



# Screwfix's family values

Screwfix is one of the UK's fastest-growing retailers and has opened hundreds of stores in just a few years. Matthew Chapman finds out how its family-style culture has played a role in its success

**S**itting in a car on the way to a Screwfix store near its Yeovil headquarters, the DIY specialist's facilities manager Dave Reed talks about his retirement.

He has worked at Screwfix for seven years and is retiring at the weekend. Tonight will be his leaving party at the pub he lives above during the working week. Marketing director John Mewett is also in the car and after the store tour he will be heading to the pub to celebrate with Reed.

That encapsulates the culture that Screwfix seeks to create – one that engenders a family atmosphere. It means Dave is happy to spend five days away from his family home in Newbury and board members will not miss a retirement do at the local pub.

It is also a culture that pays dividends. While the rest of the Kingfisher group struggled in the 10 weeks to July 12, when like-for-likes dipped 1.3% and B&Q sales dropped 3.2% year-on-year, Screwfix's surged by 11.8%.

"We still want to keep the culture feeling small and family-like. You can still feel the size of the business, but it doesn't feel too big, although we are now getting to be a sizeable business," says Screwfix chief executive Andrew Livingston.

Screwfix is now the second-largest employer in Southwest England, and its pace of growth has been formidable. In 2005 there were fewer than 2,000 employees, and there are now more than 6,600. Of those, 900 roles were created within the past year.

The driving force behind this job growth is the pace of the retailer's store expansion. From having no stores eight years ago, it will have 360 at the end of August.

Screwfix began life as a mail-order catalogue business in 1979 but eventually customer demand meant it had no option but to roll out physical stores.

Customers began turning up to the



**"WE ARE GROWING SO QUICKLY AND OPENING SO MANY STORES"**

John Mewett, Screwfix

Yeovil warehouse in search of products because they said they could not wait for them until the next day – they wanted them immediately.

Screwfix responded by installing an off-sales counter in its main warehouse and later built a standalone store with its own warehouse nearer the town.

## Store consistency

Livingston says the retailer then "copy and pasted" that model to expand its store estate.

"All the stores carry the same stock and have the same trading hours, there is tremendous consistency," explains Livingston. "We deploy about 11,000 SKUs in every trade counter and they are all the same."

After *Retail Week's* visit Livingston dashed up to London for the opening of the 350th store in Brixton, which, of course, has an identical layout to all the preceding 349 stores.

For the past three years Screwfix's



copy-and-paste model has allowed it to open on average one store every week – although in reality the store openings come in bursts, says Mewett.

Alongside explosive store expansion, Screwfix inevitably had to significantly increase staff numbers.

Livingston says the retailer is on course to create 900 jobs this financial year, which ends on January 31.

In an economy where young people are finding it difficult to find work, about 41% of Screwfix's new employees are aged 25 or under.

In total just short of 1,000 of its staff have graduated from one of its internal development programmes.

The company has an apprenticeship scheme that

employs people such as Zoe Ousey, who has just finished her first year in the contact centre. She is a school leaver who talks about how much she prefers her



Ben



Screwfix places great emphasis on staff engagement and development, and frequently promotes internally

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Screwfix chief executive Andrew Livingston

current role to her former job.

One of Screwfix's flagship development programmes is the 'First steps to management' course, which customer service supervisors Barbara Graham and Nicky Critchell in the Yeovil store have completed.

The enthusiasm they have for their jobs is palpable and is reflected in the way they work. Barbara, for instance, knows virtually all the visitors to the Electrofix and Plumbfix section of the store by name and will make them a cup of tea as they wait for their orders.

"We are growing so quickly and opening so many stores that we've got to develop our store managers from within our business," says Mewett. "57% of our management roles last year were filled with internal people. You won't find another business with that level of internal fill on management roles."

Livingston points out that a high level of internal promotion is a vital



Nicky

part of keeping the culture consistent across the whole business.

Mewett says anyone who works at Screwfix needs to provide a convenient experience to customers. "We've got people who are great at doing this," he adds.

This consistency even carries through to Screwfix's German operation, which opened this month and marks the first time Screwfix has opened any international stores.

Four branches are being piloted in and around Frankfurt and they will have all the multichannel capabilities of the UK stores, including the five-minute collection time on click-and-collect orders.

"They were filling stores using exactly the same process as in the UK so you expected them to speak English," says Mewett, highlighting the extent to which the new stores in



Germany are being managed in the same way as in the UK.

Every single staff member has been briefed on the German expansion plans as the never-ending quest for consistency is carried through to internal communications.

Each quarter the seven board members and 18 additional directors meet to update each other on the business. The points covered in the day-long meetings are then “cascaded” out to the rest of the staff.

