

Zumtobel Group

Customer centric high performance sales organisation

Durga Rao – EVP Global Sales

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Durga Rao – EVP Global Sales

Proven track record in driving sales

Education

1984-1987 MBA Rotterdam School of Management
1986 North Western University, Kellogg School of Management
1978-1982 Bachelor of Commerce and Administration, Victoria University (NZ)

Business Experience

2007- 2015 Philips Lighting

Member of the Growth Markets Management Team
Leading Sales and Marketing LED Lighting in Asia Pacific
General Manager Business Unit Solid State LED Lighting

1987 – 2007 Philips Consumer Electronics

Senior Marketing Director
General Manager Institutional Televisions Europe
Marketing Manager LCD TV Europe
Regional Sales Manager – Sound & Vision
Product Manager Colour Television



AGENDA

- Revisiting our promises from the last Capital Market Day
- New Sales organisation set-up
- Strategic priorities in the next two years

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Promised in 2014

Measures to unlock full potential in Global Sales

1 Combining two separate sales forces into a global multi-brand / multi-channel approach

- Higher customer satisfaction
- Differentiation / competitiveness

2 Creating growth synergies

- Cross selling the full offering
- Increasing the share of wallet

3 Creating cost synergies

- Eliminating a management layer
- Back-office consolidation (admin & indirect functions)
- Reducing the number of sales people
- Reducing the number of sales offices (> 120 offices in 2014)







Target: reduction of ~150 employees in selling

4 Global roll-out of a new incentive scheme for sales force based on gross margin contribution

Delivered by 2016

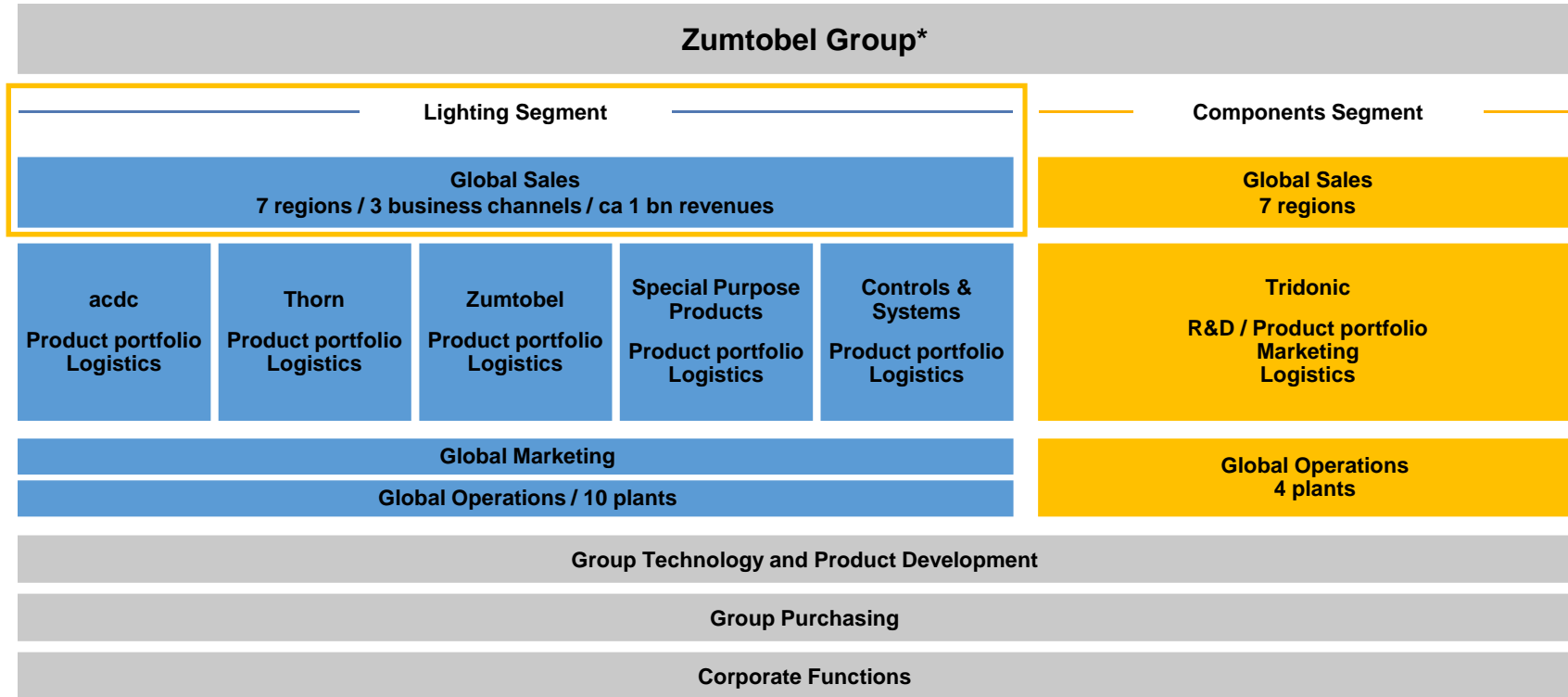
Execution on track – further fine tuning progressing

