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Zachary and Vesa Mäenpää

Tammer-Tukku

When it comes to consumer goods, there's little that Tammer-Tukku doesn't know. With its premier 7,000-square-meter showroom in Finland, the company displays more than 15,000 products. It is also a family business, which is now managed by the third generation of the Mäenpää family. Very much an established brand in Finland and beyond, Tammer-Tukku has navigated the often fickle world of consumer taste and demand through good and bad times for more than 60 years.



Maku
KITCHEN LIFE

Maku
KITCHEN LIFE

STA KOTIKOKKAUS UAI

PURKON SUORASSA RA
KA JÄLKEIN SE KYPSEMETÄN
KIVILASSA, NÄN RUKKA SÄYTTÄ



“The family engagement with the business has been made easier because of the small number of shareholders.”

Zachary Mäenpää,
CEO, Tammer-Tukku



Tammer-Tukku's main showroom is a 7,000-square-meter large building with more than 15,000 products under one roof. There are few things any consumer could wish for that they can't find there. Tammer-Tukku is a family business – indeed, one of the finest and most resilient in Finland – and it is under the management of the third generation of the Mäenpää family.

employs around 200 people, but only 75 in its distribution center, which is a testament to the role automation plays in such a state-of-the-art company.

Zachary Mäenpää, CEO of the business and a third-generation member of the family that owns the firm, says Tammer-Tukku is a consumer goods business with four major parts. "We have



Tammer-Tukku has a 30,000-square-meter warehouse, where it handles more than 5,000 containers annually.

Tammer-Tukku is one of the largest consumer products and distribution companies in Northern Europe. Apart from its huge showroom in the town of Tampere, 170 kilometers north of Helsinki, the company has an enormous 30,000-square-meter warehouse, where it handles more than 5,000 containers annually. From here, it distributes tens of thousands of consumer goods throughout Finland and beyond. These can be anything from barbecue products to toys. Tammer-Tukku

our house brands, and we also distribute well-known international brands. We also have a private label business for our customers." The company's brands include the Mustang barbecue grill range, Rento Sauna collection and Maku Kitchen Life assortment, and it is also the Finnish distributor for the big American toy company Hasbro. Beyond its local markets, Tammer-Tukku exports to more than 20 countries, and around 22% of its earnings come from abroad.



Aulis Mäenpää, Zachary's grandfather, started the company in 1954. He purchased items from local distributors and then sold them from his bike while cycling around the Tampere district.

Mobile sales

Like many successful businesses, Tammer-Tukku's beginnings were very humble. Aulis Mäenpää, Zachary's grandfather, started the company in 1954. "He purchased items from local distributors and then sold them from his bike while cycling around the Tampere district," says Zachary. But that simple formula proved successful and the business grew into a sizeable consumer products company, driven by Aulis and his two sons – Rauno, Zachary's father, and Reijo Mäenpää, his uncle. In the 1970s, Tammer-Tukku was one of the first Northern European businesses to start importing goods from China, which has proved to be a lucrative relationship ever since.

But family businesses that have been around for a few years rarely experience a smooth upward growth trajectory – hiccups are usually encountered along the way. And Tammer-Tukku's big hiccup was in the mid-1990s, when a slowdown in the Finnish economy hurt the business tremendously. "We came close to bankruptcy," says Zachary. In fact, the company's bank told Rauno and Reijo that the only option the business had, given the perilous state of its finances, was to give up. "But neither of them would sign the bank's bankruptcy document," says Zachary. Tammer-Tukku pulled through because of the belief and steadfastness of the second generation, but also because of the loyalty of the company's stakeholders. "Thanks to our loyal customers and key suppliers, we were able to survive and eventually thrive again," says Zachary.



Members of the Mäenpää family: there are four other members of the third generation working for Tammer-Tukku. Vesa's father Reijo, who was the previous CEO, now sits on the board of directors and still plays an active role in directing the business.

The engagement of the third generation in the business was, in some ways, very typical of how the next generation often comes into family businesses – it happened at a very early age. "From the age of seven, I started working in the business," says Vesa Mäenpää, who is Tammer-Tukku's current Commercial Director. "Back then, I was cleaning the warehouse. And, pretty much from then until I took a full-time job at the family business, I was working evenings and weekends for the company." Currently, along with Zachary and Vesa, there are four other members of the third generation working for Tammer-Tukku.



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Vesa Mäenpää

Vesa’s father Reijo, who was the previous CEO, now sits on the board of directors and still plays an active role in directing the business. “But he is gradually allowing the third generation to run more of the business,” says Zachary.

Family harmony

The board of directors is made up of a non-family chairman, three other non-family directors and three members of the family, including Zachary’s two siblings Crispin and Tara. Deputy board members include Vesa, his brother Ville and cousin Peter. The family owns 100% of the business, and the shares are split between seven family members. A shareholders’ agreement provides another level of family governance and defines procedures on how family members wanting to work for the business can do so. It also defines what happens if a family member wants to sell their shares in the business. If this happens, the family must be given first refusal. “The family engagement with the business has been made easier because of the small number of shareholders, but once that number increases, i.e., with the fourth generation, it will be up to them to bring in new procedures to deal with any potential conflict,” says Zachary.

Innovation for a consumer products company such as Tammer-Tukku is top of the list of priorities and always has been. “At any one time, we are selling at least 15,000 different items,” says Zachary. But what is so extraordinary for the business is that around half of those products change every year: “So we are constantly looking for new items.” That means a lot of trips abroad, and a lot of product testing and reviews. “Often, backing a product takes a considerable amount of entrepreneurial risk-taking because, if it does not sell, it will hurt Tammer-Tukku’s bottom line,” says Zachary. But having such an extensive distribution platform means many product manufacturers approach them.

Zachary says the difficult times the business went through in the 1990s provided a big learning experience for the family. “We have built on those lessons to make a more robust

business.” There is no doubt about that, given the success of the business today. And, as the third generation takes the business forward in the years ahead, the legacy of two previous generations will no doubt help to guide them. Family businesses such as Tammer-Tukku are the backbone of economies like Finland’s; and, indeed, of all the economies around the world where family businesses thrive.

Zachary Mäenpää

CEO

Vesa Mäenpää

Commercial Director

Company name: **Tammer-Tukku**

Generation: **Third**

Founded: **1954 in Tampere, Finland**

Industry: **Consumer goods**

Employees (2016): **200**

Revenue (2016): **€89.5m**