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# Insulation INNOVATION

Paroc Group CEO Kari Lehtinen has overseen a number of organisational and cultural changes at the stone-wool insulation producer, which is firmly focused on growth in the European market.

WORDS MARTIN KOVACS • IMAGES PAROC GROUP

A background in the steel industry, along with experience gained across a number of commercial and operational executive roles, had Kari Lehtinen well prepared to take the reins as CEO at stone-wool insulation producer Paroc Group. Now six years into his tenure, he tells *The CEO Magazine* that he had seen the appointment “as a clear opportunity” to make his mark at the Finnish company – which has a product portfolio that ranges from building and technical insulation to sound absorbers.

Kari recalls that the challenge of overseeing growth at Paroc in the wake of the construction market slump that had followed the global financial crisis, and the lure of heading up an established company with a strong brand, had attracted him to the role.

Appointed CEO in 2011, Kari explains that it was at first necessary to assess the company’s internal processes, before then implementing a number of changes to deliver an improved operational performance. “When I joined the company, I had quite a few sessions with the board of directors, and there were a couple of things that they expected me to do, starting with the leadership culture. The intention was to implement a more systematic process of leading and people »



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management, and to make our areas of strategic focus clearer.”

Kari says that in conjunction with the company’s internal recalibration, Paroc had also focused on the broader customer experience, forming part of its transformation from having been a production-driven company to becoming more customer focused.

Addressing the company’s health and safety culture had also been a priority, and Kari points to the beneficial flow-on effects that implementing cultural changes can have at all levels of a company. “Health and safety are very high on our agenda,” he states. “My belief from the beginning was that a positive health and safety culture would in turn affect many other things, including operational excellence.”

There have, of course, been challenges along the way, and Kari notes the importance of having a team that is “engaged and committed”, along with developing a uniform approach at all levels of the company, with the culture at management level in turn setting the tone for the culture of the wider organisation.

“I think the starting point is to build the right team and to have the right people in place,” he observes. “You need to have a strong management team, and it

is very much about communication and setting a good example.”

Branching out from its traditional Nordic and Baltic market base, Paroc established a factory in Russia in 2013. The company is also very much focused on further growth in Europe, with Kari pointing to opportunities to grow and become bigger. “There is a lot of positive upside for Paroc,” he comments. “We have a good brand and we have a good knowledge base. Scaling that up, being closer to our customers, and growing together in Europe is our current direction.”

In concert with this growth, Paroc is firmly focused on innovation and development, and Kari says that the company views this as one of its “competitive edges”. He states that product and operational sustainability are also a key focus, as Paroc looks to deliver energy-saving insulation products to market, and to ensure that buildings will be more energy-efficient and sustainable in the future.

“We have around 50 people in R&D, and they are developing our production technology,” Kari explains. “There is also a wide network of external partners that we work with. This is one of the focus areas for the company. We know that to remain successful in the future we need to place that high on our agenda, and that we need to invest in innovation and R&D.”

This year marks Paroc’s eightieth anniversary, and Kari says that innovation has been a part of its agenda for a long time. “With all the processes that we have in place today, we are also thinking about what we can do better tomorrow,” he states. “We call it CIP: a continuous improvement process. We are working all the time across all of our processes, and we are constantly looking to improve.” ■



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