Foreword

KONE is a century-old elevator and escalator company with over 43,000 employees in more than 50 countries. For the first half of its existence, KONE was a domestic Finnish company, conducting almost all its business within Finland’s borders. Starting in 1967, the company began expanding internationally until today Finland accounts for only 3 per cent of KONE’s global business and less than 5 per cent of its personnel.

It has always been quite obvious to KONE’s leaders, as it must be to this book’s readers, that we could not function as a global company if we conducted business only in Finnish, a language spoken by barely five million (0.07 per cent) of the world’s seven billion people. Coming from such a tiny population base, we have been forced throughout our company’s history to confront the language issue, and the decisions we made have had a significant impact on our growth and success.

When KONE opened for business in 1910, the management and workforce were Swedish-speaking and remained so through the Second World War. The number of Finnish-speakers slowly increased as the company expanded after the war, but the changeover to Finnish as KONE’s primary language was necessitated in 1967 when the company closed its old factory and headquarters in Helsinki and moved to a new facility 50 kilometers away. Many of the Swedish-speaking old-timers chose not to make the daily commute of more than an hour each way and were replaced by Finnish-speaking recruits from the countryside.

The construction of the new factory coincided with a determined push to expand business activity beyond Finland’s borders. The domestic elevator market was too small to defend against attacks by large and aggressive multinationals. To survive, KONE had to gain footholds in new markets. By 1972, KONE had acquired subsidiaries in Sweden, Norway, Denmark, Austria, Canada and France, and was already publishing its annual report in English.

That same year in Copenhagen, KONE held its first international ‘Top Management Meeting’. Simultaneous interpreters were brought in to facilitate the meeting, but at the end the participants were warned: ‘Next year there will be no interpreters.’ The meeting would be held in English, and everyone would be expected to function in that environment. Later
that year, the first international management training courses were held in Finland, and the courses were exclusively in English. From that time on, English has been the official language of our company.

KONE’s growth and internationalization took place primarily through the acquisition of existing companies. Each company brought its own language, culture, labour agreements, personnel practices and so forth to the growing KONE organization. To deal with this diversity, KONE followed a practice of ‘local excellence & global support’. The global support functions naturally had to work in English, and mid-level managers in local companies were expected to be able to work in English when the situation called for it.

From the 1970s, all monthly, quarterly and year-end reports have been submitted to headquarters in English. Language classes were offered at the local company level. An English-language in-house magazine for all mid- and high-level managers was launched in 1982. By that time, KONE had added companies in Australia, Belgium, Brazil, Egypt, Germany, Great Britain, Hong Kong, Japan, Malaysia, Mexico, the Netherlands, the Philippines, Saudi Arabia, Singapore, the Soviet Union, Switzerland, the United Arab Emirates, the USA and Venezuela. For ‘local excellence & global support’ to succeed across such a wide spectrum, clear and accurate communication was needed.

KONE was an early adopter of computers (1964) and Internet technology (early 1990s), both of which called for a precise common language to describe everything from components and installation methods to business practices and the company’s goals. The implementation of Enterprise Resources Planning (1996) further increased the pressure for working at almost all levels in a common language with common terminology.

The changes in operational practice were also reflected in the workings of the board of directors. Early board meetings were held in Swedish, followed by Finnish in the 1960s. Since the appointment of the first non-Finnish board member in 1996, board meetings have been held in English.

During the past decade, KONE has developed into a truly global company. We could not have made this difficult transition without a clear language strategy. Harmonized thinking and acting require a basis in harmonized language, which, in turn, helps determine our agility, productivity and responsiveness to market developments.

Antti Herlin
Board Chairman
KONE Corporation