- 1** The multi-brand / multi-channel approached has been rolled out in all seven regions 
- 2** **Creating growth synergies**
 - Slight increase in market share in Europe
 - 25% of quoted projects are multi-brand
- 3** **Creating cost synergies**
 - Number of indirect sales people: minus 110 FTEs
 - Number of direct sales people: minus 45 FTEs
 - Number of sales offices: minus 25
 - Revenues per sales person increased from 530 Tsd to 650 Tsd Euro (> 20%)
 - Selling expenses as % of revenues decreased from 27.0% to 25.6%
- 4** Full implementation of new incentive scheme executed 

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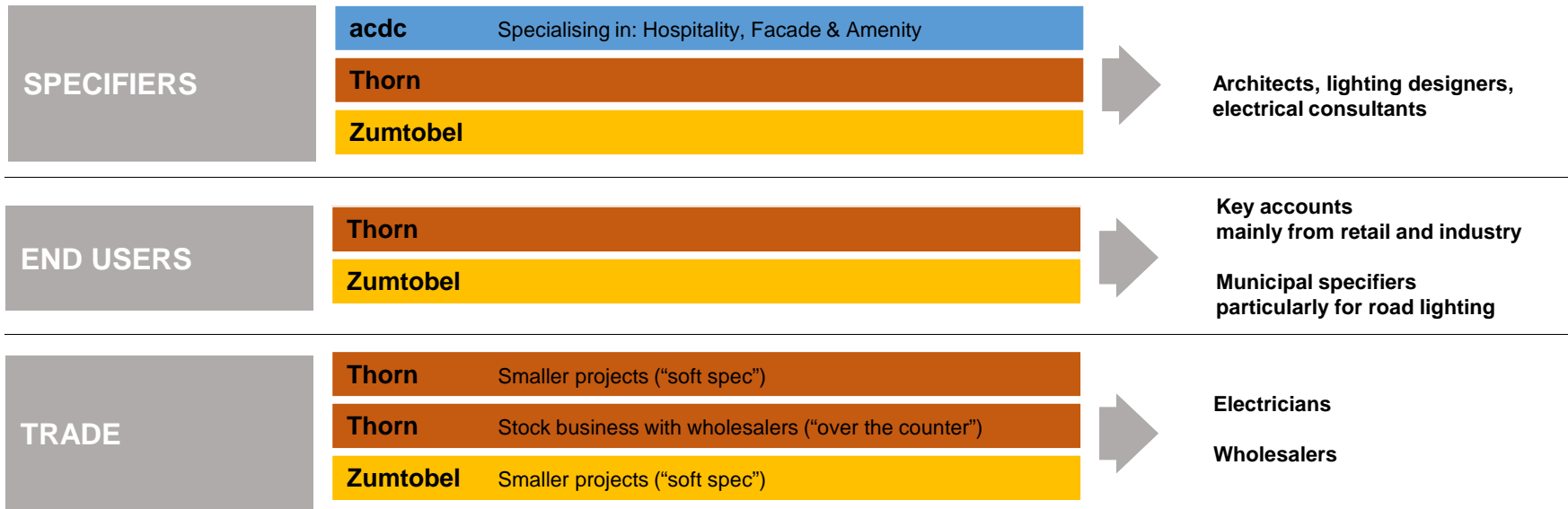
- Revisiting our promises from the last Capital Market Day
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- Strategic priorities in the next two years by channel

