

Q&A: Cold Water Builds Warm Relations for Nick Vince

By [Anatoly Medetsky](#)

September 05, 2013



Vince found sharing local customs helped him find a common language. **Vladimir Filonov**

It is probably safe to say that very few expat top executives subject their bodies to the bone-chilling custom of dipping in ice holes. Nick Vince is a member of the hardy bunch.

It is all because the Russia chief for Rockwool, the Danish insulation maker, preaches that in business warm relations go much further here than in the West.

Vince, now 58, jumped into an ice hole in a freezing winter three years back when he was building a relationship of trust with the owner of a Ural Mountains plant that Rockwool was seeking to purchase. The immersions were part of their joint banya experience.

Nick Vince

Education

1978 — Newcastle University, majored in marketing

1993 — Fellow of The Chartered Institute of Marketing

Work experience

2007-present — Managing director of ROCKWOOL in Russia, also responsible for Belarus, Ukraine, Kazakhstan and Moldova

2004-2007 — Managing director of the Grodan Group in the Netherlands, which is a member of the ROCKWOOL Group and supplies substrates to commercial greenhouses

1999-2004 — Managing director of ROCKWOOL in Poland

1997-1999 — Technical director at the British plant

1990-1997 — Business development director at ROCKWOOL in British

1978-1990 — Various positions at Massey Ferguson, world-leading producer of tractors

Favorite book: Management Teams: Why They Succeed or Fail, by R. Meredith Belbin (2010)

Reading now: Thrillers to pass the time in airport queues. Just ordered Never Go Back, by Lee Child

Movie pick: The Italian Job (1969), directed by Peter Collinson

Favorite Moscow restaurant: Fresh, 11 Bolshaya Dmitrovka

Weekend getaway destination: A village in the forest 130 kilometers from Nizhny Novgorod, where I spend time hunting, riding snow mobiles and quad bikes, going to the banya and relaxing with friends

That time proved well invested. When lawyers from both sides wound up in a logjam during due diligence, Vince and the plant owner sat down and resolved it.

"We trusted each other and the acquisition was a success," Vince said. "A good relationship is no substitute for ... having the lawyers looking into the detail. But it just lubricates things. It allows you to find a solution when you get a blockage."

He added, "Five times I went through the hole in the ice. My weak British body suffered. But it's part of the experience, and looking back it was worth it."

With Vince at the helm, Rockwool has doubled in size in Russia. In addition to expanding by acquisition, they built a \$150 million plant, a facility that runs the company's highest-output line in the world. Such is Russia's demand for insulation that the operation, which opened a year ago, quickly reached full capacity.

Vince sat down with The Moscow Times to recall how he first earned money, dealt with headquarters' apprehension about Russia, and his plans to assemble a racing car. This interview has been edited for length and clarity.

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

A: I came when my company proposed the move. I grew up in Soviet times and had certain perceptions of Russia looking at it from the West, so I was really interested to find out what it is really like.

I came here in 2007 on a three-year contract and I extended it twice: first to five years and later to seven years. Our business has doubled in size in the last five years. It's always fun and rewarding when you are growing rapidly, and it is nice to work with people who are always open for new challenges.

We are quite informal, and not particularly hierarchical — I guess that's partly due to our Scandinavian influence. It also depends on local management. If I'm stiff and straight it will set a certain tone. If I am more open and walk into one of our offices and say, "Good morning, marketing!" and everyone says, "Good morning!" it's a different atmosphere.

Q: What is your secret to successfully managing people and business in Russia?

A: You recruit the right people, you guide them, you inspire them and you empower them. And then you set about creating the right team atmosphere, with mutual trust and respect.

What makes it really powerful is if you can get everybody's energies focused outward toward customers and against competitors, rather than having a lot of energy wasted internally with politics and conflicts between different departments.

If somebody in product development wants to test something new, they don't have to go to their marketing director, who then goes across to our technical director, who then goes down to somebody in one of the factories, who can make some tests and trials — they can go directly to the right person in the factory.

When I started my career, I used to look up at the directors and senior managers. If I saw them

smiling, with good body language and being very open, if I saw this trust and cooperation, this opened the door for me to act in that way with other people in the company. One of my responsibilities now is to inspire people by setting the right example.

We have many ways of communicating. We have the intranet, our in-house magazine and we have big plasma screens in our cafeterias that people can see while they are having their lunches. But the other way we do it is to have an information session by interactive video conference with all our sales offices and factories. We have a lot of people in the room and also have video links to all of the other locations. I present the state of the business, and then they can ask any question they want. I like people to ask questions because it's their business as well. They have a stake in it. Their families have a stake in it. When people feel engaged they feel motivated.

My management team is empowered. Our customers certainly know that if they come to me, they are not going to get an extra discount or a better deal. The person who makes all those decisions is our sales director.

Q: What would you describe as the biggest change in the Russian market in your segment over the past few years?

A: We make insulation. If I look at the electricity prices they have gone up 72 percent over the last 5 years, and gas prices have gone up 102 percent over the last five years. Everyone is starting to feel this. So one of the things to do is to insulate. You certainly don't want to waste energy and have all these rising bills.

