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True Faces

Pioneers: 20 years in Eastern Europe – a Neumann anniversary!

It's hard to believe that a mere 20 years ago those institutions which we deal with daily in our business life were practically unknown in the former Eastern Block countries. When Hungary announced its willingness to open itself up to the western economy in 1989, the news was largely met with distrust. But Dr. Helmut Neumann and Dr. Hans Jorda, already partners at the time, recognised the tremendous opportunity at hand.

Neumann sent Jorda to Budapest to set up an Executive Search company according to western standards. The experiences he went through dealing with the local authorities were not without a certain absurdity. Neither the institution of a HR consultancy was known, nor the very idea of a 100-percent subsidiary of a western company conceivable at the time. However, at the end of arduous negotiations, the

Bratislava, Warsaw, and Moscow were further stations of the rapidly opening "New Europe", followed by others. The markets were opening up, but were also revealing frightening gaps with regard to qualifications. Marketing or financial management as understood and practiced in the West had to be imported. Thus the initial executive search in Central and Eastern Europe began as an "expatriate business". Western managers could be hired at attractive conditions. Repatriates were particularly in demand, for instance Poles who had acquired the necessary skills abroad and were willing to return to their original homeland. But in the course of time the quality of local candidates also rose significantly, so that the executive search increasingly became a local one. However, it is still an attractive alternative to import specific know-how and proven top-management experience from the West. Eastern European companies,



thing was finally done. The company Jorda set up was the first 100% subsidiary of a western consultancy whatsoever. No global auditor nor any of the big names among the typical consulting firms were represented locally in this way. On the contrary, Dr. Hans Jorda (himself freshly-baked founding expert) was obliged to provide practical assistance to others wishing to found companies there. It turned out, as was also the case later in developing markets on other continents, that the range of consultancy services had to be broadly based, since the new clients arriving on the scene needed many different kinds of assistance. They were looking for experts from whom they could purchase know-how concerning all aspects of corporate management. Successful executive search assumes a platform where newly recruited candidates can meaningfully apply their skills and abilities.

In the meantime, Neumann increasingly accompanied Jorda to more and more countries of the former Eastern Block. Prague,

increasingly on the rise as clients, are now not only looking for western executives but also supervisory and advisory boards who can help them in their international acquisition and development of business. The case of the former German Chancellor Schröder can serve as an example here. Neumann and Jorda were the first to act in every single Eastern European country and have thus provided a truly pioneering achievement. In Central and Eastern Europe the name of Neumann basically embodies the term "executive search" as a household word, as the Americans say. Jorda and Neumann continue to work together successfully as partners and are pleased to provide their services as global consultants not only in the East, but all over the world.

For more information, see www.neumannpartners.com.

Rudolf Müller, Executive Director NEUMANN PARTNERS Germany

Family companies – a very special business culture

“Well, you know,” the 58-year-old entrepreneur and boss of a 600 million euro company says to us at the end of the briefing, “I’m just looking for a general manager who is honest and industrious!” A clear, precise statement and a well-articulated wish. After twenty years in the HR consultancy business and a multitude of projects involving family companies, we know pretty well what expectations are connected with these attributes: the executive in demand should be professionally well-trained and proficient, loyal, act with integrity and be adaptable



The search for a very special type of manager – the head of a family company makes very particular demands.

without losing his own opinions and views. And all of this with an above-average commitment of personal energy, while knowing that the company will never belong to him.

Accordingly, a very special kind of manager is sought. No narcissistic self-promoter or political string-puller, and certainly not someone who only wants to check off the next “career step” in the advancement ladder. Substance is asked for, and the ability to take blows and put one’s personal interests behind those of the issue at hand. And furthermore, one should behave fairly to other people and be able to move confidently in a pronounced culture of debate in which clear words count which are followed by action.

Nowhere else is the consistency of a personality more closely observed or the “felt” probationary period longer than in a family company. For us HR consultants, it is decisive to communicate with the company owners that he is looking for candidates made of a very particular material. But this also means that “honesty and hard work have their price”. Our experience has shown that a candidate either leaves a family company after a short time, or stays there for a very long time. There are only a few kinds of candidates who can fulfil these substantively difficult requirements or understand how they are meant and then discern what they are actually being offered.

And namely what’s offered includes the human factor, enjoyment of work, personal entrepreneurial contributions and frequently an economic solidity with a sense of proportion and sustainability remote from all quarterly reports and profit warnings.

Our task with family companies is thus not only one of “headhunter”

but much more that of a HR consultant in the best sense of the word – both for the company and the candidate.

This process includes not only finding a suitable person for the job, but even more importantly being able to communicate directly and openly in both directions, to point out opportunities and inherent risks, to analyse the persons involved on both sides and ensure their proper fit with one another, to work out management and integration scenarios

and provide the appropriate support. After successfully recruiting a candidate it is particularly important to maintain intensive communication with the company and the candidate during the initial stage of cooperation, in order to immediately react to and handle any forthcoming irritations.