Zumtobel Group organizational structure

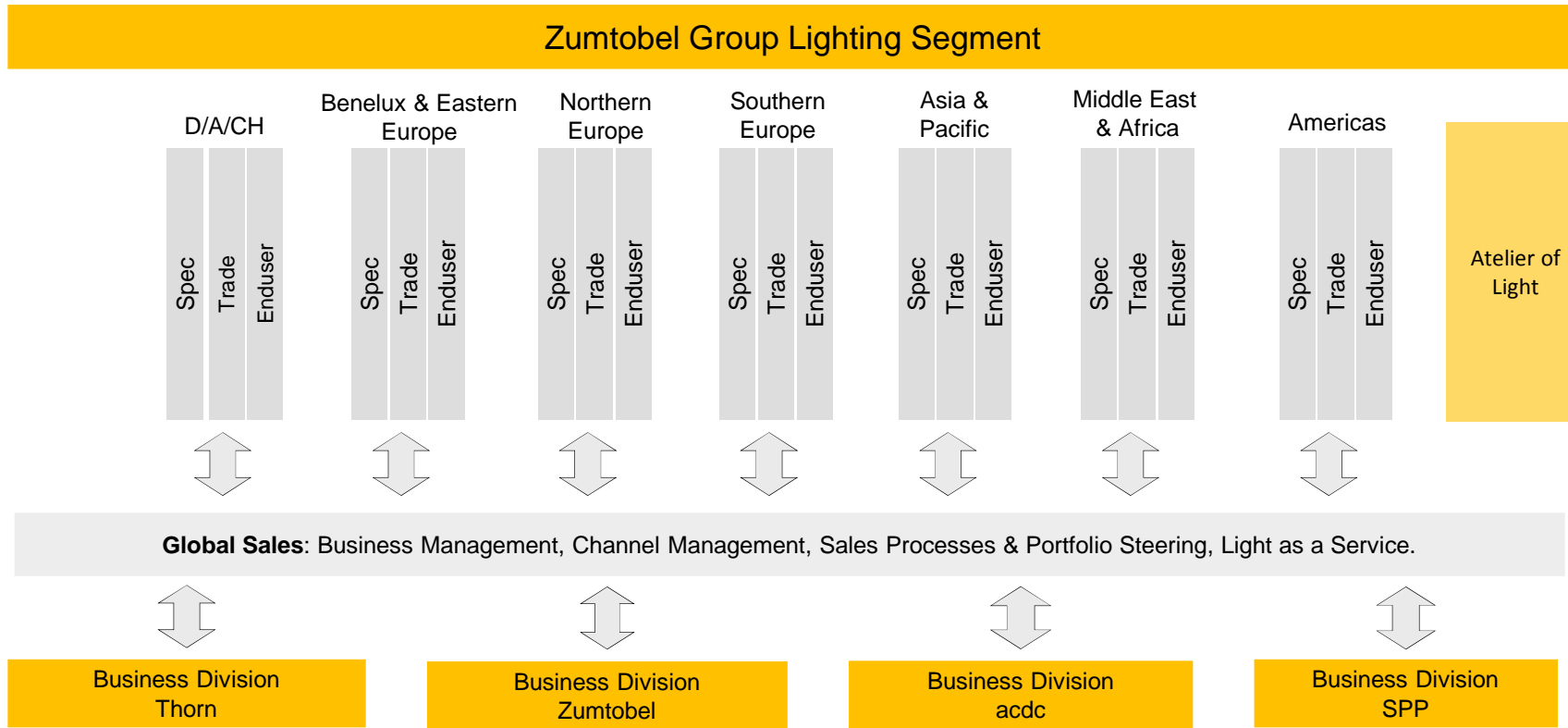


*simplified illustration

Clear customer focus through 3-channel sales



Global Sales



Success factor multi-brand projects

Greater customer satisfaction and larger-volume projects



MICHELIN URBALAD
Ladoux, France

Thorn for offices and conference rooms

Zumtobel for corridors and foyer

Total volume: EUR 390,000



ARAB CENTER FOR RESEARCH AND POLICY STUDIES (ACRPS)
Qatar

Thorn for back office, car park and outdoor areas

Zumtobel for offices and classrooms

Total volume: EUR 2.4 million



ACADEMIC HOSPITAL MARIA MIDDELARES
Ghent, Belgium

Thorn for offices, treatment rooms and corridors

Zumtobel for recreation rooms, underground car park and corridors

Total volume: EUR 1.28 million



SKYLAB
Geneva, Switzerland

Thorn for corridors, sanitary facilities and utility rooms

Zumtobel for foyer, corridors, underground car park, emergency lighting, conference rooms and offices

