

Our philosophy

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# A Passion to Serve



maxeda



**“We will only achieve great results if we are ready to serve the people who serve our customers”**

**Tony DeNunzio**  
**Executive Chairman Maxeda**

**maxeda**

**For our own people and  
everyone who would like  
to know us better**

At Maxeda, our overriding goal was, is and will be to build better businesses. Our mission therefore is to achieve market leadership for all our formats.

Our strategy is focused on executing the five S's – Selling More, Sourcing Better, Saving Costs and Cash, Driving Group Synergies and Smile! – thereby delivering strong businesses for the long term.

Maxeda's mission is underpinned by our 'Passion to Serve' philosophy. 'Being of service' is the secret of Maxeda's success. This means that we want to add value to all our stakeholders: our customers, our people, our suppliers, our shareholders and our environment.

This booklet explains just how we are going to realise that, together.

**Executive Board  
and Business Leaders**

**“Often I see something right in front of me – someone struggling with too many shopping bags or searching too long for the right department. Whenever that happens, I drop everything to help.”**

**Adri-Jo Dielissen (43)**

**Store manager of The Bijenkorf, Amsterdam**





BRICO

BRICO

**“I shop regularly at Brico.  
There is always something  
to be done at home. They also  
sell nice things to brighten up  
our large garden. ”**

**Veerle Raes (38)**

**Customer of Brico**

**When we look only at ourselves, little happens. It is important to see and understand what is changing in the world in which we work and live. A world our formats have to respond to. A world that has one constant factor: change. A world that we need to get to know inside out because that is where success begins.**

**What can we see happening?**

## The environment in which we operate

### The Customer is King

The customer is now at the top of the pyramid and has taken the reins. The customer is acting like King Customer. This has happened in less than 10 years and is perhaps the most important change that confronts us. King Customer wants things **Now**, at a **Low Price** and with **High Quality** and **Plenty of Service, Varied, Guaranteed** and it has to **Look Great**. Above all, though, what they want is a **Listening Ear**. We can be sure that, if we lose focus for a moment, King Customer will go elsewhere.

### The Power of Differentiation

As you can see, it is becoming increasingly difficult to create differentiation from our competitors. But we will do so. We will only create differentiation, if we provide excitement day after day. Come up with surprises day after day. Manage to inspire day after day. We will have to achieve that with a string of ideas, both great and small. And those have to come from the people in the 'front line': our colleagues in the stores. But then they will have to find a sympathetic ear from their format management, as we will only be successful if we work as a 'chain', in which we rapidly exchange experiences, insights and ideas. As one team. When we can manage that, then we will succeed in differentiating ourselves.

In other words, our success will largely be determined by our **'solidarity'** with the customer, but also – and more than anything, as that is where it begins – with each other.

### The Tyranny of Choice

Competition is increasing everywhere. Chiefly as a result of the blurring of sector boundaries, there are more providers of comparable products. Customers therefore have an enormous choice and are making grateful use of it. What's more, replacement purchases are common, as many people 'already have just about everything'.

This results in more rational purchasing behaviour. No one experiences the same tremendous thrill of buying their first car when they go to buy the second or third. So we have to provide those emotions not only through the product but also through our stores and our people.

### Marketing Campaigns

Marketing campaigns are occurring across all product groups, in all sectors, and to all customers. Hardly a day goes by without a special marketing campaign. And they are not going to stop. It is therefore becoming increasingly important to be able to sense which marketing campaigns will offer the best chance of success. That is why we have to be close to our customers and listen to them carefully.

## The environment in which we operate

### Competition from Everywhere

For millions of people in Europe, shopping for pleasure is fun shopping, and an enjoyable leisure pastime. People can only spend their leisure time once, therefore they weigh up all the alternatives. Short holidays, health and digital entertainment are new competitors. Not only for our formats, but also for those of our competitors. So we have a responsibility to keep the fun shopping category exciting and lively. And, as one of the bigger companies in that business, it is certainly our task.

### E-shopping

After a hesitant start, the number of purchases on the Internet is increasing. And now things are moving rapidly. For a long time, it was thought that this would only pose a threat to products with a low emotional involvement, such as daily grocery shopping. But now we are seeing computers, quality clothing and even cars being sold through the Internet. Who would have thought, 10 years ago, that people would make such costly purchases via the Internet?