Each of the directors is then responsible for disseminating the information through their functions with a consistent message delivered through video, slideshows and notes.

The last quarterly meeting covered the German expansion plan and it is because of this internal communications strategy that all employees are now up to speed with the launch into Germany.

Are these quarterly meetings held at a fancy country retreat? “We either do it here at our headquarters or do it near a store or distribution centre,” says Livingston. “We are a low-cost culture – that’s what we pride ourselves on so everything we do is good value.”

The exchange of information is a two-way process. As well as messages coming from on high, everyone in the business is able to provide feedback to the board.

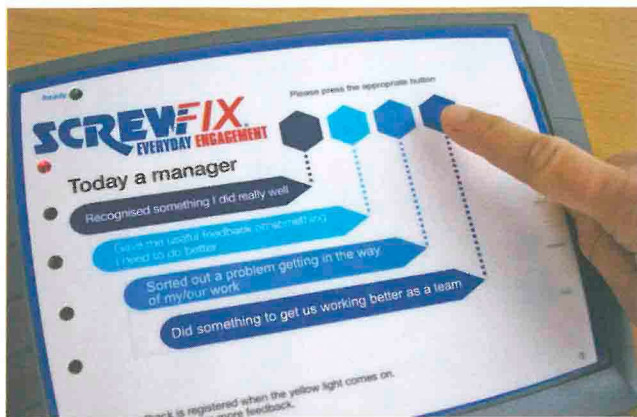
### Buzz box

Screwfix runs an ‘everyday engagement’ programme that asks staff to anonymously let the retailer know how engaged they are through the intranet or something called a ‘buzz box’.

The buzz box (pictured above) enables staff to give feedback through the click of a button.

Screwfix has installed a buzz box in all stores to allow staff to give feedback through a number of multiple choice options, which are periodically updated. At present the options include a message about managers, stating: “Today a manager recognised something I did really well”; “They gave me useful feedback on something I need to do better”; “Reviewed my/our customer service performance”; and “Covered things in the daily brief that helped us sell”.

Each year Screwfix receives about 16,000 items of feedback through the buzz boxes and intranet. Mewett calls



Barbara

the boxes “a great feedback mechanic” and says they are “reinforcing the behaviours and things we want to do as a business”.

Store managers collect feedback from the branch and area managers gather it from their area. All the information is wrapped up into a review that the operations team receives.

“It is the reverse of our cascade down – it is a cascade up,” explains Mewett.

Alongside the ability to provide anonymous feedback, staff are invited to make a presentation to directors once every second Monday, and during the sessions Livingston claims they are given “full amnesty”.

“They will tell us as it is. We don’t prescribe anything at all, they just come in and talk,” explains Livingston. “The last group talked about what it was like for them growing up through Screwfix and the development and training courses that they had done, what they like and what we could do better.”

The ‘buzz box’ (top) enables staff to give feedback on the company



Natalie

**“WE ARE A LOW-COST CULTURE – THAT’S WHAT WE PRIDE OURSELVES ON”**

Andrew Livingston, Screwfix

### Enfranchising staff

The policy appears to genuinely enfranchise staff. *Retail Week* spoke to Ben Lainton, senior buyer for power tools, on a tour of the head office and he enthused about the level of access staff can get to the board.

Reducing layers of communications are all part of the ambition to provide a family culture. The feeling of community at Screwfix is given a boost by the company’s own charity.

The Screwfix Foundation provides financial support for projects to repair, maintain or improve properties and community facilities for people in need in the UK.

“Our colleagues wanted to work in projects around our stores and finding one partner to do that was quite difficult so, after taking a long time to find one, we decided to set up our own charity,” says Mewett.

Funds are raised by staff through initiatives such as bike rides, van washes and other challenges. Last year all the directors climbed the Three Peaks and to date the charity has raised a six-figure sum.

“It is a nice loop because stores raise money and we make a grant to a local project. We ask in-store colleagues to present the grant to the local project and be involved in it themselves,” says Mewett.

Engendering a community spirit is breeding loyalty within the business, as the number of quarterly awards ceremonies for staff who have served for five, 10 or 15 years grows.

It is no longer a case of four or five people coming to a lunch. Mewett says the way the ceremonies are held is being reviewed to cope with the number of people involved.

“We are a big business now but we need to retain the small business feel around the way we work and the relationships that exist within the business and not become too corporate,” says Mewett.

Up until now Screwfix has succeeded in maintaining the family feel but with international expansion on the cards the leadership team faces a tough task.

The retailer is clearly keen to preserve the culture it is so proud of. But will a German Screwfix employee retiring after years of loyal service be greeted in the local beerhall by a director with a stein in hand? That remains to be seen.