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## Olli Reenpää

Otava Ltd.

Since it was founded in 1890, Otava has played a big role in the cultural and business life of Finland. The publishing house was among the first to print books in the Finnish language. Run by the Reenpää family, Otava has been through exciting as well as tough times in its 100 and more years. Olli Reenpää, who has worked in the business for 50 of those years, has been instrumental in building the business into the successful publishing house it is today. With the reins passing to the next generation, Otava has never been in a stronger position, ready to flourish in the years ahead.



**“As a family business, the main interest groups for us are customers and employees, and not managers and owners as at most quoted companies.”**

**Olli Reenpää,**  
Vice Chairman of the  
Board, Otava Group



Olli's grandfather Alvar Renquist took over the company from its founders in 1890

In the center of Helsinki, just a few minutes' walk from the harbor, stands one of the city's most iconic buildings. A granite structure, built in the early 20th century, the building is a regular stop for historians of architecture visiting the Finnish capital. Those admiring its Art Nouveau symmetry might realize that it is the headquarters of Otava Group, arguably the country's most famous publishing house. But few would appreciate that it also houses one of Finland's oldest family businesses.

In fact, Otava's history goes back to 1890, when Finland was part of Russia, and publishing in the Finnish language was very much in its infancy. It is also the history of four generations of one of the country's best-known business and cultural families, the Reenpää family.

"My grandfather took over the business from its founders shortly after it was set up," says Olli Reenpää, who recently stepped down as Chairman of Otava Ltd., and who is the winner of EY's 2013 Family Business Award of Excellence for Finland. "He did much in the early days to create the foundations that led to where we are today." Olli's grandfather was called Alvar Renqvist; the family "fennicized" – changing their personal names from Swedish to Finnish – to Reenpää.

### Publishing in the Finnish language was a risky affair

Before Finland gained independence from Russia in 1917, publishing in the Finnish language was a risky affair. Consequently, Finns see Otava as more than just a publishing house, but also important to the cultural and publishing history of the country. The founders chose the word "Otava", the Finnish name for the "Great Bear", a constellation with particular significance in Finnish mythology, as a symbol of freedom and strength.

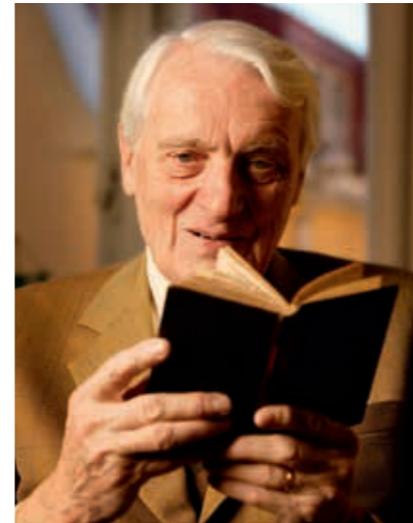
Being more than 120 years old, it is hardly surprising that Otava Publishing Company Ltd. has an august publishing pedigree. It was the first publisher of the music scores of the great Finnish composer Jean Sibelius. It was also the publisher of the works of Frans Eemil Sillanpää, the first Finnish writer to be awarded the Nobel Prize in Literature. Otava also became one of the biggest publishers of education books in Finland. Indeed, in the early days, it had a near monopoly on publishing books for educational needs, which fueled its early growth.

### Otava Ltd. is the umbrella company

Otava Group was established in 1998. The Group's parent company is Otava Ltd. and principal business areas are books (Otava Publishing Company Ltd., Like Publishing Ltd., Otava Book Printing Ltd.), trade (Suomalainen Kirjakauppa Ltd.), magazines and new business functions (Otavamedia Ltd. and its subsidiaries).



Art Nouveau style Headquarter of Otava was built 1906 in Helsinki



Olli's cousin Heikki A. Reenpää (former CEO), Henrik Ehrnrooth (Chairman of the Board) and Alexander Lindholm (CEO)



Like Publishing Ltd. has been part of the book division since 2006. Otava Book Printing Ltd. is a modern printing house that operates in Keuruu. Suomalainen Kirjakauppa Ltd. is a centrally managed chain of 61 bookstores in Finland with a popular online store. The company has been part of Otava Group since 2011.

