

Q&A: After Cracking the Code, IKEA Follows Tradition

By [Anatoly Medetsky](#)

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Wendschlag is strict in getting his employees to make their own decisions. **Igor Tabakov**

KHIMKI, Moscow Region — Felines pawed their way across the thresholds of two new IKEA stores last year in a breakthrough for Per Wendschlag, who had been country manager here for less than a year.

The stores in Samara and Ufa opened after acrimonious and sometimes embarrassing exchanges between the company and the local governments over compliance with construction-related rules.

Wendschlag recollected the openings as the most remarkable moments in his career here since he assumed his position on Oct. 1, 2010.

"We managed to understand why that wasn't possible before. We cracked the code," he said in a recent interview in IKEA's office just outside Moscow. "It took a lot to understand what

the authorities wanted from us and what we needed to be in compliance with."

Per Wendschlag

Education

1970-74 — The University of Gothenburg,
Bachelor of Economics

Work Experience

2010-Present — General director of IKEA in
Russia

2009-10 — Director of Inter IKEA Group in
Austria, Switzerland and Southeast Europe

2004-08 — Member of the IKEA supervisory
board for Austria and Denmark; chairman of
the supervisory board that coordinates the
activity of the IKEA franchise stores; director
of IKEA's international commission for
standards and quality control

1999-2004 — General director of IKEA in
Austria; chairman of the supervisory board
for Hungary, the Czech Republic and Slovakia

1995-2004 — Member of the supervisory
board for Hungary, the Czech Republic and
Slovakia

1988-2004 — General director for IKEA in
Austria

1984-88 — Director of an IKEA store in
Vienna

1983-84 — Manager for countertrade at
Santrade, Switzerland

1978-83 — Auditor and manager at Sandvik
in Austria

1976-78 — Assistant trade representative,
Swedish Chamber of Commerce in Mexico
City

Favorite book: All crime novels by Donna
Leon, which feature Italian police officer
Commissario Guido Brunetti and are set in or
around Venice.

Reading now: The Millennium Trilogy
(2005-07) by Stieg Larsson

Movie pick: "Forrest Gump" (1994) directed
by Robert Zemeckis

Favorite Moscow restaurant: Goodman,

multiple locations in Moscow, 23 Tverskaya

Ulitsa

Best weekend getaway: Belek, Turkey

IKEA shares the Russian tradition of letting cats be the first to enter its new outlets, confirming Wendschlag's belief that observing the local culture is a universal key to success.

The Samara store greeted its first customers in September, while the IKEA in Ufa began functioning in August, more than three years after the company's previous Russian store went into operation in May 2008.

IKEA opened 11 stores between its arrival in Russia in 2000 and 2008, but the fast expansion then ground to a standstill because of the bureaucratic hurdles involved in opening those two stores. At the time, IKEA even announced a halt to any future investment in Russia until the impasse was resolved.

Originally from Sweden, Wendschlag has worked outside his home country throughout his career.

He chose Moscow for his next appointment in part because he wanted to prevail over the challenge of getting permission from the government to operate the most recently constructed stores.

The company is now looking to build three IKEA stores in the Moscow area, preferably within city limits.

Wendschlag has observed that few people here are willing to risk taking responsibility in decision making.

"People are more waiting for you to give instructions and orders and act according to orders, than trying to be proactive," he said. "It's a rather hierarchical society where most of the people expect the top executive to make all the decisions."

He believes that he has made progress in combating that habit.

The tools he used included encouraging staff to propose possible solutions whenever they stepped into his office with problems, he said. His recruitment policy also largely revolved around this principle, he said.

"I have hired people in and outside of Russia who have this mentality," Wendschlag said. "And I also tried to find people in the company who have this thinking. I tried to promote people who think that way, so people can see this is the culture we want at this company."

His longest stint with the company was in Vienna, although that involved extensive international travel. He is married to an Austrian woman and has three children.

Wendschlag, who has lived in Canada, Mexico and Germany, sat down with The Moscow Times for an interview that has been edited for length and clarity.

Q: How is working in Moscow different from working in Vienna?

A: Some major differences are the size of the country and the city; the strong growth of the economy in Russia. The size of Moscow, the amount of people and the intensive traffic situation.

