smart to cash in small portion. It would, of course, require the approval of the other shareholders, and according to our shareholders' agreement they had the right of first refusal.

We presented the issue at the next board meeting. Nick said that Durlacher might potentially be interested in buying the shares.

A bit earlier, I had sent Nick an email in which I explained my reasons for selling the shares. It wasn't a question of a weakening of my faith in Wapit. I described to him how important your own sauna and sea view are to Finns.

"Dear Nick

"Hannu told you about my plans to buy a house in Helsinki. That's because I live with my family in a very small flat with only one WC and NO SAUNA (you know us Finns, we are sauna-nuts). Also technology-option-millionaires are buying all the best houses, and prices of the most wanted apartments are rising fast. Bloody brand new millionaires don't give a shit for the price.

"Of course this sounds weird if I act like this just before the IPO, but I want to get my life organized.(My private toilet, yeah) And I would still be a big shareholder in Wapit even after selling 7500 shares.

"So if you have any interest to buy those shares, please let me know."

Nick very quickly reported that Durlacher would buy those shares. They were not to be sold to outsiders. It would be a done deal in a few days.

Bullshit. Again this started off a round of negotiations which didn't want to end. Namely, in addition to his lateness handicap, Nick is also the kind of person that is impossible to get a hold of. You can leave as many hundreds of messages you want with no reply. Or if you go visit him at Durlacher's London office, you'd better reserve loads of time. It may be that he's just in the middle of some meeting. Waiting can easily stretch into hours. An OK guy otherwise, but getting things done was sometimes slightly time-consuming.

And I had a fire under my ass. Would the ridiculous pile of money come or not? A few days stretched into a few months. And again I stayed awake nights. Only after I sent a terrible threat to Nick that I'd sell the shares to someone else did he finally call. He apologized for being busy, and asked me to wait just a few more days. They'd need the time to figure out which of their funds would lay out the money.

The lawyer handling the deal on my behalf calmed the situation down and promised to do everything he could to get the sale completed quickly.

Ultimately he managed to squeeze Nick onto the phones, emails, and faxes sufficiently that he managed to call me one fine day to tell me that the money had arrived in his office's account. He transferred it right away to the account I gave him. I can't reveal the specific amount here because of papers I signed. Citizens' public tax records can reveal the sum on my behalf. Though the sum was more than I had earned altogether in my life before that.

With this purchase, Durlacher raised their ownership of Wapit to about eleven percent.

I felt fantastic, but still slightly unsure. Was I a dork to sell at this stage?

I set off with the wife to pee the dog in a nearby park, and matter-of-factly told her that

now we have a whole shitload of that money stuff. Let's start planning that house. Even my wife was forced to believe my dreaming this time, because the money really was in our account.

Sometimes I had wondered what it would feel like to win in the lottery, even though I never played. It wasn't as tremendous a feeling as I would have imagined, though those millions in the account did provide self confidence. You could live at least a couple of dozen years with this dough without doing anything. You'd never have to suck up to anyone. My wife seemed somewhat thoughtful, even though she is used to things rarely going at all normally in my company.

Walking along then, we decided that even if the value of the shares we'd sold were to rise a thousand fold, we would never regret this decision. The remaining shares would be enough for us.

Neither did we mention it to the children in any way. Some day we'd just move in to a new house and then come up with how we'd explain everything precisely and in detail. Children should never be underestimated. They track the goings-on of the world very closely.

We also considered a different kind of alternative. The money would be enough to live on for quite a long time. What if we turned ourselves loose and went off to see the world. The house won over the adventure.

Characteristic of that time was that everyone in the business dreamed of getting at least a hundred million from somewhere. One million was no longer anything. Life's goal was to make it into the "KMA Club." In that club you have so much money that you can tell your boss to "Kiss My Ass" at any time and depart laughing. And your boss knew it.

We'd hear stories of successful estate renovations and Lamborghinis. We'd see people's swimming-pool-jacuzzi-sauna-pool-room-disco-wine-cellar-cognac-rooms being built. A house wasn't really anything if it cost less than 500,000 dollars. If there wasn't an aquarium in the wall between the gym and the sauna you could hardly live in the house without being traumatized. One house even had a sea view reserved for the Ferrari.

For us, there was only one thing above all else. We wanted a sea view. And not even for the car. Just for us. This I had always dreamed of. Two Atlantic crossings in a sailboat had made an indelible impression. There really isn't anything more enjoyable to do than to watch the sea. Always different, and if you wanted, you could go to Cuba from your own beach.

We went to check out Ari's plot almost daily, always planning various details of the house to be. With the money carefully tucked away in a high-interest account.

At the same time we went around house showings, as a learning experience, if you will.

Ari's site was always on the top of our minds, but we started to be bothered by the location our kind of money could buy. Apparently, we wouldn't make it into the front row, and we'd

have to squint at the sea from between or over others. Those guys that already had that hundred million in their accounts would get the best spots. Dammit, should we have sold more of those shares?

Nevertheless, we calmly watched the situation develop and ran around all possible interesting houses. Luckily.

Some houses have such an atmosphere that right away as you step through the door you know that this is it. That's just what happened to us when we found a certain house for sale on the Net in Espoo with a sea view.

It's as clear a feeling as can be. This would be a reason to stop in Espoo.

We made an offer for the house, and to our surprise, it was accepted almost as is. It could no longer go wrong. The thought did cross my mind, though, that might this be Finland's most expensive house. According to some meters, the value of those shares we had sold had risen quite sharply even during this time. So if the same shares had been sold only now, we could get an even bigger and better house. If, if, if ...

But we had decided that there would be no looking back. And especially no regrets. Now we had a house, even though all the money was gone, and still with our existing savings and apartments on top. And we'd also have to take out a loan, in order to pay the taxes on the profits from the share sale.

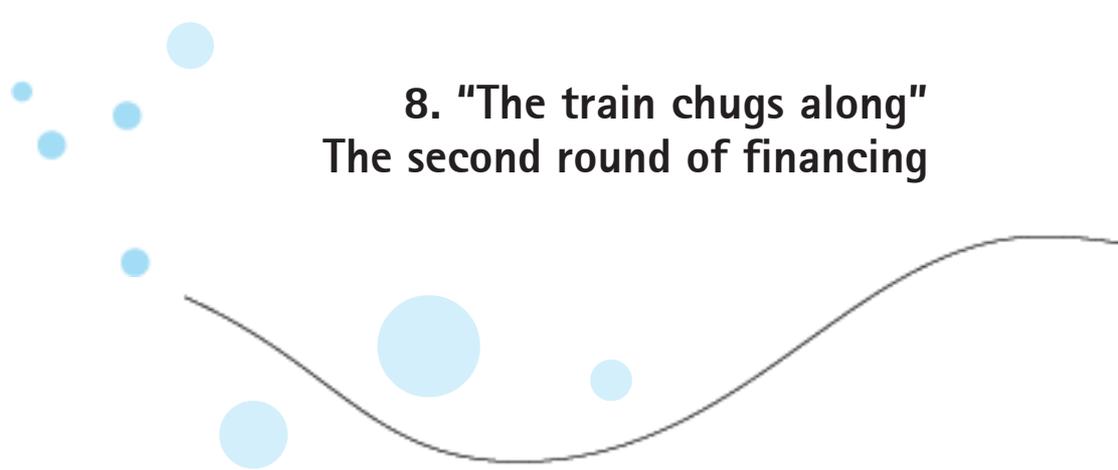
I had to tell this story for the simple reason that on the ultimate Wapit balance sheet, my "slightly unconsidered" share deal ended up being the only sale in which any partner gained a personal benefit. And even this deal wouldn't have happened without that burning desire for a house. It is not my intention to brag.

Neither does my conscience bother me, as it wasn't a small investor using his last pennies to pay the bill, but a professional English investment bank who specialized in risky investments. Those boys know that there are risks associated with investments. If they had increased their money ten or a hundred fold with the shares I sold, they would hardly have come to express their pity at my stupidity.

And our beloved tax bear got his share, too.

Surely nothing would be a better festive culmination to this happy chain of events (for me) than a line from an old English folk song: "God save the Queen."

Hat in hand.

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8. "The train chugs along"
The second round of financing

"Wapit may have a far-reaching impact on the wireless landscape."

—Red Herring, April 2000

One thing was for sure. There would be no turning back. Reverse gear and even the brakes had been removed from the Wapit train. We had to move forward. And still we heard talk of a success story. Products became ready and were accepted with praise in professional circles. The owners had invested much money and wanted to get it back some day. If all were to go into the trees now you could say goodbye to your money. If we kept our operations small, though, we wouldn't conquer the world. Products had to be completed quickly, and somebody had to sell them.

From spring to autumn of 2000 the firm steadily organized itself from chaos into some form of order, and peoples' work descriptions and goals became clearer day-by-day. Hannu successfully took charge of the staff – and they of him.

Chaos sounds negative of course, but Wapit's chaos was also very creative. The company had grown really fast and new people were being welcomed daily. Anyone who starts on a new job in a new industry needs one to three months' time to get properly familiar with his job and with the firm.

With us, the majority of our employees were newcomers. That alone caused chaos.

An open and unhierarchical work culture was a holy value at Wapit, and we wanted to hold on to it regardless of our growth. Not everyone was pleased with the situation. Jussi Leppänen, who was responsible for productization, even saw excessive freedom as one reason for Wapit's fall:

"'Excessive' democracy is problematic. After open discussion, things have to start getting done, and people have to commit to achieving common goals. In Wapit, many decisions were torn open or people didn't commit to them.

"To put it bluntly, the firm wasn't led, rather the boat was a bit adrift. The freedom to work independently in your own style means extremely big trust from those 'in power,' but simultaneously it means extremely large responsibility for the workers. Decisions have to be made and their implementation has to be monitored.

"Possibly as a consequence of young employees' inexperience, efforts were overly dispersed and issues weren't necessarily managed to completion when interest flagged or people were too busy. A few strong, experienced leader types and takers of responsibility might have made a big difference.

"Future tough professionals with development potential were not taken full advantage of during Wapit's time, because too much effort was spent on trial and error as a cause of inexperience."

However it may be, we tried to tell our customers and our own staff clearly and concisely what Wapit actually does.

An English acquaintance of mine once advised that you must be able to express your business idea in an elevator in three floors. Americans in particular thrust their business card in your hand right after they've come into the elevator and said good morning and ask: "What is your business?" Puts you in a hurry to explain. Wapit provided strange technical solutions positioned into the near future and every now and then I felt that the Empire State Building's elevators wouldn't have been enough. And even so, the other guy wouldn't have understood a word, especially when even text messages weren't yet known in the States and nobody had heard of our whole industry. An American would have just said "very interesting," and left the elevator to hand out his business card to the next passerby.

And so we began to simplify our message. We managed to pack it into a length equivalent to about seven floors. Pretty heavy pig latin to a non-professional:

50 Word Company Profile:

Wapit Ltd. is a global leader in building advanced mobile middleware technology and applications. With our modularized, easy-to-use Wapit Product Portfolio, we offer our customers a complete toolbox to build revenue generating mobile solutions tailored to their needs. Founded in 1998, Wapit Ltd. headquarters are in Helsinki, Finland.

That was the English message packed into 50 words. The heftier version was no longer a matter for a few floors:

Wapit Ltd is one of the world's leading companies in building first-class mobile phone applications and services technology. Our easy-to-use and modular product solution offers our customers complete tools for creating commercial mobile services and with which they can build customized and profitable mobile solutions specifically for the needs of their own markets. Our customers are mobile operators, media companies, and corporations, and their Wapit mobile services extend from single mobile service products all the way to independently operating mobile portals. Wapit is much more than WAP, as our product solution is designed to work in all the important technology standards, such as SMS, WAP, GSM, i-mode, GPRS, and UMTS. We also support all markup languages such as C-HTML, HTML, WML, and XML. Wapit's fundamental idea is to guide the global development of mobile technology by offering a fast and easy-to-use way for using the mobile phone to access all the information, communications, entertainment, and financial services that people really want to use. In addition to our main office in Helsinki and our office in Asia, we are expanding into Great Britain and America.

This story should also have helped new recruits perceive what they were getting in to. You really did need to read it twice.

Maybe we should have stuck to logos and ringing tones? Then the elevator doors wouldn't even have had time to close before you'd already explained your business. "I do logos and ringing tones for phones." Two seconds.

In the spring of 2000 we started to plan the second round with confidence. Everything looked like it should. There seemed to be enough interest in Wapit, even though everyone was starting to notice that the financing hysteria was beginning to die down a bit.

It had been a while since anyone had boasted about our being in the eye of the storm. During the first year, I heard that expression until I was tired of it. Maybe "tired" is the wrong word. Sure, it felt good. We youngsters had developed something "out of the blue" which struck right at the nerve. Praise has a peculiar effect.

