

Date: 21. 2. 2017

Mateja Luštek, EMBA 2010/2011, COO, Studio Moderna, Slovenia

## WHY IS IT SO IMPORTANT TO CREATE A FEARLESS WORKING ENVIRONMENT?

Winner of 2016 Generali Alumni Achievement Award Mateja Luštek is COO at Studio Moderna, Slovenian first multinational company and leading omni-channel retailer not only on CEE markets but also in whole Europe. She is responsible for planning and stock ordering together with optimizing stock levels – centrally and locally; for buying and sourcing and aligning operational priorities with business strategies.



When she joined Studio Moderna 16 years ago, it was still a relatively small company present on few markets only. "I never imagined it could become as big as it is today, covering 21 markets directly and some additional indirectly, with diversified distribution channels and a portfolio of proprietary brands and other third party products. If I had known all this back then in 2000, I would have probably been very scared," laughs Mateja.

However, she has proven herself several times as a constructive team leader – leading several subsidiaries of Studio Moderna from loss making businesses to profitable units. And what is her secret? She denies having one – instead she creates an environment where people trust her as the leader to freely express their thoughts. "In my team, we are all equal when brainstorming and discussing plans. The best idea always wins," explains Mateja and adds "despite working hard, we always find time to talk, make jokes and laugh."

By Tonja Blatnik, Head of Corporate Communications, IEDC

**What would you stress as the biggest challenge when joining Studio Moderna and how did you face it?**

The company's culture has always been based on embracing new ideas, finding new ways for overachieving the past results, not being only one but at least two steps ahead of the competition and closer to our customers. Therefore, new challenges have been arising all the time. So, 17 years ago, coming from the public sector, I needed time to adjust to this kind of thinking, which represented quite a mindset change for me. All of a sudden, there was no longer a strong hierarchy, no limiting job description, meaning that you were not only allowed to improve the work of your colleagues but you were encouraged to do so. I suppose, in all these years, that was the biggest challenge for me, getting used to this "freedom".

**IEDC Alumni Club Slovenia wrote in the nomination letter for your AAA award the following: "Mateja's biggest asset is to form and lead successful teams. She was the most desired mentor in the official mentoring program of Studio Moderna." What is your 'secret' when working with people?**

I am very flattered by this description and even more by the trust my colleagues have shown me when choosing me as their mentor. For sure, I would not say that there is a big secret behind or that I would do something intentionally when working with people. In all these years, I have led different teams in different areas. It has taken me a lot of time thinking and analyzing if I had reacted well, contemplating whether I should have said something differently, maybe be more encour-

aging, whether I was too strict etc. I have never taken up any official leadership training. I can say I have been learning by doing.

**What is the most precious lesson you got in your career as a team leader?**

I still remember the first lesson I got from a member of my first team I led. One day, one team member came to my office and asked me if I am satisfied with the result. I said: "Yes, I am." She continued: "Are you satisfied with our work, our attitude?" I replied: "Yes, I am." And she wondered: "So, why don't you tell us this?" You see, it was not about the salary increase, higher bonus, days off ... it was just about recognition. Recognition of a job being well done. We need to communicate with each other, acknowledge each other's work and discuss it. Not only when things are not working as they should but also when the results are good.

**What exactly do you have in mind when referring to 'communicating with colleagues'?**

Creating the environment where people trust their leader to freely express their thoughts, ideas ... to have a fearless working environment. Paul Falcone, a bestselling author and HR specialist, has put it nicely: "It's not manager's job to motivate people. It's her job to create an environment in which people can motivate themselves." I strongly believe in this and I am trying to create and maintain such an environment. Despite working hard, we always find time to talk, make jokes and laugh.

**This year Studio Moderna, one of the owners of IEDC, is celebrating its 25th anniversary. It has grown by developing its distribution channels and**

**branded product portfolio. Many people would remember the selling hit called 'Kosmodisk', sold via TV home shopping.**

First being a single product (Kosmodisk) company selling it through one distribution channel (DRTV), we were a pure product driven company. In 1996, we started to sell typical DRTV products, better known as TopShop products. At the same time, we started with a geographical expansion and on average opened two new markets in various countries per year. In 2000, we started with a channel development and became a distribution focused company. In 2002, we launched our second proprietary brand, Dormeo, covering the sleeping category. From 2005, we became multichannel and brand focused. In 2006, we established a multichannel platform and added the last distribution channel, Telemarketing, in 2010. In the same year, we also launched the today's second biggest brand, Delimano, followed by Walkmaxx, Wellneo, LiveActive and Rovus. In 2014, we also started with an omni-channel approach towards our customers. This has been one of the most important steps forward in getting closer to our customers, meeting them, listening to their needs and preferences, and trying to serve them in the best possible way.

**What has changed on the side of the customers in this period of time?**

They have become much more demanding than they used to be. Not only in terms of products but also in terms of communication – they want to be communicated to and they also want to be able to communicate with product and service providers, not neglecting the way in which such communi-

cation takes place. Due to instant access to all information, they do thorough research before they decide to purchase something. And companies needed to adapt to these changes. Some succeeded; however, many did not.

