

Danish Design

An Interview with Nicolai Lindhardt,
President, Royal Copenhagen Inc.

EDITORS' NOTE Nicolai Lindhardt began his career as an Account Manager with PI Advertising in New York. He proceeded to hold a number of senior executive positions with L'Oreal Denmark, later serving as Country Manager for Mattel Northern Europe and Managing Director of Britax Scandinavia. He was appointed to his current position in April 2007. He is a graduate of California Lutheran University, Copenhagen Business School, and Thunderbird School of Global Management.



Nicolai Lindhardt

COMPANY BRIEF Founded in 1775 and based in Copenhagen, Royal Copenhagen (www.royalcopenhagen.com) is a producer of high-end and high-quality porcelain products, renowned for their classic designs and handcraftsmanship. With operations in the United States, Europe, and Asia, Royal Copenhagen employs more than 500 people. The company is owned by Royal Scandinavia, a financial holding company, and its main shareholder is private equity fund Axcel. The North America division, Royal Copenhagen Inc., is based in Manhattan and Poughkeepsie, New York.

Have current economic challenges affected your business, and are you optimistic about future growth for the brand?

We're not feeling any impact whatsoever right now. When I'm with competitors who are struggling, I almost feel embarrassed. But we are on the other side. We try to focus on things we can impact. For example, providing superior customer service and making sure we deliver the right product at the right time, and on the sales side, properly training our staff and making sure we have the right execution in the store. On the marketing side, we focus on making sure we have the right branding package. Things are proceeding very well for us. The more high-end the product is, the better.

Is there an opportunity for Royal Copenhagen to build awareness among a younger clientele?

That's actually where we're experiencing our growth right now. We have a lot of new products, and the feedback we've received is, "Wow, you have really reinvented yourself." We've also initiated some radical marketing within

our industry. In June, *Metropolitan Home* named the top 100 designs for 2008, with the iPhone ranking number 23 and our new dinnerware pattern Elements by Louise Campbell number 25. Things like that generate enormous buzz for us.

Are you actually developing new products or just evolving design with your existing lines?

Both. It's not every year that we come out with a new concept, but the one in *Metropolitan Home* was a brand new concept developed with the U.S.

in mind. Our fastest growing pattern right now in the U.S. is actually something we've had in the marketplace for five years. For that pattern, it's all about repositioning the brand. It's not just for the older generation; it's also for young consumers. So we need to understand this younger generation: How do they select their dinnerware patterns? How do they entertain? Which stores do they frequent? The retail scene has changed, and right now, we're targeting lifestyle stores. We've been very successful with that this year.

Are you happy with the retail channels available?

We are out to get our products in more retailers, but they have to be the right ones because we don't want to be on every single corner. There's also the debate about exclusivity. I've always been against that because we offer so many different products and so many different brands. Right now, we are very satisfied with the number of stores we have. There are a couple of areas in the U.S. where there's room for improvement, but we've pretty well covered the market.

Do you focus on the global nature of your product, or do you look at it more regionally with a local point of view?

I believe in global brands with a local adaptation. We are a Danish company. We've been around since 1775. We have our heritage and our tradition. But that doesn't mean we can't come out with major improvements and new concepts. With some of the products we just recently launched, which hit U.S. stores last month, you can see the connection to designs from 1775, but they are very contemporary in shape and pattern.

You're known for handcraftsmanship. Is technology heavily affecting the way you design or produce your products?



Absolutely. We recently started using some technology that builds a mold, which is a very costly process by hand. So we don't have to invest as much money in making a few samples. And we don't have to do 5,000 or 10,000 pieces if a company wants a logo or something special. Once the mold is produced, however, everything else is still done by hand.

Has the term "luxury" lost some of its meaning from overuse? How is luxury defined today?

Luxury is not a label you can just automatically claim. It's something you have to earn, like respect. It's not just the product, it's the 360-degree package. Besides higher quality, finer materials, and design, it's superior customer service, sales support, marketing, and supply chain. In uncertain times, companies and products that have been around forever have an advantage because people want something with history, tradition, and substance. That's what we have. We are a true luxury brand.

Are you happy with the team you've assembled?

Getting the right talent is always a challenge. I learned the hard way that it's better to wait for the right candidate than to just get any candidate. When we recruit, it takes three to four months to make a selection. When we brought in the person that we have in New York, our sales went up by 70 percent. With the talent we have right now, we are on course to reach our three-year objectives.

Are you satisfied with where the brand stands today and the progress you've made since assuming your position?

There are probably a few places where we're not where we should be, but there are other places where we have exceeded expectations. The people we have onboard right now have a can-do attitude and lots of drive. They also have passion. They are true believers and are willing to do what it takes. ●

Pieces from the Royal Copenhagen Elements Collection