### I want Price and Quality!

This is where opinions vary. Many retailers consider price the most important weapon. One powerful argument for this is that the markets are saturated; virtually all products are replacement products and are 'ordinary'. We have a different view. Today's customer demands good quality, but is conscious of price. They are fully aware of what is available and are simply very well informed. On the other hand... shopping is fun! And that is the place in which opportunities lie.

Customers are looking for three things:

- 1. Stores that turn ordinary things into something extraordinary;**
- 2. Stores that turn the ordinary store ambiance into an extraordinary shopping ambiance;**
- 3. Stores that turn ordinary service into extraordinary service.**

And customers are willing to pay a reasonable price for that.

**It is clear that there is a lot going on; many opportunities and many threats. More than ever, we will appeal to all colleagues to think and work together to attain retail leadership. And the one closest to the 'source' will be the most successful.**

**That 'source' is the customer.**

**“I want to make everything look as delicious as possible. I also like telling customers about the ingredients.”**

**Kim Arts (22)**

**Employee sweets and confectionery of La Place (V&D)**





**“We’d love to go shopping every day. It’s so much fun. You don’t really have to have anything particular in mind, just go looking around.”**

**Laura (17) and Anouk Schöder (14)**  
**Customer of V&D**

# What goal are we setting ourselves?

Naturally, we want to see significant growth in turnover and profits. After all, growth is the best sign of health. The ultimate proof of success. Then we are obviously doing something right and our formats have real significance for the customer. But growth and profits never stand alone; they are the **result** of a vast number of satisfied customers. Without them, there is no growth and no profit. Growth therefore has to be our major ambition. And we will only realise it if we are of real worth to our customers. If we create 'added value'. Through our stores, our products and our service.

That means we have to serve our customers in such a way that they become our ambassadors of our formats. Then we are no longer talking about customers; we are talking about **raving** fans. These fans have to be **enthusiastic** about our stores. We will have to exceed their expectations.

This still raises the question of whether, in today's highly competitive climate, satisfying customers is actually enough. Studies of customer satisfaction show that the differences between similar providers are minor. There is insufficient differentiation. If we want to grow and flourish, then we have to go one step further. Every format has to strive to attain the No. 1 position in its market. There is an expression that sums this up quite concisely: every format must become 'the provider of choice'.

Our mission at Maxeda is therefore:

**We aim to achieve retail leadership in every format.**

We have to realise that retail leadership is always relative. We are striving for a preferred position in relation to our competitors. We do not have to be 100% better, but we do have to be 10% better. If we score 10% better in all the relevant aspects of customer choice, then that preferred position will come automatically.

**How can we achieve that?**

**It starts with a clear vision of how we function, as an Executive Board, as format managers, store managers and colleagues.**

**“We regard our customers as our guests, which means that they deserve personal attention. That doesn’t just make my work more pleasant, it also makes customers come back more often.”**

**Patricia da Silva (42)**

**Event operations manager of La Place**





hunkemöller

**Anthony: “I saw a beautiful set of lingerie for Milou at the Hunkemöller shop in Alkmaar. I wanted to see if they have it here as well. It’ll be my gift to her for being so wonderful.”**

**Anthony Pinas (22) and Milou Plug (19)**  
**Customer of Hunkemöller**

# What is the secret of our success?

To reach retail leadership, we have to offer our customers extraordinary stores, extraordinary products and extraordinary service. We have to create something extraordinary from the ordinary. Again and again. That is the challenge. Each format achieves that in its own way, as every market is, naturally, different.

Easy to say, but the question is, how do we do that? We are faced with smart, challenging opponents in all our markets. Our competitors are not sitting on their laurels, are they? But it is possible.

Maxeda's formula for success is compelling and deceptively simple:

- 1. We will Win by Serving the Needs of Our People and Our Customers;**
- 2. We will Maximize the Opportunities of Each Format and Optimize Group Synergy;**
- 3. We will Deliver Great Results for All our Stakeholders.**

If we deliver this formula across the group, there is no doubt it will lead to long term sustainable success for Maxeda and all our individual formats.

None of us can deliver this formula alone; everyone has his or her own role and responsibilities in realising the mission. The Executive Board has a role, as do the sales people in the stores. Just like the buyer, the store manager and the franchisee. We will come to those roles and responsibilities later. Even more important is the question of what the essence of our future success will be. How can we work as a team, encouraging, coaching and advising each other, with a true passion for the real reason for our existence: our customers.

