

Better Bathrooms chief executive Colin Stevens

# Full steam ahead

UK independent bathroom retailer Better Bathrooms has secured £10m funding from the Business Growth Fund and is hunting for retail showrooms to fuel its expansion. **John Reynolds** meets chief executive Colin Stevens

**W**hen it comes to expanding a business and negotiating leases on new spaces, two of the key rules of thumb to adhere to are 'be honest' with the property owner and 'take your time' over the deal.

That's according to Better Bathrooms chief executive Colin Stevens, who at 33 has built one of the largest independent bathroom retailers in the country from scratch in just over 10 years.

Snapping up the right properties at the right time has been a crucial element in Stevens' mission to build up the Better Bathrooms empire from a one-man bedroom operation to a company that generates sales of £42m and employs 200 people.

"I think it's a two-way street. We have always operated honestly. We tell people what we can afford. We don't go visit a property unless it's a favourable proposition for the company. And now [because of the growth of the company] we're able to take our time," he says.

Stevens' two rules of thumb are being put to full use as he casts his entrepreneurial gaze across the country in a hunt for 50 new showrooms to take the business onto a national footing.

While the heartland of Better Bathrooms will always remain in the Northwest – its existing showrooms are in hometown Wigan, along with Warrington and Manchester – Stevens has ambitions for the Better Bathrooms brand to be as big as B&Q.

He may have some way to go, but 2014 is set to be the biggest year yet for Better Bathrooms – five new showrooms are earmarked to be opened in the next few months including spaces in Slough, Birmingham, Cardiff and Edinburgh, as Stevens seeks to fulfil his ambition of generating £100m sales by 2017.

Stevens has issued a brief to property agent Robert Pinkus & Co to scout

out 12,500 to 20,000 sq ft spaces across towns and cities far and wide, from Wembley to Belfast to York.

Better Bathrooms is initially targeting prime locations, but if it finds a jewel outside this definition, then it will consider leasing it, should the price be right and providing it fits its requirement of it not being bigger than two floors.

## Going strong

The springboard to Better Bathrooms' ambitious expansion plans has been the £10m external funding that came in last year from the Business Growth Fund (BGF) – an investment fund run by the major high street banks, which cherry-picks businesses that stand out from the crowd and, ultimately, will make them money.

Boasting a hatful of awards including a National Business Award for Entrepreneur of the Year for Stevens, whose business acumen has been compared with that of *Dragons' Den*'s James Caan, Better Bathrooms was an obvious candidate for the BGF funding, which amounts to a 30% stake in the company.

BGF was not the only interested party and a number of private equity approaches



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Colin Stevens, Better Bathrooms



The Better Bathrooms showroom in Wigan

– to invest or buy outright – have been turned down.

Stevens says: “It’s really exciting to have the investment from the BGF. We got the investment as we wanted to carry on growing the business faster. We didn’t want to give away control.”

The business is now running a two-pronged attack as an retailer, where it has its roots, and through its expanding showroom business. Underpinning both is the 100,000 sq ft warehouse in Wigan, which supplies the business with everything from baths to fixtures and fittings.

Crucial to Better Bathrooms’ success to date, claims Stevens, was beating rivals to build up a customer base through its website, which sells thousands of products and is one of a number of competitive advantages he believes he holds.

When Stevens began building up the business in his early 20s, rivals controlled the high street and retail parks, so it was essential for Better Bathrooms to offer a multichannel approach to compete better.

“We managed to get into the internet market when it wasn’t competitive and got a massive share. Now our competitive advantage is on price, selection, and availability,” he says. “If you want a bathroom suite tomorrow we can deliver it tomorrow. If you can collect it today,



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we can provide for that. We try to overstock so as not to let customers down.” Whereas some competitors can take up to 28 days to deliver.

Stevens is also harnessing the Betterbathrooms.com website to help pinpoint the best locations for his new showrooms, so geographical traffic ‘hot spots’ on the website will be prime targets for showroom locations.

### The power of negotiation

While still only 33, Better Bathrooms’ fast growth trajectory has helped Stevens carry weight when negotiating lease terms. His authority now is a far cry from when he began his business career as a teenager selling golf clubs from his bedroom, only for the business to have the plug pulled on it because suppliers were unwilling to deal with someone so young.

“We certainly are in a great negotiating position, because we have so many options we are able to take our time and weigh up the options. We are a great covenant, so they [landlords] are keen to get us in,” he says.

But while longer-term leases are a fit for some businesses, they are a definite no for Better Bathrooms, according to Stevens.

“Some companies sign 25-year leases. We don’t operate that way. We try and sign 10-year leases. It is favourable to us to say ‘it might not be working let’s move to another area.’”

As the business expands, there is also the possibility that Better Bathrooms will grow out of its existing warehouse in Wigan. “As the business grows and stockholding grows we will certainly be looking at more space.

“Our warehouse was located centrally to our Northwest showrooms and close to the major motorways. Our distribution costs are very efficient to support our stores and local customer base. As we grow nationally obviously this could change with additional distribution.”

While the growth of the business has meant Stevens has delegated responsibility to a dedicated property team which is working with Robert Pinkus & Co to help with the expansion plans, Stevens will still be involved in the hunt.

It was Stevens spying a good deal on a 2,500 sq ft building near to a Wigan taxi rank, on a wet Wednesday, after a boozy evening which kick-started the rise of Better Bathrooms 12-years ago.

The ‘to-let’ sign was an answer to Stevens’ prayers as he sought to make his mark on the business world. “That problem I had with all the golf suppliers when they wouldn’t supply me direct, I envisaged having the same problems with bathrooms so I thought why not open a showroom? I guess at the time it was a risk but what other options did I have?”

“The second I opened, I put a banner outside inviting suppliers in. I didn’t have anything to supply. But I invited suppliers in, saying ‘I have this shop, I’ve got the money. Do you want to supply me?’”

The business has kept moving since. After Wigan came showrooms in Warrington and Manchester, which led to Better Bathrooms mixing with the big retailers.

Stevens will still be based in the Wigan headquarters for the foreseeable future, despite admitting that he will be putting miles on the clock viewing all the different potential showrooms. “It is a time consuming animal. But that is what you get if you are a chief executive of a growing company,” he says.

And next for Stevens? He says it could well be “Better Beds or Better Furniture”. ■

## Better Bathrooms’ property hunt in a nutshell

- Recently secured £10m of equity funding from the Business Growth Fund to drive next phase
- Seeking to expand its base of showrooms from the three existing locations in the Northwest to the major conurbations in the UK
- Site requirements include 12,500 to 20,000 sq ft with a maximum of two floors
- Non-prime retail locations preferred with appropriate A1 consent; and highly visible locations easily accessible by car or public transport