

TOMAS JOHANSSON

From preferred supplier to strategic partner: Dahl decides

Among the four key principles within Rettig ICC is a focus on trust and respect. These are the most fundamental elements of our interaction and communication with stakeholders. In the 200 years of Rettig Group's history, the company has used this focus to strengthen bonds with customers, providing mutual growth with world-class products and services. In order to reinforce our reputation for professionalism, fairness and teamwork, we actively foster relationships with customers who share our values, and who can benefit from our approach. One such customer is the Dahl Group, Scandinavia's number one wholesaler of PH and sanitation products, with almost 260 operating sites in Northern Europe and turnover of approx. €2.6 billion. The company in Sweden recently appointed Rettig ICC as its sole radiator supplier, as part of a new strategic partnership that includes supplying Dahl-branded private-label products. This confident corporate move was the brainchild of Tomas Johansson, Dahl's charismatic CEO. We caught up with Tomas in Stockholm, Sweden, to learn more about the partnership and Dahl's expectations going forward.

PEOPLE, NOT PRODUCTS, FIRST

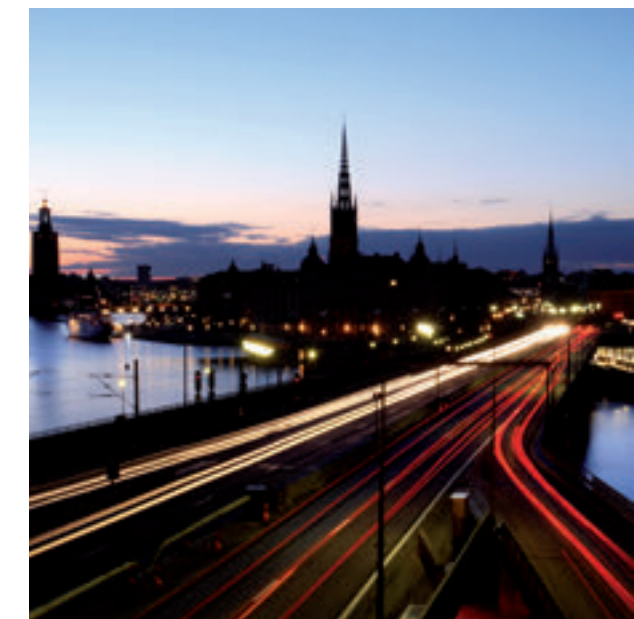
"When I joined Dahl in 2004, the company was looking closely at the relationship it had with customers. I have always firmly believed that if you lose sight of your customers' needs, you quickly lose your customers. After more than 15 years in the building industry, I already had a clear understanding of the mind-set of the business; companies don't want suppliers these days, they are looking for partners – people who understand their business, their needs, and their customers. So when I joined Dahl, I made it clear that we had to put people first, not products."

And so, after just 12 months as General Manager for a Dahl subsidiary, Tomas was invited to take the position of CEO of the company's Swedish operations. "I think it was my knowledge of people that led me to this role," says Tomas. "In early 2000, the former management team had centralised most of the company's operations and activities to cut costs and raise profits. On the face of it, from a purely financial standpoint, that seemed

like the right move. But Dahl's business—and our business model—has always been based on two key pillars: local presence, and availability. The management move was needed but was also a direct contradiction of the company's own philosophy, and put distance between us and our customers. So my first move was to return our company to a decentralised model, to regain the trust we were losing, and reopen the locations that had closed: it felt like a homecoming."

And no homecoming would be complete without family, which for Dahl and its customers, meant creating a dedicated sales force, as Tomas explains. "I value people who value their work, and how they interact with customers. In Sweden the foundation of our success is absolutely our sales team; we have more than 300 people who are highly trained, motivated, well equipped and knowledgeable enough to give detailed advice to customers: they often take a consultancy rather than sales role," says Tomas. This also bears a striking similarity to the Rettig ICC

approach, with a customer-focused sales force whose product knowledge allows them to make the right recommendation every time. The complementary ways of working were a contributory factor to the decision to invite Rettig to become exclusive suppliers to Dahl. >>



The Dahl group is the number one distributor in the Nordic countries of plumbing, heating and sanitation products, operating in Denmark, Norway, Finland, Baltics and Sweden. The company operates in about 260 locations in the area and is part of the French Saint-Gobain group.

