In It’s All About People – 35 Years a CEO, Steen Westh Nielsen distils his long experience leading small and medium sized manufacturing and service companies in Denmark, Germany, the Czech Republic, and Slovakia, into a highly readable guide to management and leadership. With his co-author Jeremy Verity, he describes his life story and explores how his background as a Dane helped him manage people “the Scandinavian way”; what he learned from working with people from many different backgrounds; and the techniques of management he developed while building up a highly successful software house in Central Europe.

It is an informative story, that includes lessons learned along the way, which he tells entertainingly with the intention of inspiring managers who today run, or hope one day to run, a small- or medium-sized enterprise.

Steen Westh Nielsen is a Danish entrepreneur, salesman and business mentor. Trained as a lawyer, he took up business soon after university and became a CEO in his mid-30s. For the next 35 years he managed companies in many countries, practicing entrepreneurship, leadership, and management with an international perspective. An enthusiastic traveller, with an insatiable curiosity about the world, he believes in thinking globally, and easily establishes a bond with the people he meets from many different countries and cultures whether they are customers, partners, co-workers or the men and women in the street.

In his spare time, he keeps up with world economic and political affairs, and is an enthusiastic player of many kinds of sport. He has three children and six grandchildren. Today he lives with his wife Bente in a converted farm-house on the island of Fyn.

Jeremy Verity is a Jamaican broadcaster, journalist, producer, and hesitant information scientist. He has worked for the Jamaica Broadcasting Corporation, the BBC, the Thompson Corporation and BMW/LandRover in the Caribbean, Africa, and Europe. He set up his own IT consulting business in 1985 working largely in the publishing and media industry. For the last 20 years he has assisted CN Group in Prague in a number of interesting and rewarding ways. He has four children and eleven grandchildren, and now lives in what he thinks is graceful semi-retirement in the South-West of France, where he indulges his taste for Perigordian cuisine and fine wines.
Steen Westh Nielsen
with Jeremy Verity

It’s All About People

35 Years a CEO

Forfatterskabet.dk
Dedication

I dedicate this book first of all to my wife Bente who over my many years in business has been my safe harbour and my anchor at home. It is dedicated also to the other family members and the friends I haven’t had time enough for; to my many great colleagues in Denmark and abroad; and, last but not least, to Jeremy – the prerequisite for the writing of this book.

Truly, it’s all about people!

Steen, April 2021

Acknowledgements

We are grateful to Wikipedia (www.wikipedia.org) which was used for fact-checking as well as a reference for much of the geographical, historical and scientific information in this book; and to the Wikimedia Foundation for permission to use certain material from Wikipedia under the Creative Commons Attribution-Sharealike 3.0 Unported License (creativecommons.org/licenses/by-sa/3.0/) (CC-BY-SA), viz. content and format of the table on page 90; the maps on pages 39, 57, 59 and 70; and statistics quoted throughout the book. The authors have made a contribution to the Wikimedia Foundation and we encourage our readers to do the same.

We also thank the Ständiger Ausschuss für geographische Namen for permission to use the map on page 56 also under the CC-BY-SA.

Use of any other copyright material is acknowledged in the text.
# Contents

1 Introduction .................................................. 1  
2 Steen’s Story ................................................ 5  
3 A Tropical Islander’s Story ............................... 17  
4 Think Global .................................................. 25  
5 The Nordic Lands ............................................ 37  
6 The Czech and Slovak Republics ......................... 55  
7 Germany and DACH ......................................... 69  
8 The Strategic Approach and Process ..................... 93  
9 Leadership and Management ............................... 105  
10 Communication .............................................. 117  
11 Budgeting and Action Planning .......................... 129  
12 Human Resources .......................................... 139  
13 Organisation .................................................. 147  
14 Technology ................................................... 153  
15 Products & Production ..................................... 171  
16 Marketing & Selling ......................................... 183  
17 Startups ....................................................... 193  
18 My CEO Ten Commandments ............................ 201  
19 The Future .................................................... 207
1 Introduction

I have had the privilege of being a CEO for 35 years: 10 years (1981–1992) in Denmark for production companies with 30 to 350 employees; then 25 years (1993–2018) for IT companies in Central Europe – Germany and the Czech Republic. The Czech company was started from scratch and today has more than 300 employees with branches in Slovakia and Romania.