**What is our recipe?**

**What is our approach?**

**What is the core of our philosophy and culture?**

**What must we do that surpasses what we are already doing?**

**What can we do that exceeds what our competitors are doing?**

That is something we can sum up briefly and concisely. The insight came from a statement by Tony DeNunzio: “We will only achieve great results if we are ready to **serve** the people who **serve** our customers”. In other words, we will realise our objectives if we have a culture that can be described as:

**A Passion to Serve.**

**“Service means making something to measure. Customers don’t want just ordinary clothes, they want clothes that fit perfectly. And that’s what I do. I fit every item of clothing precisely to the customer so that it becomes a personal, tailor-made item.”**

**Mustafa Ufaçik (43)**

**Tailor of The Bijenkorf**





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**“Formido’s slogan ‘because your house is never finished’ certainly applies to us. We shop here regularly. The trendy colours are what really stand out today. They are quite fresh.”**

**Csaba Raatz (44) and Connie Bosman (40)**  
**Customer of Formido**

# A Passion to Serve

Serving, being of service, is an underestimated quality in achieving ambitions. Many believe that the exercising of power is the way to lead. We no longer believe in that. There is another, better way. Serving without being servile has unprecedented power and can result in major revolution. It is called 'servant leadership'. Think for a minute about Nelson Mandela. He rebuilt a nation by serving. The footballer Rijkaard, for example, also served his team with his talent for scoring goals, but especially by subordinating himself to the interests of the team. People who subordinate their own interests and therefore serve the greater interest have a passion to achieve their objectives. Look at such well-known entrepreneurs as Frits Philips and Sam Walton, who subordinated themselves entirely to the company, its people and its customers. In these cultures, both the customer and the employee are at the heart of the company. It is a culture we believe in. **At every level.**

A Passion to Serve is the culture that puts cooperation first and places our customers at the heart of our companies. Can you feel the power this philosophy radiates?

**To make it more concrete: What is a Passion to Serve and what is not?**

**Yes**

**Listening**  
**Daring to Lead**  
**Consulting**  
**Inspiring**  
**Challenging**  
**Fulfilling agreements**  
**Coaching**  
**Praising**

**No**

**Thinking you already know it all**  
**Waiting and seeing**  
**Doing your own thing**  
**Being uninterested**  
**Following blindly**  
**Not taking commitments seriously**  
**Not being helpful**  
**Being indifferent**

There are many facets to serving. But they are all positive and concern everybody's attitude to one another. The roles, however, differ.

We already spoke of a chain, in which information, motivation, ideas and ambitions move rapidly back and forth, as everyone has the same objectives in mind. Speaks the same language. Has the same ambitions. That will be the result of A Passion to Serve.

# What are the associated values?

Obviously, what will make or break 'A Passion to Serve' is a number of values that are decisive for the way we interact at Maxeda. How we encourage each other and how we approach our customers. What are the essential elements of A Passion to Serve?

## **Passion for Customers**

Understanding and exceeding customer's expectations is our driving force. They will be ready to build a relationship with us. Customers want relationships, but only with companies that make the effort to reach out to them.

## **Striving for Constant Improvement**

We are willing to change constantly in order to improve. Today's markets and customers simply demand that. Change to improve on major issues, but also on the details.

## **Respecting Every Individual**

We need to have a real interest in what our people desire and aspire to. And by people we mean us, our customers and colleagues. We respect their opinions, ambitions and behaviour.

## **Delivering on Commitments**

In the Netherlands we say, 'a deal is a deal'. It is this culture of discipline that is absolutely necessary for building a successful business. Discipline is the beginning of mutual trust. And trust is the beginning of good relationships.

## **Integrity is our Basis for Trust**

If our integrity is unquestionable, our colleagues and customers will trust us. And trust is the most important basis for building relationships. With everybody in the business and with all our customers. Trust is a starting point for success.

## **We will always Work as One Team**

We give priority to the interests of the team we work for. In the end, our personal interest will be served by giving priority to teamwork and to the interests of Maxeda.

**We need to work together.  
Working as one team will  
make the difference.**

**But that will only happen if  
we respect these values.**

**“I like how the shop is always busy with customers. Our customers come from all over the country. I really like chatting with them.”**

**Ank Veenboer (56)**  
Employee of M&S





**“We got the help we needed,  
but then again we always do  
at the Praxis. That’s something  
you really notice.”**

**Liesbeth Silvius (25) and her mother Willy (52)**  
**Customer of Praxis**

## How does it work in practice?

The best way to explain this is to look at the various roles that exist at Maxeda and how they contribute to the success of Maxeda. Here we will start with our leaders, but equally we could start with our colleagues who work in stores and serve our customers every day. Neither can be successful without the other.

