

NETWORK-KARRIERE

EUROPAS GRÖSSTE WIRTSCHAFTSZEITUNG FÜR DEN DIREKTVERTRIEB



LR HEALTH & BEAUTY: TOGETHER ON THE ROAD TO SUCCESS

„More quality for your life“: LR stands for both its attractive business opportunity and its innovative beauty and health products. Thousands of committed international sales partners and a strong team at the company headquarters make this possible.



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WORLDWIDE THERE HAVE NEVER BEEN AS MANY CHANGES AT LR

Dr. Thomas Stoffmehl (45) has been CEO of the LR Group since 1st September 2015 and is responsible for the overall coordination of the company as well as the areas of sales, marketing & communication, research & development, event, human resources. The editor of Network-Karriere, Bernd Seitz, spoke with Dr. Thomas Stoffmehl about the first business year he concluded with LR.

Network-Karriere (NK): In our most recent interview in early summer 2016, you reported with pride about record-breaking turnovers worldwide that were unprecedented in the history of LR. Did this trend continue over the year?

Dr. Thomas Stoffmehl: Yes, this positive trend continued, making 2016 an extraordinarily successful year for LR.

NK: How is this reflected in turnover figures compared to 2015?

Dr. Thomas Stoffmehl: With a turnover of approx. EUR 258 million, we recorded an increase of 12 percent, net of currency exchange effects by 15 percent, so that LR is once again on the road to growth. For the first time since 2009, the growth rate was in the double-digit percentage range. And our strong performance with the sales partners is reflected by the fact that in



Dr. Thomas Stoffmehl

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December 2016, we recorded the highest monthly turnover ever in LR's history. In 2016 we developed more careers at LR worldwide than ever before. As you can see, LR is on the right track.

NK:
Where does
this growth come
from?

Dr. Thomas Stoffmehl: We are especially successful on an international level. Turkey, Italy, Poland, Belgium, the Netherlands and Spain are LR growth drivers with double-

digit increases. And also in Germany we recruited 20 percent more sales partners, thereby laying the foundation for future growth. This outstanding development demonstrates the trust put into our business model.

NK: As we all know, turnover is only one factor for a company's success. Sustainability, i.e. the permanent loyalty of sales partners and their customers, is not less important. Are there any sustainability measures or a long-term sustainability concept?

Dr. Thomas Stoffmehl: We are reshaping our focus on the targeted support of our sales partners. In 2016, we intensified the exchange with our sales partners and gained important insight, which is continuously being leveraged for the ex-

pansion of our network marketing business model. We are a genuine network marketing company and the sales partner is at the core of all our activities. This clear focus is also aimed at long-term growth. All concepts adopted by us are in line with this principle and the feedback we receive from our partners is consistently positive. Of course, we have not yet overcome all of our future challenges. We are doing everything to ensure our joint success and strengthen the careers of our sales partners.

NK: The know-how and winning personality of the LR partners should make an important contribution to the company's success. Has LR implemented a special training concept to this end?

Dr. Thomas Stoffmehl: Yes, we also intensively worked on the extension of our training concept and offer a

broad range of attractive training materials for our sales partners – from product information through to sales and leadership support. This is based on intensive exchange and dialogue with our sales partners to ensure that we can provide the support they need. And we are far from having reached the end of our way. Our principal aim is to enthuse the people that come to us about our business in the long term. Once we have achieved that, the careers of the sales partners must be developed and they must be given the opportunity to expand their network successfully.

NK: There have been a lot of changes at LR in 2016. Where does LR stand today?

Dr. Thomas Stoffmehl: We have taken an important step forward in 2016, implemented a lot of changes and brought LR back on a clear

MUCH SUCCESSFUL CAREERS AT LR AS 2016



strategic course. This can already be seen from the figures and will be reflected in the future positive development of LR. It puts us in a good position to overcome future challenges. And these challenges will become increasingly demanding for all MLM companies. In the age of digitalisation, it is important to modernise the business model, offer a first-class innovative product portfolio and build up a motivated team and partner organisation to remain well-positioned for a promising future. Waiting is not an option, action has to be taken. This is what we will do!

NK: So the outlook for 2017 is more positive?

Dr. Thomas Stoffmehl: Definitely – we have done our homework. We have an experienced and highly motivated international management team. The management with Thomas Heursen, Dr. Andreas Laabs and myself, which has been reorganised in 2016, functions perfectly and we are consistently working on achieving our goals. We will support our partners in building up their structures even more successfully so that they can push ahead their career even more efficiently. Recognising and celebrating this success is key: there can never be enough appreciation! And we will continue to work on the public image of direct

sales, so that

require more commitment, motivation and creativity?

Dr. Thomas Stoffmehl: It is important to have a clear focus on the German market and convince both with our products and with marketing/business opportunity. Dedicated and motivated sales partners are vital as well. This, in particular, is one of LR's great strengths and I am always impressed by the loyalty and commitment of the LR partners. Currently, we see a strong development of new careers in Germany. Therefore, "More quality for your life" also means more business opportunities and thus attractive earning possibilities at LR. Our main objective in the next 18 months is to reach a sustainable and stable growth course in Germany. The figures for January also proof that our measures are bearing fruit.

NK: Let us take a look back at 2016. You are not only CEO of LR but also the Chairman of the Board of the LR Global Kids Fund e.V. How and where did this association provide support for national and international aid projects last year?

Dr. Thomas Stoffmehl: For the LR Global Kids Fund, 2016 was a great success as well. With approx. EUR 340,000 we have received 52 percent more donations than in 2015. The number of our sponsoring members increased significantly by 59 percent and we have established a partnership with the German foundation "Stiftung RTL Wir helfen Kindern e.V." in the context of which we support the RTL children's houses in Stuttgart and Leipzig with EUR 100,000. In addition, we continue our support of the Lunch Club in Ahlen and projects in another eight countries. At the beginning of the new year, 100 employees and sales partners joined us as sponsoring members in January alone.

NK: Seldia, the leading European industry association of direct sales enterprises, elected you Chairman for the next two years in autumn 2016. In your inaugural speech, you defined the tasks and goals as follows: "... to establish direct sales even more firmly as a modern business model." Do you have any specific plans on how to achieve this?

Dr. Thomas Stoffmehl: Yes, we cooperate with the other members of Seldia in order to raise awareness about the economic value of direct sales models among the general public both in Brussels and other European countries. This takes place on a political level as well as in dialogue with the media. For the Chairman, this means a lot of persuasion and many discussions in 2017. So I will definitely not get bored in this function either.

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our partners can convince their contacts in an optimum way. The number of press publications in 2016 have shown that the quality and relevance of LR products is very high again and that we are on a good course. Therefore, we are convinced that 2017 will be another successful year for LR.

NK: The German-speaking direct sales market is often regarded as difficult. Your figures proof differently. Is this market more difficult than comparable countries or does it simply