



**Opening address  
by the President of Iceland  
Ólafur Ragnar Grímsson  
at Seed Forum Iceland  
Reykjavík  
28 October 2005**

Ladies and Gentlemen

I have often found myself pressured at various functions to explain how and why daring Icelandic entrepreneurs are succeeding where others hesitate or fail, to reveal the secret behind the success they have achieved.

It is of course tempting to let it remain a mystery, to allow the foreign business world to be perplexed since this mystery gives my Icelandic friends a clear advantage, a fascinating competitive edge – but when I was asked to speak at the Seed Forum today, I could not decline the challenge.

It is indeed an interesting question how our small nation has in recent years been able to win so many victories on the competitive European and global markets, especially because for centuries we were literally the poorest nation in Europe, a community of farmers and fishermen who saw Hull and Grimsby as the main focus of their attention, a nation that only a few decades ago desperately needed to extend its fishing limit in order to survive.

Yes, it is indeed a fascinating question, not just with respect to Iceland, but also because it throws light on some fundamental trends in modern business. It touches on the new nature of success, and why some fail where others triumph. Globalisation and information technology have given small states opportunities on a scale never witnessed before. Obstacles to their growth have largely been abolished and replaced by an open and wide field where talent, imagination and creativity determine what is harvested.

Innovations can now emerge from any direction; individual initiative can lay the foundation for companies which establish a global presence in a short time.

In recent years Iceland has shown how a small state can make an organised and successful response to globalisation and thus boost its own business success. Every company in our country now has a unique opportunity to profile itself. Indeed, new companies can now emerge into the global market regardless of where their home base is and soon have the whole world as their market region.

There is much to suggest that in the new economy, a small state can be a very profitable basis for business innovations because in a small state it is easy to see how different elements link up, how to establish cooperation between different fields, how to gain access to information and experience and grasp solutions to difficult tasks. A small state can serve as a kind of laboratory or research station in precisely those sectors that are increasingly coming to dominate the economy of our times.

Many examples can be cited to illustrate how our business leaders have managed to establish themselves on foreign markets, how it has been possible to achieve such success in so many different fields and in such a short time, in areas where we definitely had no prior competitive advantage, areas such as pharmaceuticals and prosthetics, banking and finance, retail and fashion – to name only a few.

Of course, many factors have contributed to the success of this voyage, but I am convinced that our business culture, our approach, our way of thinking and our behaviour patterns, rooted in our traditions and national identity, have played a crucial role. All of these are elements that challenge the prevailing theories taught in respected business schools and observed in practice by many of the big American and British corporations.

We are succeeding because we are different, and our track record should inspire the business establishment in other countries to re-examine their previous beliefs and the norms that they think will guarantee results.

The range of Icelandic success cases provides a fertile ground for a productive dialogue on how the modern business world is indeed changing.

Let me offer you a list of nearly a dozen elements that I believe have been crucial to Iceland's success story. I am not listing them in any particular order, but taken together, I am convinced that they amount to a significant framework of business success – a guide to the ground in which achievements are rooted.

First comes a strong work ethic. This is a heritage from the old society of farmers and fishermen, where necessity dictated that the fish

catch had to be brought ashore and processed immediately when the boats came in to harbour and that they had to be turned and collected when the weather was favourable.

Second, we tend to focus on the results rather than the process: to go straight to the task and do the job in the shortest time possible; to ask when it can be done rather than how.

Third, Icelanders are risk takers. They are daring and aggressive. Perhaps this is because they know that if they fail, they can always go back to Iceland where everyone can enjoy a good life in an open and secure society; the national fabric of our country provides a safety-net which enables our business leaders to take more risks than others tend to do.

Fourth, there is absence of bureaucracy in Iceland and a lack of tolerance for bureaucratic methods. Perhaps it is because there are so few of us that we have never really been able to afford extensive bureaucratic structures; when we encounter them, we prefer other means.

Fifth, there is a strong element of personal trust, almost in the classical sense of “my word is my bond.” This enables people to work together in an extraordinarily effective way because they are fostered in communities where everyone knows everyone else.

Sixth, the formation of small groups of operators who work closely and strategically together, creating a fast-moving network of key decision makers who can close a deal quicker than those who are used to working within larger and more bureaucratic corporate structures.

Seventh, our style of entrepreneurship – old-fashioned entrepreneurship where the boss himself or herself stands in the front line, taking responsibility, leading the team, giving the company a visible, personal face. This style of entrepreneurship breeds leaders who know they are responsible, aware that their initiative will make or break the deal.

Eighth is the heritage of discovery and exploration, fostered by the medieval Viking sagas that have been told and retold to every Icelandic child. This is a tradition that gives honour to those who venture into unknown lands, who dare to journey to foreign fields, interpreting modern business ventures as an extension of the Viking spirit, applauding the successful entrepreneurs as heirs of this proud tradition.

Ninth is the importance of personal reputation. This is partly rooted in the medieval Edda poems which emphasise that our wealth might wither away but our reputation will stay with us forever. Every Icelandic

entrepreneur knows that success or failure will reflect not only on his or her own reputation but also on the reputation of the nation. They therefore see themselves as representatives of a proud people and know that their performance will determine their reputation for decades or centuries to come.

Tenth is the fact that the Icelandic market, although small, has turned out to be an effective training ground because it is so competitive, perhaps more so than many other European markets; therefore what succeeds in Iceland is likely to succeed everywhere else.

Eleventh, because of how small the Icelandic nation is, we do not travel the world with an extra baggage of ulterior motives or big power interests rooted in military, financial or political strength. No one is afraid to work with us; people even see us as fascinating eccentrics who can do no harm and therefore all doors are thrown wide open when we arrive.

Taken together, these eleven elements have given the Icelandic business community a competitive edge, enabling us to win where others either failed or did not dare to enter. Our entrepreneurs have thus been able to move faster and more effectively, to be more original and more flexible, more reliable but also more daring than many others.

The track record that Icelandic business leaders have established is also an interesting standpoint from which to examine the validity of traditional business teaching, of the theories and practice fostered and followed by big corporations and business schools on both sides of the Atlantic. It enables us to discuss the emphasis on entrepreneurial versus structural training, on process versus results, on trust versus career competition, on creativity versus financial strength.

I hope what I have outlined here this morning can provide both inspiration and confidence when you examine whether to invest in a new endeavour, a new project, a new idea – inspiration derived from our successful journeys into unknown territories, markets where only a few years ago we had no presence at all; confidence because of the track record of so many of our companies which began as small ventures in the tiny Icelandic markets and progressed into a major presence in European or global markets.

We can with certainty state that in the new times anything is indeed possible and the headline of this Seed Forum is clearly appropriate – what is small today could soon become the next big thing.

With those words I hereby declare the Seed Forum Iceland open and wish you well in your dialogue and joint endeavours.