In that time I had the pleasure of building relations with my staff, the staff of daughter companies started in Norway, the UK, the USA, and the Netherlands, with business partners and customers in many European nations, the USA, Japan and other South-East Asian countries. Practising leadership and management with an international perspective has been my everyday life. From my base in Denmark over a long period I had up to 200 days per year travelling. This allowed me to learn much about the history, culture and habits of the different countries I worked in and visited.

I am not one of those compulsive list makers you sometimes come across but to give you a brief view of the changes I have seen in my years as a CEO, I am going to make a few. Here is a long one for a start. Among the most important occurrences influencing the business climate since 1981 when I first became a CEO are:

Communication

- From telex, via fax, to the Internet
- From fixed line to mobile phones
- Development of Social Media
- Fake news as a tool in misinformation
CHAPTER 1. INTRODUCTION

Economy
- 1987 ‘Black Monday’
- 2001 The .Com bubble
- 2007-08 Financial crisis
- 2009-12 Debt crisis

Political
- 2004 Enlargement of the EU
- 2014 Russia occupies Crimea
- 2016 Brexit
- 2016 Election of Donald Trump
- 2018 Trade war between the US and China
- 2019 Uprising in Hong Kong
- 2020 US Presidential Election

Fundamental Milestones
- 1989 The fall of the Berlin Wall
- 1990 The reunification of East and West Germany
- 2011 The Arab Spring & the Syrian Civil War
- 2015 The Migration crisis
- 2015 The UN’s Global Goals
- 2015 Climate change begins to be a main changer
- 2020 The COVID-19 (SARS-CoV-2) Coronavirus

Technology
- The Personal Computer
- The World Wide Web
- The Internet of Things (IoT)
- Robots & Drones
- Security & Hacking
CHAPTER 1. INTRODUCTION

Many of these milestones were either a crisis, or created a crisis; certainly all produced uncertainty, threats and opportunities. But none of these could compare with what happened in the 35 years between 1914 and 1949 with two world wars, the Spanish flu pandemic (1918–1920), and the establishment of the United Nations and of NATO.

Much new technology was developed in this period but compared with what came out of Egypt 3000 years ago I think we have to ask ourselves whether we today can match those older achievements in their scale and impact on the world?

During these forty years or so I have also built up rules for my business life, the most important of which I call my ‘CEO Ten Commandments’.

The CEO Ten Commandments

1. Work hard
2. Give high priority to your (private) home life
3. Be a frontrunner
4. Be yourself, be predictable and take your own medicine
5. Be aware of your strong and weak sides and do not take yourself too seriously
6. Communicate clearly and directly
7. Be agile and transparent
8. Seize opportunities and adjust
9. No Bullshit
10. It is all about people

I’ll tell you more about these in Chapter 18 My CEO Ten Commandments.

Over the same period I also learned that communication – good communication – has become more and more important and that having a professional partner in this area can be a great advantage. I found such a partner in a Jamaican guy, the former BBC journalist and computer scientist Jeremy Verity, with whom I started collaborating over 21 years ago in 1999.
CHAPTER 1. INTRODUCTION

It was in Jamaica in 2011, in a swimming pool on the shores of the azure Caribbean that Jeremy and I agreed that, when I stepped down from my daily obligations as a CEO, we would write a book together. This is that book, the outcome of that agreement. In it I want to share with you a distillation of the management rules and theory I have built and my interest in seeing things in a greater and global perspective. I also want to share reflections drawn from the many discussions I had with Jeremy over the years: about the world as it is today compared with what it was once upon a time and about how we would like it to develop tomorrow and for the years to come. For me this has been a mental exercise made possible because a journalist is my friend.

My experience is of building up and running SMEs, Small and Medium Enterprises. In recent years I have also focused on management consulting and investing in startups. So, if you are running or hope to run a SME, or are active in the venture capital and startup segments, I hope the book will be of interest to you.