The force of the whole staff had polished our business concept. As our products became

ready one-by-one, we would be able to provide our customer with everything that they needed to construct their own portal. The original idea of a browser had changed along the way into a versatile toolset, with which it would be easy to create many kinds of services. Solutions would be available for system management, billing problems, user identification, technical consulting, hosting, installation, and training. To say nothing of an endless number of different services, tools for creating new ones, or the Kannel gateway, which had already developed into something super efficient in comparison to competing products. And it wasn't the size of a refrigerator, but actually fit into a normal portable laptop.

For ourselves, we also straightened out who our customers and competitors were. More than ever, our customer focus was on mobile operators, and many of our previous target groups had now become our competitors.

Media houses and Internet operators already produced their own service offerings. Their advantage was ready content and they believed that they could develop the technology themselves.

And we were no longer interested in producing content. That would be acquired fully from subcontractors. We would concentrate purely on technology.

Wapit Goes Global

Thomas Zilliacus's AsiaComOne managed to arrange a customer for us in the Philippines. The largest local operator, Globe, chose Wapit in the spring of 2000 to be the producer of their local services. Initially, we installed Kannel and a few basic services for them. Chat being the most important.

The agreement was interesting in that at the time the Filipinos were the world's most active text messagers. They sent messages ten times more frequently than the closest competitor, Finland. And more than in all of Europe combined.

Their enthusiasm is explained by the fact that text messages were initially free for a long time, and when they started to cost the price stayed low.

The population was addicted to tapping, and we enthusiastically awaited the day when our service would be opened to the public.

Our products were great in that they could be installed even on the other side of the globe over the Net without going there in person at all. Transportation industry strikes really didn't bother us. Though we did always send over a technician if even just for the customer's feelings. It felt more concrete.

Some of the servers the Filipinos used were in our office, and when the services opened

their usage was so furious that our people were holding onto the machines at the most peculiar times of day, just so they wouldn't crash.

Our most successful product was mobile chat, with which you could anonymously send a text message under an alias to another alias in such a way that neither the sender nor the receiver knew the other's phone number. A rewarding product because the content was produced by the users, and so there were no copyright or language problems.

This was a very different setup than what we had started with Pekka.

We still swore by the revenue sharing model, in which we focused less on selling or licensing our products, and more on getting a share of the income generated by the use of the service. We believed that these kinds of agreements would be the most lucrative when the services became widely used.

Of course, the problem was the time that elapsed before you could send the first bill. It took a long time from when negotiations started with the customer until money arrived in our account.

The negotiations in themselves always took a few months, and when we succeeded we'd install a pilot for the customer to test. Often they wanted to test for about three months before publicly releasing a service. The end user paid for the service in their phone bill after a month or two, and once the operator had gotten the money, they had up to 90 days to pay us, according to Asian contract custom. So nine to ten months had passed from when negotiations started until money showed up in our accounts.

I think that this is one clear reason for Wapit's later collapse. Too much investment up front. You just can't operate this way without financing.

A purchase offer

In our first round of financing, we had signed a contract with Durlacher, according to which they had the right, if they so desired, to arrange the subsequent financing rounds or even the IPO.

And so acquiring more financing was left up to them. It only remained for the Wapitees to throw together new business plan.

More precise plans were now required than a year and half ago. Having a dot-com address alone would no longer cut it. The products and all their features would have to be described very precisely in the new plan. All contracts, including every employee's employment contract, key personnel's CVs, marketing plans, endless calculations. Nowhere could you lie even an iota. The investor could later demand reparations or sue for absolutely any wrong information. The

lawyers and our administration guys prepared a "data room," from which all contracts and other important papers could always be found whenever needed.

A company of people prepared to present the road show. They would start to travel around the world and tell investors why they should invest a devilish amount of money into a mobile services company from Helsinki.

At this stage the majority of potential financiers still came to Helsinki. That was a relief – excessive travel was straining our money chest, the bottom of which was occasionally making itself visible. In fact, it had actually already been seen many times, but at the last minute we'd arrange some bridge financing – mainly from among our existing owners – on which we'd live hand to mouth for a few weeks or a month at a time.

We had complete confidence that everything would work out. Durlacher had a long list of enthusiastic candidates and they were already into preliminary negotiations.

Several parties also contacted us directly. Afterwards, some of them made me think, "What if...."

The guy who had just arranged a deal between the Spanish carrier Telefonica and the Finnish mobile portal Iobox contacted Hannu, completely unofficially. Telefonica had purchased Iobox for a truly juicy price. Iobox was a company about the same size and type that Wapit was, and Telefonica wanted it as its service development muscle.

This guy asked Hannu whether we wanted him to sell Wapit, too. As per our common line, our response was negative. Sometime during the final days of our battle against bankruptcy, I wondered why we didn't offer ourselves for sale then. There would have been no worries, and after a successful deal there would have been enough money for the rest of my life.

I don't think about it any more. New challenges await.

News Corporation

The second contact, from which I still wish something had been born, was from the media magnate Murdoch's empire. The son of Rupert himself, Lachlan Murdoch (Executive Vice President) and Patrice McAree (Director News Limited) came to our office on 14 April 2000 to acquaint themselves with Wapit. The purpose of the meeting was to scout the potential for cooperation with News Corporation and to help that massive conglomerate take charge of wireless communications as well.

We laid out really high-quality service in our meeting rooms. Coffee buns and cookies with fillings. I think there were even meat pies laid out, what with such fine gentlemen coming to visit.

You could see from our lobby through the glass doors into the stairwell, and because we were on the sixth floor, we were used to visitors coming by the elevator. And from the rattle of the old elevator you could hear well in advance that someone was coming. These guys, however, came stealthily by the stairs and managed to surprise us. All of a sudden there's a couple of ordinary guys just standing there, that don't look like rock-hard businessmen from any angle. Young guys in short-sleeved shirts, and Lachlan even with a tattoo circling his arm at the bicep. Not quite barbed wire, but some thistle anyhow. I knew right away that I'd manage just fine with him.

We found a common tune in the negotiations right away. Everything seemed to fit comfortably into place, even though nothing was finalized at that meeting yet. They had many ideas thought out, and we already had all the required technology to implement them. Now just for more good ideas. And we really bubbled with them. We agreed that I would come to London for a few days within the next few weeks to brainstorm with them.

NewsCorp also presented an invitation to our key personnel to be their guests at the Sydney Olympics. Piippo, Bergholm, sales director Pasi Vanninen, and myself would go. Five star treatment at every step. Everything would be the best possible, from first class flights to all kinds of gala dinners in the most exotic of locations. Free programs with luxury transportation. And to top it all off, someone in the hotel lobby who would wait on us 24 hours a day and to whom we could present our smallest wish. Golf, surfing, pizza, or massage. Everything would be arranged.

This would be a good start to a friendship, co-operation, and "mutual help" agreement.

Lachlan and Patrice informed us that they would be able to sign a contract in just a few days. They departed our office in a pretty good atmosphere. And they still didn't use the elevator.

The negotiations proceeded nicely over the next few weeks, and the Olympics approached. However, some "minor obstacles" to signing the contract would always show up and we started to become slightly concerned about the passage of time.

We decided that, despite the fantastic invitation, we would not go to Australia unless the contract was signed first. It would be nicer to celebrate a freshly initiated partnership without financial concerns.

Then one of this financing round's many strange events occurred. Patrice, on whom the responsibility for the remainder of the negotiations lay, disappeared. His phone wasn't answered, calls left with his secretary were not returned, emails and faxes remained unanswered. Total evaporation. What happened?

Only much later did we get an answer to this riddle.

Reduction in price

A peek at the bank account forced us to consider other alternatives. Maybe NewsCorp will still work out, thought the most optimistic.

We believed that our chances became better than ever when the *Wall Street Journal Europe* published an article titled "Quarterly Portfolio Envy Poll" on 5 September 2000, in which representatives of the world's leading banking firms named 50 companies in which they had not invested and envied those that had. Wapit was on that list.

And more encouragement came when at the end of November the World Economic Forum selected Wapit to be a part of the "World Economic Forum's 100 Technology Pioneers for the Year 2001" program. We would get to join a group of a hundred pioneers, such as Phone.com, Red Hat Software, and Symbian, to share our visions and to improve the world. A great honor that we nevertheless didn't manage to take advantage of beyond the publicity value of a press release. Later, due to the rush caused by the financial arrangements, no one was able to make it to the meetings. There simply wasn't time.

The raise in self-esteem brought by our selection didn't comfort us for long. Time had passed, and dark clouds gathered in the sky. Durlacher sent us lists of investors they had talked with, but they mostly felt like lists that could have been drawn up by investigating the phone directory. We did appear to strike it lucky a few times, and we always went at them with a full broadside. Material, brochures, and people were sent immediately to enlighten the potential investor.

Results simply didn't materialize, and, concerned, we pondered whether to reduce the firm's price, in order for a deal to happen.

On December the fifth, 2000, we again held a conference call where we seriously considered reducing Wapit's price. Would we be surer to get the financing in order if we were to reduce our value from 60 million dollars to 45-50? It would be a big drop.

Hannu was ready to make this move, but Durlacher wanted to see it out to the end of the week and wait for an offer from an investment company called 3i.

The rest of us were afraid of the slowing effect of the Christmas holidays. Everyone would be out of contact between Christmas and the New Year. If matters could not be arranged right now, the arrival of the money might easily be delayed by a few weeks. Reducing the value might expedite the process. On the other hand, fifteen million dollars is a hell of a lot of money. Would we admit to being that much cheaper? Maybe we should have.

Hindsight is always 20-20. Who knows, maybe we should have acted differently in some respects, but the train, once set in motion, chugged along and maybe we didn't pay enough attention to what was going on all around.

The plan had been made and it was followed to the extent that was possible. Recruitment and conquering the world continued on schedule, but sales lagged and the financing was, of course, the part of the plan that might not happen. But of course we didn't believe that.

And so in the autumn of 2000 we hired people at a record rate. Products had to be completed on schedule, and also be marketed and sold. We needed workers for everything.

There was still enough temporary financing being pumped in the accounts that we could get December and January's salaries paid. With some more temporary financing from somewhere maybe we could survive through February as well. And on we went, still hiring more. From the beginning of the finance round in September we raised the number of employees from seventy to a hundred by end of the year 2000. And even that wasn't yet the final number. There was only hope of the money.

And we started drawing the price down:

From: Hannu Bergholm

To: management-team@wapit.com

Sent: Wednesday, December 20, 2000 10:11 PM

Subject: lets talk thursday or friday

hi all,

long day - no chance to speak

very shortly - we decided to adjust the target price considerably - and are now making a fast round with potential lead investors (4).

i spoke today with 2 of them - and feel confident this goes through with the new price.

but the market is tough - and investors know the market is on their side.

there is work to do - you see me in helsinki next week if needed.

It was one of the signs of the time that even in December we were still carefully analyzing whether to set up our American office in Boston, New York, or Washington, or whether we would go to the West Coast. Jouko would run the US office. We carefully considered the effect of the East and West coasts on the time differences between America, Europe, and Asia. Flight

connections to everywhere were also important.

The firm only had money for two months, if we stretched out some bills. Otherwise maybe only a month and a half.

The brakes were only applied to this project at the last minute, and so America had to manage without us, and will probably have to do so for some time yet. Poor things.

Space had already been rented in the center of Tampere, 100 miles north of Helsinki, where a certain product development group was supposed to move. After renovation, more nerds would work there that could no longer really be found in Helsinki due to tough competition. This office was shut down after an expensive renovation, and no one ever worked there for even a day.

We went further in Asia. We set up a sales office in Singapore in January 2001.

In praise of this office it can be said that from the start, it was a profitable unit. In addition to Radiolinja, our biggest customers were in South-East Asia.

These models of conquest were being planned and implemented by experts, engineers, lawyers, bankers, marketing professionals, visionaries, economists, and other sharp, experienced, and educated people. The same thing was happening across the entire industry. It wasn't just Wapit. The whole world had gone crazy. Every three-man technocompany sat around drinking coffee and eating biscuits, spinning ideas and talking huge sums of money. And everyone was absolutely serious. Some that had already gotten their money had gone and bought cool as hell furniture for their meeting rooms, so it was all fine and dandy to slurp away at their coffee.

The tolling of the doomsday bells could already be faintly heard from far away, but only those sharpest of hearing could make them out with effort.

Donald Duck

"In its quest to hire the best and brightest, Finnish mobile phone software maker Wapit Ltd turned to Donald Duck."

—Yahoo! News, 18 December 2000

So although difficulties loomed in the New Year, we continued to hire according to the business plan. Poor Donald also got unwillingly involved in Wapit's intense story.

The battle for workers was at its peak. There was real demand for professional IT people. A coder in his early twenties might easily get better pay than a manager in more traditional industries. And if, as manager, you fucked with him, then the guy would get a new position with an even bigger salary in five minutes. Or he'd form his own company and fetch a couple of

million in financing from some street corner.