### **The serving role of the Maxeda holding**

The primary role of the Executive Board and their holding colleagues is to be of service to format management. To support format managers in realising their mission of retail leadership. How can the Executive Board contribute? That, too, is a question of balance, a balance between inspiring and coaching. Between challenging and facilitating.

**Challenging:** it challenges the format managers to develop an intelligent, smart strategy. The Executive Board therefore serves the greater interest by keeping the format management focused and sharp.

**Looking ahead:** as the Executive Board is not involved in the day-to-day running of each business, they are better able to see what developments there are in the markets in which we operate. Both at home and abroad. It is this insight that helps us make the right decisions.

**Encouraging:** nothing ventured, nothing gained. The Executive Board can encourage format management to accept certain risks and provide them with the resources necessary to do so.

**Integrating:** the Executive Board is in a prime position for sharing experience and insight across the group. The 'best practice' approach helps us learn from each other.

**Creating synergy:** naturally, a great deal of synergy can be created in a company of our size. Through lower costs, of course, but also through sharing and contributing more knowledge in management development, joint purchasing, legal affairs and so on. This helps the formats perform better than the competition.

**Portfolio management:** this is a major task for the holding company. The portfolio has to be compiled on the basis of synergy effects, on the one hand, and powerful autonomous formats on the other. That is the primary principle. It is also imaginable, however, that one of our current formats could do better in another network. We have to realise that. Flexibility in the portfolio is a sign of strength. We therefore have to be prepared to not only add formats, but also to let them go. If a format leaves, the challenge is to ensure that the business has a brighter future outside the group.

**How does it work in practice?**

**The serving role of all our managers**

**In order to be successful all managers have to inspire people to do extraordinary things for our customers. This inspiration will grow from the leadership managers provide. The high expectations our managers have of our people, are only surpassed by the expectations they place on themselves. So what is meant by the right leadership and the new way of working?**

**We will set the Example and Act**

**Consistently:** our leaders are the role models for the thousands of people they lead. They will only create the right culture within their formats if they set the right example. There is no faster way to inhibit and undermine positive change in a business than by the demonstration of contradictory behaviours at the top.

**We will Communicate, Communicate,**

**Communicate:** keeping secrets (either intentionally or through poor communication processes) is a sure way to reduce the contribution employees can make to the success of our business. They won't be able to apply their considerable energy or intelligence to our challenges. Sharing everything we can will breed passion which in turn will breed unstoppable momentum for success.

**We will Motivate People:** the starting assumption is that our people are extraordinary. This is clear, because they do amazing things in their personal lives outside work. Why then can we not always challenge ourselves to inspire them to do amazing things at work as well? They don't leave their brains or their hearts at home when they arrive in our stores or depots. Our managers are responsible for creating environments where all of this talent is unleashed.

**We will be Proactive:** to achieve retail leadership in every format our managers need to be implementing learning that they actively seek out from across our group and from outside. Staying ahead is about staying informed. Act **before** the competition, not afterwards!

**We will Execute with Pace and Urgency:** our businesses have great strategies, but every plan looks great on paper, in an office, away from the front line of our business. Our managers are responsible for turning these great strategies into great results that our customers can see, feel and benefit from. Managers listen to everyone's view as they build their plans, but once built, we expect them to be executed, quickly and effectively. Speed is a competitive weapon.

**We will be Results Oriented:** our managers do the right things. They lead our people in the right way and treat them with respect. In turn our people serve our customers well. Management focuses on the needs of both groups and ensures they are always considered in our thinking. The reason? We know this will get us great results and it is these results that enable us to have long term, sustainable and successful businesses. Without results we have nothing and that is not an option.