Thomas Hölzchen, Director of the Family Company Competence Center

Apart from this special search for and selection of executives for specific company cultures, NeumannPartners also offers these companies further consultancy services with its “Family Company Competence Center”, for instance in filling advisory board positions, conducting Management Audits or working out development plans for family members in line to succeed the current company directors. These services are of crucial importance if the company is to successfully master the switch from the founding generation to the successors. All of these services are specifically geared to the particular requirements of the client and are conducted by consultants who are especially experienced in this sector.



The NeumannPartners “Family Company Competence Center” – an important service also for family members of the company.

Job description: Hospital Physician

New demands make doctors into physician managers



Dr. Christian Ole Feddersen

Head physician at the Ev. Hospital Bielefeld

Dr. Christian Ole Feddersen is the new Head Physician at the Ev. Hospital Bielefeld. The native of Hamburg assumes the management of the recently-founded Hospital for Internal Medicine, Pneumology and Respiration Medicine. The 55-year old pneumologist completed his medical studies in Hamburg. As a specialist for internal medicine, pneumology, angiology, intensive care and sleep medicine, he worked at hospitals in Hamburg, Marburg, Berlin and Ellwangen. Most recently, Dr. Feddersen led the Department for Internal Medicine in the District Hospital Aurich for eight years. He spoke with Dr. Hartmut Müller, partner at NeumannPartners in the Pharmaceutical Industry and Healthcare competence area.



The interview was conducted by Dr. Hartmut Müller, head of the Competence Center Neumann Hospitals

NeumannPartners: Dr. Feddersen, you have been Head Physician for Internal Medicine and Pneumology and Respiratory Medicine at the Evangelische Hospital in Bielefeld. Have you found the environment which you want to work in?

Dr. Christian Ole Feddersen: Yes, I'm very satisfied. I have the necessary scope of action and can purposefully build up the newly established Clinic for Pneumology and Respiratory Medicine. We have been able to increase the number of cases treated and number of beds, and expand our range of services.

NeumannPartners: Did you find the decision-making process for this new professional challenge personally difficult?

Dr. Christian Ole Feddersen: Yes, I did. But for the first time I decided not only to trust in my own judgement, but specifically call upon the know-how of an HR consultant. This helped me to examine my own professional goals in detail and define the expectations I had about a new employer.

NeumannPartners: What are your expectations concerning an HR consultant – first as candidate, but then also as client?

Dr. Christian Ole Feddersen: The HR consultant must be a hospital insider and be able to discuss the issues with me eye-to-eye. He must thoroughly know the market and especially the relevant market segment. I expect a person who meets me with critical openness and provides realistic feedback: as candidate and even more as client.

NeumannPartners: Changes in the standards and values are constantly altering the work environment. What developments do you see?

Dr. Christian Ole Feddersen: The aspirations of physicians have changed. It used to be simply accepted that one's private life took second place to the demands and routine of the hospital. Today the search for a stronger balance between professional and private life is understandably increasing. We see people looking more frequently at alternatives outside of Germany or in other fields of work besides hospital service.

NeumannPartners: What about the "dream profession" of physician?

Dr. Christian Ole Feddersen: The great majority of doctors, especially the younger physicians, are prepared to commit themselves whole-heartedly to their profession and their patients and as a result benefit by great personal satisfaction in their work. But such engagement can also be exhausted by hospital or system structures or a lack of future prospects. The consequence can be an exodus to other areas of work. The pharmaceutical industry in particular still has a great demand for medical doctors. Or the colleagues find an alternative with better pay and more attractive working hours abroad.

NeumannPartners: How do you consider the lack of doctors in Germany?

Dr. Christian Ole Feddersen: The situation is getting worse. Approximately 8,000 physicians are needed in Germany every year. The demand is large, the competition likewise. But it's clear that only those hospitals able to solve their personnel problems will be able to exist in the long run. About 67% of all hospitals are looking for new employees, particularly physicians, and 10% of all hospitals have already closed down some of their medical wards or even entire departments because of a lack of doctors! The search for good medical personnel is increasingly leading to engaging specialised HR consultants.

NeumannPartners: How do you see the changed qualification profile for the physician manager?

Dr. Christian Ole Feddersen: The healthcare market, especially the interaction between the health funds and care providers, is undergoing constant change. Operational and managerial requirements on senior colleagues also naturally make the physician's job significantly more complex. Additional qualifications such as a MBA or qualification as health economist are increasingly demanded for some management functions in the hospital. I really don't want to join in the frequently expressed complaint about inadequate remuneration, but would like to mention that the general financial conditions are not keeping pace with the rising qualification requirements.

NeumannPartners: What guideline do you follow, what do you recommend to colleagues and hospital operators?



The demand for qualified key medical personnel is continually increasing.

Dr. Christian Ole Feddersen: For my colleagues as well as for myself, of course the prime requirement is to be on top of things professionally. I recommend cooperative work with medical and other colleagues. We should develop our goals together – after all, we are all sitting in the same boat. To the hospital operators I recommend a clear and transparent management style. After all, I conduct the whole enterprise largely via HR management! It must be important for the employer to give employees individual prospects, only then will we be able to compete for talent on the open market; that will be absolutely vital for survival in the future!