To differentiate ourselves from the others, Jouko Vierumäki and Lare Lekman, with straight faces, proposed placing a recruitment advertisement in *Donald Duck*, which is an extremely popular weekly comic magazine in Finland. Because nerds play role-playing games, Jouko and Lare had previously placed an ad in a role-playing magazine: "Imagine working at Wapit." The ad had to be in the spirit of the magazine. Special customized ads were put in the trams and in the *Metro* newspaper (nerds read it while mainly traveling in Helsinki's public transportation, where it is distributed for free). New blood was also sought after on the traditional Finnish overalls of technical university students. Jouko and Lare even seriously considered setting up a recruiting tent in front of the office at the central bus station. Traditional pea soup and jobs.

In addition to seeking new talent in unusual locations, our ads themselves were different. One had almost a page's worth of Java code and at the end just the text: "The Truth is in there." Plus a Web address where you could sign up.

We were looking for Java coders, and a reader that could understand the ad's content might just be our man. When you figured out the code, you got the number 42 as the result. What the hell is 42? What does it have to do with anything? Well, apparently all nerds know.

The number comes from Douglas Adams's nerd classic *The Hitch Hiker's Guide to the Galaxy*. In the book, scientists build the world's most powerful computer to search for the answer to life, the universe, and everything. After computing for ten thousand years the machine spits out its solution. It is precisely 42.

If a job seeker could also associate the number with Adams's book, he would probably appreciate the little gimmick and would contact us.

The boys thought *Donald Duck* would be a really important media. They claimed, bright-eyed and bushytailed, that the whole IT industry reads it.

Having become slightly more serious with age, I was concerned at first with how much the ad would cost. *Donald's* circulation was so huge that the ad would have to be pricey. Would that money bring the desired result?

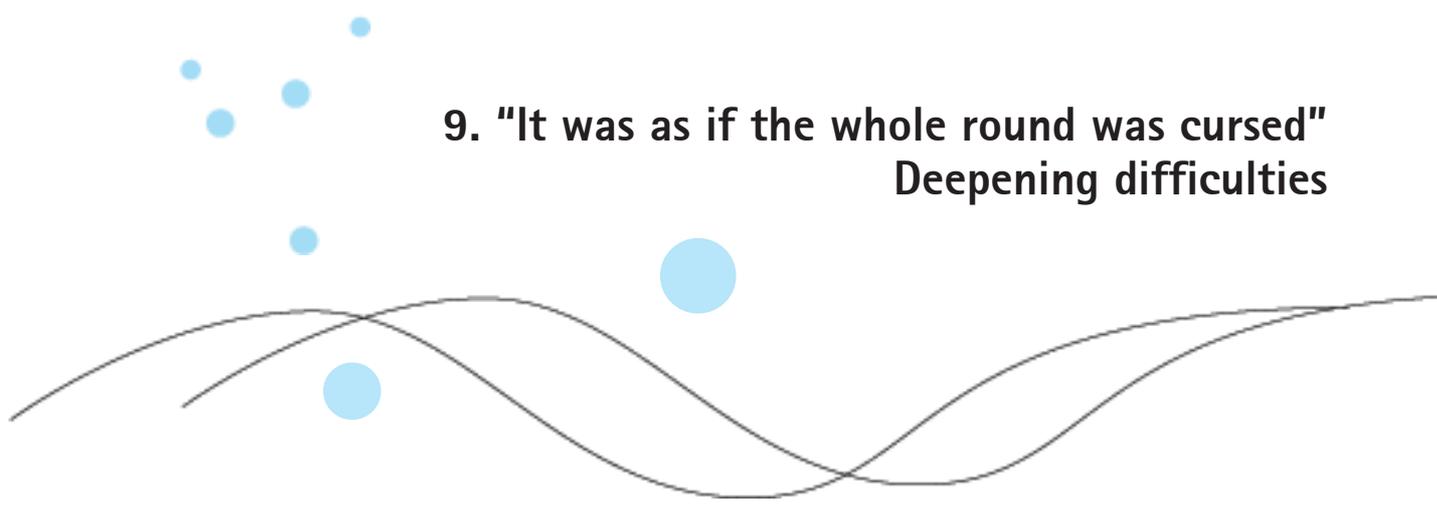
I was more concerned, however, with the trauma the boys would suffer if they didn't get their way. Luckily I've only become slightly serious, so I approved the proposal. Let whatever may happen happen.

The real sensation started once the magazine came out. The *Helsingin Sanomat* headline told of a nerd firm seeking coders in *Donald Duck*. Then Reuters called and published the news globally. Yahoo put the story on their front page and so on.

We gave interviews on the subject to various media for months after *Donald* was published. All over the world. The news reached hundreds of millions of people. The snowball started

rolling by accident. Maybe the best media bomb that hit us. And the reception was even extremely positive. And entirely without an advertising agency. No wonder we didn't get any of the awards they hand out to themselves.

Our reward was a clear spike in the responses to recruiting ads. Nerds were really revealed as *Donald* readers. And so I don't need to be ashamed, either, to profess that I read *Donald* from cover to cover as soon as it comes out.

A decorative graphic consisting of several light blue circles of varying sizes and two thin, wavy grey lines that sweep across the lower half of the page. The circles are scattered, with a cluster of five small ones in the upper left and two larger ones below them. The wavy lines are positioned below the text.

**9. "It was as if the whole round was cursed"
Deepening difficulties**

From: "Hannu Bergholm"

To: info@wapit.com

Sent: Friday, January 12, 2001 7:53 PM

Hi all - some 110 of us today.

I am quite embarrassed of not having updated you on our performance the past one month.

The only excuse I have is, that it has been a hectic time running the finance round and I simply have not had the time to sit down and summarise.

To make sure I am not the bottleneck, Mari has taken the task to make sure the general info flows regularly.

On my "own thoughts to you guys" I still have to excuse myself for another 2-3 weeks as this finance circus goes on.

Just a very short update on that: Our target was to get the lead investors selected by Christmas.

We did not succeed in that - the market is difficult. But we are moving on it - and the new target is that we have the investors in place (and to be announced) by end of this month. This is my main task until then ... I shall keep you posted as we go.

Hannu

Durlacher started to become impatient. Discussions were no longer very genial, as a clear split had occurred between the Wapit owners. Durlacher on their own side, safeguarding their investment, and us on the other, thinking how we might rise out of this mess. The same thing, in principle, but maybe we were a bit more emotional. We wanted to see our products completed and cranking away at operators around the world.

On the other hand, the arrangements for the whole round had been Durlacher's responsibility, and so far all we had to show for it was a meatless bone. Hannu was doing his job without coffee breaks.

Every now and then he'd become heated, and the correspondence became more demanding.

He told Nick that he was really irritated about the lack of progress and asked whether they had the situation at all in hand. We didn't get information from them, nor answers to our questions, and even the investors didn't always know what the situation was.

Hannu pressed for transferring the arrangements into Wapit's hands, since nothing seemed to be happening. Often when querying by phone whether someone or another had been contacted, a meeting arranged, or material sent, we'd get an exhaustive answer along the lines of "Oh yes, I might call them."

The end of one of Hannu's mails describes the atmosphere well:

"Nick - again I am saying this very seriously: TAKE THE PROCESS IN YOUR HANDS NOW!

"I do not want that on Friday we meet in a situation, where there are no news - and we have no idea do we have investors or not!"

As a number specialist, Hannu would spend nights making various calculations, which we'd then go through during the day. One of them was a horror scenario for me. Antti and Hannu had calculated what it would cost to shut the firm down cleanly. We'd pay all bills and loans, including severance pays, and then see what we could do with our products. We'd avoid bankruptcy and its associated negative aspects. We also calculated how much we'd get for the firm if it were sold lock, stock, and barrel, for whatever it took just to make the deal.

The shutdown case would require an outlay of about 650,000 dollars. A sale would bring in about a million. One or the other could happen during the next week. Just try and be calm in that situation. Neither ultimately came about. The first, luckily, and the second...

At the same time, the road show crowd traveled incessantly on their money begging trips. Stephen Lee, our Product Marketing Manager who had lost himself in Colorado and found himself in Finland, described the hurry well:

"One time I went on a 3-day trip to London for some investor presentations with Jouko, Hannu, and Terho. We did 13 presentations each about 2 hours long for all types of investment bankers. It was grueling. A car was hired to take us from place to place where we would set up, Give the presentation, answer questions, then pack it all up and head to the next place. It got to the point where I think anyone of us could have done the entire presentation after hearing it so many times.

"We heard and saw a lot of crazy stuff.

"One investment banker told us that her company would not invest in anything in this sector that would not yield 10 times the amount invested.

"Some asked all kinds of technical questions. Some did not care about the technology at all.

"One day there was a fire alarm in the building and we ended up giving the presentation in a coffee shop.

"One guy had some sort of embezzlement record and had spent time in prison.

"One person would not let us get through the presentation 30 seconds without asking a question that went in another direction.

"I was dead and sick at the end of the trip along with everyone else (flu, etc)."

In any case, we needed more money to manage for another month or two. We literally had to buy time. The financing would surely show up from somewhere. The signs were still not too bad, even though we had already had to pull down the company's valuation a few times, and not by any small amount. But if there wasn't cash on the counter soon, we could hang out our sign.

On the other hand, at that time investors were also being driven into a vicious cycle. They had to invest more into their portfolio in order to keep their own slices from diluting. At the same time, managing their investment crises was consuming their time. They had lots of shit on hand which wasn't producing anything just then and probably wouldn't in the future, either. And sales prospects just kept on getting worse.

To Durlacher's merit, they had been sending more money – "bridge financing" – almost monthly, but now they were threatening to close their wallet. We had reached their limit. No longer were "Mama, send me more money" calls going through.

Owners to the rescue

On the eleventh of January 2001 Hannu sat down for a long evening with Antti. They also talked to Nick for an hour on the phone. I was on the road and so I got Nick's not-so-great-for-

me proposal by email from Hannu.

All was quiet on the financing front as such. Hannu was of the opinion that getting a solution together in a month would be a world record, but that records had been made before.

Our difficult-to-contact wallet was clearly playing a discount game. An investor knows that a company has funds enough for, say, a month. Then he puts off meetings a day a time, because he knows that in three weeks the price will start to drop dramatically. When it has fallen sufficiently, he goes fishing. He makes an outrageous offer, which the firm is nevertheless possibly forced to accept.

In addition to finding an investor, the main subject of Antti and Hannu's discussions was arranging temporary financing. We needed about a million dollars in order to make it through the end of February. And we just had to keep going until then.

Nick had talked to his boss, and they had a clear position. The boat wouldn't be allowed to tip over, but the other owners would have to participate in the financing as well.

The figure in question was 670,000 dollars, half of which would have to come from us. Nick had asked why Pekka and I would not also participate in the financing.

Hannu doubted Pekka would get involved again, but Pekka had promised to at least talk to me. To open the discussion, he proposed that we split the 335,000 three ways by share of ownership, which came out to about 100–130,000 each for Antti and myself, and 50–65,000 for Hannu.

And we'd have to move fast.

We needed the first 335,000 dollars in Wapit's account by the next Wednesday, in order to get salaries paid on Friday.

The sleepless nights began. The first installment would be 170,000 from us and 170,000 from Durlacher. Based on the share distribution, my portion would be about 70,000, and the same again a while later. Oh shit. Sure, the money would be paid right back as soon as the upcoming investor had thrown the cash in our account. And even a small interest as a bonus. But would we get an investor? That was the fear.

This, though, would be difficult to pass up. I had already made a tidy sum in my earlier share sale. And sitting in the bank was money for about half of the share sale's profit tax, which would have to be paid in December 2001. We would take out a loan for the remainder. And now we'd have to touch that money. A tough situation.

One winter evening my wife and I drove the kids to Lahti to spend the weekend with their grandparents, and we talked the whole way back. The money in the bank was almost holy to us. We'd both agreed that under no circumstances were we to touch that money before the tax was due. And right away, we'd need to touch it after all. I knew I was cornered, with no alternative

but to give the loan to the firm. Everyone else was. It was no joy for them, either. The money would be returned for sure. But I was still pissed off. We all were. Seventy grand is enough that earning it back would take a long time.

We pounded our heads trying to come up with alternatives, but no little lights switched on. Should we sell the house we'd just bought? We'd already lived in it a few months.

My wife is a remarkable person in that she'll concern herself over a library overdue fee of a dollar or two, but when confronted with larger issues an "I'm sure we'll think of something" mentality arises.

We decided that whoever dares wins, and we transferred the money to Wapit's account. For all time. But it's no use crying. Many others lost larger amounts.

The Deutsche Telekom-owned T-Ventures also contacted us. They said they were interested in either investing in Wapit or buying it outright.

Whenever a new buyer or investor candidate showed up, we'd have to go sniff the air among the workers. How might this new master feel, in principle? After all, a solution that was not to the workers' liking would result in everyone's departing, after which the firm wouldn't be worth a penny.

The road show group always had their bags packed and their backpacks stapled to their backs. A company set off to Bonn right away.

We haggled for weeks on end, but to no result. The Germans, too, were on their toes, and wanted to see how far the technology downhill slide would crash.