**“You have to work with – not against – each other. When the mood is right, like it is here, the customers can really see that and enjoy coming back.”**

**Sjaak Westerhout (45)**

**Department manager**

**wood/construction materials of Praxis**





**“If there’s a Bijenkorf in town,  
we always go in to take a look.  
The shops are really attractive.  
You can tell they take marketing  
seriously.”**

**Simone Toby (33) and Richard van Gelder (38) and Maud  
Customer of The Bijenkorf**

**How does it work in practice?**

**The serving role of the people who serve our customers  
This serving role applies to a high degree to all the people  
in our group who have contact with customers.  
Today's customer has many requirements:**

**Respect:** the customer wants to be taken seriously. Even if his demands are high or perhaps even a little unusual.

**Excitement:** perhaps the most important to the customer, certainly when it comes to fun shopping and that is often what it comes down to with our formats. The customer is looking for a form of entertainment or social attention. The latter should not be underestimated; these days a lot of people live alone and shopping therefore fulfils part of their social need. We must continually inspire. That, naturally, is determined by the strength of the format, but also by the devotion of our people. They can make a major contribution to keeping our formats exciting.

**Listening:** actually a demand for attention, but sometimes customers like to manage the sales process themselves and that means you have to listen carefully.

**Responding:** listening is important, but customers also want something to come out of it. If someone has a complaint or a requirement, then they expect a response.

**Service:** customers expect a certain level of service in our stores. Our role as colleagues is to amaze our customers with unexpectedly high levels of service. Service above and beyond expectations. That is our challenge.

## **The serving role of the group in relation to society**

**Maxeda also has a role to fulfil in relation to society. We also feel this responsibility for our communities and the environment. We believe in the principle of People, Planet and Profit. We will behave ethically and conduct our business with the interests of society in mind. We have developed a code of conduct, which we will be communicating to all of you. In that way, we can make a modest contribution to society.**

**“The variety of work this job offers is what I like the most. I also enjoy providing excellent service: helping people and offering advice with a smile.”**

**Vanessa van Mullem (32)**

**Employee of the Brico, lighting**





**“I’ve bought a lot of winter sports gear and a bikini!”**

**Joke Bode (57)**

**Customer of V&D**

# Summary

## The environment in which we operate

We are operating in a highly competitive environment with demanding customers and that requires creativity and energy from all of us to realise our objectives. We need to keep changing and improving.

## Our major objective is growth

Our major objective is to grow more rapidly than the market, so we can gain market share. Growth is our major signal of health. This means that we have to become “the provider of choice” in all our formats.

## Our mission

We aim to achieve retail **leadership in every format** in all markets in which we operate.

## The route to our mission

We can only realise our mission if we make our customers ambassadors. If we **exceed their expectations**. Then they will keep coming back. Here, we face a major challenge: to turn the ordinary into something extraordinary. Again and again. In the stores, in our products and in the way we treat our customers.

## The secret of our success

The formula for success of Maxeda is simple:

1. We will Win by Serving the Needs of Our People and Our Customers;
2. We will Maximize the Opportunities of Each Format and Optimize Group Synergy;
3. We will Deliver Great Results for All our Stakeholders.

Delivering this formula also demands a specific philosophy and culture in our company; a way of working that ensures that, together, we form a chain, one team. With common ambitions, but varying roles and responsibilities.

## A Passion to Serve

We will succeed if we are ready to serve the people who serve our customers. Throughout every part of our company and, naturally, more than anything, in relation to the customer. One flowing chain from the Executive Board, to the customer.

### **The core values**

The essential values of a Passion to Serve, are:

- 1. Passion for Customers;**
- 2. Striving for Constant Improvement;**
- 3. Respecting Every Individual;**
- 4. Delivering on Commitments;**
- 5. Integrity is our Basis for Trust;**
- 6. We will always Work as One Team.**

### **How does it work in practice?**

All managers have to inspire people to do extraordinary things for our customers. The new way of leadership means:

- 1. Set the Example and Act Consistently;**
- 2. Communicate, Communicate, Communicate;**
- 3. Motivate People;**
- 4. Be Proactive;**
- 5. Execute with Pace and Urgency;**
- 6. Be Results Oriented.**

It is the **interaction** between all these elements that is the foundation of a Passion to Serve. Furthermore, the customers and people in our company will always come **first**.

In a well-known study amongst more than 2,000 firms, Jim Collins, the author of the book, 'Good to Great', examined the factors that determine the success of a company. He came to the conclusion that there was only one factor of decisive importance: Good leadership (from top to bottom) always constitutes a balance between a powerful professional ambition and serving people.

### **Serving customers and colleagues.**

In the long term the shape of the portfolio of Maxeda may change, 'A Passion to Serve' as a source of our success for each format will not.

**We will win  
because we serve.  
We will make  
the difference!**



## Maxeda

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