



As featured in
The CEO Magazine
For more info visit
theceomagazine.com

Grow to SUCCEED

ELKO Group combines a long-term vision with a collaborative approach and a sense of humour to ensure its operations are successful as one of the largest IT product wholesalers and solutions and services experts in Europe.

Images by Kristine Krauze

In 1993, four young entrepreneurs from Latvia founded a business with the intention to provide local retailers with new and upcoming IT products. In the two decades that followed, ELKO Group has experienced a dynamic evolution, expanding into nine countries and reaching a turnover of more than US\$1 billion.

Based in the Latvian city of Riga, ELKO Group represents over 90 IT vendors, selling their goods to thousands of retailers, resellers, system integrators and other channel partners across the region. Furthermore, it offers 20,000 product titles from famous suppliers such as Lenovo, Intel, Seagate, Western Digital, and Acer.

CEO Svens Dinsdorfs joined ELKO Group in 2006 as finance director before being appointed to the top spot at the beginning of

this year. He is responsible for the day-to-day management of the business and takes an active role in various development projects. Sven previously worked in the finance area for the Latvian national airline airBaltic as well as the cosmetic and pharmaceutical product distributor Sirowa Group before making the transition into the field of IT.

Svens says he garners respect from his staff at ELKO Group by taking risks and keeping lines of communication open. He regularly goes through business-related topics with his middle management team before starting up discussions and encouraging everyone to share their thoughts. “I expect my employees to cooperate and come back with feedback. I want them to tell me if a particular initiative is wrong; if there is no potential, if there is potential,

“I expect my employees to cooperate and come back with feedback. I want them to tell me if a particular initiative is wrong; if there is no potential, if there is potential, or if we should do it in a different way.”

- Svens Dinsdorfs

or if we should do it in a different way. I find my role is to initiate certain topics and things we need to do, then I expect my employees to give proper feedback.

“It is a bit of a risky strategy in a sense that if you don’t properly follow up with your employees on open items you can drift away from the general goal. That’s why I have pretty frequent meetings with everyone in my middle management. We discuss the status of the topics, the ideas, how it goes, and so on. In those meetings I expect my employees to be very active and that is the moment where they can regroup themselves with what they have done and ask questions. I expect that they criticise my ideas and that they approach me because I can’t be competent in all fields. I also expect them to show respect.” >



Svens has a long-term vision for ELKO Group. He works hard to ensure the business is well perceived in the market and that partners, vendors, financiers, and clients understand its enduring approach. There are a few key elements which define its strategy as a market leader. These include a targeted sales channel management system based on a balanced customer portfolio; the introduction of the newest technology; a high-quality service; optimised and automated operation processes, which comply with the highest industry efficiency indicators; maximised return on capital by combining the supply chain, product groups, and customer segments; and engaged employees. Svens says each of these factors contributes to the edge the group has over its competitors in the IT sector.

Another advantage is its presence in so many different countries—Latvia, Estonia, Lithuania, Russia,

Ukraine, Romania, Slovenia, Slovakia, and Kazakhstan. Svens says ELKO Group acts as the middleman between Eastern and Western Europe and therefore has a good cultural understanding and broad view of each region. Its largest markets are in Russia and the Ukraine. “The fact that the group’s headquarters are located in Latvia is a big competitive advantage with regard to culture,” Svens explains.

“We can easily talk to Russians or Kazakhs or Ukrainians language-wise and we also have a pretty good understanding about the culture and what they’re thinking. At the same time, we can easily talk to Germans, Americans, or whoever because we know the language pretty well and we understand what their culture and background is. So in that sense I think it is quite a big part of the group’s success being in the middle between East and West. We are like a bridge and that is a pretty crucial thing.”

“We are the distributors so if we don’t have a great understanding of what our suppliers and vendors are and what they represent then it is really difficult to deliver the right outcome to our customers.”

