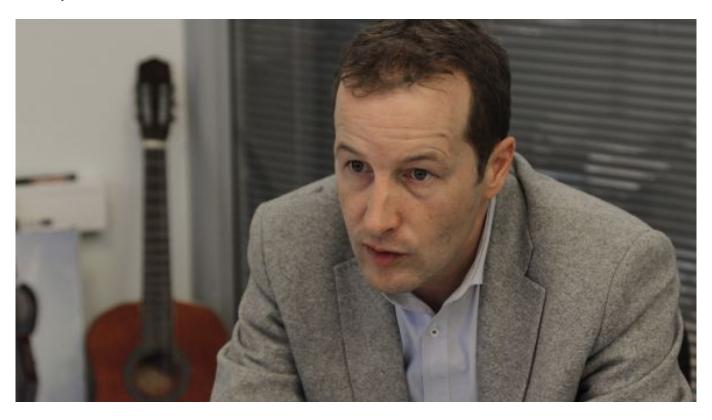


Q&A: Following Instinct From Amsterdam to Moscow

By Jonathan Earle

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Logistics expert Jan-Wilm Rovers has found success by either taking or ignoring advice at just the right moment. **Igor Tabakov**

"By the time I get a chance to think about my decisions, I've already made them in my gut," Jan-Wilm Rovers said, crossing under the inflatable Father Frost that sits above the door to his office — one of 25,000 products sold by Koopman International RUS, the trading company where Rovers is chief executive.

Rovers' willingness to rely on instinct, rather than conventional wisdom — which says Russia is too dangerous and unpredictable for foreign investors — has allowed him to identify and seize opportunities in the former Soviet Union since shortly after the Berlin Wall fell.

Jan-Wilm Rovers

Education:

High school graduate, additional evening courses on logistics and export

Work Experience:

1986-2006 — Founder / Owner of ROVEX, an import-export company

1994-present — Founder / Owner of Florus Transport BV, a full-service logistics company

2006-present — CEO of Koopman International RUS, the subsidiary of the largest nonfood trading company in Europe

2010-present — Non-executive director of SafeSpace, one of the first self-storage companies in Russia

Favorite book: "Cathedral of the Sea" by Ildefonso Falcones

Reading now: "Steve Jobs" (2011) by Walter Isaacson

Movie pick: "The Shawshank Redemption" (1994), directed by Frank Darabont

Favorite Moscow restaurant: White Rabbit

Best weekend getaway: There's never a dull moment in Amsterdam.

Rovers started importing goods to what was then the Soviet Union in 1989. In 1994, he founded Florus, which transported flowers, plants and perishable goods to Russia from the Netherlands. The business thrived, and Rovers got good at resolving disputes with customs agents, who would frequently stop his trucks, often in the freezing cold. "How can I not win any argument with customs? — I do everything honestly," he said.

But Rovers had a feeling that there were opportunities that could only be realized by being permanently on the ground in Moscow, and in 1996 — despite warnings from relatives and even his business partner in Belarus — he and his wife put their two young daughters in a Pontiac Trans Sport and drove from the Netherlands to Moscow.

Speaking no Russian except da and nyet, and lacking a local partner, Rovers had the chutzpah to open the Moscow phone book and start calling potential clients.

Business was good until the 1998 financial crisis — when Florus was forced to cut its fleet from 22 trucks down to two. In what he calls his greatest business blunder, Rovers moved back to the Netherlands. "I thought Russia was finished," he said. But the country bounced back, and Rovers learned a lesson about Russian resilience and crisis management.

Eight years later, he got a second chance and seized it, returning to Moscow to build the Russian branch of Europe's largest nonfood trading company.

At Koopman International RUS, Rovers has learned to be clear, firm and positive with his staff, allowing him to build loyalty and encourage hard work without being a disciplinarian.

In an interview with The Moscow Times, Rovers explained how he succeeded by following his gut, especially when the conventional wisdom said he was being foolhardy. He is proof that a proactive, aggressive foreign entrepreneur can start a business in Russia without a local partner and then run that business honestly.

