

NETWORK-KARRIERE

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PM-INTERNATIONAL IS FULLY
COMMITTED TO DIRECT SALES“**

Interview with Rolf Sorg,
CEO & Founder of PM-International

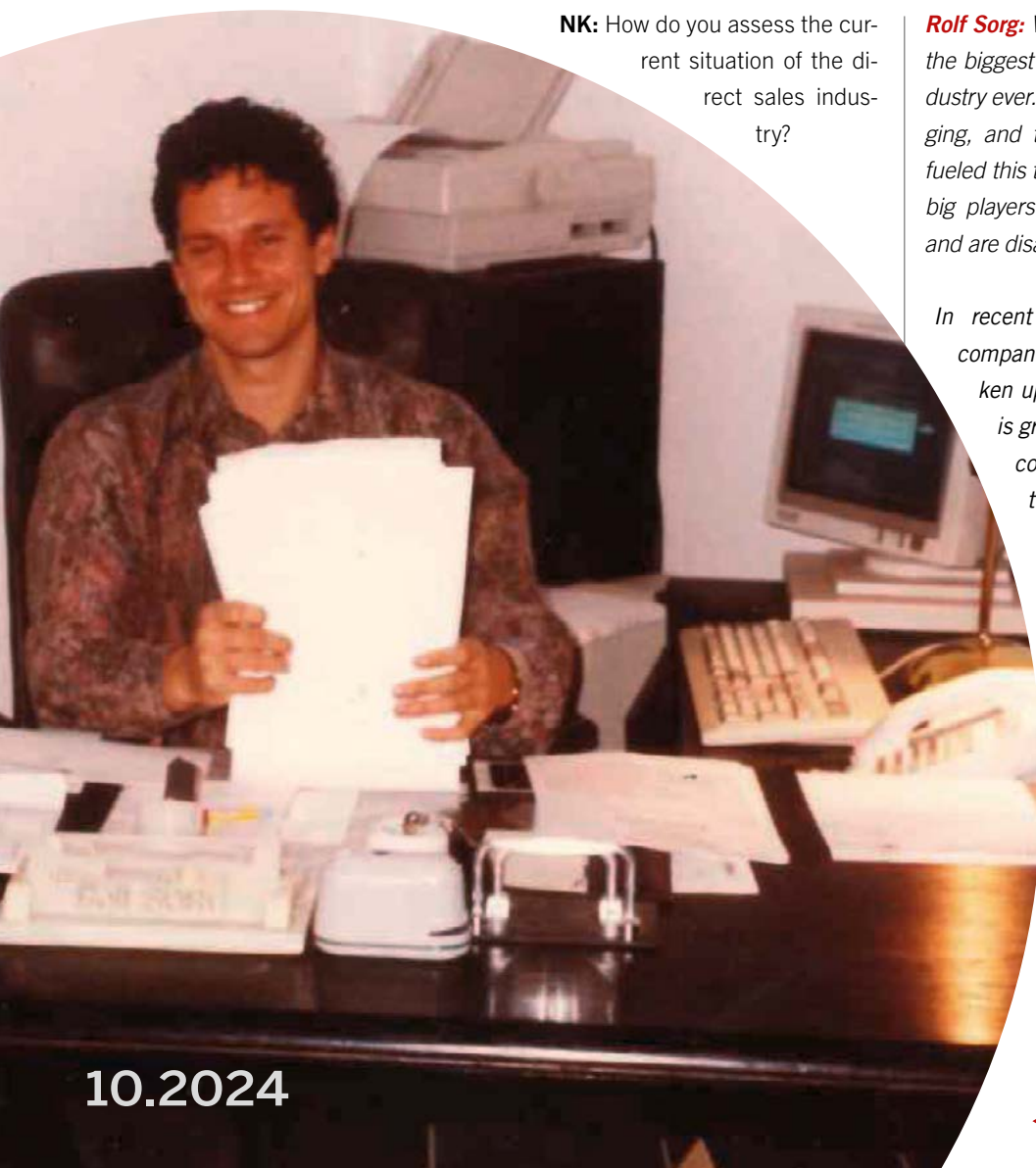




Interview with Rolf Sorg, CEO & Founder of PM-International: TODAY AND IN THE FUTURE: PM-INTERNATIONAL IS FULLY COMMITTED TO DIRECT SALES

The direct sales industry is in an unprecedented transformation process. While the personal sales experience still plays a central role, digital and hybrid sales strategies are becoming increasingly important. E-commerce and social networks are gaining more importance, and major online platforms are putting growing pressure on the direct sales industry, as recent industry news show.

