

Luxury FirstLook: Luxury Challenges for 2016

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Luxury Challenges

- Slowing global economy
- Dramatic slowdown in China
- Client shift towards luxury experiences and online purchasing
- Too much competition
- Rampant discounting
- Disloyal clients and employees
- Strong dollar
- Localized terrorism
- Weather and climate

The Top 7 Reasons Your
Sales Performance Program
is *Failing*

#1: Failure to understand and communicate that relationship building, not selling, is the high value skill

- Transactional, hard-sell programs are obsolete
- A creativity-unleashing, empowering, client relationship-building system is the only approach
- Surgical execution of the humanistic details and metrics will drive sales and profits

#2: Failure to engage an objective, independent, and trusted Coach

- Brands are unable to identify and keep up with the best high performance practices, especially outside the luxury industry
- Internal politics, relationships and informal networks prevent people from objectively measuring, and honestly communicating with colleagues on performance
- The need for an outside coach to help design and maintain a safe space for accurate measurement, honest communication and execution will drive high performance

#3: Failure to recognize that top performers need and deserve top coaching, even more than average and low performers

- Top performers need and deserve continuous coaching
- Top performers serve as role models for the average and low performers
- *“Coaching done well may be the most effective intervention designed for human performance.”*
–Dr. Atul Gawande

#4: Failure to see the big picture of high performance client relationship systems

- Select the right people for values, then skills
- Implement an innovative on-boarding education program that drives learning and mastery
- Empower each associate to be a learner and a teacher, continuously
- Implement evidence-based coaching techniques once a week, at minimum, for every associate
- Celebrate and compensate people who deliver expertise, trustworthiness and generosity, not just dollars
- Empower associates to be creative and innovative with each individual client

#5: Failure to recognize the minimal advantage role that technology plays in high performance

- Technology is not a competitive advantage because everyone who is competent will adopt it
- Most associates will not use technology (iPads/Tablets, CRM Systems) properly, or at all, without a high performance client relationship system and culture

#6: Failure to identify and quickly exit toxic leaders who lack empathy

- Luxury brands need leaders who can truly empathize with the front-line associates; front-line teams will only be as empathetic as their leaders
- The collective empathetic values and behaviors of your front-line teams add up to one massive competitive advantage with clients
- Kindly, gently, and with empathy, exit any non-empathetic leaders from your brand

#7: Failure to execute with a sense of urgency and speed

- The slow approach to align the organizational direction, the pace of execution once the direction and plan are set, and the amount of bureaucracy are hindering performance
- Speed in execution is a huge competitive advantage, and you have to get it right too

And Here's *How* To Fix It

- Abandon the hard-sell, robotic sales approach for one that encourages creativity, empowerment, and humanistic relationships
- Measure the front-line's success based on behavioral metrics that drive conversion and retention, not just dollar sales
- Enlist the help of an external, objective and expert coach
- Stop relying on technology solutions to increase performance, and start investing in coaching and education for the whole team, especially top sales performers
- Remove the toxic, un-empathic leaders from your company immediately
- Empower individuals to accelerate decisions free of unnecessary bureaucratic procedures in order to execute plans efficiently

Luxury FirstLook: Strategy 2016