Please remember when reading It’s All about People that this is not intended to be an academic treatise or a management studies text book. It is simply an account by a Dane who was fortunate enough to be a CEO for a long time; who learned many lessons about being a CEO; and who is now happy to share what he learned with a new generation of managers and potential CEOs.

Aa Strand, March 2021
Steen Westh Nielsen
2 Steen’s Story

I was born, the son of a nurse and a doctor, in December 1945. Mine was a happy childhood growing up with my older sister in a small town nestled in the countryside on the Danish island of Fyn, where I had many good friends, some of whom remain close to me to this day.

Looking back, one of the things that characterises my life is a love of travel. The seeds were planted early.

Throughout the late 1950s and the early ’60s, the family would set out on camping trips in our VW – later upgraded to a Volvo! – to
nearby Sweden and Norway, and then further afield to Austria and Italy. Unlike some children, I didn’t mind the long journeys in the car, and enjoyed the destinations when we got there. These trips probably made me the ‘happy traveller’ that I am today.

I wouldn’t say that I was a scholarly child, school homework was not high on my agenda. I loved the active life and spent more time at football, handball, badminton, and table tennis than I did working on ‘the 3 Rs’ – Reading, wRiting, aRithmetic. I trained every weekday and took part in tournaments at the weekends.

During my years at grammar school (1962 – 1965), I was hugely inspired by the Beatles, the Rolling Stones, and Bob Dylan; who not only made great music but they also had something important to say about being young and about life. With some friends, I established a pop club, ‘Big Ben’, which for years hosted top Danish pop bands, among them The Defenders, The Danish Sharks, and Keld & the Donkeys! The club gave us young boys our first opportunity to work at marketing, finances, legal and contractual matters, as well as business development. This was for many of us an important part of our education, and it made clear to me that, in the future, I wanted to become a businessman.

Following grammar school, I did military service, held jobs as a seaman, and as a teacher. Over a four-year period, I had spells in the mercantile marine for a total of one and a half years, passing through both the Suez and Panama Canals. We were on our way to Australia through the Suez Canal when the Six-Day War between Israel and three Arab states – Egypt, Jordan and Syria – broke out and from the decks of our ship we had a ring-side view of the military activity.

I loved being a seaman! For me as a young man the opportunity to visit many foreign cultures while being paid for it was like having traditional Danish *kransekage* (layer cake) but with cherries and ice-cream on top! I learned the importance of teamwork, of having clearly
defined job functions and the need for a hierarchy – there can be only one captain on board a ship!

In the Autumn of 1967 I went to Copenhagen University to study law. At university the setup was personal freedom, but with a great deal of individual responsibility. Compared with grammar school, I found this very attractive. My time at university coincided with the 1968 Student Uprisings in Copenhagen and around the world and I found it exciting. In the background was a rich atmosphere of questioning our world, with lots of fantastic discussions, all of which gave a feeling of being taken seriously. It was also a time in which I made many new, important friendships. As a student, in addition to studying, I was active on many fronts: working as a taxi driver, in a law office, and in the Danish Ministry of Education. I got married and became a father.

After getting my master’s degree in law in January 1974, I held jobs in a law office and at a bank, before taking up a post in a building and construction company in early 1976. Here my intention was to work with, and learn more about, financing. Now I really was out in private business and learning a lot. My employers showed great confidence in me, making me department manager. My role was quite wide-ranging, and I took part in great export jobs such as building houses in Algeria and starting a joint venture in Germany. Over the three and a half years I stayed with that company, I doubled my salary. I was now in no doubt that private business and entrepreneurship was my future!

On the personal front, it was a period of ups and downs. I got divorced, and then met Bente, who eventually was to become my wife. She still is! We soon moved in together, but decided to postpone marriage because the income tax was lower if you were not married! So, we had our house, our first, in the suburbs of Copenhagen, where my daughter from my first marriage was a frequent visitor with her own room. Some time after the birth of our son, Bente suggested that we should try living in the countryside. I will admit that I was surprised,
but I did immediately start looking for a job that would make this possible.