The toughest negotiations we had were with an investment company called 3i. Durlacher already brought this option to the table in the early stages of the round, and we negotiated with them back then. Whenever the sessions led to a result acceptable to everyone, the investigative work began for the contract. Every time, though, the effort would take a few weeks, and during that time the situation changed.

Still, we'd occasionally see some light:

From: Hannu Bergholm

To: management-team@wapit.com

Sent: Thursday, February 22, 2001 4:48 PM

Subject: 3i

hi,

short update.

*things progress – hard negotiations and slightly young on their side,
but progressing nevertheless.*

young means they don't really have authority which always slows things.

*the situation is that conflict has been averted and we gathered together
all the remaining big issues (everything just about agreed) and we proposed a
deal. this happened just a moment ago.*

*we went through it and i believe that it should to through – i'll be told
tomorrow morning before 9.*

*if everything's ok the lawyers, fortified with my help, we'll put together a
term sheet tomorrow and it will be signed before my trip – or at least it's agreed
so that things progress.*

*this is still the goal and the day has brought it forward, even if painfully
slowly.*

more tomorrow ... i'm in the office at least all afternoon (i hope).

hannu

The next afternoon Hannu was at the office and believed that now we'd reached our goal. The staff would have to be informed of this immediately. Hannu asked our opinion and we said that sending a memo out to the staff was ok. We wouldn't yet mention 3i's name at this stage. Even though we had no secrets within the company, the staff understood this cover up. Rumors and speculations in a sensitive situation could easily scare an investor off stage left.

After our green light, Hannu sent out the memo that he'd already written:

Hi all Wapitees, – The weekly update

Helsinki 23 February 2001

I do not have good news – I have GREAT news.

*First of all the present shareholders have today put in the second 4 million
FIM [\$650,000] as planned.*

The GREAT news is that we have today reached an agreement on the Term

Sheet with the Lead investor. Shall be signed on Monday.

What does this mean?

The Lead Investor in a round like this is very important. It is the one of the 3-5 investors, who runs the negotiations with us. When we have a good Lead in place, we now select the Co-investors (typically with smaller investment than the Lead.)

The Term Sheet is a 10 page document, stating all the main terms, that the financial investment would be made on.

So this is done !

It does not mean that we have money on the account - but it is a big step forward.

From Monday on we select the co-investors

The Lead (one of the biggest VCs in Europe, name comes later) plans to invest 5 mEURO [\$5 million].

The current shareholders (Durlacher, Talentcapital) shall invest 2 mEURO [\$2 million].

There is room for about 8-10 mEURO [\$8-10 million] - most likely 3 Co-investors.

I think the co-investors are selected in a couple of weeks.

GUYS - WE SHALL MAKE IT - BOTH THE FINANCE ROUND AND MORE IMPORTANTLY THE BUSINESS RAMP UP.

Hannu

Although the term sheet was ready, the actual contract had not yet been signed. Actually, the term sheet just sets out what should be agreed upon.

And so the negotiations continued painfully. The estimated time for all issues to be resolved was the end of March. All kinds of problems showed up, but the greatest was the total collapse of the value of technology firms during March 2001. Once again, 3i went into the trees. At least they left the door slightly cracked.

The exaggeration of the technohype, disappointment in WAP phones, and primarily the

mindless investment by European teleoperators of tens of billions into UMTS licenses here, there, and everywhere had done their job. No rational investor would put a dime into the industry. You wouldn't get your money back for the next twenty years.

As the owners of Wapit, we got nervous many times and at many levels. A good thrashing was in store if something didn't happen.

Antti threw a surprising proposal into the ring. He'd put up enough money to last through to autumn. If things weren't working business-wise by then, he'd commit to putting up sufficiently more to shut Wapit down cleanly. We'd pay our bills and salaries and leave a neat field of grass behind us.

Naturally, a great portion of the firm's worthless shares should transfer to him in this truly risky gamble. And Durlacher would have to take part in the responsibility in some way.

Durlacher didn't accept the terms. They wanted to hold on to their ownership tooth and nail. We thought they were nuts.

I would have happily given away my shares even for free. Even paid their recipient a little.

This was all just speculation, which ended with Ericsson's surprising announcement that they were discontinuing the manufacture of their mobile phones at Elcoteq, known as "Antti Piippo's company." Antti had new concerns and the collapse of Elcoteq's share price blunted the edge of his interest in implementing that absurdly courageous thought.

We didn't get the equation to work. In my mind I cursed Ericsson's timing. Did this wrench, too, have to jam up our works? Everything always fell apart just as a solution seemed to be found. Triumph might turn to bitter disappointment within the same day. It was as if the whole round was cursed.

Our liquidity situation was especially concerning. The company's obligations, especially social security payments and the tax debt to the government quite briskly exceeded our existing cash reserves, and there was no plan that would rectify the situation before the company entered a liquidity crisis in three weeks at the latest. It was the board's responsibility to react to the situation.

The situation was dubious even from a legal point of view. The lawyers studied their books daily, counting the days we could continue operating without incurring personal liability. We were really balancing on the knife's edge, as everyone wanted to follow good business ethics. Not least for our reputations' sake.

It was possible that we'd begin staff negotiations within the next few days, with the intention of laying off the greater portion of the employees for financial reasons.

Alongside that other shit, we of course continued negotiating full blast with just about anyone. Knowing that there was extremely little time.

In fact, we now had total flexibility in our conditions. Anything would go, if only we could save the firm or even parts of it. "Special price! Only for you my friend!"

Alongside these horse trades we had a couple of trade sale discussions, where we planned the sale of the whole firm quickly and on aggressive terms. The price would have been on the order of one dollar. Everything was negotiable. We might even go below a dollar, if the situation got tight.

1253 unread emails

As if there weren't enough rush and pressure as it was, there was the additional nuisance of email with all its viruses. With all its ingenuity and ease of transmission, viruses were perhaps the invention that most hampered my work during those critical months.

The day began in despair as soon as I turned on the computer and saw what had dropped in again. There wasn't a morning when there wasn't at least 200 new letters. 400 on the best days. Mostly pure shit.

It was one of the moments when I envy the Cowboys bassist Silu Seppälä. Never gets a single bothersome mail. Stress-free Silu, whose mornings started sometime late in the afternoon, often came to mind at other times as well, when things got busy during the last months of the battle to rescue Wapit.

These days one of the most critical skills is the ability to differentiate useless mails from the important ones. So that you can delete them right away with a single glance. Either that, or a secretary who can filter out only the essential messages, 24 hours a day. Everyone? How would that be possible? Figuring that out is probably my next business idea.

If you went through those two hundred mails and spent one minute on reading and responding to each, you'd manage to burn up 200 minutes first thing in the morning. That's three hours and twenty minutes. Who'd spend so much time shoveling shit? Impossible, if you also intended on getting something done during that day.

I was once welcomed home by 1253 unreads when I returned from a week-long trip. If I'd used a minute of my quality time per mail, then I'd just barely have browsed them in a day. Not a shred of sense.

Even merely searching the pile for sender names that were recognizably useful took up time. The rest coldly into the trash by force of circumstance.

I wonder what went out with the baby's bath water.

Exhibition organizers and those making various offers exercised the worst terror. Joke mail also started to eat me. The same massive files came from many different directions when some

"really funny" joke or picture of genitals in some funny situation swept around the country and the planet like a tidal wave. And a hundred other guys would bomb me too with this junk. What these guys have in common is that they've constructed a massive mailing list that they send these pearls of humor to with a single press of a button.

And besides, the risk of getting a virus infection from those joke files is in a whole different league than the village hookers. Of course, you can lose your life with these happy girls, but for many, losing all your files comes a close second.

Luckily, those responsible for maintaining the network kept their clinic open the whole time in emergency readiness.

No wonder that good old stress crept into the picture. Where the hell does it always come from? No matter how you'd supposedly learned to live and to control your feelings and your thoughts, there's nothing you can do about it. In the evenings I'd still fall asleep easily, but around one or two a.m. I'd wake to think about the strangest things. There I'd twist and turn in bed with all the concerns of the world on my shoulders. And when in the morning I'd review what I'd thought about I noticed that I'd laid awake for the most trivial little things. It's just that they, too, grew important during the night.

The cognac and calvados bottles had already emptied ages ago and now anything would go. Every night I'd have a small nightcap to ease the anguish. Not to get drunk, but three or four shots just to calm down from the day's storms. Otherwise I couldn't even concentrate on watching TV:

The walkman with the Pink Floyd and Yes CDs was ready on the bedside table, awaiting its sleepless listener. At night, I became familiar with the bands' production. Deep Purple and Neil Young were also thoroughly listened through.

Somehow music helped to break out of running in circles around my problems. But often only after an hour or two of listening. My worries moved aside for a while and the music won. It was like coming out of a raging rapid into calm waters. My whole tensed body melted and relaxed. I may even have slept. That was luxury.

Sometimes I'd move to the living room sofa to read a popular science magazine. That was a quicker way to get away from the oppressive nighttime world. But the effort. I'd have to grab the sheets and pillows along and walk to the sofa. It requires a hard decision when you're lying in your own bed trying to make yourself believe that sleep will come real soon.

Sometimes a week would pass when I wouldn't really sleep at all. Unwillingly, I belonged to Wapit's unregistered but easily discernible zombie club.

After all, I wasn't the only one stressing the situation. Many others were also completely broken.

In no time, I found myself sitting in Terhi Perkiö's office, our occupational health doctor. This couldn't have happened to me. An old veteran who isn't supposed to be scared by anything. Who's even shaken hands with Keith Richards.

As a professional, Terhi immediately noticed that this guy's already pretty badly out of kilter and ordered me onto sick leave. Three months to start with, then probably more.

Not the slightest chance. Every guy was needed to put out this fire so that at least something would be left in the smoking remains from which something new could be built upon or would be acceptable to a buyer.

I promised to go off and recover as soon as the financing had been arranged. It would happen real soon, I assured Terhi, and maybe myself, too.

As a form of compromise I agreed to start a course of mood pills. For three months I'd pop a pill a day and I wouldn't have a worry in the world. After that my body would know how to produce these happiness chemicals itself and I wouldn't need the medicine any more.

Off to pop them, then, and to wait for a miracle to happen. A week went by, and another, and I didn't notice any effect. Just under a month later I had another appointment reserved with Terhi and, already very tired, I said that the medicine's no good. And, by the way, the financing's not there yet, either.

Terhi urged me to keep with the program, saying that it takes some time before it begins to take effect.

Two days after that strange things happened. I slept the whole night through. And the following nights after that, too.

Sufficient sleep at night quickly improved my condition. My brain worked again somewhat – not that it's ever worked more than "somewhat."

What was interesting about the effect of the junk I swallowed was that my concerns didn't really press on me. Sure, they were concerns, and serious ones, but they could be dealt with without falling into despair. Business is just business. Unfortunately we were floundering so deep in the swamp at that time that my cheering up could no longer prevent the train from being sidetracked.

And so I decided to target the remnants of my energy toward keeping the crowd in a good mood. That effort made me feel a bit like Don Quixote. I had to constantly keep in mind that a mass exodus from Wapit would be a sure end.

Half the firm was working till their hats were sweaty in order to secure the financing, and the other half waited in suspense to see what would happen. Hannu hadn't really had time from his fifteen-hour negotiation-filled days to handle his proper managing director job. Yet still the firm had to be taken forward and the staff kept motivated. It was unlikely that Hannu's family

enjoyed the situation, either. Where to get more hours into the day? How long will the gang hold together?

Wapitees looked on with pity at the man who dragged himself to the office along with the first to arrive in the morning and held twenty meetings without a complaint. How did Hannu sleep at night? There wasn't a spare ten seconds in which you could have asked.

Not that everyone else was in good shape. I often had discussions with Terhi about our gang's well-being, and she said that we were in bad condition. She had managed to build a confidential relationship with several people and constantly received emails in which they vented their anxiety.

They had started a research project at the medical center on the problems we and a few other companies in the same business were facing. All of them had similar twenty-year-olds who lived their lives through the computer screen. Work, hobbies, and socializing, all on the computer, since they were ten. The old joke, "What does a nerd do when he sees a really beautiful woman? Well, prints out her picture, of course," was more than half true for these that had dived below the surface, 24 hours a day.

Most, of course, were in the dry. This should not be generalized to portray everyone interested in computers or making a living from them.

All in all, people were even being given sick leave for exhaustion. And they weren't the "rest in bed for a few days and you'll feel better" type. Rather, they were "a few months to start off with, then we'll see if you need more."

One guy once worked for 38 hours straight. And this wasn't out of the ordinary behavior, at least for him. We knew nothing of this sort of thing until afterwards.

Then he blanked out. This person, who was extremely important to his project, was out of the picture for months. At least he returned fully sane and better than ever. Wiser, even, at least with regard to not pulling those kinds of wild stunts again. He even got himself some hobbies.

There was another case where someone who carried much responsibility became so stressed under her load that she burned out completely and was ordered off to recover on sick leave for a long time. Wapit managed to go bankrupt before she could return to work. She did recover, though.

