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Q&A: Skoda Chief Lubomir Najman Longs for Criticism

By Anatoly Medetsky

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If he could, Najman would take a year off to tour Russia's vast territory.

Lubomir Najman is suffering from a lack of criticism. He has been at the helm of the Russian division of Czech carmaker Skoda for more than a year and dreams of getting more feedback from his customers and employees.

"It's usually difficult to make people tell you about your deficiencies," Najman said about his experience so far in Russia.

"The nature of people here is not to criticize someone or something."

Exposing a flaw is always the first step in its elimination, he said, adding: "But the problem is finding out about the problem."

Based on Skoda's results last year, when sales surged 34 percent, it looks like he has little to worry about.

Customers bought 99,000 Skoda cars last year, mostly Skoda Octavia's, giving the firm a 3.6 percent share of the market.

Lubomir Najman

Education

1989 — Technical University, Brno
2006 — Economic University, Brno

Work experience

2011-present — Head of Skoda Auto Russia
2009-2011 — Head of product marketing department at Skoda Auto, Czech Republic
2004-2009 — Head of sales operations at Skoda Auto
2001-2004 — Team Leader A0-class product marketing department at Skoda Auto
1990-2001 — Various positions at Skoda Auto

Favorite book: Books on quantum physics by Stephen Hawking and Michael Green.
Reading now: "The Snowman" by Jo Nesbø , a Norwegian crime writer (2007).
Movie pick: "One Flew Over the Cuckoo's Nest," (1975) directed by Milos Forman.
Favorite Moscow restaurant: The ones that serve Armenian, Georgian and Azerbaijani food.
Weekend getaway destination: A park or art gallery in Moscow.

In another achievement, Skoda opened a new assembly line in December at billionaire Oleg Deripaska's Gaz plant in Nizhny Novgorod to churn out its Yeti crossovers. The Czech automaker, part of Germany's Volkswagen Group, also has a factory in Kaluga.

Najman, 45, is part of the first generation of Czechs who began building their careers after the downfall of the Communist regime in his country in 1989. The political change created many new commercial opportunities for young people in that country, including the possibility of starting their own private companies, but Najman picked a different route.

He said he chose to join Skoda, formerly a state company, because he was enamored with large-scale manufacturing.

"We don't have many big industrial concerns in the Czech Republic, so Skoda is an important company for us," he said. "When you see a car in the street, which represents three years

of your work, you naturally feel proud that you took part in its production. It's different from being a retailer for Procter & Gamble or some other company."

He has been with the carmaker for 23 years now.

Najman sat down with The Moscow Times for an interview at the Skoda office near Kaluzhskaya metro station. This interview has been edited for length and clarity.

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

A: A lot of our headquarters staff moves to locations around the world, including our main markets in China, India and Russia. We want to sell 1.5 million cars in 2018, and that requires two things: new models and new markets.

Czechs are Slavs. We are closer to Russia than to China or India. We have two plants in Russia now: in Kaluga and Nizhny Novgorod. There are a lot Czechs working here, about 150 of them.

When I was offered alternatives, I chose Russia. I studied Russian 20 years ago, and here I can relearn it at a better level. Russia is a big country, and people here have big hearts. I am very happy about this choice.

The mission here is also different. At the head office, I was responsible for product marketing worldwide. I was more into market research and strategic vision for the future.

Now, it's daily operations. Every day you can talk to people who sell cars, technicians who get feedback from customers, and every day you can hear customers who tell you what they think is good and bad about our products. I like it.

To the European eye, Russia has always been a country where the people don't understand the difference between what is bad and what is good. But if you come to Russia and look at how our dealers work, the level of quality they achieve, you are surprised. It's just the first shock.

It's important to know that the Skoda dealerships here operate at a higher level than they do in the Czech Republic. You can say this openly. The owners care about the business every day, and go to work every day to manage it. The design and quality of dealerships is top level. They are very willing to grow with us. There are already 28 construction projects underway for new buildings that will meet our rebranding design requirements.

Q: What problems have you faced in Russia? How did you tackle them and what did you learn?

A: I always want to know if something is wrong with the way we, or our dealers, operate. It's usually difficult to make people tell you about your deficiencies. The nature of people here is not to criticize someone or something. I want to hear the truth about where we work badly. As soon as you know where something is bad, you can improve it. But the problem is finding out about the problem.

Employees here always look at me with big eyes, wondering why I am asking such questions. It's just that I am an open person and want an open discussion. I now prefer face-to-face

conversations with employees and dealers, rather than email exchanges, to talk about issues.

It's also been an issue to balance the wishes of the head office and our potential here as an importer. I think it's an issue for every brand chief in Russia. The market is set to be uneven this year, going up and down. The head office always looks at Russia wide-eyed, hoping that we will grow. But no market in the world can grow endlessly.

Q: Who inspires you?

A: Jack Welch, the former chairman of General Electric. I read his books about how he managed the business. He was in contact with about 300 low-level employees, and he spoke with them every day. He wanted to know about any problems. I always wondered how one could manage a large company and know where the problem were. I never had the opportunity to meet him.

If we're speaking about the big-time business people that I've met with, it's Philip Kotler, a professor at the Kellogg School of Management at Northwestern University in Chicago and the godfather of marketing. His books are in every business school. I met him at a seminar.

Q: What events or moments have shaped who you are?

A: I have worked in the automotive business, at the same brand, for 23 years. This means all my life is about Skoda. In the 1990s, we worked for 15 hours a day because we were experiencing very dynamic growth. I was, unfortunately, at work all the time. That shaped me. The joint venture with Volkswagen, formed in 1991, was a historic moment for Skoda. We took this chance and we worked. We built new plants and developed technology. We started making a new Octavia in 1996.

I belong to the first generation after the overthrow of the Communist government in 1989 — to the part of it that didn't go into private business but decided to join a big company. We don't have many big industrial concerns in the Czech Republic, so Skoda is an important company for us, which gives you an opportunity to be part of the process of creating something. Later, when you see a car in the street, which represents three years of your work, you naturally feel proud that you took part in its production. It's different from being a retailer at Procter & Gamble or some other company.

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

A: First of all, you need to use the Russian language. If you speak only English or German, it always leaves a barrier of some sort. Or you need a close associate, or an adviser, who can help you overcome that barrier.

Second, the market is very dynamic and the margins are higher than in Europe in many sectors, which means one can do good business. But again, without an adviser or an assistant who is a local and knows the right people and government processes, it would be very hard.

Q: What was your role in achieving the outstanding growth figure last year?

A: I came at the end of 2011 and was surprised by how good the team who worked here was. My

role was to support my staff, who already knew what they were doing. If you are a new director, then what you need to do during the first year is to watch and not meddle.

We wanted to improve our market share, and we did. We now lead the segment of middle-class sedans with the Octavia. It's our main car and the basis of our success. The Yeti business also developed well.

Our next goal is to update this model line and increase market share to 5 percent. We ended last year with a 3.6 percent share.

Q: What challenges do you see ahead?

A: Russia is very big. I don't have enough time for travel, and it makes me nervous. Karelia, Siberia, the Urals, and Baikal are all very nice. I have this feeling that I'm here but I can't get to know this country thoroughly. One would probably need to work for three years and then take a one-year vacation to really see Russia. That would be ideal.

Contact the author at medetsky@imedia.ru

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