Eventually, I found myself one of fifty candidates applying for the job of director and assistant to the Managing Director (and owner) of a family-owned business with 350 employees. The process leading to the appointment of the successful person was fascinating: first, we were ten candidates interviewed by the ‘house consultant’, a guy who advised the company. Then some of us were invited to spend a day at the company, meeting the management group and representatives of the employees. Following lunch with the family that owned the business, there were interviews with the Managing Director. Next we spent the rest of the afternoon becoming familiar with the factory floor. Finally, some days later, we were down to three candidates taking part in a five-hour psychological test. When the report about me was issued, I got a copy and a meeting with the psychologist, whose work and professional attitude really impressed me. But after reading the report, Bente said: “I hope the cost of the report wasn’t too high because, with my knowledge of you, I could have told them all that up front!” Anyway, I got the job.

After a year and a half as a director, I became Managing Director of the company at the age of 35. Bjarne Broen, the owner, had sent me on different management courses both in Denmark and abroad. Some months after I took over as MD, Bjarne and I were playing tennis. I asked him why it was that he did not want to be responsible for the daily operation of the business any more. Bjarne asked for a break, called me to the net, and told me, with a great smile, that just the thought of going to the supermarket the following day now made him feel stressed.

Bjarne, who is the most creative person I have ever met, showed great confidence in me. We formed a close friendship, helped by the fact that we both shared the same sense of humour. He also appreciated my capacity for lots of hard work and was always ready to take
new and relatively risky initiatives such as building up totally new business areas. Together we expanded the operation with a partnership in Singapore and our own daughter company in the USA.

In those years I did a lot of business travel. On one trip to Beirut in 1983, I managed to convince a diplomat from the Danish Embassy to join me for a visit to a Palestinian refugee camp. This made a great impression on both of us, and, along with what I heard from all the other contacts I talked to during the week I spent in the city, I learned first-hand how complex the situation in the Middle East really is.

Eventually, after some years, we invested a lot moving into a new segment, which required the building of a new factory, installing advanced machines, and establishing new distribution channels. To do this we needed additional capital and this meant getting investment from a private equity firm. The new business was a great success and showed the breadth of Bjarne’s vision. But the timing was not right because we were short of cash and, therefore, not in a good position when negotiating with potential investors.

As Managing Director, I had a five-year contract and, during that period, we doubled our revenue. By the 4th year it was clear that we needed additional capital and, four months before my contract expired, a private equity firm invested in the company. I continued to the last day of my contract, earning the bonus built into it as compensation for a stipulation in it that my tenure could not be prolonged. But, with my bonus, I could start a new chapter.

I had worked hard and learned a lot. Bente and the kids had got to know visitors from many different countries because often, instead of taking guests out for the evening, I would have them home for dinner. My son got stamps from many foreign countries and the family learned how to live with father’s business.

When we first arrived on Fyn Island, we renovated an old farmhouse with a view of the sea, and I started playing football with the local old-boys team. I also took up tennis, which was a new sport for
me. One day, on coming home, Bente – who was pregnant with our second child – told me that she had called the town hall and reserved time for our wedding the following Wednesday. I told her that next Wednesday I had both an old-boys match and a dinner with a French business partner. Bente just said: “No problem! Be at the town hall at 15.00.” So, at the appointed time, we got married. After the ceremony, we shared a beer and I went on to football and dinner.

Over the years, the friendship with the Broen family had developed. On one occasion Bjarne and his wife thought Bente and I needed a break, so they had our kids over to stay with them from a Friday afternoon until we picked them up on Saturday evening, when we all sat down for a family dinner together. Bente and I also often visited the Broens at their flat in Provence, and we regularly went on trips together.

Bjarne taught me the value of long-term thinking, the importance of investment in both R&D and Business Development, as well as in design and branding. But the other side of the coin: the need to pay enough attention to the day-to-day business and to investing in and developing production, from which the profit came, and which is often not enough and done too late, this I had to learn the hard way.