With PM-International, it's a different story. The company has seen remarkable growth in recent years and has become a trailblazer for the entire industry in many areas. PM-International CEO & Founder Rolf Sorg portrays the current market situation in an interview with Network-Karriere publisher Bernd Seitz, and shares his vision for the future of his company and the direct sales industry as a whole.



NK: How do you assess the current situation of the direct sales industry?

Rolf Sorg: We are currently witnessing the biggest shift in the direct sales industry ever. The entire market is changing, and the pandemic has further fueled this transformation. Established big players are no longer successful and are disappearing from the market.

In recent years, disruptive online companies have significantly shaken up the industry. Uncertainty is growing, and more and more companies are questioning the direct sales model. PM-International will not do that. I see a tremendous opportunity here: the companies that are properly positioned will gain momentum as a result.

NK: So, PM-International remains committed to direct sales?

Rolf Sorg: Absolutely. For PM-International, di-

rect sales is our past, present, and future.

I started out as a networker myself and built my business from scratch. PM-International was always meant to be a company for future generations too. Therefore, I rolled up my sleeves and learned what it takes to become a 'hidden champion'. I learned what makes a product, a company, a family unique: a company with ethics, values, and principles that pursues long-term goals.

That's the reason for PM-International being recognized as the fastest-growing international company in our industry four years in a row. This is not a coincidence, it's rather a clear focus on our goal and a strong commitment to our vision.

The answer is yes—we are as successfully committed to direct sales today as we have been for the past 31 years.

NK: What do you think – can our in-

dustry navigate the current transformation?

Rolf Sorg: I believe that direct sales is still a highly attractive model. Just think about the additional opportunities that social media provides, adding to personal interactions to build contacts... that didn't exist before. Back in the days, I sometimes approached people in the shopping streets for customer acquisition, clipboard in hand.

There are two main reasons for companies failing in the market: first, a lack of innovation, and second, their inability or unwillingness to continuously adapt to new circumstances. I firmly believe that our industry is well-positioned for the future with forward-looking direct sales strategies, especially in the areas of hybridization and digitalization.

Of course, this is not easy. It means getting to work and, above all, always responding quickly to new developments.



Success always happens outside of the comfort zone. This is where the real adventure begins. Those who are not willing to take risks cannot become entrepreneurs. My father taught me this: never make a decision out of fear.

NK: What does that look like in practice?

Rolf Sorg: As an industry, we should listen closely to our partners and customers, understand their needs, and continue to offer innovative solutions.

Very important: The focus is always on the person. The foundation of the business and direct sales is our customer. At the end of the day, customer satisfaction is the most important thing we have. So we ask ourselves: „What does our customer need today, what does our customer want tomorrow, and how can we further improve the experience for our customers?“

NK: Do you see an advantage in being a family business?

Rolf Sorg: As a family business in the premium segment, we set out 30 years ago to become the market leader in our niche. This is where hidden champions come from: it's essential to find your niche and then put in more effort than anyone else. USP (Unique Selling Point) is the keyword here. I am convinced that a family-run business is the best foundation for achieving our goal.

When management is solely focused on profit and the next quarterly figures, decisions are often made like those we are currently seeing in the industry. It frequently comes down to just making shareholders happy and generating shareholder value, without considering the human aspect at all.

As a family business, we can act flexibly and quickly, making decisions based on our values. We plan and decide with a long-term perspective, not just for the next quarterly report. Our success is a shared success: Those who focus on their team partners and customers will find the answers.

Very important: We want to create sustainable, stable sales growth so that we can be a strong and reliable partner for future generations, even in economically challenging times.

NK: What do you think of omni-channel models in direct sales?

Rolf Sorg: It's not the first time that companies have questioned their sales models. I'm thinking of the binary hype 15 years ago. Some companies exploded in growth – only to implode immediately afterward.

