

Q&A: Metro's Jeroen de Groot Feels at Home, Humbly

By Anatoly Medetsky

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De Groot admires the courage of those who start their own businesses. Vladimir Filonov

The parching heat wave of 2010 did a tremendous favor to Germany's Metro Cash & Carry, just as Jeroen de Groot was coming on board to lead the company's Russian operation.

Water and drinks were hot commodities that summer, but Metro always remained flush, causing customers — retail stores, cafes and restaurants — to flock to its doors.

Jeroen de Groot

Education

1980-1987 — The University of Amsterdam, majored in economics

Work Experience

1987-1992 — Management trainee and other positions in finance, buying and general management at AHOLD, a supermarket chain

1992-1994 — Store manager at MAKRO Cash & Carry in the Netherlands

1994-1998 — Operations director at MAKRO Thailand

1998-2000 — Operations director at METRO Cash & Carry Belgium

2000-2003 — Worked outside the METRO Group

2003-2004 — Operations director at METRO Cash & Carry Netherlands

2004-2006 — Operations director at MAKRO Cash & Carry Poland

2006-2008 — Managing director at METRO Cash & Carry Poland

2008-2010 — Regional operating officer at METRO Cash & Carry International in Central and Eastern Europe

2010-2011 — Managing Director at METRO Cash & Carry Russia

2011-Present — Chief Operating Officer of METRO Cash & Carry in CIS

Favorite book: John Grisham books

Reading now: "Glansrol" (2011) by Loes den Hollander

Movie pick: "Harry Brown" (2009), a British crime thriller starring Michael Caine

Favorite Moscow restaurant: Any Arkady Novikov restaurant, such as Kalina Bar or Balkon

Weekend getaway destination: Sevilla, Spain; Almaty, Kazakhstan

It wasn't just the sultry climate that confirmed to de Groot, 53, that he was again exiting his comfort zone by moving to yet another foreign country. But he was confident of success thanks to a tested recipe for adapting to any alien culture — learning to feel at home but not getting arrogant. The strategy comes mainly from a stint in Thailand in his youth, which honed his interpersonal skills and helped him learn how to deal with different cultures.

That first summer in Moscow was a turning point for Metro in the Russian market, de Groot said. "From August 2010, we have done very good business."

When rivals ran out of supplies, the word about Metro's reliability spread, serving as a springboard for sales that have soared thereafter, he added.

Metro has expanded at the pace of about five to eight new stores a year and now numbers 63 Metro Cash & Carry self-service wholesale stores in Russia. The latest opened in Kazan on Thursday.

Metro Cash & Carry employs more than 15,000 people in Russia, where the company did almost 10 percent of its global turnover in 2010, out of 30 countries where it is present. And the proportion is poised to grow further as Metro plans to open more outlets.

The next two stores will open in Izhevsk, in the republic of Udmurtia, and in the republic of Adygeya, near Krasnodar.

Sales of Metro Cash & Carry in Russia rose 13 percent to 2.93 billion euros (\$3.8 billion) in 2010, whereas worldwide they increased by only 1.6 percent to 31.1 billion euros, having declined in Western Europe.

De Groot sat down with The Moscow Times in an office next to the first Metro Cash & Carry store, on Leningradskoye Shosse outside Moscow, to look back on how he has coped in Russia after a lengthy international career.

This interview has been edited for length and clarity.

Q: Why did you come to Russia?

A: I signed a contract that made me mobile across the world without limitations. The company asked me to come here. I didn't have a strong feeling that I wanted to be in Russia, but I must say I am very happy about coming.

At that moment in 2010, Russia was still recovering from the global economic crisis, and it was, of course, not the best time to come, but at the same time the economy started to pick up again and, following that, the business conditions for Metro became much better. So in the end it was good timing.

Q: What is an important moment you recall from the time you started here?

A: I came to Russia on exactly the right day and right month. From that day on, the business improved. And it wasn't because of me, let's be honest. The country was enduring a heat wave, and large numbers of customers discovered Metro for the first time. We had enough stock of what they needed — water. The customers kept coming. It was a turning point, I think, for Metro in the Russian market.

From August 2010, we have done very good business.

All the water in stock, as well as beer and other drinks, was welcome during the heat wave. There weren't many places where people could buy water in large quantities. Metro was always fully stocked. It was definitely one of the highest months ever in water sales.