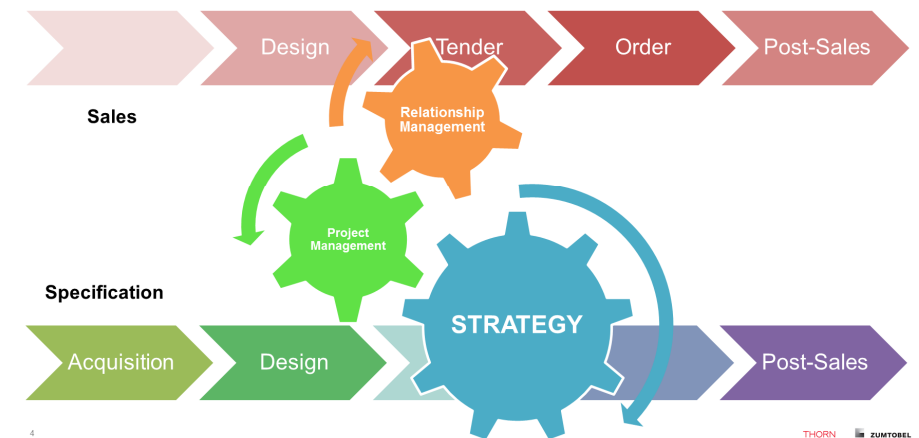
Total volume: EUR 578,000

Specification channel

Key facts

- Ca. 45% of lighting brands revenues
- Key success factor:
 - Close customer relationship
 - Packaging a state-of-the-art multi-brand product portfolio in tailor made innovative lighting solutions
 - Participation in networks that have been developed over many years
- Sales-staff trained and skilled to support Architects, electrical consultants and lighting designers on their specifications
- Along the full project-process from Design, to Tender to Commissioning the spec-teams are collaborating with the relevant partners
- In addition to the regional-teams there is one central strategic team focusing on international flagship projects with global VIP architects

International Specification Process



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Flagship reference projects



OSLO Airport / Norway



Shing Mun Tunnels / Hong Kong



Torres Paseo/ Paraguay



ACCOR Hotels ARENA / France

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End user channel

Key facts

- Ca. 25% of lighting brands revenues
- Key success factor:
 - Ability to guarantee local implementation of centrally designed internationally replicable lighting solutions (Swarovski)
 - Speed (e.g. up to 2,500 store openings within 2 years) & on-time delivery on all continents (Lidl)
 - Designing creative as well as innovative concepts for flagships and brand-stores (Levis)
 - Global multi-brand product portfolio (Ferrari)
 - Focus area of international key account sales team: End-users in food and fashion retail, distribution centers, bank outlets, car showrooms, industry, etc.

Global Key Account Management

Some references

Top 20

- Agrokör
- Aldi / Hofer
- Audi
- BMW
- Brose
- Coop
- Deichmann
- Delhaize
- DHL
- DMG Mori Seiki
- Globus
- Lidl
- Metro
- Porsche
- Primark
- REWE
- Spar
- Sports Direct
- Tengelmann
- VW



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Trade channel

Key facts

- 35% of lighting brands revenues
- Key success factors:
 - Focused partnership approach with wholesalers & contractors
 - Specific product portfolio for OTC and soft specification
 - Multibrand sales according to positioning of the brands
 - Fully dedicated sales force
 - Lean cost structure

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Strategic priorities for the next 2 years

- 1 Increasing growth impetus from multi-brand / multi-channel**
- 2 Further efficiency gains from current fine tuning of Sales set-up**
- 3 Develop a performance based culture that ensures reliability of our financial forecasts**
- 4 Drive the benefit of customer intimacy/direct sales model to maximize new service & smart lighting opportunities**



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