The shared mission of the entire Dahl Group is to be best regarding availability, reliability and competence and to do this as the most cost-effective partner both for customers and suppliers.



TOMAS JOHANSSON

52 years old

Married, father of three daughters (19, 26, 29) and becoming a grandfather soon

BORN Södertälje - Stockholm (Sweden)

FUNCTION - CEO Dahl Sweden
- Part of Saint Gobain Nordics

BACKGROUND

Tomas Johansson studied Engineering and Market Economy in Stockholm and started his career in the building industry as a purchaser at a small building construction company where he grew successfully into the role of Sales Manager.

A logical next step was NCC (Nordic Construction Company) from which, after seven years, he went to Gustavsberg, which was acquired by Villeroy & Boch where he became Manager zone 4 with responsibility for all Nordic countries and Eastern Europe.

After a period of seven years, in November 2004, as General Manager he joined Dahl, which was acquired by Saint Gobain earlier that year. In November 2005 – one year later – Tomas Johansson became the CEO of Dahl Sweden.

As CEO he's responsible for a total turnover of 9 billion Swedish krona with the companies Dahl (wholesaler PHS), Optimehra, Bevego (ventilation), Conradson (tiles), Kakel Specialisten (tiles), GG Carat (diy plumbing, and heating) and VVS Centrum (Water Heating and Sanitation).

Closeness is not just about geography

THE CLIENT
TOMAS JOHANSSON



I believe people are the most important asset of every company

Today there are 62 Dahl centres across Sweden, staffed by expert teams who echo Tomas's energetic vision for the future. "On my first day as CEO I promised myself and my staff that we would focus on four pillars for continued growth: availability, reliability, logistics and expertise. Central to this was of course staying close to customers, and this meant more than just having a Dahl centre nearby. I needed all my staff to be able to see through customers' eyes, to foresee their challenges, and to have a solution ready straight away. So we arranged an intensive training schedule, where every salesperson

learned how to actively support customers in all their commercial activities."

Changing the way that a sales force operates is never straightforward, especially when it involves more than 300 people, says Tomas. "We're talking about a mind-shift, a fundamental rearrangement of Dahl's corporate DNA," he explains. "The task we faced was not something as simple as adding a new product to a portfolio—behavioural attitudes are notoriously difficult to change." But in order for the company to regain its connection with customers, this is exactly what was needed.

After the internal restructuring, Tomas would turn his attention to the next link in the chain – Dahl's suppliers – but first, the sales team had to understand the need for change.

"The first step in rebuilding our company was to bring employees into the change management process. We shared our ideas, our vision, and waited for their feedback- their ideas. The transparency of the response, the insight and vision that we saw coming back was astonishing. We had laid out a plan to change the way our people were thinking, acting and working, and those same people

were actively joining in, becoming part of the plan, buying in to the change." There followed a period of intensive management, communication and training to introduce and implement the collaborative plan. To support the product promises that the sales force would make to customers from then on, Tomas also authorised a new logistics system, with remarkable results. "We now have a just-in-time delivery approach," he explains, "that guarantees customers get the products that they want precisely when they want, anywhere across Sweden. Today that system has a 99.3 percent success rate." >>



EXPANDING WITH GLOBAL BRANDS

After the detailed preparation and reconstruction of the company was complete, it was time to find the perfect supplier, which is where Rettig ICC, Purmo Radson and Thermopanel, entered the picture. Dahl's requirements (availability, reliability, logistics and expertise – the company's four pillars) were a natural fit with the Rettig ICC core values, and negotiations would soon begin to bring the two companies closer than ever.

"My reasoning is that for us to continue to deliver what we promise, we should expect the same level of commitment from our suppliers," says Tomas. "One of the first things we did as a company under my direction was to search for new business opportunities for growth, and for our development as a professional brand. We sought and created new customer groups, then implemented new product groups to meet those needs. This involved entering totally new markets like facilities management for housing, attracting new customer groups, and approaching areas that fitted with our existing customer and product

groups; as long as they also conformed to our logistics processes. But everything we went for, we did in a BIG way. That was important. It had to delight the customer, and it had to have the wow factor." As an example, it was in 2006 that for the first time, Swedish customers could walk into a Dahl store and pick up a Bosch drill.