The brakeman

You always have to remember to get some cheer in your life no matter how much you feel like shit. Work never ends by working. This advice we tried to share.

I was unbelievably lucky in getting myself some excitement.

Some long while ago a certain Finnish publishing company had published a book written by several authors called *Helsinki – My City*, in which well-known Finns told of their experiences in Helsinki.

I had also been asked to contribute. I had to describe the city through a place, building, or something important to me.

The first place that came to mind was the Senate Square, where in 1993 I had been involved in arranging the Leningrad Cowboys and the Red Army Choir's joint concert, but somehow that seemed like bragging about old past stuff. The square didn't really have any other personal meaning to me.

But there was one thing which related to my whole life: the roller coaster at Linnanmäki, Helsinki's and Finland's best known amusement park. As a roller coaster freak it seemed a good idea to select it as my location.

I praised the world's most beautiful amusement park ride from the ground to the sky without a clue that the roller coaster's fiftieth anniversary was approaching.

Movie producer Markus Selin was once again the power behind the scenes, and marched Linnanmäki's representative, Rafik Neuman, to a meeting with me. Linnanmäki had noticed my praise of the roller coaster and enquired if I might participate in the birthday celebrations to be held in June 2001.

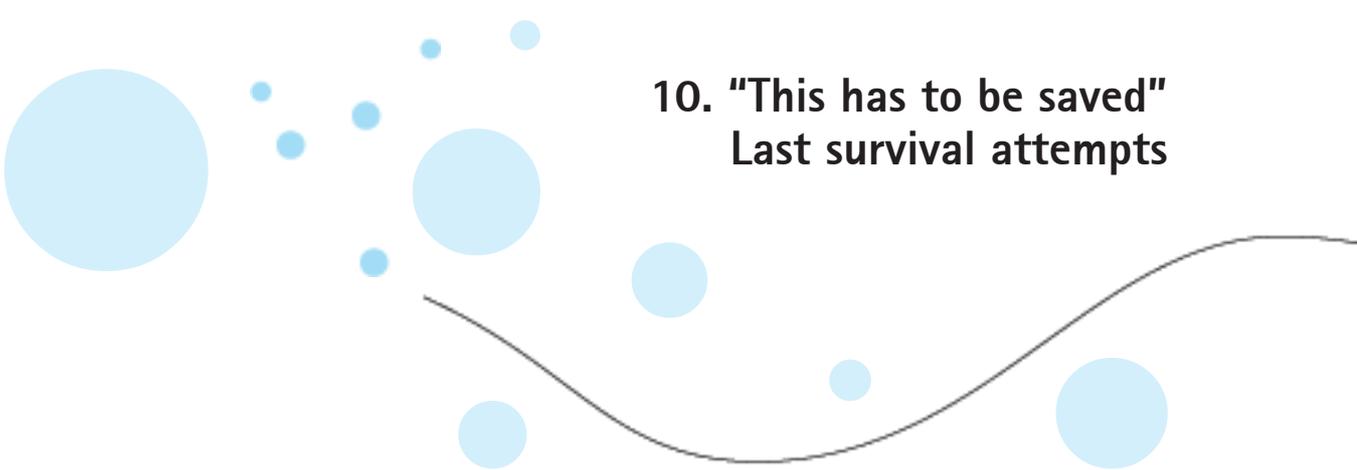
I immediately proposed that I wanted to drive the train. The Linnanmäki roller coaster is a rare amusement park ride in that it traditionally always has a driver along. The "Brakeman" is Linnanmäki's most respected title and these fearless drivers are called the local "nobility." The driver with the most years' of experience, number one, is the king of all Linnanmäki. This is how it has always been, and this is how it will always be.

But you can't become a brakeman just like that. First you have work at the amusement park for an appropriate while, and the brakemen won't accept just anyone into their group. And even the driving course takes two weeks. Rafik didn't give me much hope about getting to wield the driving stick. I asked him to ask the drivers anyway, whether they would agree to make an exception in honor of the celebration. The two-week course would not be a problem.

After a few days Rafik called and said that to his wonder I had been accepted as a trainee. The course would start at the beginning of May.

All my childhood dreams would come true. Or not quite all, yet. Some day I still need to get to drive a Zamboni ice machine to smooth the ice during the rest periods in an ice-hockey game. Then, my most important goals in life would be realized.

We decided that this would be publicly mentioned only once I'd obtained the driving permit.

A decorative graphic consisting of several light blue circles of varying sizes and a thin, dark grey wavy line that curves across the lower portion of the page. The circles are scattered around the line, with some overlapping it.

**10. "This has to be saved"
Last survival attempts**

From: Hannu Bergholm

To: info@wapit.com

Sent: Friday, March 30, 2001 6:39 AM

Subject: status of our finance round

Dear Wapitees,

I want to continue the open mode of information that we have established and tell you where we stand.

The situation is very serious and worrying. We have not been able to get the investor syndicate together and we cannot give any security of being able to get it done.

I want to say this very openly. At the same time - of course we continue discussion with the syndicate and do anything we can to get the financing done. But the issue is not so much Wapit - it is the general investment market, which is worsening all the time.

As discussed the current shareholders invested an other 8 million FIM to finance the period February-March to complete the finance round. We have some funds left to continue operations in April, but we have to be able to complete the funding before 20.4. - And it looks at the moment very, very difficult.

This is not a matter to be communicated only through email. Therefore we shall organise a meeting for all wapitees next week on Tuesday - first a formal one and thereafter a more informal to discuss the situation and the consequences on each of us.

Hannu

Sometime in the summer of 2000 when we made the decision to launch on the second round of financing, I asked everyone who attended the board meeting to write down on a piece of paper the date they believed the money would be in Wapit's account. After that the pieces of paper were put in a paper mug "sealed" with tape, to be opened when the money arrived. Everyone else would buy a beer for whoever came closest.

That group of people can hardly be brought together any longer, and so I took the liberty of opening that mug without an official supervisor and announcing the bets. This I wanted to do in order to describe the belief we held among ourselves in the arrangement of the financing.

Here are the estimates, in order, from most positive to most negative:

Nick Martin 15 December 2000, Jouko Vierumäki 16 December 2000, Hannu Bergholm and Terho Laakso 18 December 2000, Antti Piippo 20 December 2000, Falk Muller-Veerse 22 December 2000, Mato Valtonen 18 January 2001.

There will never be a beer prizewinner. Everyone was equally far off.

In all its horror, the situation was such that in September, October, and November, we thought that everything was fine, in December the whole industry started sliding to someplace where the sun doesn't shine, in January the situation was even worse and Wapit's valuation had to be carefully lowered, in February we got a term sheet signed with a lead investor, and in March this investor wanted to renegotiate the terms.

In the meantime we hadn't managed to keep smaller investors in our stall. They had either slinked out or also wanted to renegotiate, citing the market situation. No matter what we did, nothing, neither a child nor shit, would come of this.

And we had to get money immediately. And no more and no less than 10 million dollars, which would be enough to the end of the year. Anything else would just be artificial respiration.

We would no longer be able to pay April's salaries without a pile of money coming from somewhere.

Once again the owners, gritting their teeth and with no choice, pumped in enough money so we'd maybe manage until April.

Feelings in Wapit's corridors were not at the ceiling. Päivi Peltoniemi, who had joined Wapit in March 2000, remembers the change that had occurred in just a few months:

"Are there any questions?" the managing director sighs and looks the motley group. Silence. The words and the numbers are still on the way to the brain. The message hasn't quite arrived yet.

Then – the first question: "Where are we going to save?"

The CFO lists the standard response: "... recruiting, exhibitions, training, purchases that can be put off ..."

Those that were with us in January remember the previous time when the managing director had stepped up on the stage to talk about the company's situation. We were half way through the investment round. Everything seemed to be going great. We ate little savories and talk buzzed happily and we drank soft drinks.

Three months is a very short time. In the "new economy" three months was nevertheless enough to change the situation from positive expectation to faltering suspicion. Now we'd trudged through the wind and snow to a grim conference room on downtown's edge. Everything was no longer great – now we were consuming more money than we were getting, just about everyone knew it.

The next day at work it was quiet, the hallways were empty and doors were closed. "That morning the empty corridors were full of forms of fear ..."

Work got done, but smiles were forced, even though a few practical jokers did try to liven up the situation with humor.

The firm was also set to low flame. The biggest catastrophe was the cancellation of the Battery energy drink orders. The Koff soft drink factory's truck, which had provided a sense of security, hadn't stopped in Wapit's back lot for a while, and the grand Battery-branded refrigerator we had received as a major Battery customer gaped open, empty. Previously that fridge had been the first thing we'd shown guests. We were clearly proud of our excessive consumption of energy drinks at Wapit. This was the end of the world.

The situation was extremely serious. Over a hundred jobs on the line, and the morale started to crumble. Everyone tried hard, but the black clouds above us hampered our concentration. It was hard getting any work done. The pressure focused on the desperate road-show group, who ran around the world trying to rescue the situation.

Markus Aurala pictured normal Wapitees' insecurity during the critical spring months:

We were concerned by the managing director's memos about how the

financing round was stretching on and the cost reduction measures that were put in place in early winter, but the true difficulties became apparent only in the briefing held in early January for the whole company. More and more evenings were spent at our regular local restaurant and more and more often would we leave the office to go there already at 1 or 2 pm. Those evening we'd go through different alternatives together and comfort each other. No one really still believed in the bankruptcy option.

Spring passed languishingly. Each of us tried to do our best at work, even if our faith faltered. Departments were shut down, merged, and people were thrown back and forth among them. During the spring I worked in Wapit Finland, which was severely affected by the structural changes. There were moments when we didn't know where we were supposed to sit, who was leading us, and what we were supposed to do. The standard joke was that we should put wheels on the furniture so that moving would be easier. That fact that the company's direction was really being changed could be felt.

Status updates on the financial round came and went all spring, but in the end we could no longer be bothered to even react to them. Too many times was everything supposed to be clear and then the carpet was pulled out from under our feet at the last minute. This continued up until Wapit's final days. Work motivation was almost nonexistent and it was difficult to think of anything to do that would take your thoughts off the financial situation. It didn't help that salaries were late and ultimately unpaid.

Some Wapitees made an understandable decision and searched for a new job for themselves. Can you blame anyone paying a mortgage for wanting to cover his back?

I dare say that every resignation took place in good accord. A certain amount of tears were also needed.

Still, every time someone handed in their key card and closed Wapit's door behind them, you could sense the atmosphere of defeat amongst those remaining.

Twenty or thirty guys left to search for a new life, but a very special commando team remained. Assured us that they'd see out the hand. And they did.

At some point we found out the reason for the Murdoch team's disappearance. There was an article in some net news which said that right around the time our contact broke the newspaper emperor Rupert Murdoch had given a mighty order to his subjects not to buy any more new economy companies nor to invest even a dime in them. And what was even more harsh, to immediately sell off all that had been bought. The guys whose job it had been for the past few years to make investments had to dismantle the whole system. And fast. It's no miracle, then, that maintaining contact with some fucking Wapit somewhere near the Arctic Circle wasn't terribly interesting.

They knew to jump off the new economy's tailspin at the last stop. And even though they might not have managed to grab all their luggage, their losses were still smaller than if they had tried to make it to the end of the line.

Mentally, it was a bit of a relief to find an explanation for their disappearance. Now I didn't need to go stone Murdoch's windows or shove crab lice through their mail slot.

In early April a glimmer of light could be seen at the end of the tunnel. Durlacher and Hannu talked 3i into being the lead investor with five million euro stake, but only on the condition that we get together a group of smaller investors to put up the other five million. As time had passed, however, this group had already disappeared to greener pastures.

There were only a few days to once again gather the herd, negotiate new conditions and finalize the agreements in such a way that all the parties in the game would accept them.

Would 3i agree to finance the whole shit if the conditions were made sufficiently tempting? Hardly, but we had at least try.

The staff would also have to be kept on board. The front door was swinging so hard that Hannu asked everyone to see at least this week through. Without them these deals wouldn't take place. Just by staying on the salary lists they would secure each other's jobs were we to succeed.

Even though we wouldn't be able to pay April's salaries on the 20th without financing.

"We would like you to continue with us this week. Our only chance."

If things weren't clear by the weekend, the board would have to technically put the company into bankruptcy on Monday the ninth.

It would be the worst of all the alternatives. We believed we would get the business into shape if only we got a little more time to work. Our income would be greater than our expenses

in September. Then we would no longer need more money. But it was a long way to September and we were burning close to 600,000 dollars every month.

3400 dollars an hour.

The gang rallies together

This time the staff meeting was held in a traditional meeting hall in Helsinki's old business street instead of in our "downstairs office," which is what the Tavastia rock club had become. Our own offices didn't have a hall that would fit a hundred people at the same time. Tuesday afternoons and evenings were often relatively quiet at Tavastia, so it was easy to rent. We felt it comfortable to hold our briefings there. And they served beer. Once in a while it was good to sit down and relax at least a bit, even if things were difficult. But now we had to get the meeting together quickly, and Tavastia wasn't available.