Right now, we are seeing omni-channel approaches: companies competing with their distributors to increase revenue. To be honest, for me, that means turning against your distributor.

It only works if the sales channel remains exclusive. We market our products through our distributors. This has been the case for 30 years and will stay like that in the future: Those who want our products need to come to PM-International.

I am also careful when it comes the topic of affiliate marketing. It can certainly work for customers to acquire other customers. However, this is only effective if it is also accounted for in the compensation plan of the distributor and all customers are assigned to the distributor.

In the end, each company decides for itself what the best strategy for its future is. Our focus remains on re-

cognizing the commitment and success of our distributors.

For us, this also means finding solutions together with the distributors – respectfully and face-to-face. That's how growth is achieved.

NK: Do you think it's more important to convince people of the products or to recruit them as distributors?

Rolf Sorg: I think both are important and should go hand in hand. Of course, there need to be products and services that are competitive in the market. Our business opportunity allows people to generate additional income instantly and with no risk, with no risk, freedom to choose your work time, and the ability to have a lot of fun. This enables our distributors to focus from the very beginning

on building long-term relationships with their customers.

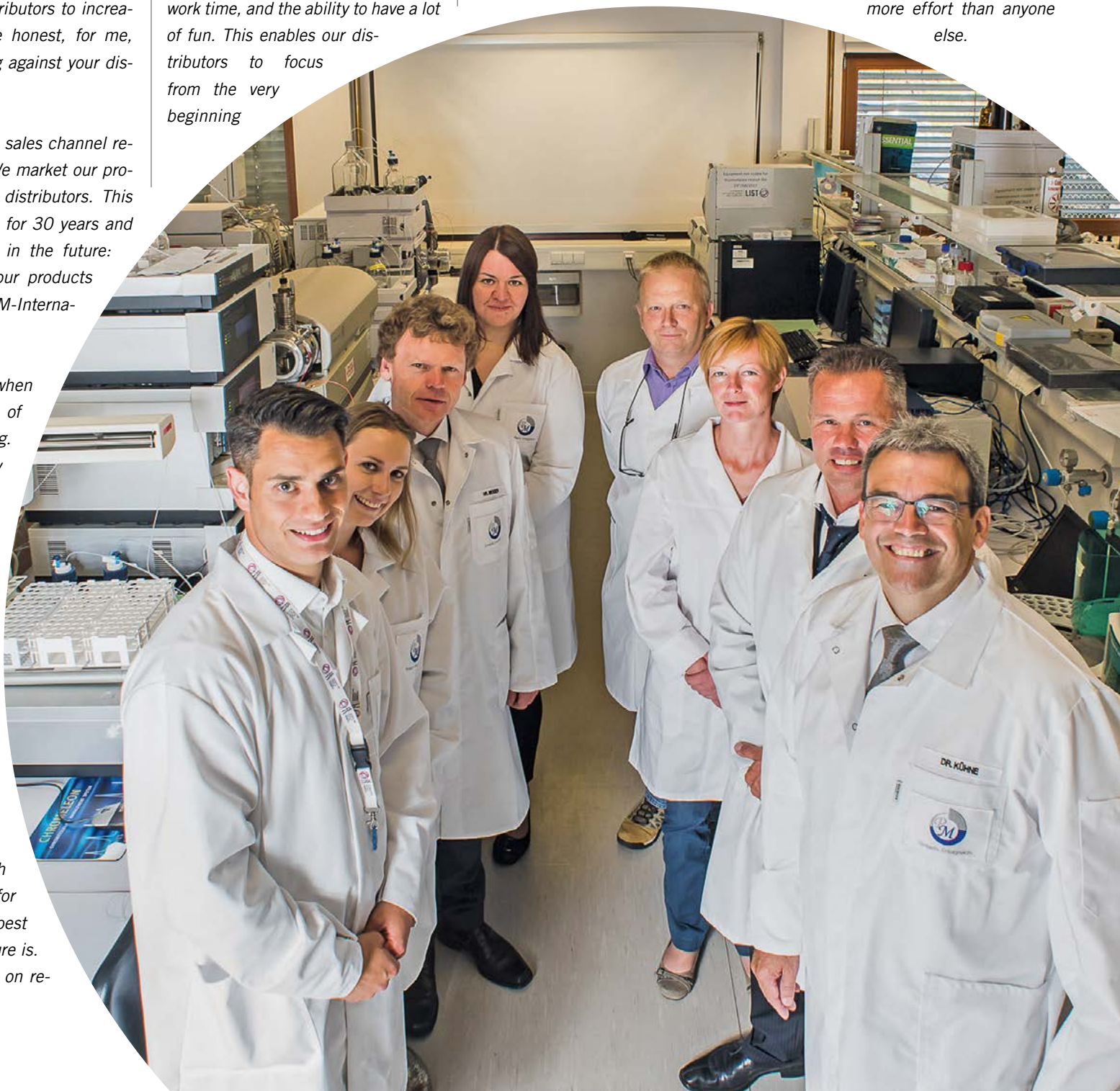
NK: What about your products – are nutritional supplements still competitive?

