

★ 2012 ★

WHAT MAKES THE
2012 WINNERS GREAT

BALTICS MOST PRODUCTIVE COMPANIES

Airida Zavadskė, National Director Baltics, Profiles International

Dr. Ignas Dzemyda, Vilnius Gediminas Technical University

Introduction to this report

This study was initiated by Profiles International to help us better understand the factors that drive employee productivity within an organization. We found that, even in a changing economy, many organizations continue to thrive year after year. We identified the companies that ranked highest in productivity in various industry sectors and took a closer look at the practices that enable them to out-produce their peers. By understanding these practices and the sustained high-performance of the organizations, we help our clients run more efficiently and become more competitive in the marketplace.

How we measure productivity

Productivity is a measure of output per unit of input. For purposes of this study, we defined labor productivity in terms of revenue produced per full-time employee. To calculate this, we analyzed financial data from nearly 1200 biggest companies from Lithuania, Latvia and Estonia. We then organized the data into 22 sub-industry groups, identified and compared newcomers and standing champions. We got data about company's revenue and number of employees. Once we had these two numbers, it was fairly simple to calculate a company's labor productivity.

Some Expected Challenges

As expected, we did encounter some challenges that required us to make corrections and assumptions along the way. For example, during previous research we found that some of most productive companies in one country are in fact subsidiaries without independent strategies and HR management practices. In order to eliminate this factor, this year we looked only at the data of companies with no less than 20 employees.

Comparing Apples to Apples

We grouped companies into 22 sub-industry groups to produce a more meaningful analysis. Our assumption is that companies competing in the same industry generally go about their business and recognize revenue in a similar manner, while different industries have differing degrees of labor intensity. It is therefore difficult to draw meaningful conclusions by comparing labor productivity across different industries such as retail and financial services.

This means that the most meaningful measures included in the study are the rank orderings and comparisons within each sub-industry group.

Grouping meant that some of well-known companies were not included in the analysis for there were too few in the industry (or no data available) to form a separate category.

Baltics Most Productive Companies: Industry Groupings

- Automotive
- Chemicals
- Construction and Real Estate
 - Real estate development and administration
 - Construction
 - Engineering and design
- Financial services
- Food industry
- Industrial products
- ITT
- Manufacturing
 - Manufacturing
 - Metal processing and recycling
- Retail
- Textile
- Transport and Logistics
- Energy and Utilities
 - Energy and utilities
 - Gas-stations
- Wholesale
 - Wholesale
 - Food and beverages
- Wood industry
 - Wood trade and forestry
 - Wood processing
 - Furniture and other wood products
- Printing plants

THE WINNING MOST PRODUCTIVE COMPANIES

KONEKESKO EESTI (Estonia)
ORION GLOBAL PET (Lithuania)
NESTE LIETUVA (Lithuania)*
MAMAS D (Latvia)
BALTISCHES HAUS (Lithuania)
SKONTO BŪVE (Latvia)
RĪGAS OLIMPS (Latvia)
ADMIRAL MARKETS (Estonia)
MGL BALTIJA (Lithuania)
KELUVA (Lithuania)
TELE2 (Lithuania)*
KUUSAKOSKI (Lithuania)
FLIR SYSTEMS ESTONIA (Estonia)
PTA (Latvia)
MLI (Lithuania)
ALPA CENTRUMS (Latvia)
ELKO GRUPA (Latvia)
BALTIC TRADE NETWORK (Latvia)
STORA ENSO LATVIJA (Latvia)
METSA FOREST LATVIA (Latvia)
VILNIAUS BALDAI (Lithuania)
POLIGRĀFIJAS GRUPA MŪKUSALA (Latvia)

** Marked in stars are the companies that have achieved the top productivity ranking in their sub-industry two consecutive years.*

Overview of Findings: *People Attributes of Baltics Most Productive Companies*

1. Results-oriented culture
2. Highly qualified workforce
3. Clear roles, functions and responsibilities
4. Flexible workforce
5. Innovation

Results-oriented culture

Organizational culture is defined by the attitudes, beliefs and values of an organization. It is an important driver of employee behavior, particularly when employees are required to act on their own initiative in a way that is consistent with a company's objectives, culture and values. Although a strong organizational culture is generally considered a positive attribute, it is not sufficient to enhance productivity on its own. A large number of Baltics Most Productive Companies have built true performance-driven cultures in which the entire workforce focuses its effort on achieving the results most important to the organization. In such environments, a strong culture helps the firm operate like a well-oiled machine, cruising along with outstanding execution and only occasionally requiring minor adjustments.