I was traveling, so this time I didn't personally make it to this meeting with its gloomy agenda.

Hannu talked to the dispirited crowd and described the serious situation: There was so little money remaining that payroll might not be met this time, if ever.

A deep silence followed the announcement, even though everyone pretty much knew what was up. The bombshell is always more concrete when it's dropped as a sure fact. Until then you just keep hoping.

But then strange things happened.

Soon after the meeting I received a very emotional phone call from Hannu. It began somewhat along these lines: "Mato, you won't believe what kind of people we have here. They asked if it would help at all if they worked without getting paid. Goddammit, we can't let this firm go under."

Someone had actually stood up from their seat and made this suggestion. And then one after another others had also stood up and said that they too don't need to be paid their salary, if it can save the firm. They could be paid once there's money again and everything's in order.

Hannu was moved, and it caught on to me too. The whole show had gradually changed into a battle of spirits.

Hannu and I agreed that if now we were to make it to dry ground, we'd have a team that could be trusted in any situation. This has to be saved. Even just because of the spirit.

There had often been talk of the Wapit spirit, and now that spirit was positively tangible. Everyone joined the battle.

People made voluntary agreements with the company, allowing either 25, 50, 75, or 100

percent of their salary to be deferred either to the next salary period or the period after that. Interest was promised on the deferred amount.

Almost everyone went along. Only those that simply wouldn't have managed if their salary were deferred didn't join. No one considered them cowards or defectors. Everyone understood each other's situations.

Wapit started to become a more and more personal issue. It was no longer just a corporation, but something that you also belonged to spiritually.

The possibility of deferring salaries again gave us some more time, though we were already swimming deep in the water. Our heads were already under water, and only with difficulty could we sometimes take a gasp of air, only to always sink again.

The only thing permitting us, by law or even morally, to continue operating was the scant possibility of getting financing. But time was running out.

We told everyone that according to Finnish law, the government would guarantee their salaries if things went badly. The thought felt terrible. It would be the end, we'd hang out the sign and the gang would disperse. We had to fight against that.

The pressure was mounting, especially since many Wapitees had invested their own money into the company. Some more, some less, but those investments, too, were threatened. The hope of a small profit had turned into the fear of losing all your money. It felt like I'd betrayed their trust. This depressed Hannu the most. Many had put in all their savings; some had even taken out loans in order to be able to invest.

For some reason I remembered to take my mood pill every evening.

The staff's nervousness rose during April and May. Despite the spirit of solidarity, we feared that at some point we'd reach the limit and one fine day the whole company would walk out. Then there would be nothing left to do. The future would be gone along with them.

There was also a new attitude on the financing front. By this time, every investor had their hands full of problem children like Wapit, and once again all the bankers had their weathervanes pointing in the same direction. And this time it was away from technology.

Durlacher no longer put up bridge financing. The last few times were marked once again as loans. Under tough conditions. Those that didn't put up more money had to sell quite a number of their shares at a nominal price of 33 cents. Durlacher, Antti, and Hannu gave money. At this point I lost the nerve to put up more, and I gave up a large number of shares. The drop was from 44,000 shares to roughly 27,000. As payment I got about 5,700 dollars. A year earlier they would have fetched about two and a half million.

In that situation, I wasn't grieving. We were now moving in really risky investments: it was

actually more likely that they wouldn't get their money back. And as a minority owner, my financial responsibility would be smaller in any potential cleanup procedures. Of course, if we had succeeded I would have been bitter, but the firm's rise already seemed quite a hazy thought.

The billions that had only a short time before been spoken of warmly were now indeed concrete. Though unfortunately on the wrong side of the line. Astronomical sums would have to be acquired from somewhere and quick.

Regardless of everything, I spent evenings driving the roller coaster. Generally already after the first half hour, work was no longer on the top of my mind. Brilliant therapy for coping mentally. I recommend it. If the world gets really gloomy, a hundred rounds at the controls of a roller coaster does wonders.

A leak

On the 20th of April, the Internet operator Jippii published an ominous news article on their Website that severely hampered our efforts.

The article said that Wapit's cash reserves had run out and that there wasn't even a clue as to new financing. It also said that Finland's largest teleoperator Sonera and a small Italian company were interested in buying Wapit.

The news was premature. At that point we still had reason to believe that we would make it. Nevertheless, the article spread like wildfire into other media. It caused a dense flurry of rumors and we could barely get anything any more on credit or invoice. Even more serious was that our customers became concerned and asked for explanations. There were connections in many directions and the undisturbed operation of our services was of the utmost importance.

The news also caused panic among the staff. The source of the news caused the most astonishment. What was Jippii's source? The news contained information that had been told to only our own staff in a briefing that same day. They had been warned in this meeting of our dire predicament. And now everything could be read on the Net.

The silliest thing was that it contained information that the informer had interpreted incorrectly. Sonera hadn't been buying us, though we were negotiating over a few technologies. And also, the small Italian party wasn't small, it was big as hell.

It didn't take much detective skill to understand that the information had originated in-house. Horrible speculations began. Who? Why? What could be gained from this? How could someone do this?

A lynching mood arose. The informant definitely took a few steps back if the thought had even crossed his or her mind to admit to an inadvertent slip.

Almost all Wapitees investigated the issue. Theories and suspicions were thrown about. The first investigation was a call by one of our workers to an acquaintance who worked in Jippii. He casually asked where the information had come from. The guy at Jippii said that a Wapitee had sent an email to his friend who worked at Jippii, saying how things were going. This guy had then forwarded the hot tip to the news desk.

It fell to me to deny everything in public. Once again it was time to send a press release. And fast.

That same evening we had a potluck-style get-together at the office, and everyone had brought along a bottle of wine or a few beers. The firm couldn't afford to pay for even a single sardine. The pressure-relieving event wasn't cancelled or delayed because of the news, and so we typed out the press release with wine glasses in our hands. It came out handsomely, regardless. This is how Hannu comments our situation in it:

"Groundless Internet news has caused our operations some difficulty and we have had to explain our situation especially to our customers. Despite the rumors, we are concentrating on working as normal, continuing to invest in our sales effort. Our staff has expressed their confidence in the company and that is what is most important for us."

However, the damage had already been done. This broke our back badly. An atmosphere of defeat lodged itself in our subconscious, even though everyone still bravely tried to keep working.

But the worst was still to come. Due to the shoals we were navigating we had staff meetings relatively frequently during that time.

From the next meeting, confidential information again found its way to the Net news, this time so fast that we had only just made it back to the office from the meeting.

Now everyone dropped their wrenches on the floor. Everyone felt themselves truly offended. One of us was causing immeasurable damage. No one could trust anyone.

At this stage management had to react heavily, and we set our lawyer to quickly find out how far our authority would go.

Hannu considered a letter offering the informant the opportunity to reveal himself or herself to him and to resign in such a way that it would remain just between him and the informant. The letter was never sent.

Finnish law supplied the biggest surprise. We couldn't really do anything to investigate the issue. We didn't have permission to open employees' emails. It was also questionable whether the police had the right to read emails on the basis of breach of corporate confidentiality. In Wapit's case, investigative authorities would not have the indisputable right to open emails.

In other words, anyone can send any information or strategies from their firm to anyone and no one can do anything about it. At least at a sawmill you might see it if someone is dragging a stack of planks on their shoulders into their truck.

The entire wealth of an IT company is generally inside computers. You can send out a hell of a lot of information in an hour if you happened to be in the mood. To any corner of the world. To Australia in less than a second.

Here again is another reason to be nice to your workers and put strawberry cake on the table once in a while. It's worth spending effort toward building mutual trust.

The people responsible for maintaining our own network gave a Russian hint that they might know who had sent messages in Jippii's direction. Bu they couldn't reveal a name. It would be in breach of the privacy of correspondence, punishable by law.

Neither would it be easy to call the police. It needed a bigger crime than spreading company information before the investigators would arrive on the scene. And unpleasant publicity would come as an added bonus.

And if we asked everyone for signed permission to read their emails in search of the culprit, it would be a bit like asking them to strip naked there in front of us. Not worth even trying.

Checkmate, and we had to swallow the shit. We had to take put a halt to one of Wapit's most important values: openness within the ranks about our plans and status. And is came at a bad time, as just then information about the firm's survival was wanted in house more than ever.

The last straw

From some pile of business cards Hannu dug out that same banker that had also proposed to sell Wapit after having sold lobox. Hannu called and explained the current situation, asking about the possibilities of some kind of financing or sale of the firm.

The guy took it seriously and quickly returned to the table with Netikos, a company an Italian operator had set up to be their technical muscle.

Yet another round began in this long since overextended boxing match. We had been really beaten up in every round, and the minutes in the corner were spent soothing the support staff.

And again we had to gather Wapit together and rise for another round. Always the ordeal

began with us managing to get in a few jabs, and sometimes it even felt like maybe we might even make it. Until the investment market, after having played with us for long enough, gave us a right jab to our face, usually with the help of knuckle irons, so that we'd drop instantly. Every time, though, we rose bleeding. At least up till now.

The Netikos managing director Edoardo Narduzzi came to the negotiating table from Italy. A pleasant man who did a lot of work in order to get the merger to work.

The plan was to strengthen the recently-founded Netikos with Wapit's technology and expertise.

Edoardo and Hannu got along extremely well together. From their discussions and emails, they quickly found a common tune. This would be a bull's-eye for both. The Italians would be able to quickly grow internationally with the help of Wapit's experts and technology. And in this pissy situation it would be safe for Wapit to get under the protective wings of an enormous house. And we would still be able to keep ourselves busy with the products we had developed. A few of us would have to (or would get to, depending how you looked at it) move to Rome.

As the negotiations progressed, Netikos's plan became clearer. A heavy minus was that they would only be able to take the technology teams into their service. About 50 people.

On the other hand, at this stage they weren't interested in the Asian operations or customers or our office in Singapore. They'd remain with us. Netikos's focus would be on the Mediterranean countries and South America.

This was great news for us, as Asia had already been able to sustain itself. Money was coming in and there was a pile of customers in the pipeline. We would have been able to employ 15–20 people to maintain Asia.

Even in this alternative, some of us would have got it in the neck, even though there was "only" a handful over 80 of us left.

Edoardo and a few of his colleagues came on their first visit to Finland on the eve of May Day, originally a workers' holiday that has been hijacked by Finnish university students. We politely warned them about this day. His hotel in the center of Helsinki would be surrounded by a sea of glass shards, vomit, and piss. And the fish in that sea wouldn't be the most sober of folk.

Daring the beer tornado, the boys came anyway, and it developed into an encouraging day, bulging with mutual agreement. To top it off, we went to Piippo's place to enjoy glasses of champagne in the spirit of May Day.

Immediately the next day Hannu sent out a mail to the staff, bulging with optimism. He expressed how impressed Netikos's people had been with what they had seen: the products, technology, the expertise of the staff... The thing that would make or break this deal now was

whether the Wapitees would be willing to work with the new masters. He said he believed they would, especially as Wapit would remain a single entity and the existing management would continue. From all angles, the solution would be the best possible. *"Step by step it looks like it is not a mirage but a miracle,"* he ended his letter.

Hannu had for some time already used the word "miracle" for any possible success. In these desperate times that's what we were really waiting for.

At this stage Durlacher's messages seemed much like shots in the dark, and indeed, more than ever, Hannu had taken on the role of "miracle worker." He really had to spell out to the Durlacher people the painful fact that if there were no deal in a few days, we'd have to tip the cup over. And they still didn't get it. Even at this stage they were bringing to the table suggestions for completely new potential investors. Banks that we hadn't even talked with yet! As if they had completely forgotten that in all cases the negotiations would take at least a month or two. And there was a day or two's time. I guess the London boys were also in a bit of a panic mentality.

Sometimes it felt as if a few guys there were more concerned about their own jobs than about Wapit's future. A shitty situation for the whole Durlacher. Wapit was, after all, their largest single investment. In different times we would have done a fine job with them.

Stephen Lee summarized the investment markets aptly:

"The downturn and crash of the 'new economy' made investors and potential buyers of Wapit products go back to the old school of thought. 'Where is the Revenue.' I visited one potential investor in Italy in April of 2001 during our second lease on life, who did not care at all about the technology but said, 'Your revenues have been flat for 3 years. Why do you think they will go up now?' They could not see the new customers just waiting for the end of the financing round, or the new ones that had signed up recently but just were not launched yet. It was all about the past. We had finally gotten it together and it did not seem to matter."

Now all we had to do was stack enough wood on the fire to really heat up the Italians' sauna, but not so much as to burn it down.

We sent all the necessary people to Italy in order to familiarize the Netikos technology

department with our products and our dudes. Some went to Pisa and another group went to meet Netikos's management in Rome. Five in each team, immediately the next Sunday. There was no time to spare.

This was of course an enormous investment for a company thrashing in the grip of death, but when you're drowning, you grab at every opportunity. Face to face for three days, and the conclave ought to conclude with the smoke rising from the chimney and we'd be able to save whatever could be saved.