The old Soviet housing stock is pretty poorly insulated, and there's also a need for more housing because you still have many generations living in the same apartments. So there is a need for more insulation. We are still a very long way behind European norms.

Unfortunately, the new construction regulations that are coming out are extremely disappointing. New buildings built under the new rules actually use more energy than the old ones. I really don't understand why the thermal regulations haven't been improved.

Courtesy of Nick Vince

Vince challenges himself by partnering with friends in off road races.

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

A: Do it step by step. Start learning by importing some products, then maybe setting up a representative office and later thinking about establishing a factory.

Also, don't make the mistake of thinking Russia is just like your home country. It's much more dynamic. The decision making is much faster. Brand is more important: People are willing to pay for brand. Relationships are more important.

We were making an acquisition of a factory in Troitsk in the Urals in 2010. Making an acquisition is always a challenge. You have two sets of lawyers and they will always find many points of detail to argue about when you are going through due diligence. It's very easy for deals to fall apart.

I developed a relationship with the owner of the business. We got to trust each other to the point that I went to the banya with him. I jumped through holes in the ice at minus 20 degrees Celcius and drank some vodka with him.

When the lawyers got to a point when they were just arguing and not resolving, the owner and I would sit down and we would find a reasonable way through. We trusted each other and the acquisition was a success. A good relationship is no substitute for due diligence and having the lawyers looking to the detail. But it just lubricates things. It allows you to find a solution when you get a blockage.

Five times I went through the hole in the ice. My weak British body suffered. But it's part of the experience and looking back it was worth it.

Q: Who or what inspires you?

A: They are three people from public life in Britain. The first is Winston Churchill. His bulldog spirit in the darkest hours in World War II really carried the nation.

The second is Margaret Thatcher. She turned the country around and made it much more efficient. She was extremely strong and an effective leader.

The third is Queen Elizabeth II. Unlike the first two, she achieves her goals through dignity and quiet influence.

Q: How did you tackle problems here and what did you learn from them?

A: Here's one I think that chiefs of many foreign companies face. They struggle to address the perceptions and concerns that people hold in the head offices in Europe and America after reading the Western press or watching Western television, which doesn't give them a true reflection on life and business in Russia. That makes it very challenging for us to win approvals for major investments. They hear about some demonstration or some corruption — the Western press would make a big story out of it. And that creates nervousness. Will their money be safe? Will it be secure?

Firstly, I made some presentations and gave them real, practical examples and told them not to believe every sensational story they read in the Western press.

Secondly, I invited them here. Before we got the last major approval for the \$150 million investment in our Alabuga factory, I flew in our worldwide chief executive. He went to Tatarstan; he met Tatarstan President Rustam Minnikhanov; and he gained a very positive impression that the Tatarstan administration were there to do business and that they were very trustworthy and business orientated.

Also, I have set marketing staff the task to have a positive press article about our business in Russia every quarter in our worldwide corporate intranet and our international magazine for investors.

Q: Share some stories about significant events, meetings, problems that shaped you.

A: I am dyslexic. When I was young at school ... Any child that's different tends to get bullied, and I was picked on. So, I trained seven days a week and eventually ended up on a rugby team — a very popular sport in Britain and quite physical. After that, I didn't have any problem with people bullying me.

Q: What's the single piece of advice that most influenced your life?

A: I have a mantra, "If you believe you can, or if you believe you can't, you are probably right." If you are a boxer and step into the boxing ring, if you believe you are going to beat your opponent, you have a good chance of winning. If you believe that your opponent is going to beat you, you've almost lost before you start.

You obviously have to evaluate things carefully first. It's not about putting your head down and blindly charging a brick wall.

Q: Is there anything you can't do but would like to learn?

A: One thing I have been dreaming of is to build a car and then race it. I have never built a car before. Last week, I ordered all the component parts, and they will come next year. I will build this car and race it. It's a Caterham 7. There's a race series that's called the Academy Series, which I am going to enter.

Q: Have you done any car racing before?

A: I do off-road four-wheel drive extreme challenges, which is my hobby. There's the Ladoga Challenge in Russia, where you go around Lake Ladoga for a week. I did it in 2005 before I came to Russia to work.

I did one this spring in Poland. The event is called Pomerania. It lasts for 49 hours nonstop. If you want to stop to sleep or to eat, you can, but the event keeps running. If you want to win it, and we did win it, then typically you stop to sleep for three hours in 49, and the rest of the time we were running day and night. I did it with a friend of mine in his car, a Tomcat. He drives, I navigate and winch.

Q: What has recently made you feel surprised, happy or disappointed?

A: Happy was the success with the Alabuga plant, which we opened a year ago. It has the world's highest-output production line and it has run 24/7 since start-up. Disappointing — that I will be leaving Russia come the end of this year. It evokes very strong emotions in me. I know I will never be part of such a fantastic team ever again.

I am going back because I have a family situation. Both my parents are very elderly. I decided I must spend some time with them, so I am going back to the UK to support them.

Q: How did you earn your first money?

A: Between the time I left school and went to university, in the summer holiday, I was a fitter's mate in a paper mill. They closed for major maintenance work and took on a number of temporary staff to help them. I worked 12 hours a day on night shifts seven days a week for six weeks. I earned enough money to buy my first second-hand car. I was born on a family farm where hard work is the norm.

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