Reshaping our Sales Organization on Global Scale

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Reshaping our Sales Organization on Global Scale – Case of gorenje Group

- Chapter 1# Quick Profile of the Gorenje Group
- Chapter 2# The Business and Industry Environment
- Chapter 3# The Issue and Implemented Actions and Solutions
Quick Profile of the Gorenje Group

- **Core Business**: Products and services for Home (MDA, SDA, HVAC, kitchen furniture)
- **Export**: 95% of sales
- **Number of Employees**: 10,500
- **Own Production**:
  - Slovenia
  - Serbia
  - Czech Republic
- **Consolidated Revenue**: EUR 1.3 bn (P 2014)
- **Global Presence**: 90 Countries Worldwide, mostly in Europe, USA, Australia, Near and Far East

Main company
Gorenje, d.d.,
and 81 Companies
(63 International)
Historical Milestones

- 1950: Founded in the village of Gorenje
- 1958: Manufacturing stoves
- 1961: First export to Germany
- 1961-1970: Product range extension: washing machines and refrigerators
- 1964: Production in Velenje, New plant for cooking appliances
- 1971: First subsidiary abroad (Munich)
- 1971-1980: Acquisitions of companies with synergy to the core business “Everything for Home”
- 1991: Independence of Slovenia, Loss of domestic market
- 1991-1996: Strong expansion to foreign markets
- Setting-up own distribution network in Western Europe
Historical Milestones

- **1998**: Gorenje, d.d., becomes a Public Company
- **2005**: Acquisition of Mora Moravia, Czech Republic
- **2006**: New refrigerator & freezer plant in Valjevo, Serbia
- **2006**: Acquisition of the company ATAG, Netherlands
- **2010**: Acquisition of the company ASKO, Sweden
- **2010**: Entering IFC, member of the World Bank into the ownership structure
- **2012**: Restructure of production facilities and of sales organizations, disposal of furniture business
- **2013**: Strategic Alliance with Panasonic
Group Vision, Mission and Values

**VISION**
We want to become world’s best in design-driven innovations of home products

**MISSION STATEMENT**
We create innovative, design-driven and technically excellent products and services that bring simplicity to our users

**CORPORATE VALUES**
Responsibility & Innovation
- Open-mindedness
- Team spirit
- Respect
- Efficiency
- Goal-orientation
- Engagement
Significant Revenue Development

+ 42%

2004: 905,324

PLAN 2014: 1,286,500
Relevant Sales Positions

<table>
<thead>
<tr>
<th>Category</th>
<th>Market Share</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>3.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Washing machines</td>
<td>2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Dishwashers</td>
<td>1.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Cooling</td>
<td>2.3%</td>
<td>-0.2%</td>
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<tr>
<td>Cooking</td>
<td>6.7%</td>
<td>0.5%</td>
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<tr>
<td>Built in hobs</td>
<td>4.6%</td>
<td>0.5%</td>
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Jan 13 - Dec 13
S. Units%, +/-PP
Relevant Sales Positions

Germany is still the most important market (19%) while Russia already reaches 18%. Netherlands is #3 market with 10% in units.
In more than 60 years, we have always challenged the industry with a daring design approach.
Challenge the washing machine

SIMPLE&LOGICAL

First washing machine without buttons
Challenge the conventional design of MDA with star designer

First co-branded design series in MDA
Challenge the black colour in white goods

First black collection in MDA
Chalange the white glass

First white glass collection in MDA

ora-ïto

2008
Challenge the Fashion

First use of creative material (Swarovski crystals) in the industry
Challenge the fashion

NIKA ZUPANC®

First induction with a soul
Challenge the colour

Nr. 1 brand in market shares of coloured appliances in Germany since 1999
Challenge the light

First mood light in MDA
Challenge the user interface

First use of touch TFT display in MDA
Challenge the cooking

The best performance in sensor cooking
Industry Trends

Global Economic Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>USA</th>
<th>Europe</th>
<th>India</th>
<th>Japan</th>
<th>Other</th>
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<tbody>
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<td>1820</td>
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<td>1900</td>
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<td>2020</td>
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Shares of World GDP

Source: Angus Maddison, University of Groningen
Prof. Navaretti; GfK Global Conference March 11, 2010

Specific MDA Trends

Challenges within Gorenje

E-commerce and Omnichannel Strategy
Wrap up

HOW DOES A COMPANY RESPOND TO GLOBAL TRENDS, CHANGES IN CONSUMER HABITS, FAST CONCENTRATION PROCESSES IN INDUSTRY AND RETAIL?

1# Consolidating the Sales Organisation
2# Redesigning the Brand Landscape
3# Redesigning the Product to Market Process
4# Management by KPI

RESPONSIBILITY & INNOVATION