

Translation from Voxpopuli Business Article

You must hold and support good and ambitious top-managers with both hands. Otherwise, you risk losing them to your main competitor. This was the case with Eduard Kim, one of the former leaders of the Sulpak Company. Ten years ago, after leaving the company, he founded the "Technodom" - the current leader in the electronics market of Kazakhstan.

Reasons for leaving the Sulpak Company

We ran the company with a partner, I had 49% of shares – he had 51%. At that time, Sulpak had only two stores. At some point in time, our views on the further development of the company dispersed, and since I was not the founder of the company, and was the CEO, I decided to leave and create something of my own. In September 2002, I registered the company "Technodom." At that time there were very few professionals in this segment of the market, every professional was treasured as gold. And I'm glad that most of my team decided to leave the company with me. Most of them are still with me today.

About the competition

The electronics market in Kazakhstan is one of the most competitive. Most often rivals insert "pins" into each other - through commercials, billboards, and so on. I think it's normal. Competition - is the healthiest tool for the development of a market. In a fair fight, one can show who the leader is and who is not. If you believe the research companies such as GfK, we occupy 35% of the official consumer electronics market. In the smartphone segment we hold 70%.

We are always fighting for the best locations. It is not a secret that the shopping center 'Dostyk Plaza', built by TS Engineering, will include Sulpak. But we are still in negotiations; we are deeply interested in this place. If there were laws of the market, then Technodom should have that location, because our store was the first in the "Satellite Shopping Center", also built and managed by TS Engineering. And in the Mega Shopping Center, Sulpak were the first to open, but now Technodom is in that location. Sooner or later, everything falls into place.

About family relatives in business

You said that I do not hire any family? This is not true, because my cousin works in the company. In Kazakhstan, there's no getting around it. But to promise them that in the future they will occupy key positions in the company, without the proper skills and experience, it will not happen.

My sister was not hired in Technodom. This is a position of principle. She is engaged in the jeans business, which I helped her open.

As for my children, while they were growing up I was not even thinking about passing Technodom down to them. I do not want to impose it to them. I believe that the most important thing for them is to give them the opportunity to find themselves. My children are free people and they should not be required to do what is not in their soul. In this respect, I am sufficiently democratic.

About employees

When applying for a job, I do sympathize more with the youth than the experienced. The young employees have more opportunities, there is new knowledge, and they are more flexible. I do not like those that are unrealistically ambitious. Experience shows that this is a very bad sign. People exposed to their influence, does not adequately identify themselves with reality.

We had staff in the finance department; they came and said that they all know what they need to do. Time has passed and nothing has changed. Any manager evaluates the result, and if it is not present, then what can be said? This is not a hospice and or a kindergarten for us to educate. I can train a young person, if they are still ready to learn and I see a future in them. Then I'm ready to spend years on training and I will see the results. And when the specialist is serious, we measure and add a certain period of time and give him a freedom without daily supervision. The problem is clear, the goal is set, I'm not particularly interested in the details of how this goal is achieved, but I suggest it's better to follow subordination.

About polygraph

We are constantly faced with theft by employees. Most often stolen are smartphones; they are expensive, small in size, and easy to hide. We try to minimize the percentage of theft, but we understand that it will always exist to some degree.

We do use a lie detector. We did not invent the wheel; it is international practice in companies where employees are liable. The man or woman, who refuses to face the test of a lie detector, will be fired. We ask questions only at work, his personal life does not interest us. Finding thieves is the joint-work of a team, because they are all collectively responsible for theft, and why should honest people be responsible for the dishonest?

About expats

We attract foreigners, how can we work without them. Our retail market is young, the real network only began to take shape. In the West, they have existed there for centuries, there are all mechanisms that have long been worked out, and we do not have to repeat their mistakes made over these hundred years, if we can avoid them. Therefore, we engage them. Now, however, we have only one expat - a Frenchman, as our commercial director.

They say that if a person is in demand at home, he is not going to work in another country, so only the worst work in Kazakhstan. I do not agree with this, it all depends on the person. Some professionals have been attracted from the romance of travel and good pay. In the West, they are extremely able to systematize and standardize the business, they know how to correct the work, "squeezing" these entire "Gadgets", but for the development of the market, we need local employees who know the region and mentality.