The leaders of Baltics Most Productive Companies tend to have a consistent, shared understanding of both the company's current culture and its future culture. These leaders tend to promote individual initiative and high levels of teamwork, both of which are essential ingredients for achieving results. Additionally, these leaders are likely to have defined the types of people who fit the company culture. This helps them identify precisely the people for whom they are looking and then present their culture and values to potential hires in order to evaluate fit. They are more likely to say "no" to a highly qualified candidate who does not fit into the company culture.

Highly qualified workforce

The Most Productive Companies always keep before them a clear picture of the type of employee who has the best chance of succeeding in the role. They consider an employee's fit with the job, the team and even the manager. And they use the characteristics displayed by high-performing employees in each role as a model for prospective hires.

Clear roles, functions and responsibilities

Simply put, Baltics Most Productive Companies do more with fewer people. It starts at the top with a clear strategy that cascades into a properly designed organization with jobs that execute the strategy efficiently. All jobs have clear descriptions and goals so that everyone knows exactly what needs to get done and how. This ensures, for example, that three people are never doing the work of two. Baltics Most Productive Companies closely monitor and benchmark personnel expenses. They review requests to create new jobs with intense scrutiny and a healthy level of skepticism. They reassess priorities to determine what work is most important and what activities can be streamlined because they don't add sufficient value. In a traditional sense, they are more open to investing in technology and training if it reduces and/or slows the growth of headcount.

Flexible workforce

Since many of these organizations run so lean, they are usually more flexible than their peers in handling special circumstances such as special projects, peak demand periods and unplanned employee absences. Full-time employees are cross-trained to cover for one another in times of short-term need. The Most Productive Companies cultivate good sources of contract and temporary labor and have good practices to ensure they deliver on what is expected. Overall, these companies use superior talent management practices so that they can easily identify a potential need for additional people. And they have efficient selection and on-boarding practices so that new people become productive in a short amount of time.

Innovation

The word “innovation” often evokes images of secret laboratories, major breakthroughs and home-run products. Most productivity gains, however, are the result of incremental improvements to-and fine tuning of-existing business processes. Whilst huge breakthrough get great press coverage, our research has shown that the most productive companies tend to progress more effectively on a continual series of smaller breakthrough which, when added up, give them enormous productivity gains. The Most Productive Companies are likely to encourage an exchange of ideas among employees, managers and leaders to make the business more competitive. When employees and managers have open lines of communication, employees become more invested in the organization’s wellbeing.

Overview of Findings: *Strategic and Operational Attributes of Baltics Most Productive Companies*

1. Specialization
2. Large volume of production
3. Export-oriented activities
4. Unique business model
5. Technological sophistication

Narrow specialization

Most productive are those companies that specialize in very narrow field and do not carry out a lot of activities in same time. Specializing company selects very specific direction, sometimes oriented to very narrow but needed in market, niche. The Most Productive Companies focus to main specific area of activity becoming professionals in that field. The quality of provided services or products is becoming the main competitive advantage over the competitors.

A large volume of production

Most productive are those companies that have large volume of production or sales. In this case, the company benefits from economies of scale – the accumulated higher production or sales volume decreases costs, it makes it possible to further reduce prices or improve quality. By this company becomes more competitive, has growing market share, which leads to greater productivity. Increased production or sales experience leads to higher relative market share and an opportunity to exploit the related experience.

The export-oriented activities

Most productive are companies with higher activity focused not to local market, but export. Export increases the relative market share, which provides opportunities for a business to have a higher turnover at lower costs. Also export lets companies to reduce prices or improve quality of provided services or products, and this leads to bigger competitiveness in local market. The export-oriented activities create need for higher competencies of employees, including their knowledge and qualification.

Unique business model

Most productive are those companies that have unique, different from other companies and sometimes even more simplified business model. Business model describes how company creates and sustains value, more exact, it answers the question, where money comes from. Some of companies understand value they create as not only financial or economical, but also social and environmental.

Technological sophistication

Most productive are those companies that develop and implement new technologies in a wide variety of activities. Technological advances increase the company's productivity creating preconditions to achieve the same or higher performance with fewer resources, production costs and human resources. New technologies in production or service have a huge potential to increase productiveness or competitiveness across all business sectors.