All that happened during a transformation at Metro, as we tried to become more relevant for professional customers. We were building an assortment that would be more tailored to buyers like restaurants, cafes and our main customer group — shops.

Q: Who is your role model?

A: I think of role models as people who are able to completely change their career. My dream has always been to start my own business. The problem is that it never happens because we are very comfortable in our position. Doing your own business is a big step because you go toward more uncertainty.

I admire people who have the guts to do that and then also be successful in life. Jan-Wilm Rovers [editor's note: Rovers was profiled in a previous Moscow Times Q&A] came to Moscow from Holland to start his business. I think that's amazing. I admire people who have the entrepreneurship to do that.

Q: What keeps you up at night?

A: The good thing about getting older and a bit more experienced is that I don't wake up in the

middle of the night sweating about issues.

Of course, I have challenges that I think about: our business issues, management issues. Metro Cash & Carry is very successful, and it's a big challenge to keep it that way — and a big responsibility.

Q: Are you going to expand at the same rate as before?

A: There's an end to everything. For the time being, we have identified enough cities so we can continue this pace of eight stores or so every year in the next few years to come.

Q: What are the key elements of your management style?

A: It's important that people know about the direction of the company. So people understand what they do and why they do it.

I think it's important to be a role model for people that work for you. Challenge people but also coach. Give them enough empowerment to make mistakes but also to make successes. The bigger the company grows, the less easy it becomes to control everything. In the end, you need a lot of people, good people to make decisions.

My door is always open. Once a year, I have a meeting with the employees that are most important for the company. It was about 200 people last year, including store managers.

Their responsibility in their stores is to be ambassadors of the company's policy. But we also support them and give them the tools to do that.

There's also a narrower circle of about 65 people that includes division managers. We get together every month to discuss what's new, what's happening, what happened and what is important at that moment.

When interviewing potential recruits, within 15 minutes I normally know whether a person will be hired or not. It's enough to get a feeling for whether someone is authentic and genuine and fits in our team and culture. But an interview takes about an hour. Of course, mistakes are made. People sometimes sell themselves as being better than they really are.

Q: What's the best way to adapt to the Russian reality?

A: I have worked in different countries, so that helps me. The first thing that you have to do is to feel like a guest in the country, be humble and not make judgments about what you see — try to listen first to people, before you start talking, and try to assimilate yourself into the country. Many people call a foreign country home because they act like they would act at home. It's the biggest mistake you can make.

I have assimilated here enough to do my work. I enjoy living in Moscow better than if I wouldn't have assimilated. When I go with my wife from Holland to Russia, I say, "Let's go home."

I live in a Russian neighborhood, not in a foreign neighborhood. My wife, a Pole, speaks Russian and therefore we can have contact with Russian neighbors, which is very nice because that way you can learn more about the people and the culture. That's different from living in a compound where you meet only international people.

I lived five years in Poland and tried to learn the language, but I didn't succeed. I didn't even try to do it here. I would love to learn Russian, but it's not an easy language. It requires a lot of time, and I'm afraid I will not learn it to a perfect extent. I don't even speak Polish with my wife.

Q: Do you agree with people who say Russians don't smile a lot?

A: I have worked in most countries in Central Europe, and there people definitely do not smile much. The Russian people are much more open than in Central Europe.

I've worked in Thailand where everybody smiles. But what is that smile? They smile but that doesn't mean they are happy or friendly. Maybe they will kill you with a smile. It also happens. If you work internationally, accept the cultures as they are.

Q: Could you share stories about what helped you to become the person you are?

A: I went as a relatively young man, with almost no experience, to a completely different part of the world — Thailand — to work as an operations director. That shaped me a lot. I was 33 at time.

If you go from Europe to Russia, there's much more similarity. If you go to an Asian country, it's completely different. You lose any common ground under your feet. Everything is different. Like I said, everybody smiles even if they are not happy. You never know what people feel, what they think. But you are responsible for [your company's success in] a big country. You lose all your certainty, all your self-confidence that you have in your own culture.

I stayed there four years. Then I went to Belgium, which is also completely different from Holland, so it was again a challenge to work there.

Q: What do customers rely on you for in the winter?

A: Vodka, spirits and also windshield washer fluid.

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