### Remarkable growth since the 1980s

Otava's book business today is the biggest of its type in Finland, publishing more than 600 titles by Finnish and international writers every year. Otavamedia Ltd. publishes consumer and trade magazines, including aware and influential weekly *Suomen Kuvalehti* (published since 1916), the well-known Finnish weekly, *Seura* and the women's weekly *Anna*. It also runs the country's biggest book club, called, appropriately enough, the Great Finnish Book Club, which has 130,000 members. In recent years, through acquisitions and organic growth, Otava Group has moved into digital media and it runs Finland's biggest car and boat market portals.

In 2013, Otava generated €302m in revenue, which is a remarkable growth since the 1980s. The various Otava companies employ around 1,200 people.

Inevitably, with a business with a history as long as Otava's, you get plenty of interesting, if not difficult, moments along the way. Olli, who is now in his 80th year, recalls many of them. "There have been plenty of challenges during my over 50 years working for the business," he says. "But three crises stand out."

The first one he refers to was in 1968, when his father Kari Reenpää, the then Chief Executive of Otava Publishing Company, committed suicide. This was a big shock to the family, and it came at a time when the finances of the company were under pressure. Olli, together with his cousin, Heikki Reenpää, saw the business through these difficult times.

The second crisis happened in the early 1990s, when Otava Publishing Company looked like it could be taken over by either a local competitor or a big international publisher. That led the family and the board to decide to delist the business in 1991 and



Otavamedia publishes consumer and trade magazines

to put the family back in full control. The last crisis he mentions was in the late 1990s.

### Succession at Otava hasn't always run smoothly

In 1998, Otava redeemed WSOY's (the main rival publishing company Werner Söderström Ltd.) 50% interest in the joint ownership companies United Magazines Ltd., The Great Finnish Book Club Ltd. and Acta Print Oy.

He recalls that being a family business was crucial to getting through these difficult times. "If we hadn't kept our eye on long-term outcomes in the way that we did because we were a family business, then we might not have survived, at least not in the current form."

The business was listed on the Helsinki Stock Exchange from 1945 until 1991, but now the Reenpää family control 98%. Olli stepped down from the executive chairmanship of the business in March 2014. This allowed another family member to take over, his cousin's son Henrik Ehrnrooth. Olli, committed to the business as ever, has stayed on as Vice Chairman.

Succession at Otava hasn't always run so smoothly, as he freely admits. In 2010, his son and daughter-in-law unexpectedly left

the business. "This came as a big shock to all of us." But most important is the long-term success of the Otava Group, the family matters are kept outside of the business. "That's how family businesses survive and flourish," he says.

The current CEO of the group, Alexander Lindholm, is a non-family professional, and Olli believes that the mix of family managers along with senior non-family executives has worked

well. Otava, like many family businesses, has also brought leaders from other industries onto its board. Jorma Ollila, Vice Chairman of Otava, has been a board member since 1996 and current Executive Chairman of Royal Dutch Shell plc. Heikki Lehtonen, son-in-law to Olli Reenpää, CEO of Componenta Corporation, has been a board member since 1991. Eero Broman, the son of Olli Reenpää's cousin, is Managing Director of Motonet Ltd. and has sat on the board since 2007.



Olli Reenpää in one of the Otava Group's bookstores

### Well adapted to the digital revolution

According to Olli, Otava has adapted well to the digital revolution, which has affected many publishing businesses across the world. "We saw it coming and made the strategic changes necessary," he says. "Many of our competitors weren't so lucky."

There are few wiser heads in the world of publishing than Olli Reenpää, who has steered the family business, often through very difficult times, to be the successful publishing house it is today. He has little doubt about the advantages of being a family business and why that has provided the bedrock of Otava's longevity and success.

"As a family business, the main interest groups for us are customers and employees, and not managers and owners as at most quoted companies," he says. "And Otava has flourished as a result."

### Olli Reenpää

Vice Chairman of the Board

Company name:	<b>Otava Group</b>
Generation(s):	<b>3th and 4th</b>
Founded:	<b>1890 in Helsinki, Finland</b>
Industries:	<b>Media, trade</b>
Employees (2013):	<b>1,200</b>
Revenue (2013):	<b>€302m</b>