My next job was as part-owner and CEO of a small factory, an engine-works plant operating as a sub-supplier. This was from 1987 to 1992. It started as a nightmare, and ended as a nightmare! The seller of the factory had given us false information about the status of the company, had burned all the account books the day before I took over, and disappeared abroad. It was a tense situation having to face employees, customers, and the public to explain to them what had happened and what my co-owners and I would do about it. During my first information meeting with all the employees, I said that I would stand on my head if that was what it took to get things solved. One sceptical employee asked if I could stand on my head. So I did it, earning quite some credibility.
Although by sheer hard work we managed to treble the revenue, a combination of low capitalisation and the bad state of the market at the beginning of the ’90s, meant that we went bankrupt. Bankruptcy of a business is never pleasant, but it has its lessons. Out of this I discovered the difference between managing a large company and a small one; learned to become very well informed about what was happening on the shop floor; and the importance of always being involved in decisions whether they are big ones or small ones.

In those years I was very fascinated with what was going on in Eastern Europe, behind the Iron Curtain, and I read a lot about the subject. After the fall of the Berlin Wall, I participated at Aarhus University in lectures entitled *East Europe on the way to where?* In 1991 I organised a trip for friends from my Management Training group, on which, together with our wives, we visited the former East Germany and Poland.

So, my status: nearly 5 years of hard work, debt of a certain size, and one lesson learned: “Never again!” It was time for reflection.

Bente and I made a tough private budget and I started searching for a new job. One of the friends I made on the management training course I went on, Steen Hansen, who had also been on the board of my company, sent me 12 bottles of red wine with a card reading: “From now on, it will only go forward.” Steen was CEO of one of Denmark’s largest IT companies.

One day I got a call from him. “What are you doing?” he asked.

I told him about the job interviews I had been invited to. “Sounds boring” he said. “We are going to build up a business in Eastern Europe, could you help me with that?”

I told him that I didn’t know anything about IT, and Steen replied reassuring me that IT was not so difficult to get your head around and that it would be fine.
Then he said, “It’s all very well that you are able to write about what will happen in Eastern Europe, but what about trying to make things happen there in reality?”

So, after talking to Bente about it, I agreed a six-month contract with Steen. My job would be to find a promising base of operations, get things organised, employ a team, and create a certain revenue stream in the local market. Then I could return home. In the end, by agreement with the company – and, of course, with my wife! – that six months stretched to twenty five years.

At the start, I was given an old Toyota Corolla, some slides, white papers about our products, and some kind of a PC. My first trip to the region was 12 days in the Toyota, visiting Austria, Poland, Hungary, the Czech Republic, and Slovakia; interviewing as many relevant Danish representatives in embassies as I could; visiting official departments responsible for attracting investment; meeting consulting companies; talking to real estate agents; and calling on private companies. Then I returned home to Denmark with the relevant facts - about programmers’ salaries, rental costs, charge rates for services, taxes and social contributions, and also a long list of contacts with potential partners.

After we had analysed all this, our conclusion was to startup in Prague, with two working spaces in an office hotel where Birger Husted, a Dane married to a Czech I had met, was employed; he could assist me with his local knowledge. Returning to Prague, and establishing myself in a flat, I started searching for different categories of employee. I got twenty-four applications and interviewed all of them. Twenty-two of them I called back for a second interview.

After this round, I knew a lot about the IT sector in the Czech Republic; the knowledge and experience of the candidates; and details of the going salaries, rates that would apply, and working traditions and standards in the country. I was also able to conclude that, while these were technically highly skilled candidates, they had little commercial
knowledge because they had no access to this during the Communist era. In the end I hired six people: a salesperson and five programmers.

Soon after the company started operating, I decided that with my knowledge of banking and strategic processes, we should approach local banks and offer to help them in creating IT Strategies. The domestic banks were facing the transformation from being monopolies to meeting a high level of competition both from each other and from foreign players. One month after registering our company, I visited the third largest bank for a second meeting.

“Why do I need an IT strategy, Mr. Nielsen?” the director in charge of IT asked me when I suggested he should have one.

“If you don’t have a strategy, Mr. Trubka,” I said “you can’t change it.”