This interview has been edited for clarity and length.

Q: Why did you come to Russia and why have you stayed?

A: In 1989, after the Berlin Wall fell, a friend of mine — a tae kwon do trainer in Russia and Belarus — approached me about doing business in the Soviet Union, where he said the economy was booming. We started a small import-export company. There were so many opportunities that it was difficult to choose. We imported chocolate and pure alcohol. The only thing you had to do was get them to Belarus, and you could sell them in a minute, right off the truck. The demand was so high.

Later, the proliferation of new regulations and illegal importers made it impossible to compete. My policy has always been: If we can't do it honestly, we don't do it. I had a young family and I don't speak Russian; I didn't want to put myself at risk. So we decided to focus on the transportation business.

At the time, we were mainly doing business in Belarus. We had some clients in Moscow that Dutch exporters were hiring us to take goods to, but we didn't have any direct customers there. I tried to convince my business partner to move to Moscow. He said, "If we want to start in Moscow, in Russia, we have to know people, and I don't know people and I don't want to go there! You are foreigners; you don't understand how it works!"

Russians still like to say this. I said, "I understand very well. It's very easy: You just go, you buy the yellow pages, you call people up and ask if they need a good transport company." My business partner said I was wrong, and so I said, "OK, then I'll go myself." This was about 1996.

My wife and I put our 2- and 4-year-old daughters in the car, and we drove from the Netherlands to Moscow. It was fun. It was an adventure.

I'd call up potential clients and say in broken Russian, "Do you have anybody who speaks English?" and the guy on the other end would [scream for his English-speaking assistant], and we'd take it from there. There were no normal offices; sometimes you literally had to go down in cellars. I just thought it was fun.

We went from owning two trucks to owning 22 trucks in just over a year. We were driving for some big companies, but we were mainly transporting flowers. Then the '98 crisis hit and we didn't have enough reserves to survive. We closed up shop and moved back to the Netherlands. Leaving was the biggest mistake I ever made.

Then in 2006, in Amsterdam, I was talking to Koopman International, trying to sell them transportation services, when Mr. Koopman — the owner of the company — passes by. He stops, sits down at the table and 30 minutes later he hired me to set up Koopman in Moscow. We planned to stay for three years. It's been six, and we have no intention of returning to the Netherlands.

Q: What's the difference between a healthy and an unhealthy attitude toward risk?

A: People tend to view opportunities in terms of what can go wrong or what can happen, and I'm more like, "Well, let's move forward. This feels good. Let's do it; we have nothing

to lose," and we go from there. It's more like the gut feeling. I'm an entrepreneurial kind of person. That's one of the main characteristics I think you need to survive here, especially in those early days.

I've always been more or less fearless. I don't worry about what will happen. My attitude is, we'll see when we get there.

Q: What advice would you offer a foreigner who wants to invest or expand in Russia?

A: If you're going to do business in Russia, either give it 100 percent or don't bother. Don't think that because you have a guy in Russia who speaks Russian that you can take your hands off the wheel. No, you have to go there yourself, and you can actually do the whole thing yourself: Go to the tax office, etc.

You don't need to have a Russian partner. You can if you find the right one, there's nothing against it, but you shouldn't say, "I couldn't find the right partner, so I can't go to Russia." That's not true. You can hire very good, young, loyal, knowledgeable people, who can help you set up the business the way you want to run it.

The potential downside to having a Russian partner is that he might try to convince you that you can't do business honestly here. He'll say, "That's not how we do it in Russia; just pay the customs official," or "You're a foreigner, you don't understand." My response was, "I don't care. This is my company, and I run it the way I want." The minute I start talking like them, I'll go home, because I will have given up.

Russia is not a lawless country. There are certain written rules that people obey.

Q: What's another misperception about Russia that you've come across?

A: There's this idea that Russians are not hardworking. My people work extremely hard. I have people who come in at 8:30 a.m., and they work until 9 or 10 p.m. They work until the work is done, and they never complain. It helps that our business is growing and that our clients are happy, so we're getting positive feedback. But I think that we're also motivating people within the company. I don't go around screaming "You've got to work harder!" in the stereotypical Russian style. I say, "You did well!" I invest a lot of time in my people, more than I did in the Netherlands. I give them lots of positive reinforcement.

