



INNOVATION Reimagined

After years of maintaining a product-driven strategy, Jabra is now empowering its customers and working closely with internal and external partners to create unified communication solutions for an array of different clients.

Images by Ulrik Eriksen

oming from a background of programming and engineering, Niels Svenningsen, CEO of Jabra, has extensive knowledge of computing technology. He has worked with some of the biggest international computer companies, learning a lot from his seven-year stint with IBM before moving to Compaq. "I actually brought Compaq from \$100 million to \$400 million in three years; so dramatic growth, which was really exciting and interesting. I then went to create my own internet company, which I built up from zero to \$100 million. We then sold the company, and I was hired back to HP where I did the merger between HP and Compaq in the Danish office with the country manager, the CEO of the local company.

"After that, I went to a Nordic reseller for four years where I was

actually handling the international part of that company. So we acquired some companies and expanded into Scandinavian countries, and then we put the company on the stock market. After that I actually went to a telephone company for a short while, where I was the CEO. It was a triple-band company, so we did internet, television, and telephone on the same wire. I then went to Hitachi where I worked for seven years and ended up as the Europe, Middle East, and Africa senior vice president of a US\$1.4-billion business for the past three years until I joined Jabra in December last year."

Niels considers himself privileged to have worked with so many major players in the consumer electronics industry. "I've learned a lot in my career, starting in the IT industry through programming, through marketing, and a lot from sales, both indirect sales and end-user customer sales. The business I'm in now, Jabra, is not that far away from the businesses I've been in previously; it's all technology, and the key part of our business is unified communication, which is basically the IT business. It's the same clients, the same channels, and the same partners that you work with, so it's not that different."

Working in the unified communications industry, Niels is very conscious of the growth trajectory the entire sector is going through and how quickly things can change. "Everybody was caught by surprise when the growth suddenly was very high, and everybody was launching great products that they could sell to the marketplace, and then that drove the whole industry for growth. I've been in industries before, like the PC industry 15 years ago, where suddenly the market was growing, but at a certain point in time, the growth slows down, and then you have to be able to differentiate yourself. >



10. The CEO Magazine - November 2014 theceomagazine.com

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- Niels Svenningsen

"The first thing that I want to drive in this company is that I will understand our clients a little bit better and focus on understanding what the clients' needs are and not just what our engineers are developing. I feel it's crucial to listen and get the customer insight into our company, which means focusing, understanding behaviours and needs, and differentiating what is needed by big clients and small clients, which also leads us to focus on new distribution channels and new ways of going to the market. We need to also be targeting consumers online, for example, and that needs to be an important part of our strategy, which brings us more and more into the valueadded channels.

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more focus on software. On the development side, we are not only a hardware company, but we are also turning the company into a software and service company. The differentiation of products has been in hardware for the past five or six years, and we will continue to do that for the coming period, but longer term, the differentiation will be in services and software."

Jabra is focusing on the online channels and customers' needs, shifting from its productiondriven growth of earlier years. "We need to put this into our DNA because in a company that was growing a lot by introducing new products, it was not that necessary to listen to the customer. This is changing and changes how we approach customers, changes how we educate our sales people to listen to clients, and making sure



our engineers change with them to have the same focus of listening to clients and not just introducing products into channels. This industry is changing, and we have to put these changes into our DNA.

"That focus on the client is also coming from the marketing side of the company where we have to get that customer insight. Why are people buying? What are

they buying? What will be the future buying behaviour? What channels are they buying through? What kind of features and functionality will we be looking after in the future? We're turning the company from being engineerdriven to a balance between understanding the client features and functions that drive future behaviour, rather than the opposite way around. That is a process that won't happen overnight."

As a result of this shift in focus, Jabra has called on all the senior people in their client organisations to understand their thinking, particularly with regard to future workplaces. "A lot of things are happening within unified communications. The workplace as we know it continues to change. When you're growing a company from small to large like we have been in the past few years, it's driven because there is a demand in the market, but we also have to create the demand and understand where the clients think they are moving.

"We can be much better at that, providing great insight in terms of sales, marketing, and driving that behaviour back to research and development. It's not something that happens overnight, but it's something that will happen over the next 12 to 18 months: focusing, understanding, and driving the clients' wishes and demands back to R&D. It's not that we haven't done it in the past, but >



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all of our efforts now have to be focused on getting those insights."

Jabra is driven by its capacity for innovation in all sections of the business; not only restricted to technological developments. "Innovation can also be go-tomarket models, it can be how to create something new online, and it can also be in the supply chain. Looking back on the big things that have happened in the industry, innovation is not only technology. We have to look at innovation in different areas. If we just look at the technology part of innovation, of course we have to add more resources in our engineering, we have to spend more money on R&D, and we are doing that; it is one of our key areas for investments in the future.

"Jabra and WKK have had a long-lasting business partnership since 1998, which WKK values and enjoys, especially cutting edge technologies in design and manufacturing. A high-quality professional team allows this partnership to serve the market as a global forefront provider." – Bengie Kwong, Executive Director of WKK Int'l (Holdings) Ltd, President - WKK Technology Ltd.

"But we also have to use partners a lot more; we have a lot of very strong technology partners around the world, both software partners and the partners developing parts of our products. I believe we as a company have to move more towards driving some of the software innovations and get help from our partners to drive some of the hardware innovations at the same time. In the past, we did a lot more of the technology work; we are going to integrate more with partners to also do part of the R&D for us, because R&D is so broad that we need to listen more to our technology partners to do parts of

When selecting suppliers and partners, Jabra chooses on the basis of creating long-term relationships. "Of course there will be times when we just select a supplier, but I would say suppliers are getting more strategic now, more long term, so we have to exchange our ideas and our technologies with our partners,

which means we need deeper and longer-term contracts, and we need to focus on long-term partners for the next product. It's not going to be the partner that is the cheapest one; it's going to be the partner that can give us the quality, give us the working relationships, and the guarantee for delivery, because if we do a lot of innovation in some areas, and launch these products into the marketplace, then supply constraints can hurt a lot more than if we'd chosen a partner that was cheaper.

long-term, sustainable relationships and contracts with partners is going to become more and more important. And, of course, these partners also have to help us differentiate for the long term and not just supply the same technology to all their vendors, because then they are not that interesting for us. At the end of the day, all the vendors in this marketplace have to differentiate. To summarise: longer-term

"Again, the balance between



relationships, more differentiation, moving away from just being suppliers, and then making sure the supply and demand and integration of IT systems is in place to enable swift changes as demand changes."

Operating in an industry that is divided between B2B brands and consumer electronics brands, Jabra is redefining its position and collaborating with partners to foster innovation and development across the business. "There are a lot of opportunities in the marketplace now, and I think it's important for us to select and concentrate where we really want to be leaders, as opposed to being everything for everybody. It's clear that unified communications is an area where we want to lead, and we also want to be a worldwide

leader in supplying headsets for unified communication, so that is a clear goal. This is something that we're investing in.

"In terms of our partners, we're

building a brand strategy so we can build innovative products. Instead of just looking at the products, we're looking at the total cost of ownership, we're looking at services, we're looking at how to acquire the products and services online, and we're positioning ourselves away from being an entertainment brand. I think you will see us more in the direction of not just being a strong B2B brand, but being a strong brand that creates functionality and helps consumers do what they do better; looking at the total cost of ownership rather than just being a big music brand with a lot of stars around us. That also means we'll be more in the high end, we'll be more in software, and we'll be focusing more on total experience rather than just being a strong marketing brand." •

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Niels Svenningser

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