After a couple of minutes’ thought, Mr. Trubka quietly asked me to prepare a contract. The seed for the next two years of expansion was planted. We won contracts from other big banks in the Czech Republic and also in Slovakia. My concept was to fly in experienced senior staff working for my shareholder in Denmark and mix them into our team of young talented Czech and Slovak engineers. So, besides selling some of the control systems, the main reason my shareholders had sent me East, we managed to build up a solid consulting business.

At a strategy session with my staff in 1996, we looked at all our operations with a critical eye. Given our access to a large pool of highly skilled technical resources at a cost price of approximately half that in Western Europe, we concluded that this was a golden opportunity for us and that we should concentrate on being a programming house for Western European companies. With the results we had achieved so far, it was not difficult to convince my owners to adopt the new strategy, helped by the fact that my chairman, Steen Hansen, was dedicated to uncovering new opportunities with high potential of a good bottom line!
CHAPTER 2. STEEN’S STORY

At about this time, I had also taken over the responsibility for my shareholders’ branch in Frankfurt where the main activity was selling technical documentation systems to the aviation industry and also doing some additional business in banks, the main industry in Frankfurt. I recognised that my being in both the Czech and German companies created great synergies. Through the German company we had access to the enormous German market for Nearshore Software development, and thanks to the Czech company we had access to a nearly unlimited supply of well-educated, low-cost engineers. It was the perfect combination. I was proved right – the German company’s finances moved into the black and the Czech company grew rapidly.

As we expanded, many of the Czech staff who had worked as consultants developed into being Project Managers and eventually took on the other management roles that we needed as we rapidly grew. I found it interesting that, in general, sales and administrative jobs were filled by women, whereas the technical jobs went to the men.

In 1995, I had gone after a potential contract in the UK for my company, a lead I got from a Project Manager at my shareholder’s Danish company. Then in December, he sent me a Christmas card with a message saying that he had a new job in the telecom sector with a big Danish player, Net Test, and that there could be a potential for us to co-operate. And indeed, in May 1996 we started working for Net Test, and one year later we had 20 resources assigned to them – our first projects in the telecom sector. We were now well consolidated in Nearshore Software Development in the Banking, Aviation & Airline, and Telecom industries. Eventually, Net Test began questioning whether they were not becoming too dependent on us, an external company. Eventually a solution was found, a joint venture where Net Test invested in us, taking 50% ownership. This gave us more capital for expansion and a special relationship with one of our biggest customers.

Over the following years our work concentrated more and more on nearshore software which we extended to other business segments,
and we opened up new markets in the UK and Scandinavia, establishing a branch in Bratislava and a testing centre in the Czech town of Zlín. By the end of 2004 I was able to hand over the German office in Frankfurt to my deputy there, Ingo Schütze, someone who had grown from being a programmer in 1996 and who was now ready to run the whole German operation. The synergies between the German and Czech offices were well established and I now had more time to implement higher professional standards in the nearshore business, in particular in Project Management, Quality Assurance, Marketing & Branding, HR (Human Resources) and Staff Training.

In 2009, negatively influenced by the financial crisis, we had to reduce the number of employees for the first time: 40 out of a total of 165 – a very tough period for us but also a great learning experience; we managed to come back to growth relatively rapidly and in a much leaner and focused shape. At the end of 2008 we employed a Slovak, Michal Širica, as Sales Manager for the German speaking areas – Germany, Austria and Switzerland (DACH). Over the following years Michal greatly expanded our nearshore business in the DACH region and, in 2016, I appointed him as my deputy.

In 2014 our shareholders decided to split the company. Our telecom shareholder, which had been taken over in 2005 by a Japanese company, got ownership of the Bratislava branch in Slovakia, and my original shareholders kept the Czech organisation, and I became a shareholder. Since then, the Czech organisation has constantly grown and today employs over three hundred people in four branches in three countries. In mid-2018 Michal was appointed CEO, reporting to me as CEO of the holding company. This meant a change of both gear and direction for me: stepping aside from day-to-day operations, I had more time to work at a higher level on performance and strategic issues. Additionally, we began a sales process that required a lot of my attention and in February 2019 we sold the company to a Czech investment fund and some members of the management group. I carried on for one year more as a Board Member.