Dahl's start with tools towards customers has been a success. It meant that customers

If you lose sight of your customers needs, you lose your customers

didn't have to go anywhere else: once they walked through the Dahl doors, they could find everything they needed. Which was convenient for them, and rewarding for us." The next step in Tomas's plan was a bold one,

that helped strengthen Dahl, bring benefits to Bosch, and pave the way for a mutual agreement for growth with Rettig ICC. That step? Exclusivity.

PIECES FALLING INTO PLACE

"We chose to be a specialist, to remain specialised, and in the last eight years we have learnt and developed a great deal as a company. Our scope as a wholesaler has changed, we have distinguished ourselves in the market, and to maintain that position, we work exclusively with strong suppliers – partners like Purmo Radson and Thermopanel."

Dahl had a long-standing relationship with these brands, stretching back many years before Tomas joined the company, which was a solid foundation for the partnership. "My focus is on building and developing existing markets and businesses, as well as seeking new opportunities that can only be captured with the support of dedicated partners. >>

Dahl parent company Saint-Gobain is one of the world's largest companies. With annual turnover exceeding €40 billion, it is involved in a range of markets, with a focus on habitat and construction. Saint-Gobain designs, manufactures and distributes building materials, providing innovative solutions to meet growing demand in emerging economies, for energy efficiency and for environmental protection. In total 190,000 people are employed by Saint Gobain, which has a presence in 64 countries.



“Only with a strong partnership can you successfully develop markets, and of course certain market positions can’t be reached without stretching a brand or a product range, but there are always options,” he says, “like a private label. When we sat down at the table with Purmo Radson and Thermopanel, we laid down our challenge. We wanted to develop a specific part of the market that we couldn’t serve with our existing programme, but we were certain that we could with an own-brand radiator. And that would only be possible with the co-operation of a strong strategic partner, which, at that time, we didn’t have in the heating sector.” And that meant a true leap of faith for Dahl. “We chose to change to a single supplier for radiators,” says Tomas, “and the choice was clear. The trust we have in Purmo Radson and Thermopanel, the quality of their products and the strength of the company, made it a straightforward decision. The result is a win-win-win situation for the companies involved, and for Dahl customers.” Isn’t Tomas concerned that exclusivity might limit Dahl’s options by focusing on a strategic product like radiators? “Not in the least. The Rettig ICC brands are strong, trustworthy and reliable. What’s more, radiators are in constant demand, so we are confident that the partnership we have formed will continue to be a source of mutual growth.”

GROWTH IN A CRISIS

Against a growing tide of economic turmoil, Dahl bucked the trend and showed impressive growth while much of the world’s businesses floundered. “Look at our results for 2009-10,” says Tomas. “2009 was the height of the crisis, and the market in Sweden was down 14 percent. We grew four percent. And in 2010 an additional ten percent.”

PARTNERSHIPS ARE THE KEY TO GROWTH

Partnerships like this are the key to growth, according to Tomas. “I am convinced that the road ahead is about innovative thinking. Creative ideas where building constructors, planners, installers, wholesalers and suppliers really need to work together as one. We have long known that markets emerge rapidly, and advance at a sharp pace, so we need to be able to rely on our partners to dynamically provide this complex market situation with innovative and clever solutions.

Total solutions that provide a perfect match with the required standards, systems, services and logistics, and that above all, mirror the needs of the customer. And that, is what the partnership we have in place with Purmo Radson and Thermopanel will provide. ■



What makes a great CEO? It is a question that gives Tomas Johansson rare pause. “Speaking for myself, I think a true interest in the business is essential. And in the people that work in the industry. I am rather devoted to developing things, making things happen. Nothing is more fun and challenging than finding and creating new business. For that you need of course a boss and a company where

you are allowed to do that. And I am grateful for the fact that I can operate within St Gobain and the Dahl Group with complete freedom. I have the added advantage of being surrounded by ambitious people that help me to reach our company aims and goals. Developing a company means developing yourself and all people involved. That drove me in the past and that drives me today.”