

SUCCESS NEVER COMES EASILY

the story of KAM Redovisning AB, an accounting office for Scandinavian market which made its way right to the top

In 2005, a young graduate from the Poznań University of Economics and Business, Martin Krus, left his cushy job in an accounting firm in Stockholm and decided to start his own business in the accountancy and legal consultancy market. The feeling that clients expect something more than just dull data and recommendations proved correct. The firm serviced more and more clients, but the 30-percent growth and the dynamic development of the team caused the management to relax their vigilance. We talk to the founder and President of KAM Redovisning AB about the conclusions that can be drawn from this company's experiences.



Martin Krus, Founder of KAM Redovisning

Not many people who have just got a job in their profession decide to leave their career path and make an attempt at building their own business. What was the reason behind your decision?

At that time, accounting and legal services were very conservative and passive. An accountant did not have to even contact their client. All they had to do was to analyse data, draw conclusions, and send reports and analyses further, without providing information about the reasons for their actions or recommendations. When I observed

this, I had a thought that it was not the right way to do things, for two reasons. Firstly, a client does not have to know all of their needs. They might not know that there are solutions thanks to which their business could develop better and

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KAM Redovising team

faster. Secondly, you have to explain the world of reports and analyses to clients using a language that is understandable for them because in the long term this will be beneficial.

Did you know in 2007 that it was worth focusing on servicing Polish companies?

I admit that in the beginning, we did not think about it at all. We simply ran a firm with a more client-oriented approach, and this paid off. We noticed, however, that in time more and more Poles appeared in the recruitment process, and as the team grew, businesses started appearing for which service was provided in their mother tongue and by people from the same cultural circles. Although Scandinavians are not as far in cultural terms as partners from Asia or America, cooperation with them brings certain challenges, if only to mention the language barrier. Initially, our Polish office with its three employees developed in line with the number of businesses serviced, until the years 2014/2015 arrived, when the inflow of large businesses needing service started. This became a new driving force behind our growth and we noticed that it enabled us to develop, but I think that this development was progressing too fast.

In 2015, you were awarded the Business Gazelle and you continued to develop fast, what happened next?

The awards and the growing bars on graphs made us relax our vigilance. Combining the function of an economist and a manager of an accounting firm turned out to be a very good solution in the first few years. In time, as the scale of our activity grew, completely new challenges appeared, such as, for example, the employment of more people. Our reputation caused more and more new clients to contact us, and we tried to service them all. We hired more people and we struggled to train them. At some point, we noticed that somewhere on the way we lost our close contact with clients and this was not due to our ill will but a lack of appropriate work models and the experience of consultants. We decided to put on the brakes and go back to our roots before it is too late. We managed to stop the process of losing clients at the time when one-third of them had already moved to our competitors, and more and more people started leaving our team. This was the turning point from which we started recovering our position.

What conclusions did you draw?

We did not suspect that the increase in the scale of business would bring such a change to the spectrum of challenges the management board had to face. This was a new experience for us and it forced us to think about what our main advantage was. So we had to abandon attracting new clients and devote more time to those that we already had. This was followed by an entire employee education programme, development of client service practices and the acquisition of new qualifications by the team. We knew that if we want to enjoy the trust of clients, we had to set our priorities straight. It is not sales that are the most important, but the service. We had to find our place, trying to keep our flexibility, with a clear division of duties and principles of responsibility. It was not easy, but I think that we have managed.

Your slogan is “We turn numbers into words”. What does it mean in practice?

For many entrepreneurs, reading financial reports constitutes a considerable challenge. There are many ratios that need to be taken into consideration in order to draw conclusions for the creation of a strategy. We have serviced over 1,000 businesses so far and we noticed that depending on which sector they operate in, what their structure or development plans are, we have to choose our language of communication very carefully. We thus help them understand the world of numbers, analyses and recommendations. Our second role is to provide advice. The market has been changing dynamically and new solutions appear, as do new tools that can be used. It is difficult to be on top of things when you run your own business and focus on the management, this is why we place a strong emphasis on continuous training. We are members of the Swedish Association of Accountants (Srf konsulterna), and our consultants are trained both in the country and abroad. All of this is so that they know what to talk about and how. We also make sure that they know their clients, so each consultant has just a few, no more than a dozen or so.

A growing number of businesses carefully profile their offer so it is adjusted to the specific needs of their clients. Who do you address your offer to?

Very often our clients are family businesses that decide to open a branch in Scandinavia or have received an interesting order and plan to send their employees here. This is when we deal with the registration in appropriate public offices, completion of all formalities on behalf of employees, but also registration of the company address, opening a bank account, or registration in trade unions. It may also happen that questions of public offices need to be answered, or an audit needs to be conducted. Then we can appear on behalf of our clients. As regards to industries, we have a full range here, from service companies to building contractors. At the moment, more and more often start-ups appear, having noticed that Scandinavians know how to use their potential. This is still a large pallet of clients, so we must remain flexible in our activities. For those who prefer a traditional business model, we have solutions based on stationary servers, for others - cloud solutions and the latest accounting software. Larger clients increasingly keep asking us to confirm our competences through authorisations. We must take many needs into account.

What are your plans for the nearest future?

We have learnt how to plan the company's stable and controlled growth with clients in the foreground, and this constitutes our priority at the moment. We have managed to gain around 30% of the market in terms of Polish businesses operating in Scandinavia, which is a very good result, but we realise that there are still many firms we could help develop. We plan to grow at a rate of 15% because we still see a potential, which means one extra person in the team each year. We are happy that we can participate in the development of the companies that stay with us for years and achieve success.

Few companies decide to talk openly about their experiences, why have you decided to do so?

Our experiences may help other businesses who are on a similar development path. Consultancy is treated not only as a business but as a certain type of a mission, thus we share what we have encountered on our road to development, believing that in the longer term openness and trust are the basis of good relationships with clients. We focus on credibility because without it there are no relationships that we rely on in business.

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