2012 Baltics Most Productive Companies: Rankings

Industry: Automotive

	Company	Productivity, €	Country
1.	KONEKESKO EESTI	591000	Estonia
2.	GELGOTOS TRANSPORTAS	572060	Lithuania
3.	EURODALYS	571962	Lithuania
4.	SILBERAUTO	571411	Lithuania
5.	DOJUS AGRO	569610	Lithuania
6.	KONEKESKO LATVIJA	566774	Latvia
7.	AUTO ĪLE UN HERBST	557889	Latvia
8.	KONEKESKO LIETUVA	542064	Lithuania
9.	CENTRAKO	529658	Lithuania
10.	TATOLI	508000	Estonia

Industry: Chemicals

	Company	Productivity, €	Country
1.	ORION GLOBAL PET	2282584	Lithuania
2.	NEO GROUP	1934157	Lithuania
3.	RETAL EUROPE	753378	Lithuania
4.	SCT LUBRICANTS	598377	Lithuania
5.	ACHEMA	546432	Lithuania
6.	NOVOTRADE INVEST	428000	Estonia
7.	LIFOSA	422853	Lithuania
8.	PET BALTIJA	218612	Latvia
9.	ESTIKO-PLASTAR	154000	Estonia
10.	INFAST OIL	150000	Estonia

Industry: Construction and Real Estate

Sub-industry: Real estate development and administration

	Company	Productivity, €	Country
1.	BALTISCHES HAUS	861078	Lithuania
2.	CITY SERVICE	429068	Lithuania
3.	RIIGI KINNISVARA	380000	Estonia
4.	MAINOR ÜLEMISTE	311000	Estonia
5.	KAAMOS KINNISVARA	228000	Estonia
6.	RELDOR	63000	Estonia
7.	COLLIERS INTERNATIONAL ADVISORS	42000	Estonia
8.	RĪGAS NAMU PĀRVALDNIEKS	18351	Latvia

Sub-industry: Construction

	Company	Productivity, €	Country
1.	SKONTO BŪVE	733932	Latvia
2.	SELVA BŪVE	470400	Latvia
3.	MERKS	425657	Latvia
4.	HARJU EHITUS	342000	Estonia
5.	SINEAR	309000	Estonia
6.	ABORA	307752	Latvia
7.	MARU EHITUS	270000	Estonia
8.	RE & RE	248263	Latvia
9.	MERKO EHITUS	235000	Estonia
10.	FILTER	225058	Latvia

Sub-industry: *Engineering and design*

	Company	Productivity, €	Country
1.	RĪGAS OLIMPS	196219	Latvia
2.	ENTEC EESTI	68000	Estonia
3.	AMHOLD	58000	Estonia
4.	KELPROJEKTAS	48687	Lithuania
5.	SIRKEL & MALL	42000	Estonia
6.	ALLIANSS ARHITEKTID	42000	Estonia
7.	SWECO PROJEKT	38000	Estonia
8.	RTG PROJEKTBIÜROO	38000	Estonia
9.	REAALPROJEKT	31000	Estonia
10.	ESPLAN	30000	Estonia

Industry: *Financial services*

	Company	Productivity, €	Country
1.	ADMIRAL MARKETS	415000	Estonia
2.	4FINANCE	286351	Latvia
3.	DANSKE BANK A/S LIETUVOS FILIALAS	283415	Lithuania
4.	NORDEA BANK FINLAND PLC LIETUVOS SKYRIUS	224162	Lithuania
5.	IF P&C INSURANCE	208000	Estonia
6.	SEB PANK	144000	Estonia
7.	SEB BANKAS, GRUPĖ	142683	Lithuania
8.	TAVID	138000	Estonia
9.	SWEDBANK, GRUPĖ	123724	Lithuania
10.	SWEDBANK	123000	Estonia

Industry: Food industry

	Company	Productivity, €	Country
1.	MGL BALTIJA	658381	Lithuania
2.	PIENO ŽVAIGŽDĒS	638370	Lithuania
3.	DOBELES DZIRNAVNIKS	522448	Latvia
4.	ALTIA EESTI	489000	Estonia
5.	NP FOODS	456601	Latvia
6.	JĒKABPILS PIENA KOMBINĀTS	396415	Latvia
7.	ADUGS	374817	Latvia
8.	JAUNALKO	313664	Latvia
9.	RĪGAS MIESNIEKS	305522	Latvia
10.	ŠVYTURYS-UTENOS ALUS	290908	Lithuania

Industry: Industrial products

	Company	Productivity, €	Country
1.	KELUVA	915181	Lithuania
2.	TETRA PAK	616190	Latvia
3.	MARISTIKA	469683	Lithuania
4.	ELEKTROKOMPLEKTAS	433336	Lithuania
5.	SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA	383566	Lithuania
6.	GEA GRASSO	382581	Lithuania
7.	SLO LITHUANIA	377486	Lithuania
8.	ELKO	352719	Latvia
9.	SERFAS	326142	Lithuania
10.	VARMAPARTNER	326000	Estonia