Rolf Sorg: Our product brand FitLine has been in the market for 30 years. We are approaching the milestone of 1 billion products sold worldwide.

I am convinced that as long as we choose our

nutrition with enjoyment in mind, dietary supplements will remain relevant. There definitely is a market, as long as we dare to face the competition.

In my 30 years in the market, I have seen many trends come and go. I still vividly remember the hypes around noni juice, Aloe Vera, or most recently, CBD. For us, it has always been about focus: staying true to our core competencies and then putting in more effort than anyone else.



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In our case: „How do we deliver nutrients to the cellular level?“ This has been the basis for our entire research and development efforts – with the clear goal of spearheading innovation in our niche.

NK: Your product brand FitLine is well-known worldwide. What makes your products unique?

Rolf Sorg: From day one, our focus has been on developing and marketing premium products. The FitLine products stand out in the market due to a strong focus on innovation with over 70 patents and, above all, due to PM-International's core competence: the exclusive Nutrient Transport Concept (NTC®). It delivers nutrients when they are needed, where they are needed – to the cellular level from inside and outside.

More than 1,000 top athletes from over 85 disciplines and 40 nations trust FitLine products. FitLine is the official supplier to numerous sports associations and national teams, some of which we have been partnering with for over 20 years. Recently, we achieved a significant milestone: FitLine is now the official sports nutrition partner of the leading men's tennis tournament series, the ATP Tour, and athletes are benefiting from our products.

This partnership is backed by 30 years of research and the trust of top athletes worldwide. Partnerships like this support our distributors' daily business: they confirm the quality

► Rolf Sorg (left) CEO and founder of PM-International and Massimo Calvelli (right), CEO of ATP at the launch of the partnership between ATP Tour and FitLine.

and effectiveness of FitLine and enhance the credibility of our products. This helps our distributors convince customers to choose FitLine products. In short: when world-class athletes use FitLine products at the highest level, it speaks for itself.

NK: What challenges and opportunities do you see for PM-International in the future?

Rolf Sorg: I believe the challenge is always to remain relevant and competitive in the market. This requires a constant focus on innovation. We are continuously working on innovations related to our products, technologies, and the social and digital online world. We are also continually investing in these areas, including 3 million euros in this year's work of our in-house research and development department, as well as an additional 7 to 9 million euros over the next three years in the area of digitalization.

I think the most important thing is that we grow from challenges and never stop asking ourselves what we can improve and how we can actively shape the future.

In my view, digital sales will never fully replace the personal interaction between customers and partners. Direct sales is and will always remain a "people's business." However, digitalization offers our distributors

the opportunity to conduct their business literally without borders. It allows them to build international teams free from language and country barriers.

NK: Your assessment in conclusion: Does the industry still have room for further growth?

Rolf Sorg: We look back on a track record of 31 years of solid and sustainable growth. During that time, we have certainly faced setbacks and

learned from them.

However, our vision is much bigger than what we have achieved so far. We know that there is still a lot of room for growth. Our current market potential consists of 20.5 million loyal customers and 47.3 billion USD in revenue worldwide.

Direct sales is changing faster than ever before. At PM-International, we see the great opportunity that lies in this: our growth is proof that the industry and our working methods are vibrant and successful!

In conclusion, I can only say: There are times to plant the seeds and times to reap the fruits of your labor. Now is the time to plant the seeds. Now is the time to roll up our sleeves and get to work. Let's do it!

www.pm-international.com

