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A Healthy Home

Pride, earning, learning, and fun are the four pillars of Lux International's business strategy.

Images courtesy of Lux International

For more than 100 years, Lux International has been helping its worldwide customer base build healthier homes with its wide range of lifestyle solutions. *The CEO Magazine* spoke to CEO Reto von der Becke about how the company has built its brand over the past century and what it is doing to work towards an even better future.

The CEO Magazine: What core values are paramount to the business and how are these instilled in your staff?

Reto: Our goal is to put people first in everything we do. We have a slogan that was created many years ago and is still very valid today—pride, earning, learning, and fun. Those are the four pillars of what we are trying to instill within our employees, sales partners, and independent distribution partners.

Pride is a very important part of what we do. It is about recognising success, saying thank you, and congratulating people when they do a good job. If we put out a new tie with our Lux logo then there is going to be a waiting list of people who want to get hold of that tie. I think we are pretty good at really 'Lux-ifying' our staff.

Then there's earning. Earning a living is important, and when we talk about the sales part of our business we have the ambition to be an attractive employer. We offer payment and commission schemes which are long term and we also give people the opportunity to make more out of their life than before they joined Lux.

In regard to learning, training is an integral part of our culture. We have our own Lux Business School, Lux Management School, Lux Academy and we also work with external training companies. I feel it is very important to motivate your people to constantly develop themselves and learn more. Sometimes people come to a point in their life where they think they know everything, and that is very dangerous.

The last is fun. We like to organise conferences where we invite the best of our people to come together. Last year we had over 150 people from more than 25 countries gather in Copenhagen for several days. We treated them to a very special program—going to special places, having our own Lux Olympics where people would compete in fun games against each other. These are all memories you cannot really put a price on.

What have been the biggest challenges you have faced as CEO and how did you work to overcome them?

We have had a combination of internal and external challenges. Internally, running a very traditional company like Lux, which has a 100-year heritage, brings a lot of advantages. We have a very loyal customer base, great tradition, and a lot of fantastic employees that have been with us for many years. However, the biggest challenge has been, and continues to be, talent management. By that I mean finding, developing, and motivating good leaders to help take this company into a successful future.

I think the best way to do that is to be close to them and really understand the business. I have travelled the world, spent time with the sales people in the field and also at the customers' homes. I think this is very important.

Externally, the changing marketplace can be a challenge. We are a much more multichannel company than we used to be. We are still a direct-sales organisation but on a global level we have also started to move into premium retail concepts, shop-in-shop models, and working more actively with the internet. That has been a challenge because the

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competitive landscape is so different. The cycle of developing new products has increased quite significantly for us in recent years and doing that without compromising on quality, whether it's the product or the service to the customer, can be demanding.

We are trying to strike a good balance by embracing the different opportunities and channels, while not compromising on our core principles. We are a Swiss-based global company selling premium healthy home products and we always try to find ways to also give good service to our customers and provide support. Even if you have bought a product from us online or through one of our partners, we will still make sure you get the service you require and deserve.

How has the business grown and expanded throughout its existence?

Lux has always been a very internationally oriented company.

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If you go back in history, it was actually the first business that Electrolux created and sent into new markets. When we took over in the late 90s, the company was not in a good shape and was in need of a major overhaul. The first couple of years were the toughest and we didn't focus much on expansion. Then we re-aligned the strategy and started to move from what was originally a floor-care company to what we are today—a healthy home company.

In more recent years we really stepped up the speed and went into expansion mode, opening in a number of new markets. We also expanded into new product categories. Today there are two categories in particular—air and water—where we are really trying to position ourselves as market leaders. I am quite proud to say that ever since I took over as CEO we have managed to deliver record results, and 2014 was the fifth record year in a row for our global group. I think that confirms that we

are doing something right, but there are still many things we can and will improve on in the future.

How does Lux work with core suppliers to create positive relationships which benefit the business in the long and short term?

I think having good suppliers is all about relationship management. It is very important to constantly be in touch and make sure the development of the relationship goes beyond just the day to day operations.

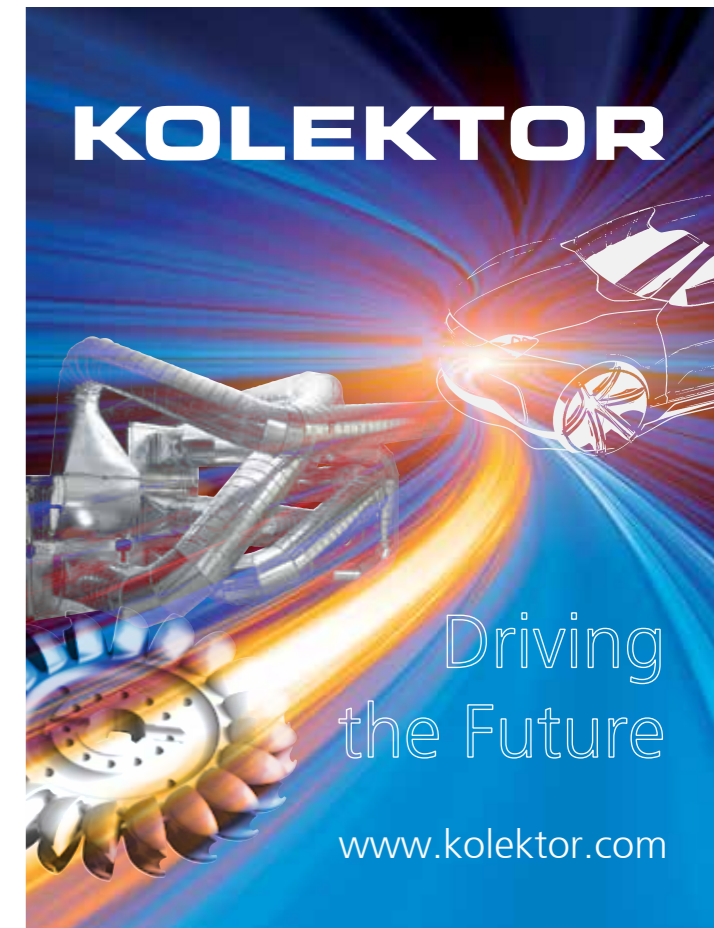
We are a demanding customer. Given that we are manufacturing and selling products of a very high quality, we cannot work with just anybody. We are selective about who we work with and the positive side of that is that once we have selected a partner and it has proven to work, then we are very reliable. We like to work with suppliers on a long-term basis and in a stable

context. I always tell my suppliers that my success is ultimately their success.

What does the future hold for Lux?

I am very optimistic and positive about the future. We want to grow our business further, and as long as we remain on top of our game and don't compromise our core value of putting people first and continue to develop innovative, unique and exciting products, we will be successful.

I am positive that Europe will continue to be our home base but we will become even more of an international company and continue to expand into new markets. There are lots of exciting opportunities ahead but it means it will be hard work. Strategically, China is the biggest new market we are looking at, and I believe product categories like water and air will play a much bigger role in the years to come. ●



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