Industry: ITT

	Company	Productivity, €	Country
1.	TELE2	1344681	Lithuania
2.	TOP CONNECT	990000	Estonia
3.	MIKROTĪKLS	760989	Latvia
4.	MEDIAFON	517567	Lithuania
5.	SANTA MONICA NETWORKS GROUP	513000	Estonia
6.	IM ARVUTID	469000	Estonia
7.	TELE2	411427	Latvia
8.	LATVIJAS MOBILAIS TELEFONS	380400	Latvia
9.	EMT	376000	Estonia
10.	PROFEX SIDETEENUSED	327000	Estonia

Industry: Manufacturing

Sub-industry: Manufacturing

	Company	Productivity, €	Country
1.	FLIR SYSTEMS ESTONIA	1344681	Estonia
2.	HENKEL MAKROFLEX AS	990000	Estonia
3.	PIPELIFE EESTI	760989	Estonia
4.	PALMSE MEHAANIKAKODA	517567	Estonia
5.	KRIMELTE	513000	Estonia
6.	STIKLO GAMINIAI	469000	Lithuania
7.	ARDAGH METAL PACKAGING LATVIA	411427	Latvia
8.	STORA ENSO PACKAGING	380400	Lithuania
9.	VITA BALTIC INTERNATIONAL	376000	Lithuania
10.	DAUGAVPILS LOKOMOTĪVJU REMONTA RŪPNĪCA	327000	Latvia

Sub-industry: Metal processing and recycling

	Company	Productivity, €	Country
1.	KUUSAKOSKI	3220233	Lithuania
2.	BALTFER CO	1563000	Estonia
3.	ARGINTA	1439417	Lithuania
4.	RESOTA	848377	Lithuania
5.	KMM METĀLS	749358	Latvia
6.	ŽALVARIS	628954	Lithuania
7.	LITNAGLIS	615976	Lithuania
8.	KRĀSAINIE LĒJUMI	581546	Latvia
9.	KUUSAKOSKI	562972	Latvia
10.	KUUSAKOSKI	494000	Estonia

Industry: Retail

	Company	Productivity, €	Country
1.	PTA	601630	Latvia
2.	STOLLER	290847	Latvia
3.	MK TRADE	223839	Latvia
4.	RIGA AIRPORT COMMERCIAL DEVELOPMENT	212823	Latvia
5.	FATALITAS	208360	Lithuania
6.	SELVER	161000	Estonia
7.	OGMINA	157427	Lithuania
8.	TC PREKYBA	155161	Lithuania
9.	MEDIASHOP	152697	Lithuania
10.	AVON COSMETICS	144265	Lithuania

Industry: Textile

	Company	Productivity, €	Country
1.	MLI	390078	Lithuania
2.	PAKPOORD	338000	Estonia
3.	NEMUNO BANGA	153655	Lithuania
4.	PROFLINE	152000	Estonia
5.	WENDRE	115000	Estonia
6.	AMANJEDA GROUP	109000	Estonia
7.	KWINTET PRODUCTION	104161	Latvia
8.	LIETVILNA	96733	Lithuania
9.	KORELITA	87802	Lithuania
10.	FEIN-ELAST ESTONIA	83000	Estonia

Industry: Transport and Logistics

	Company	Productivity, €	Country
1.	ALPA CENTRUMS	1886073	Latvia
2.	LAJOS	980000	Estonia
3.	MSC LATVIA	855477	Latvia
4.	SRR	817210	Latvia
5.	GEFCO BALTIC	806101	Latvia
6.	GIRTEKA CARGO	784113	Lithuania
7.	GIRTEKA LOGISTICS	754297	Lithuania
8.	BALTIC TRANSLINE	559401	Lithuania
9.	BALTIJAS TRANŽĪTA SERVISS	543983	Latvia
10.	TRANSEKSPEDICIJA LV	507719	Latvia

Industry: Energy and Utilities

Sub-industry: Energy and Utilities

	Company	Productivity, €	Country
1.	MAMAS D	1941060	Latvia
2.	MESTILLA	1594963	Lithuania
3.	BIO-VENTA	826244	Latvia
4.	LATVENERGO	754688	Latvia
5.	AUGSTSPRIEGUMA TĪKLS	531107	Latvia
6.	RENERGA	483314	Lithuania
7.	LOTOS GEONAF TA	477356	Lithuania
8.	MANIFOLDAS	476454	Lithuania
9.	LATVIJAS GĀZE	392002	Latvia
10.	LIETUVOS DUJOS	312027	Lithuania