Regulations and rules are more complex in Russia. It takes much more time and you need to be aware of it — that things take longer. It's a different way of doing business here. You cannot be impatient. If you come to Russia and you want quick fixes — this doesn't work. You have to really make sure that you do your routines right and don't rush and don't be impatient.

If you are an international company, you need to make sure that you have clear compliance and governance rules.

The working mentality is also different. There are much fewer people taking responsibility. People are more waiting for you to give instructions and orders and act according to orders, than trying to be proactive. It's a rather hierarchical society where most of the people expect the top executive to make all the decisions. Decision-making process seems very centralized. You have to learn to live with this and act accordingly.

To change this takes time and patience. And it takes the right people. You have to have the people onboard who think the same way. Otherwise, it doesn't work. I have hired people in and outside of Russia who I think have this mentality, and I also tried to find people in the company who have this thinking. So I tried to promote people who think that way, so people can see this is the culture we want at this company.

Whenever people come to me with a problem, I ask them to describe it.

Next I say, "What are the possible solutions for this problem? What is the advantage of solution one, two and three. What are the disadvantages of alternative one, alternative two, alternative three?"

If they say, "I don't know," I tell them to come back tomorrow and tell me the three possible solutions.

The next day, when they come up with the solutions, I ask which one they would go for and why.

I say, "OK, I support you. Can you now go and make the decision?"

In essence, I try to encourage people to think for themselves and work together with other people to find the right solution. This way of working requires time, patience and building trust with people.

Q: Why did you come to Russia?

A: My choice was based on two things. Out of curiosity: This is an interesting market. I was curious about the country and how things work in Russia.

And the other thing: I was offered a challenging assignment here. We had some organizational issues. So there was enough work to do. That was the main reason.

Q: What was your first surprise when you came to the city?

A: It's the size of the city and the incredible cultural and gastronomical offering!

Q: When you look back on these two years, what was the single most remarkable moment that you recollect?

A: We, IKEA, finally got the operating permits for Ufa and Samara in the summer last year. That was remarkable. We managed to understand why that wasn't possible before. The work we did together as a team was to find out why we couldn't open. We cracked the code. It took a lot to understand what the authorities wanted from us, what we needed to be in compliance with. It was understanding what was the demand in order to open in Ufa and Samara. We did it together with our team and the authorities.

Q: What are your recruitment principles?

A: I recruit people based more on values than competence. The corporate culture is one of the key factors for the success of IKEA. It is the way we work together and the way we are as human beings that are the foundation for our IKEA culture.

Of course our co-workers have to bring knowledge and competence to their jobs, but it is essential how we relate and communicate with each other.

If you are leading people, you should have a genuine interest in people and their development.

We need both. We need people who really know their job and at the same time want to lead and develop people.

Q: How did you adapt to Russian reality?

A: I have spent some time outside the company meeting people and taking part in the every day life. A very important part of the IKEA corporate culture is about being open, listening, observing, being humble and being prepared to learn.

So it's about listening, studying, talking to people, colleagues who have been here a long time. It is important to try to talk and listen to all kinds of people throughout the hierarchy of the company.

Q: What shaped you?

A: There are a couple of things that I believe are important. Never try to do anything without meaning. My favorite questions are "Why do we do this? Will it pay off? Is it good for our customers?"

I used to have a very good mentor, a very good boss. He would always ask those questions. He was one of the former chief executive officers at IKEA. He was a good sparring partner, a role model.

I am a person who likes to get things done and move forward. I like to accomplish, achieve results. I am competitive.

If you are competitive, you can sometimes win or lose. You have to be able to learn from both, and I think that I have done that over the years.

One example is from the time when I was the country manager in Austria for IKEA. We opened a store outside Vienna, and we thought the market was prepared and knew all about the company and the products. So, we didn't do a thorough marketing campaign.

It turned out that very few people knew about IKEA and we should have made a better campaign, been more thorough telling about the main advantages of IKEA. We had to re-launch a marketing campaign. So my main lesson learned was that you cannot just assume things, without really knowing. We corrected the mistake, but lost time and money.

It taught me not to make foregone conclusions. The lesson was to ask myself, "Do I think it's this way, or do I know it's this way? Do I know the market?"

It was, "Come to something with an open mind and investigate the situation."

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