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JFP is a sharp 30-year-old

For three decades now, JFP Executive Search has focused on customer service of a high standard and kept reinventing itself. Here is the secret to the company's long life.

SENIOR PARTNER ERKKI ARVOLA explains how the company intends to celebrate its 30-year journey.

– We will keep working, serving our customers humbly and in a positive spirit, he says.

This reply reveals part of the secret to the company's longevity.

– The future looks bright. Once the economy starts booming again, we will be ready to go, says Erkki Arvola.



In the last three decades, many hopefuls have entered and left the executive search industry. JFP, on the other hand, has gone from strength to strength.

According to Arvola, this success is based on good customer service. The wide-ranging industry-specific expertise of the consultants, a functioning researcher process and the right attitude guarantee that customer expectations can be met.

Continuous development

As another success factor, Arvola picks out the company's ability to

reinvent itself. Customer needs keep changing, which means that JFP needs to continuously develop its services. JFP has also been able to renew itself as a company; the most recent step in this direction was a controlled generation change.

– The future looks bright. Once the economy starts booming again, we will be ready to go. We have the right mix of experience and new ideas. Both consultants and researchers possess strong industry-specific expertise.

Arvola has good grounds for his optimism. Despite the recession, JFP is producing good results. Some companies in the executive search industry have resorted to layoffs; JFP has not had a need for this and continues to serve its customers with the full complement of its 11-strong staff.

Business management experience

Arvola points out that JFP serves its customers in executive search processes of both top executives and the middle management level. The

benefit offered by this operating model is continuity: customer relationships evolve into long-term partnerships.

– Our operations are based on each consultant having strong personal experience in business management, as well as special expertise in a given industry. This strategy gives us an in-depth understanding of customer needs in almost all sectors.

Arvola feels that JFP has done exceedingly well in responding to the needs of Finnish companies aiming at globalisation. JFP is part of IIC Partners, a network of international executive search agencies, and through this networks, assignments for Finnish customers have been completed in a number of areas from China to Latin America.

Success through partnership

With increasingly tough competition over competent employees, finding skilled labour will be more and more difficult in the future. Good candidates are not necessarily actively looking for jobs, as they know that a number of alternatives is always available.

To be successful, a company needs expertise of the right type. In this context, Arvola underlines that businesses should give some thought to their partner in the search for the best experts in the industry.

– A good executive search consultant understands their customer's business, knows the labour market and is aware of what people expect from their jobs and employers. •

History in a nutshell

- Established in 1979
- 1980's: the original business idea was to offer HR consultancy and training. Activities expanded to recruitment services.
- 1990's: the company specialised in executive search and management audit services, which set out to assess personnel skills in relation to strategic requirements. As international assignments increased in number, JFP joined the global IIC Partners chain.
- 2000's: JFP increasingly invests in improving the consultants' industry-specific expertise and developing long-term customer relationships. JFP becomes one of the four largest executive search firms in Finland.

In a crisis, the manager cannot take a back seat

Good and bad times require different styles of managing people, figures and innovations, says Marjo Miettinen.

MARJO MIETTINEN is CEO and one of the owners of the EM Group, which controls the industrial enterprises and real estate belonging to the Miettinen family. In addition to the Group's subsidiaries, she is also a board member in many other companies and business life organisations.

– It is obvious that a downturn requires a different managerial approach from a boom period. When all is well, managing is in a way easier. The manager can step back and give space to his or her subordinates. In poorer times, management is very much a hands on activity, Miettinen stresses.

What makes management during a downturn challenging is the need to do two completely opposite things at the same time. Miettinen points out that you often need to resort to actions that are unpleasant but necessary for the company's finances, such as dismissals and layoffs, while developing new ideas and preparing for a new upswing.

However, first things must always come first.

– You must make sure that a good company is not knocked out by cash flow problems. This has been the fate of too many companies, Miettinen says.

This means that in bad times, the most important person inside the company the Managing Director needs to talk to is the financial director.

Managing is always a challenge

Miettinen finds that managing is not a simple task in any circumstances. She divides it into three spheres, or the management of people, facts and innovations.

At the best, it is possible for one person to master all these aspects, but in practice it is a good idea to share the responsibility. Even so, the Managing Director naturally remains responsible for the whole.

– A manager must keep tabs on how the world around him or her is changing. Even if your company only operates in the domestic market, you have to know what is going on in Asia or how the world market price of oil is fluctuating, Miettinen emphasises.



– A manager must have intuition and keep tabs on how the world around him or her is changing, says Marjo Miettinen.



PHOTO: VAISA ALBODIA

A good manager...

...masters strategic management.
He/she communicates the significance of the strategy in the context of every-day work to the organisation. He/she makes choices, prioritises and introduces his/her ideas inspiringly and credibly.

...implements the strategy.
He/she sets goals, monitors their achievement consistently and gives feedback firmly. He/she inspires and motivates his subordinates by his/her own example.

...manages networks.
He/she understands the customers' business and needs. He/she develops and maintains cooperation with a network of partners.

Kari Peuhkuri emphasizes that the manager must be capable of putting him/herself in the position of others.

Miettinen finds that the manager's job has become considerably more complicated over the last few decades. In the 1980's, looking after the production, product development, sales and administration was enough.