Sub-industry: Gas-stations

	Company	Productivity, €	Country
1.	NESTE LIETUVA	6084590	Lithuania
2.	NESTE LATVIJA	4338841	Latvia
3.	LUKOIL BALTIJA R	669713	Latvia
4.	LUKOIL BALTIJA	598079	Lithuania
5.	STATOIL FUEL & RETAIL EESTI AS	507000	Estonia
6.	LIETUVA STATOIL	500772	Lithuania
7.	STATOIL FUEL & RETAIL LATVIA	495697	Latvia
8.	LATEVA	482332	Latvia
9.	ROTADA	292054	Lithuania
10.	INGRID A	287081	Latvia

Industry: Wholesale

Sub-industry: Wholesale

	Company	Productivity, €	Country
1.	ELKO GRUPA	3320727	Latvia
2.	SAMSUNG ELECTRONICS BALTICS	3230358	Latvia
3.	ELAGRO TRADE	2685991	Latvia
4.	BALTIC AGRO	2589000	Estonia
5.	LINAS AGRO	2115333	Lithuania
6.	BALTIC AGRO	1836318	Latvia
7.	ADVANCED SYSTEMS BALTIC	1690000	Estonia
8.	ELAGRO	1497863	Latvia
9.	ACME KOMPIUTERIŲ KOMPONENTAI	1420323	Lithuania
10.	TD BALTIC	1412745	Lithuania

Sub-industry: Food and beverages

	Company	Productivity, €	Country
1.	BALTIC TRADE NETWORK	1174043	Latvia
2.	MARKILS	901264	Latvia
3.	TRIKĀTA KS	824970	Latvia
4.	MINERALINIAI VANDENYS	792540	Lithuania
5.	BRITISH AMERICAN TOBACCO LATVIA	714363	Latvia
6.	AIBĒS LOGISTIKA	644854	Lithuania
7.	ALVAS IR KO	566479	Lithuania
8.	ŠIRMULIS	550075	Lithuania
9.	SPI DISTRIBUTION	531739	Latvia
10.	SANITEX BALTIC DISTRIBUTION	489573	Latvia

Industry: Wood industry

Sub-industry: Wood trade and forestry

	Company	Productivity, €	Country
1.	METSA FOREST LATVIA	981738	Latvia
2.	SVEASKOG BALTFOR	921610	Estonia
3.	PATA AB	657551	Latvia
4.	LATSIN	507777	Latvia
5.	BANGENĖ	463982	Lithuania
6.	PK OLIVER	387000	Estonia
7.	DZŪKIJOS MIŠKAS	336260	Lithuania
8.	LATVIJAS VALSTS MEŽI	269020	Latvia

Sub-industry: Wood processing

	Company	Productivity, €	Country
1.	STORA ENSO LATVIJA	556770	Latvia
2.	LATGRAN	493499	Latvia
3.	BOLDERAJA LTD	457324	Latvia
4.	GRAANUL INVEST	447324	Lithuania
5.	GRAANUL INVEST	401122	Latvia
6.	VIKA WOOD	312948	Latvia
7.	TOFTAN	310000	Estonia
8.	STORA ENSO EESTI AS	295000	Estonia
9.	RETTENMEIER BALTIC TIMBER	273193	Latvia
10.	BSW LATVIA	250767	Latvia

Sub-industry: Furniture and other wood products

	Company	Productivity, €	Country
1.	VILNIAUS BALDAI	159437	Lithuania
2.	FREDA	140283	Lithuania
3.	SWEDWOOD KAZLŲ RŪDA	100172	Lithuania
4.	AVOTI SWF	97674	Latvia
5.	TNC-COMPONENTS	93000	Estonia
6.	PALMATIN	90000	Estonia
7.	ESTNOR	82000	Estonia
8.	VIKING WINDOW AS	81000	Estonia
9.	VILJANDI AKEN JA UKS AS	79000	Estonia
10.	KLAIPĖDOS BALDAI	73643	Lithuania

Industry: Printing plants

	Company	Productivity, €	Country
1.	POLIGRĀFIJAS GRUPA MŪKUSALA	151997	Latvia
2.	PRINT-IT	145996	Lithuania
3.	PRINTALL	139000	Estonia
4.	DIZAINA UN POLIGRĀFIJAS NAMS (DPN)	132923	Latvia
5.	LIVONIA PRINT	103224	Latvia
6.	LABELPRINT	101000	Estonia
7.	PRESES NAMS BALTIC	92685	Latvia
8.	PAKMARKAS	90751	Lithuania
9.	"LIETUVOS RYTO" SPAUSTUVĒ	79730	Lithuania
10.	PRINT BEST TRŪKIKODA	73000	Estonia