You have to be a little bit more of a leader here than in other countries. You have to walk in front of the herd, as we say in the Netherlands. My Russian employees want somebody to be the leader. And in the Netherlands, if the owner of the company buys a bigger car, everybody will say, "I worked for that, and he's buying the bigger car." Here, if I buy a new car everybody's happy because they take it as a sign that we're doing well as a company.

Q: How do you successfully manage people and business in Russia?

A: I have to be clearer about what I want here. In the West, I would sit in a meeting and say, "This is the idea," and people would pick up more easily on what they need to do. Here, I'm clear about who needs to do what.

It was more difficult to build my Russian employees into a team. They're mistrustful at first,

and it takes time and effort to fight that. You sit down and explain what you want. Sometimes you fire a person who's not a team player, and then other people understand that there's a certain way of behaving and that the boss is serious. When they catch on to this, life gets more fun.

Russians are also very conscious of rank. They tell me, "If you want people to listen, give me a higher rank. But once you have rank, you still have to earn your employees' respect by working hard, making the right decisions and showing that you're loyal to them.

I admire a person like Tony Maher [former chief executive of Wimm-Bill-Dann]. Tony came from a very humble background in Ireland. He started with Coca-Cola and then built Wimm-Bill-Dann into something big in Russia, and through it all, he stayed a down-to-earth person. I asked, "How do you do it?" He said it was important to form the right team and be firm with his people.

Q: What is the best way to deal with the customs process?

A: Writing up customs documents is a job for a monk. Officials want every dot in the right place. When one of our people makes a mistake, the important thing is that we learn from it. I don't care who made the mistake; I care about how to prevent it from happening again.

In the Netherlands, customs officials try to support you. They recognize that the more you bring in, the better it is for the whole country. Here, the mentality is: "You are here, you're doing something wrong, and I will find out what, no matter how long it takes."

But since I'm not trying to trick them, I'm not afraid, I can answer any question. I can prove the value of my goods. You just go in there and win the argument. How can I not win? — I do everything honestly.

We had an incident importing toy bubble blowers. In Europe, the customs code is clear that this is a toy. But in Russia, the customs guy said: "No, it's not a toy. It's cleaning fluid. It's soap," and he demanded a higher tariff.

At this point we can do two things: We can agree with him and pay the higher import duty, or we can say, "No, I stick with my position, it's a toy," and take the customs terminal to court.

Everybody advised me to take the first road. "If you take them to court, they'll stop your trucks every time." Even our lawyers said, "Just accept it." My theory was, if we don't fight, next time they'll get us with something else. You have to show them that you're doing everything honestly. I can justify to my management that I paid a sum to take someone to court. I cannot justify that I am importing goods with the wrong code.

We took the customs terminal to court and won. It took a hell of a lot of energy, but it was worth it, and our trucks haven't been targeted in any malicious way since then. In general, customs people are getting more friendly and professional.

Q: What's one thing the government could do to help your business?

A: Russia checks 100 percent of incoming cargo. This is unnecessary, and it slows everything down. In the Netherlands, they check only a fraction.

Also, the government should create a more flexible inspection regime. In Europe, you send your documents to customs remotely and they say whether your cargo needs to be checked and where — often at the warehouse. Here, trucks stand in huge lines at customs.

Q: Who are your role models?

A: My main role models are my grandfathers. One grandfather sold household goods to farmers in the Netherlands during World War II. He went around on foot until he made enough money to buy a horse and carriage. Then he opened his own shop in his village. He invested the money he made into real estate. My other grandfather worked for the same company for 25 years and supported 14 children. He also had a company with his brothers that made cane roofs. On top of that, he was a butcher and painted the lines on the local football field for 40 years.

I admire their energy to keep on going. They didn't think in terms of problems. They thought: "This is my day-to-day work; what comes, we will solve." People overanalyze. At a certain point, you've got to get started.

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