- Svens Dinsdorfs

As a big-money but low-margin business, it is important for ELKO Group to be transparent, financially stable and trustworthy. Its supply chain respects this and values the strong relationships that have been fostered over the years. “We are the middleman,” Svens explains. “We are the distributors so if we don’t have a great understanding of what our suppliers and vendors are and what they represent then it is really difficult to deliver the right outcome to our customers.”

“Our approach to nurturing these relationships is to be very active and to have frequent communication. Not just communication for the sake of communication, but to be open and reasonable, and to keep our promises. We are not looking for short-term benefits at the expense of our partners. It sounds so simple but things like this consist of small details. Of course we expect the same from our partners, or our counterparts, that they greet us in the same way. It does not always work out like that but most of our partners we have known for almost 20 years; we have been working together with them for a long time.”

Every couple of years, ELKO Group hosts a convention for management, key partners, vendors, and customers to connect and mingle with one another. All attendees have the opportunity to discuss their daily dealings, develop strategies for further cooperation, and to share their vision about the IT market’s potential.

Svens’ first priority when he came into the role of CEO in January was to get his staff of more than 700 people aligned with the same philosophy. “We always expect that they are professional, goal oriented, and last but not least, that they have a sense of humour. We expect that our employees can laugh because this can be quite stressful in terms of the business so humour helps a lot in being able to cope with that stress. We sometimes have jokes with our vendors and we



can make jokes with ourselves internally, too.”

Svens says ELKO Group is pragmatic in its attitude to training and developing staff, paying attention to skills that are specifically of benefit to the business. He finds that onsite and situation learning is the most effective. “One should always ask the questions, ‘Why did we move this beam? Why did we get these results? Why are some processes so complex?’ They should be building their thinking about why things are happening, how things failed, or why they have been a success. This is something you can’t learn in any formal training. General education can give you some matrix of thinking or approach but really being there and learning from your experience is something that should be promoted. That is something that I would like to see more and more of in this company.”

Since the start of the year, Svens has had to navigate a number of challenges; however, his many years in the CFO role have helped. “Having been with ELKO Group



for some time now, I have quite a good feeling of what I want to achieve but at the same time there is still a learning process which is happening,” he says. “The big challenge for me is to not over act on things. If I was 10 years younger I most probably would have already made some serious mistakes that I would have had to try and correct. By forcing yourself to just rethink things and by getting more information sometimes means the outcome can be completely different

and the decision you make can be completely different.

“I’m in the starting phase and it is quite challenging for me not to over act. I need to concentrate on giving proper guidance to my employees. I can’t be chaotic because that can be a dangerous thing. If you look into the future, the topic which I was not really expecting, but is becoming more and more important, is geopolitics. This is considering what is happening in Eastern Europe and more generally in Europe. There is a big question of how Russian politics will be involved in the future and how it will affect the business, and so on.

“This is the incoming future and it is what we should be monitoring and making decisions upon. At the same time, I am not that worried. ELKO Group is pretty adaptive to change and that, I must say, is part of our company’s DNA.”

“During the 20 years I have worked with the ELKO Group and its president Egons Mednis, the industry has been through many changes. We have a continuous and close partnership that has enabled success, which we have enjoyed and will continue to develop.” - Nigel Edwards, VP, HGST

CREATING SPACE FOR THE WORLD’S LEADING BRANDS



SEAGATE

Seagate is the global leader in data storage solutions, developing products that enable businesses around the world to create, share and preserve their most critical business data.

In 2014, Seagate marked its 20th anniversary of successful cooperation with ELKO group, one of the leading IT product wholesalers in Eastern Europe.

“Over the past two decades, we have successfully navigated an industry that is continually changing. Our strategic partnership with ELKO has propelled both companies into new markets and regions; we look forward to continuing our successful relationship for many years to come.”

Sofocles Socratous, Seagate Vice President EMEA

Seagate and Elko: collaborative innovation for over 20 years.

www.seagate.com


