



Charles

**Outsourcing of the commercial approach and adaptability,
two assets for succeeding in the United States:**

**In one year, Charles was listed in the four most prestigious
showrooms in the United States and is opening new markets.**

Activity

Business Sector
Decorative lighting and
interior decoration

Products Sold
Table lamps, chandeliers, sconces,
floor lamps, furniture ...

Key figures
65% of sales made in export

History

1908 Ernest Charles creates *Charles* specialized in Ancient Bronze reproductions.

1960 Charles goes international and distinguishes itself by its stainless steel designs and research in bronze art.

1980 Chrystiane Charles creates a new collection which quickly becomes a reference in the decorative lighting industry.

1984 Charles is accepted at the *Colbert Committee* in recognition of its many distinctions earned as an art designer.

end 2001 Charles chooses to be represented in the United States by EDGE Consulting International in New York City.

Research before action

An essential preliminary to strategic and operating decisions: the market study

**Using a consulting firm to study
the market.**

For Charles, whose hand-made products have earned it recognition in the bronze art industry, the United States is a must.

To optimize its approach in this vast and complex market, it hires the services of a well established firm: EDGE Consulting International.

Consultant Gaël Pervilhac first meets with the sector's most

important decision-markers in the industry and visits the better showrooms.

EDGE Consulting International:
www.edgemarkets.com

EDGE is a consulting agency established in New York City. It offers to companies the following services: partners search, strategic recommendations, operational marketing, market research, sales to the main accounts, total or partial follow-up to assure a very high level of service..

EDGE has specific expertise in: luxury goods, tableware, consumer goods and the pharmacy- cosmetic industries.

**A study that leads to targeting
the showrooms but also reveals
the complexity of managing that
target.**

To launch the Charles collection, a showroom strategy and direct marketing to higher-end decorators and architects is recommended. This implies skillful management in choosing the right showrooms, considering the agreements not to compete, exclusivity clauses and their privileged relationships with trendsetters and the constant changes and opportunities in the market.

**EDGE Consulting Intl. becomes
the « outsourced subsidiary » of
Charles, a key interface for
succeeding in this market, which
requires making the right
decisions quickly.**

To succeed on this market, you have to be proactive, adapt the strategy to the opportunities and provide marketing and service support geared to this business sector. Since export operations alone are insufficient for that, Charles entrusts **EDGE with its expansion and representation of its interests locally to optimize and give more credibility to its presence in North America. Local management and service: the key to success for French companies.**

Setting up a distribution network

Thanks to 4 contracts, Charles has top exposure in the main centers of the market.

Caution: signing agreements requires thorough knowledge of the market and business practices in the USA.

Training, managing and offering superior service to generate better sales and be competitive in the field.

Another technique for supporting the sales of showrooms ; direct selling by EDGE Consulting Intl. to top decorators, the main trendsetters.

To sign agreements with showrooms and to support their sales approach

After eight months of partnership search, negotiations and creating the marketing mix, the first contract is signed in June 2002. Today, Charles is working with the best in New York, Los Angeles, San Francisco, Chicago, Minneapolis, Troy, Atlanta, Fort Lauderdale, Dallas, Houston.

During contract negotiations, the thorny question of exclusivity comes up. Before granting it, it is essential to evaluate the potential of a region and its national repercussions to be able to seize all opportunities for future growth under the best conditions.

To energize showroom sales, **training of sales reps is vital**, as are **support personnel for sales and communication**. So Gaël Pervilhac conducts training seminars regularly and EDGE offers top-notch service to these demanding customers, where speed of execution is essential to secure sales.

Through direct marketing operations, EDGE regularly invites the most prominent decorators to visit the Charles products in the showrooms otherwise the main decorators are met personally.

When one of those decorators contacts EDGE for product information, EDGE directs him to the showroom, which will handle the sale, except for some private projects or reserved sectors.

This direct contact with trendsetters offers two advantages : firstly, getting to know the top decorators, which dovetails completely with the sales activity of the showrooms, and secondly keeping better track of the market by identifying and preserving a customer portfolio in case new agreements have to be negotiated in the future with new partners.

Marketing and sales choices

A good strategic vision and appropriate marketing are essential for succeeding in the United States.

Increasing potential by developing new market segments.

Optimizing results: Consignments vs. direct sales for what is essentially a consignment market.

Adapting the product line and balancing the portfolio of clients

Since EDGE has a thorough mastery of these things, the United States becomes France's right arm in terms of marketing conception and development, from which the parent company benefits without having to burden its internal structure. Specifically, the products conform to US standards and the packing is designed to stand out from the competition.

Since the CHARLES segment is limited by its very high-end positioning, areas of growth have been evaluated to optimize volume without damaging the brand's prestigious image. A collection has been created in a transitional style with one of the best showrooms, aiming at absolute quality at more affordable prices.

That way, CHARLES can increase its sales volume in the USA with global repercussions in the future and strengthen its expertise in contemporary design. The showroom has a product with strong added value, thanks to the CHARLES reputation and know-how: everybody wins.

Sales in showrooms are made by consignment or by direct sale. EDGE has chosen to balance the CHARLES portfolio of clients: 30% consignment, 70% purchase, a desirable mix but not always achievable.

« Through its cooperation with EDGE Consulting International, the American experience of CHARLES / WAGNER SA was of great help in streamlining its work methods and more sophisticated marketing, thereby helping it to become a company that can sell very high quality products more effectively in the USA and the rest of the world. »

Michael Wagner
President of WAGNER SA/ CHARLES