In the 2000's, the organisation chart has become so complex that it is difficult to cope with single-handed: production, logistics, R&D, sales, branding, ICT, HR, finance...

– Some 20 years ago, the operative management did not worry about such as tax issues, while today it is imperative to take them into account. Whether you establish a limited company or a subsidiary abroad may be a significant decision in the taxation point of view, Miettinen says.

Results regardless of the ownership structure

Miettinen does not see a big difference between managing a family business and companies based on some other ownership structure. In practice, the basic issues remain the same: you have to make a profit, and your business has to be lucrative. There are, however, subtle differences.

– In a family business, the manager must keep a larger stakeholder group than just the owners informed of the company's affairs.

Miettinen underlines the fact that the management must always be wise on what the owners are thinking, and know who makes the decisions. Without strong decision-makers in the background, developing a company would be difficult.

At the end of the day, Miettinen finds that building a good company is a simple project. She refers to the book by Hirvonen and Niskakangas on Corporate governance: good owners elect a good Board of Directors, which selects good managers. Miettinen adds that the job of the management in turn is to select good personnel. This is how you come up with a good company. •

Look to the future, act in the present

During a period of economic downturn, a good manager spots future opportunities, and even tough decisions are necessary, makes them compassionately, says Mr Kari Peuhkuri, Senior Consultant with JFP.

IN A BOOMING ECONOMY, the company goes from strength to strength, spirits are high and the profit line looks great.

Once the economic cycle heads for a downturn, the character of management changes. Instead of continuous growth and increasing market shares, the company resorts to reorganisations and restructuring measures.

What kind of a manager can cope in these circumstances?

– The manager must be capable of putting him/herself in the position of others. A manager can earn the trust of his/her organisation and subordinates by predictable, credible and empathic actions. In practice, this means that tough decisions, such as dismissals, must be based on commercial facts.

Mr Peuhkuri stresses that a business manager must be able to see beyond economic trends into the future. While tough decisions may be necessary, the manager must make sure that the company is ready to go when an upswing is on the horizon.

Intensifying competition over talent

In anticipating the future, Mr Peuhkuri regards identifying talent in one's own

organisation, or a new generation of managers, as a central factor. Retirements of the large age classes will forcefully shape the structure of the labour market, and competition over talented people will be fiercer than ever.

– We must find talented people and make sure their skills are honed. The larger the company, the more important it is to methodically and systematically map and develop talent. This will also have a marked impact on the attractiveness of the company as an employer.

And what does the demand for managers look like over the short term? Is the role of expertise in the relevant sector emphasised at the cost of general management skills during a downturn?

– It is typical of business owners that in hard times, they seem to have blinkers on their eyes. It is easy to fall for thinking that only a person having spent their whole career in your own sector can fully understand it, Peuhkuri notes.

He stresses that the basic nature of management is generic. The manager does not necessarily need to understand every last technical detail in his or her sector. Someone coming from the outside may bring in new perspectives and experience of doing things differently. •

An excellent vantage point

How are things going in the executive search industry outside Finland?

THE PERSON TO ASK is Senior Partner Erkki Arvola from JFP, the first Finnish Board Member in the international IIC Partners executive search chain.

Over the last three years, Arvola has had an excellent vantage point for observing developments in the global labour market, as the ICC Partners chain comprises some 50 independent executive search agencies in more than 30 countries. Here is Arvola's assessment of the outlook in the executive search industry in market segments that are interesting to Finnish companies.

Asia – growth in China

– The recession has also hit Asia, but China continues as one of the driving forces of global economy. Various statistics and figures help to give an idea of the scale of the Chinese economy; three of the largest banks in the world hail from



China, and mobile phone operator China Mobile has some 301 million customers.

– In China, they have their own ways of doing business; feng shui is an important concept for the locals. This is a market you cannot approach in the same way as one in Western Europe. The labour market is fraught with challenges. There are expatriates living in the country, of course, but finding native executives with an understanding of international business is not easy. Relying on

the assistance of a local executive search agency would be a very good idea.

Europe – from plunge to boom

– It seems that the economies of such as Great Britain, Ireland and Spain have taken a deep plunge, but on the other hand, they will also be likely to lead the way to recovery. Executive search agencies that, similarly to JFP Executive Search, have focused on developing their industry specific expertise have held their own.

– The old Eastern Block countries, such as the Czech Republic, Poland and Romania as well as the Baltic countries grew accustomed to a strong economic growth. They are currently going through an obvious period of hangover. The future is a challenge, as production industries are relocating to countries with even lower cost levels.

America – Brasilia attracts

– The Brazilian economy is in full swing, and the country attracts international business. On one hand, companies are interested in the large domestic market in Brazil, and on the other, the country is a base for doing business with other parts of South America.

– There is a fairly good range of skilled local employees available. Brazil is rather “westernized”, and many of the locals have thus studied abroad. •

AT YOUR SERVICE



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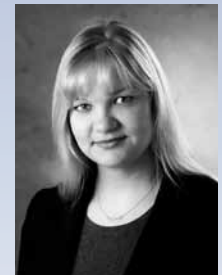
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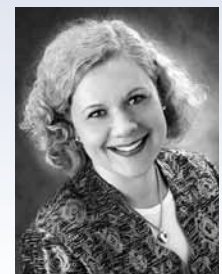
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