About service

In my opinion we offer good service. We go through a lot of things externally, and now our service can be compared to the same as in the US. I was recently in New York, at the launch of the new smartphone Samsung Galaxy S4. Present was the head of Samsung, with whom we have a relationship. He invited me to visit the Best Buy shop. I told him that he wouldn't see anything new there; they lost interest in retail and are moving to Internet sales. They developed their concepts many years ago and did not develop in offline sales. He went to the store and when he came back - he said that I was right - the difference between our Best Buy and our stores is huge. And he was not in favor of the Americans.

On sales via the Internet

In the U.S., almost 20% of the sales of electronics are made online. In Kazakhstan our percentage is not so high, we have not yet reached saturation of offline retail, we now have 48 stores in Kazakhstan, and there will be more. But we're looking from different directions and are preparing several projects. I will not report the details, because my competitors dismantle every interview and quotes. Those who are behind us, think they can do something like that, but any good copy is a hundred times worse than a bad original. We try to talk less and do more, and we believe that the strength of the brand will win.

About Koreans

I am Korean; my grandparents were born in Korea. And, of course, I sympathize with the entire Korean community. I ride in a Korean car - I have a Hyundai Equus, I use a Korean phone - Samsung Galaxy Note II. 15 years ago, when the heads of the various Korean companies first arrived in Kazakhstan, they were surprised to learn that in Kazakhstan, ethnic Koreans are developing a variety of areas in the business. Among them was Mr. Cho, who now is the head of Samsung. He wrote an article about me in the Korean media and sent it to me, since we're friends.

About Japanese

Business does not stand still. Yesterday's leader Nokia lost the market to Apple and Samsung. Previously, all innovation was coming out of Japan. They played a huge role in the development of technology. But now they are not leading, Panasonic came out a minus; Sony is still a big problem. Now more and more often we hear about the innovations from South Korea, although for a long time, they just copied their neighbors.

About responsibility

We must treat all our employees as individuals. It is very difficult to work with people blinkered and limited in their actions and opportunities. It is very important in business to have a fresh look. But sometimes in life, some things for you can be clear and obvious, but for others it is like pandemonium forest. And while you're explaining, you will lose pace and time, but it is important during the business decision-making time. Falling behind the competition is always a possibility, and your competitors can move ahead. Team decisions in this situation are a sign of the team's irresponsibility. And for the top manager it is important to quickly analyze the situation, make a decision and take all the risks.

About inclinations of a businessman

A businessman has to have dreams. If you cannot dream, you do not see what will be important tomorrow. If you can, thanks to your imagination, whether you create yourself as the head or part of the business concept, and if you believe in it and your closest believe, you can safely move to the goal. And more importantly is patience and the most important is hard work. You've got twice as much work than others. I think the balance is this: the success of a businessman is 30% talent and 70% hard work. And yes, the commercial vein is needed. It cannot be learned. Entrepreneurs need to be born. There are very few. People do not want to risk it. Businessmen who are doing their own business, they are few - 2-3%. Here it does not matter whether you have an education or not.

About friends, classmates and partners

Any ambitious person pays attention to their personal growth as well as growth in the lives of their classmates. I am no exception. But as soon as you reach some heights, you start to care about other things already. Some high school friends are still working with me.

I believe that your best friend is someone with whom you spend most of your time. At the current time, it is Nurlan Smagulov, the President of the Astana Group. It so happened that we met when we were already adults and we have many similarities in our lifestyles and hobbies.

I am developing the Technodom Company with my business partner. In business, for one to pull a strap is very hard, it's more of a successful conveyor belt constantly moving. It is necessary that my business partner and I are interchangeable. Now I am more of a good cop, he is now bad-tempered but it used to be the opposite. He is very diligent, unlike me, I am more creative, but because of this I can "suffer". He stops and lands. Before, I wanted to be involved with everything, and then, thanks to my business partner, I realized that I needed to focus on my key areas.

About excitement

Koreans, as all Asians – they like to gamble. And to be honest, I don't really even like to play poker with my friends. But in business I am venturesome.