The crowd returned home with smiles on their faces. They were completely sure that a deal would be made. Everyone praised the complete concord that had been found over even the smallest of issues.

Most importantly, both wanted to create this union and both felt they would end up winning from the deal. A "win-win situation," as they so splendidly put it in the business.

But there still wasn't any money in the account!

We were living completely on artificial respiration and we started to brush against the laws, and so at the same time, I got the job of preparing invitations to the Wapit Ltd annual meeting. In this meeting we would either put the firm into bankruptcy or then we'd agree to sell to anyone. Hopefully and probably to Netikos.

The meeting had to be held by the end of May. After that, the board and management would be personally responsible for all decisions made and actions taken. Not one was ready to take on this responsibility.

The day of judgment had already been put off several times. Whenever even the smallest possibility was found to continue for a week or a day, it was used.

We already knew that regardless of any deal with the Italians, no one was likely to get back the money they had invested except potentially over a long period from some Asian revenues. And even then only scraps, if things went well.

Still, avoiding bankruptcy and rescuing even some jobs would have been counted a great victory.

On the 24th of May, Wapit and Netikos negotiated for seventeen hours straight, and even the smallest of details was put into place. All that remained was for the lawyers to write it up.

In order to balance the buyer's favorable purchase price, we would retain free rights to the technology we had developed for a sufficient period of time in Asia in order for us to put Asia into shape without worries, and become profitable. Wapit Ltd would only have continued to operate in those markets.

The contents of this agreement were approved by Netikos's board. However, on the 30th of May Durlacher turned down and felled the contract already signed by Netikos, as the contract

stipulated that the old owners invest still more money in order to put Wapit's remains and Asia into shape.

We had already become familiar with these kinds of blows from earlier rounds. We got the point in many negotiations where all that remained for the deal to take place was the approval of the opposite player's board. At those tables cautious decision makers would then shoot down plans that had demanded weeks of preparation.

As the final option, Hannu offered Netikos the possibility of buying out at a cheap price a technology unit from Wapit that Jouko would be left to put together. We'd put the rest of Wapit into bankruptcy. 40 people would get jobs. Better that than nothing.

It was Thursday, the 30th of May. The lawyers studied every possible article that would allow us to continue under the law. Though now we were no longer speaking of days. More like hours.

Netikos's lawyers had investigated and found that the deal could be done from their side in accordance with the law, even with this short a time before Wapit's doors were nailed shut. They were also ready to do the paperwork.

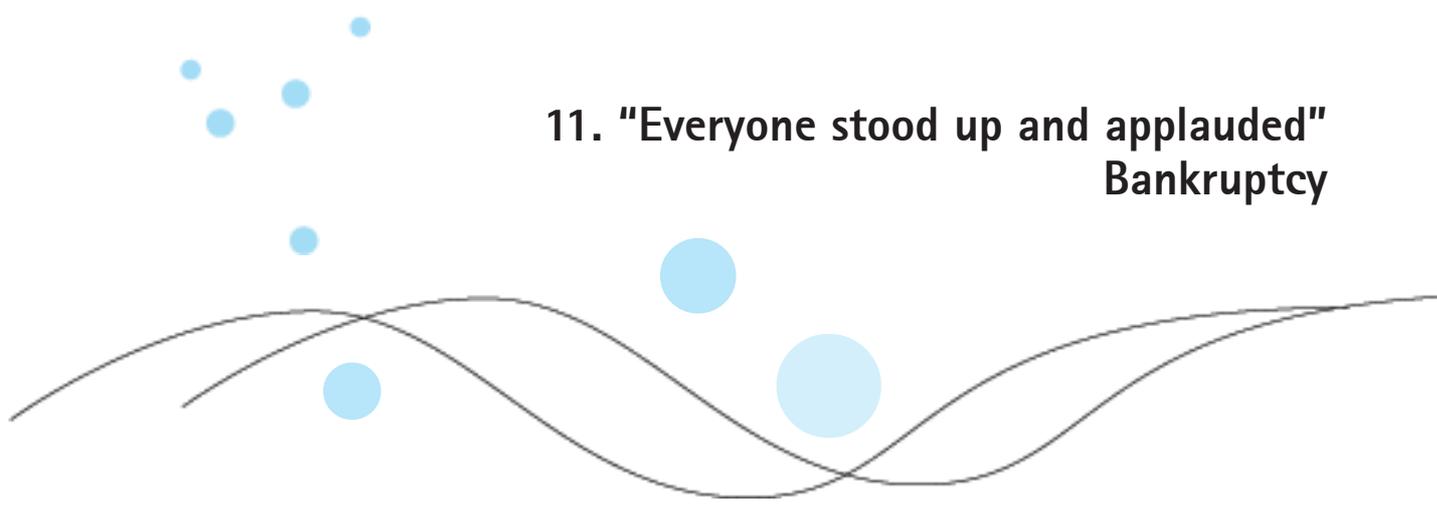
In this kind of situation, the deal can be done if the major creditors approve it. All that remained was the approval from these major Wapit creditors. And surprise, surprise, the largest ones were Durlacher and Talentcapital, which was administered by Antti Piippo. Hannu and I included as minor creditors.

We awaited Durlacher's approval after the rest of us had already given it.

Friday the 1st of June dawned. Once again the deal had to be closed the same day and names signed the following morning. Our only and last chance. The train had already passed the terminus, and the end of the track was already in sight.

Edoardo went off to get approval from the board of the mother company. We awaited this decision with stiff shit, as they say. There, of course, some lawyer lady board member threw herself across the tracks and the whole final effort was settled with the short word, "No."

Now we were fucked.

A decorative graphic consisting of several light blue circles of varying sizes and two thin, dark grey wavy lines that sweep across the lower half of the page. The circles are scattered, with a cluster of five small ones in the upper left and two larger ones in the center. The wavy lines are positioned below the text.

**11. "Everyone stood up and applauded"
Bankruptcy**

From: Hannu Bergholm

To: info@wapit.com

Sent: Thursday, May 31, 2001 6:50 AM

Subject: the letter i have to send you

my wapitees,

i have sad news to you... we did not succeed in the finance round, including the last try we have to give up and put the company in bankruptcy. we fell... on the last hurdle.

we got the agreement (LOI) signed with the italians late tuesday evening, subject to board approvals. it was a good deal as such. but to take that through we would have needed the 1.7 million USD into Wapit to pay our accumulated expenses and build up the commercial wapit.

the current shareholders could not find agreement on putting the financing in. so the only alternative was to file bankruptcy.

the italians still want to buy the technology unit - all of it. that does not help wapit from avoiding bankruptcy... and there is a couple of days time.

i speak more about it in the meeting.

i feel extremely sad. we did everything we could. you guys and girls are unbelievable in your support and many of you directly, all of you indirectly have worked on this case. we did everything we could, we got the deal together... but it fell through.

but almost is not enough.

i shall be available to you as earlier, and we as management team take this to the end. and world is small... we shall meet again and you can always use me (us) as a reference.

i say this one more time: thank you.

hannu

I don't know what causes some unpleasant things to be forgotten. Afterwards, I can't remember all that clearly the order in which the final act took place, not even the moment

when Wapit was formally and finally declared an e-casualty. And I can no longer even be bothered to look it up. The order doesn't really have any significance.

The lawyers had prepared the papers well enough that the dog didn't sniff long before tipping the cup over. It was just a minor formality that had to be taken care of.

Where and how it happened is a black hole to me. Maybe I want to actively forget the whole thing. All the dreams and plans were just dumped in the trash.

Telling the Wapitees, though, wasn't a minor formality. That I'll definitely remember even when the devil comes knocking at my door.

We didn't manage to rent Tavastia this time either, so we went to the nearby Satakuntatalo to go over the situation. Everyone knew what was up, so the atmosphere hardly reminded you of a wedding or May Day morning. Even for a funeral it would have been from the dismal end of the scale.

On the other hand, even this was some resolution to the whole cat and mouse game that had gone on for eight months. Some kind of relief.

At least in the group that I sauntered with to the briefing they tried to cheer up the mood by talking of altogether different things. Even a few jokes cracked the air.

It still felt as if you had been going from prison to the gas chamber.

Once we arrived at that beautiful hall everyone sat down. Hannu stood in the back, visibly nervous, waiting for the clatter of the chairs to cease. Then marched to the front and began to summarize the situation.

It was surely one of the toughest spots in his life. In front, that group of people who had become close and who had put themselves and their futures on the line. They had to be told that no one knew where the products of their toils would end up. And Hannu felt that they had specifically trusted in him and in his ability to take the shit to the goal.

With a lump in his throat he thanked everyone for that trust and described the final turns and the failure at the finish line to an audience that was as quiet as a mouse.

You could see that it took a heavy toll. Hannu had believed that he would pull it off. Especially as it had been so close so many times.

There was no longer any hurry, so his speech was leisurely and downbeat. Small pauses were needed every now and then to dry the corner of his eye. But true to his style, Hannu had to go through the whole story and right to the end.

We could only guess at what people's reactions would be. What was ahead? Would it be an inquisition? You couldn't tell.

The situation relaxed in an unbelievable way. Marko Saaresto, one of our software developers, rose from his chair and requested permission to speak. He released his feelings by saying

that he was in a job with the best possible spirit and that he respected the battle that the working group arranging the financing had fought with Hannu's lead. Openly and honestly. He even boasted that he was proud of his colleagues and of the achievements that had been made.

He suggested that Hannu deserved a small round of applause and started to calmly clap his hands.

A second and also a third quickly rose to applaud. The tribute was joined by more and more of those that had just lost their jobs, and soon everyone was standing and applauding. The clapping didn't want to stop.

A strange situation. The firm had just gone belly up, and upon hearing of it, everyone showed their support to the one who had carried the greatest responsibility.

At that moment this was surely the best possible balm for Hannu's wounds. The gang stood behind him to the bitter end.

It was also a liberating experience for everyone present. We could unravel what had happened in our minds, ending the ballet as friends and without naming any guilty parties.

The applause also left everyone with the feeling that surely neither bitter bullshit nor hindsight would emerge from this group afterwards. People left the meeting who were uncertain about their future but relieved.

Now it was over. All that remained was to wrap up with the executors and to clean off the desks. Then hand in your passkeys and phones and nail the boards across the doors.

Still, not everything was dead and buried yet even after that meeting. Something could still be done. Like agree to our Spanish reinforcement Daniel Martin Alvarez's invitation to go play soccer that same afternoon.

Dear Wapitees,

Now that we have to move on and most likely continue our professional lives separately, what best than a memorial soccer game today?. In memoriam to the best of what wapit was, is and will always be, why not gathering and enjoying some nice outdoors activity all together?. Even the weather outside seems to be appropriate for it!

I know that maybe the Finnish way of celebrating this kind of events will probably have something more to do with the abuse of toxic substances but, before that, why not burning some of those calories that you are going to

ingest back later today or during the farewell party?

The place will be the usual: St. John's Church, and the time could be 15:00.

If you are interested, reply me back before 14:30.

Let's play and have fun. Life is not over. Yet

Daniel

Publicity

We knew that we would not be able to avoid publicity. Various media had already long ago smelled that not everything was right with Wapit. Curiosity had grown ever since Jippii's "unfounded" news. After all, the stories Jippii published weren't wholly without some grounding in truth, if they are compared to the end result. They didn't check the facts, and especially the hints about Sonera taking us over got their competitor and our largest customer Radiolinja to bolt. At that stage we had to deny even things that brushed up against the truth. Otherwise our customers would have sent us papers written by lawyers in no time flat.

Our bankruptcy would be juicy for the media. We could already see the headlines in our minds: "Mato Valtonen and Antti Piippo's new economy bubble bursts." We foresaw that we would be ripped to shreds.

Still, this too would have to be faced. Going into hiding would be the worst possible mistake. And so out we go. We put out a press release even on the same day.

I didn't put my phone number on that release, either, because distributing it has often had the same effect as when I go into a restaurant. All the drunkest assholes and recent prison escapees come and grunt something incomprehensible along the lines of: "Mato, you remember? Goddammit, don't you remember? At the Sleepers gig in '82 on the Nivala stage I came backstage and we talked. Dammit. sure you remember!" Real fans don't abandon the Sleepy Sleepers, beer, nor their self-administered spiderweb tattoos.

I didn't particularly want their calls in that situation.

I counted on the fact that reporters would have my number scratched out on some scrap of paper anyway. Foreigners might have some difficulties.

We decided to agree to requests for interviews and comments. If we didn't do this, who knows what the reporters' imaginations would produce. Every old sin would be dug up and the discussion in the editorials would last for weeks. The sensation magazines would find all sorts of revelations.

The tone of the stories would also be affected by the fact that in European and especially

in Finnish culture, bankruptcy is still considered a great shame. Failures have been followed by mental collapse and even suicide. Many people's days of entrepreneurship have been over after their fall. The environment's judgment has taken away future possibilities.