### **And Studio Moderna? How did it adapt?**

In Studio Moderna, we have been always sort of revolutionary in that. We have been developing and testing new approaches when the old way was still working just fine. None of the biggest competitors or even classical retailers did the same. Today, they are all struggling and spending a lot of money in trying to get closer to customers, building different channels and trying to connect them.

But being so advanced also meant that we needed to develop most of IT tools to support this development in house. Hence, on the one side, we were developing products, brands and distribution channels, and on the other, we were developing our IT infrastructure. This continuous development enabled Studio Moderna to become the leading omni-channel retailer not only on CEE markets but also in whole Europe.

### **Which channels are now leading and which products are best sellers today? Home shopping for example, has probably decreased?**

It is no longer important which channel is the leading one. All channels together serve as a tool for communicating with customers. Today, it is about enabling the best customer experience when customers transit from one channel to another as they progress to resolution. It's about making this experience across all channels seamless, integrated and consistent. Today is all about the omni-channel!

### **What has changed in the field of sales and marketing in the last 25 years?**

In the past year, I attended a Direct Marketing Association conference where Kevin Roberts, a former CEO of Saatchi&Saatchi, said that the era of new age of Now turned Attention into Participation, Information into Inspiration, Interruption into Interaction, ROI into RO Involvement and Pumping markets into Creating Movements. And he is so right!

If we take a closer look at marke-

ting when the company was established, mostly brand marketing was present back then. Direct marketing was in its beginnings and when it started to emerge, it was not considered as something sustainable or that it would bring additional value to business. If we look at one and another, to put it very simply, brand marketers build brands in order to generate sales by building in identity that customers will remember. People remember the ads and the brand. Direct marketers, on the other hand, help companies bring brand to life by selling the company's products and building a relationship with the customers. People buy products and they become customers. Direct marketing is also known for its wide testing, measuring ROI and other KPIs in all possible shapes and by using databases. Jon Roska, the author of Ducks in the Henhouse, made a very nice definition, i.e. "Direct marketing identifies key brand components and the brand vision and incorporates both into customer relationship marketing." When customers buy into that vision, they become advocates and your brand grows.

### **Could you describe some concrete practices which help you to get closer to customers?**

We have been running a Customer Advisory Board in all our countries where we invite our customers and those who actually changed their minds and decided not to buy our products, to come and talk to us. At these meetings, we discuss what they like or dislike about our products and services. At the very beginning, we were surprised how willingly customers responded to our invitation, and how honestly they shared their opinion and experience with us. In this way, we are able to gather valuable information on what can



still be improved, what kind of products customers want, how they want to be contacted, and what they expect from us.

We also launched an internal project called Date with a Customer. In this program, once a year, each employee spends one day in one of our stores or in our contact centers. In this way, we make sure that also we who are rarely in direct contact with customers get a real picture of what is happening on the front line, how our customers perceive both, our products and our service. This program has proven to be successful also in terms of recognizing and respecting each other's work and in creating a more collaborative environment.

As mentioned before, Studio Moderna has always supported creativeness, idea sharing and testing, and teamwork. We are very proud of our organizational structure. Despite becoming a big multinational company, we succeeded to

maintain a relatively flat structure where everyone's opinion counts.

**In that perspective, how would you describe the key advantages of lifelong learning, especially in the field of business education?**

I believe that being open to new learnings is the key to being successful today, regardless of what field we are talking about. New knowledge, gained by formal or informal education, expands our horizon and pushes us out of our shells and comfort zone by injecting new ideas into us.

The changes we are witnessing today are so fast that it is impossible to achieve everything only by testing it on our own. I am not talking only about copying someone's idea, approach, business model. I am talking about learning and observing what else is happening in the business, besides everything that is happening on our own playground. And by learning this, you can get new ideas on how your business could

be improved and brought further, to get advantage from your competitors, making our business more sustainable and socially responsible. In this case, it is of the essence that this knowledge becomes implemented into business, not remaining only on the paper.

**As IEDC Alumna, how did EMBA change your life?**

I can say that I am very pleased I decided to get the Executive MBA degree. Studying at IEDC, listening to different professors and meeting colleagues from different professions, as well as reading books from the field and attending conferences has given me an additional perspective in being good at what I do. I have started observing the business world differently; I have become more interested in how others run their business, how they confront challenges, how they are organized and what I can learn from them.

**MEET MATEJA PERSONALLY**

**I achieve life-work balance by ...**

... jogging, reading, listening to podcasts.

**My biggest ambition is ...**

... still to be identified.

**I am inspired by ...**

... people I work with, some of the mentors I took classes at IEDC, some international speakers..

**I dislike ...**

... than being able to do what you love to do.

**My favorite professor at IEDC is ...**

... Nenad Filipović, because at his lectures (they took place in the last module), I got the "big picture" of what I have learned during the EMBA studies.

**The most important time-management lesson ...**

... is letting people take ownership of the project and giving them credit for it.

**My favorite book is ...**

... A Horseman's Journey by Buck Brannamon.