The Neumann Management Colloquium

A client reports



Dr. Christian Bauer, Deputy Chairman of the Board of Swarco AG, reports during a working breakfast about his expectations, goals and experience with the Neumann Management Colloquium.

“What is important for the preparation?” – “How does one handle aroused expectations?” – “Was the participation voluntary?” These and many other questions were asked by staff of Dr. Christian Bauer, COO and Vice-CEO of Swarco Holding AG in Tirol during his lecture in Vienna. Dr. Hans Jorda, CEO of NeumannPartners, had invited a small group of persons, including the HR managers of Voest Alpine, Böhler-Uddeholm, Miba and Casinos Austria, for a working breakfast to discuss the topic “The Neumann Management Colloquium – experiences, applications and successes”.

The special feature of the exclusive event was that the Management Colloquium was not only generally presented as a modern analysis and evaluation procedure, but also shown in its practical application. Swarco’s Chief Operating Officer Dr. Bauer explained the specific characteristics of the method based on a concrete case study. The company, with headquarters in Wattens/Tirol, is the



Dr. Christian Bauer, COO and Vice CEO of Swarco Holding AG in Tirol

world's largest manufacturer of traffic lights and second largest producer of reflective glass beads. The corporation has more than 80 subsidiaries around the world, employs 2,500 people and last year posted revenues of 340 million euros.

The company situation made it a difficult mission for Hans Jorda and his Neumann Partners team. The most important competitor in Germany had been taken over and had to be integrated while simultaneously a restructuring project was being implemented. The situation was perfectly made for the Neumann Management Colloquium, because in intensive two to three hour discussions, executives and managers could be thoroughly questioned by two consultants by means of structured interviews about their person and the company. Noteworthy and significant compared to conventional audits is that what begins as an interview, rapidly turns into a dialogue – with an often surprising fact-finding process on structural deficiencies and improvement potentials of the corporate organisation.

The Neumann Management Colloquium was developed by experienced NeumannPartners consultants in cooperation with scientists of Graz University. "It is a modern procedure for the evaluation of professional competencies as well as selected personality areas of managers in the entrepreneurial environment", says Hans Jorda. Core elements are a professional audit in which special competencies are determined as well as a personality appraisal, in which additional personality and character-oriented attributes are collected. Why is this at all important? "Deficient performance is often not based on defective professional competence, but rather on social and temperamental deficiencies", as Hans Jorda knows from decades of experience as a top HR consultant. In other words, companies bring in managers because of their professional competencies – and part from them because of their personality.

Are the companies optimally positioned? Do the right people sit in the right places?

What does the competence profile of the individual manager look like? Which capabilities unknown until then reveal themselves? How do the available teams fit together? Would other constellations be more favourable? These are classical questions answered by the Neumann Management Colloquium.

"If we are concerned with the assessment of existing management structures and resources or about raising potential, it is an ideal analysis instrument", says Jorda. This

"This tool is a real broadband diagnostic aid which reveals an unbelievable amount of information about one's own company from within the company."

has also been confirmed in the concrete case at Swarco. "Initially I was sceptical, I must honestly admit", says COO Bauer, "I have already experienced too much in this direction. But the Management Colloquium really gave very important feedback for the organisation." Improvement possibilities in the structure and in processes become clear, also about the functioning of the interfaces, Bauer reports. "Also important for us was the question of what informal networks existed and how we can employ them."

A total of 35 executives were questioned by always two consultants; including evaluation and feedback, the project required a few months of intensive collaboration. Whether the effort was worth it, one of the attending HR managers wanted to know. "Absolutely", says Bauer. "We received a genuine bottom-up feedback from the organisation. For example, we were able to put together teams that work very well together because of the diverse competence and personality profiles."

Prerequisite for the success is excellent preparation: "We spoke in advance

with every participant of the colloquium and brought them on board", says Bauer. "The majority saw this as a good opportunity to co-determine corporate development." Hans Jorda also confirms this: "Many employees saw it as mark of appreciation to be included this way." But it also proved to be helpful that the COO was prepared to participate in the Management Colloquium.

Christian Bauer's summary: "This tool is a genuine broadband diagnostic aid which reveals an unbelievable amount of information about one's own company, from within the company." The Neumann Management Colloquium has also paid off economically for Swarco: in the meantime the German subsidiary is one of the cash cows of the corporation.

Incidentally: as a company represented worldwide, NeumannPartners offers the Management Colloquium not only in German, but also in English, Russian, Polish, French, Spanish and most recently in Mandarin.



NEUMANN LEADERSHIP GROUP at a glance

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 - North America
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- Eastern Europe
 - Asia/China
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- Search and selection of executive management and skilled persons
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- Customised client solutions
- Neumann Management Colloquium
- Industry-specific solutions, e.g. for lawyers
- Filling sensitive positions requiring safety protection
- Management development
- Family companies

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