In American culture, bankruptcy is just a part of business. I'm not saying that's how it should be with us as well, but in the Yanks' business culture they admit that private enterprise entails risks that can lead to failure. If you try, you always take a risk. And every risk can't work out. In the American outlook you're a businessman who understands risks only once you've had two or three bankruptcies.

A few really large firms don't even take people into top positions who have only success behind them. They are the most dangerous types when decisions are made on big issues. They might believe in their supernatural abilities to succeed in everything. The cautiousness that comes from bad experiences is missing.

We were somewhat like Yanks in that we didn't feel shame over the situation. No fraud or cleaning out of the company had happened. The greatest losers were the main owners themselves. No reason to hide your head in the bush or keep things secret any more. Everything would come out sooner or later anyway. And so there was always space in the calendar when some reporter requested an interview.

Our prediction of a media broadside ultimately failed. Our treatment was positively gentle. Every story was written in a businesslike and understanding spirit. Maybe the openness was worth it.

In one of the afternoon papers they even presented on several pages all my achievements from the Sleepers through the Bun Drivers up to this day as some kind of hero tale.

Common to almost all the stories was referring to Wapit as "Mato Valtonen's Wapit." Although in the end I only owned 17% of the firm, there was no need to emphasize that it wasn't just solely my firm. Everything went smoothly, and from our point of view, that was just fine and good.

Almost as soon as we sent out the press release on our bankruptcy, Wapitees also reacted by sending mails to each other and to info, the company-wide mailing list, as long as the machines would still be working.

From: <vvuorela@wapit.com>

To: <info@wapit.com>

Sent: Tuesday, June 05, 2001 5:53 PM

Subject: My personal epilogue

The press release is out and jackals are laughing over the corpse, but I just want to say that I am proud to have been working with you all. Especially witnessing these last two months of incredible loyalty, tenacity and faith in that what we have been calling the Wapit spirit.

I did not know I had it in me, or you had it in you, or that such things are possible in this day and age. If I ever have a company of my own, what wouldn't I give to have the same kind of atmosphere and spirit among my employees?

I know that the misunderstood Nietzsche and his famous much-abused phrase "What does not kill us makes us stronger" sounds ridiculous and stale to the modern ear, but I am definitely stronger now, thanks to you and all that has happened.

Finally, I say this both seriously and as a joke: Your future employers are very fortunate to recruit "übermensch" like you.

Call me a romantic. :D

New bosses

On the sixth of June a herd of lawyers marched into the office. The executors had arrived on the scene. After all the shit that had been endured this still had to be handled, too.

These guys had handled hundreds of bankruptcies before this, so they weren't nearly as nervous as we were. In fact, they weren't nervous at all.

Sami Uoti and Jyrki Tähtinen had been appointed intermediate executors of the estate. Sami opened the meeting by stating that common to all bankruptcies at this stage, there's no longer any hurry. He was familiar with crashed entrepreneurs' exhaustion from their attempts to rescue their firm and he could recognize the rush of recent times on our faces.

They would now set in motion machinery that would grind Wapit through its mill and turn over every stone. And it would take as long as it took. We could wait in peace.

They said they would also run the company until the proper executor was appointed. The old management would no longer have any decision-making authority in the company and no

money was to move except through them. Every Wapitee would immediately be handed a two-week termination notice. The government's salary security would pay salary for this period. Except for the managing director and maybe not for me either. Phones to be removed from everyone except those that they would need to be able to contact. All the firm's wealth would be put on sale immediately.

Sounds harsh, and so it was. My table and chair, too, would go who knows where in the next few days. That was the name of the game.

But for some reason, the show went over in good spirit. After all, even this was some kind of solution to all the thrashing. It sounded blissful, being in a state of no hurry. When hurry had already become an inseparable part of life.

Even before these lumberjacks arrived, we had decided to see this through to the end and help them as much as we could, in order for Wapit to quickly be in good shape and ready to be carried off. Ship the shit and on to new challenges.

The staff also joined the game. The executors said that it isn't very common for a capsized firm be willing to co-operate and to do the things they request right away and with care. Often they had been up against an embittered entrepreneur who rather tries to vent his disappointment and anger at the executors by throwing themselves across the tracks at every turn. Or then simply disappears from the picture.

Everyone was heavily pissed by situation, but nothing could be done about that any more. After all, there was a good atmosphere at the office. After a long time, you could hear bursts of laughter from here and there. You could clearly detect that the pressure had disappeared. Music was played and there was pleasant chatting over cups of coffee and comparisons of future plans. Coffee hadn't been seen for some time, but Sami dug out 35 dollars from his wallet and asked someone to get some. The receipt was not to be forgotten. He felt that that much luxury was needed to pull this off. That coffee was quickly finished. We got the next fix by returning empty bottles.

The executors' decision to expedite the handling of the applications to salary security for the outstanding salaries was joyous news. The money would come in a few days. Some had both April and May's salary coming, others portions of them.

Many were already completely screwed with their rents and bills. Especially those that had taken out mortgages before the firm got sidetracked didn't have it easy. The banks demanded to know about payments and employment plans. Some had no idea about the future.

The estate called in a guy whose job it was to sell all property immediately.

Quickly because the rent for all our office space was 50,000 dollars at that stage. They had to be gotten rid of. We wouldn't get much more than that amount from the tables and chairs,

so it wasn't worth keeping them in such an expensive showroom. Transportation elsewhere would also be an expensive and time-consuming operation, so off with the junk and quickly.

After inventorying our property that guy sold it to new homes in a few weeks.

There was a buzz at the office. Firms that we had leased stuff from came and took their property away, and buyers tempted by newspaper ads came and fetched whatever they wanted. The best thing was that we didn't need to carry anything ourselves. We'd just watch as stuff flowed down the elevator and stairs in an uninterrupted flow.

Once the executors had transferred the actual assets, the source code, to a secure server, the last computers were also shut down for the leasing firm to carry off. Now Wapit no longer existed. The keys had been collected, so you couldn't even get into the office any more.

I went to the deserted office one last time to get some vibes and in one room I saw a section of still unsold storeroom shelving. I made a deal for it. It was a good shelf I got.

The funeral feast

From: "Lars Wirzenius" <liw@wapit.com>

To: <info@wapit.com>

Sent: Monday, June 18, 2001 12:22 PM

Subject: Goodbye

I have turned in my laptop, and might not be able to access my Wapit e-mail anymore (not that I expect there to be much of it anymore).

My personal mail address is xxxxx@xxxxx.xxx and that works (and will continue to work indefinitely).

Goodbye. You have all been the reason why I have laughed ironically at recruitment offers for two years. A better bunch of co-workers doesn't exist.

PS. I will see you at the Wapit Wake.

If one juicy expression had to be found to describe the Wapitee's feelings after everything, Silu Seppälä's frequently used saying wouldn't be bad: "Noh, sano naakka ku nokka katkes" ('oh well,' said the crow when his beak broke). That is, we got our wingtips a bit singed, but we'd rise

from this like mist from shit.

And so we decided to arrange a wake. Go out in style. We'd sweep handsomely in a charter bus to a barn dance at an idyllic countryside hotel. Once again with pot lock rules. At least we got the bus paid with empty bottles and cans found at Wapit. They were carried to the store across the road by at least ten guys. That was all that remained of a couple of years' work by a hundred people. The store manger had a fit when after filling up the collection area the guys didn't even buy anything but wanted it all in cash.

After haggling over the cost of the bus we found to our delight that we'd still have thirty or so dollars left over. Obviously we used it all on beer and cider.

There wasn't anything particular about the trip itself. Except of course the hotel, whose location was like a poem. The ex-Wapitees of course did what they were supposed to do. Danced like hell to the tune of a popular band, once again got pissing drunk together, and came away. The bus microphone was put to good use. There was much beer-hazed announcing and talking. And no matter what was said, you always got applause.

Almost everyone came along. We were still all the same gang. And we didn't fight at any stage.

In Markus Aurala's words:

I don't regret for even a moment that I joined the Wapit adventure.

Neither do I regret hanging on until the bankruptcy. Once a Wapitee, always a Wapitee.

Epilogue

According to the dictionary, "epilogue" means a work's final words, the final or concluding scene of a play.

I wouldn't go so far as to call this scribble a work, and I also prefer to give the final words to a few "My Wapit Story" letters written by Wapitees after the bankruptcy. They have been written with emotions on the surface and very personally.

This book was made because a herd of Wapitees urged me to write down the whole show. As a reminder of both the mistakes and the good moments.

I can't really speak of a play, either. It was taken that seriously by everyone. Loss of jobs, melting of large investments, and disappointment are reality. No one is going to applaud you back on stage to bow after the curtain has dropped. "An amusing play, I'll have to recommend it to my neighbor."

What of the epilogue? What's left remaining?

Kannel continues its life. The developer group keeps at it fully, making it even more powerful.

The other products broke up and splintered around the world. The estate didn't manage to arrange any deals where the products would have been sold to someone with full rights. Initially Durlacher, as the largest creditor, even forbade selling them to anyone, believing that they could arrange the deals themselves.

But they didn't arrange any, and products whose development had burned up millions were sold with non-exclusive rights to anyone for a few thousand dollars.

We'll probably never know what successful product of the future might have our components as their foundation.

At the time of this writing, though things are still held up in legal limbo, the estate has been able to generate enough money to pay off all its debts to creditors. If the lawyers ever stop fighting, some of the employees who had option loans with the company may actually get their money back.

In any case, many things came into the world for the first time from Wapit's oven: the first diverse extensive mobile phone service package (September -98), the first live WAP services (February -99), the first mobile chat (May -99), our own mobile home pages (September -99) and many other little gimmicks. Wapit was also the first to put an info screen on the outside wall of their office that you could send text messages to.

From these, at least some small pride in their efforts remains with the group.

A few of the Wapit teams stayed together and founded their own companies. According to

what they've said, they've all kept the "Wapit spirit" in their work and plans.

Many team members continue to meet each other.

Special friendships and romances, found in the firm's corridors, are the beautiful memories.

The guitar school held at our office every Tuesday morning by Jussi Salminen still continues. I can already play Stairway to Heaven in my sleep.

The Italian boys founded a firm called NETikos Finland and hired their staff mainly from old Wapitees. Jouko Vierumäki went to work in Rome.

Hannu was supposed to take some kind of break to rest and recover, but something else happened. Antti Piippo still considered Hannu his trusted man and asked him to help out with the storm of changes at his company, Elcoteq. Hannu accepted a temporary posting as the acting managing director of Elcoteq. Now he's busier than ever.

I've talked a lot with Antti about the comings and goings of the world, but hardly about Wapit.

For myself, going over these things and writing them down has been a good way to unload the whole thing. My head's starting to be on my shoulders again. I guess I'll get over this, too. I've got my brakeman's papers in my pocket and at home I have *both* a warm garage *and* a parking space in the yard. With an engine warmer socket.

Acknowledgements

My best thanks to all Wapitees who saw it out almost or all the way to the end. I am proud of you.

Tanja Alanen

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Ian Chiam

Ryan Gold

Peter Grönholm

Allan Halme

Jaana Heikkilä

Annika Hohenthal

Karri Honkoila

Mika Huhtamäki

Petri Hyytiäinen

Jari Juslin

Michael Kaartinen

Tero Kallio

Kalle Karinen

George El-Khoury

Kalle Kärkkäinen

Merja Karttunen

Veikko Kehä

Veli-Pekka Kestilä

Joonas Keturi

Katja Kivilahti

Mari Koistinen

Anssi Koivula

Juha Komulainen

Marjo Komulainen

Pauliina Korpinen

Pertti Kotimaa

Tiina Kruskopf

Terho Laakso

Saara Laatio

Jukka Laitinen

Tuukka Laitinen
Stephen Lee
Lare Lekman
Sami Lempinen
Anu Leponiemi
Juha Leppänen
Pekka Lietoff
Vesa Lindberg
Thomas Lindström
Tuomas Luttinen
Kalle Marjola
Colin McGarvie
Petri Melaja
Ryan Melenchuk
Nina Mikkonen
Pekka Mutikainen
Niko Nevatie
Joni Nurmi
Pauliina Paju
Ari A. Pajunen
Jyri Partanen
Mari Pehkonen
Päivi Peltoniemi
Jussi Pietilä
Marko Pitkänen
Martin-Éric Racine
Jukka Rajala
Lynoure Rajamäki
Sami Reimavuo
Jaakko Riipinen
Anne-Maj Roman
Leena Romppainen
Piia Rönkkö
Marko Saaresto
Jussi Salminen
Siru Sammalkorpi
Kai Siili
Matti Siistonen

Andrew P. Speed
Jere Suvanto
Ari-Tapio Talaskivi
Tarja Tissari
Tuomas Tonteri
Kari Tuomainen
Petteri Tuominen
Jarkko Turkulainen
Sane Uimonen
Sami Uotila
Uoti Urpala
Kalle Valo
Irina Valtonen
Jouko Vierumäki
Antti Viita
Ville Virtanen
Sven Vollbehr
Ville Vuorela
Anni Walder
Lars Wirzenius
Julie Yannata
Hannu Yliportimo
Esa Ääpäälä

