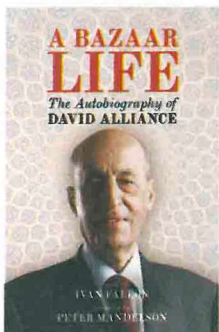


A BAZAAR LIFE

Tales from a textile



Lord David Alliance began his career at the age of 13 in Tehran's Grand Bazaar in Iran. After moving to the UK in 1950 he built one of the biggest textile businesses and founded home shopping group N Brown. In this extract from his autobiography he remembers dealing with Marks & Spencer during its golden years

Marks & Spencer was becoming an increasingly important customer during these years. The first time I came into contact with them was early in the 1960s when an M&S buyer became interested in flannelette pyjamas made by one of my companies, Samuel Turner. I insisted on being present for his visit, which turned into a lecture with exact instructions on every other part of the process of manufacturing the cloth. I didn't then know the strict rules that M&S imposed on its suppliers, and as my other businesses were doing well, and I had plenty of other places I could sell my flannelette pyjamas, I was rather short with the buyer. "This is my product and my cloth, and if you don't like it, don't buy it."

Actually M&S did buy it on that occasion, but they did not do any other business with me for years. They appeared very arrogant, but in fact, as I later discovered, it was their way of maintaining the high quality of the clothing that went out under the St Michael brand and which just about everyone in Britain wore. Even more importantly, they had a policy of buying British and tried very hard to help suppliers to become at least as efficient as foreign competitors.

Building the relationship

Some years after this event, Jan Lewando and Clinton Silver, two of the top M&S buying directors, came to see me at the William R. Lee factory with a view to buying our towels. My managing director, Frank Platt, was very excited about the visit and made a great show of presenting all the samples to them. But I had learned a lot about M&S by now, and knew how they bought and the quality and standards they insisted on. As the conversation went on I knew, even if Frank did not, that we could not measure up to their exacting standards. So I turned to Lewando and said: "Don't waste your time here. Our product is not good



Lord Alliance leaving Iran in 1950. He arrived in the UK with £14 in his pocket in search of textile bargains

enough for you, even though it's the best you'll find in this country."

Poor Frank was absolutely furious with me, but I knew what I was talking about. "If I were you, I would go on importing from the United States for now, and give us enough time to create products good enough for Marks & Spencer," I told Lewando. That is what we did – and we supplied them for many years until the 1990s, when they switched to suppliers in Portugal. From that beginning we built up a relationship with M&S and over the years we became one of its biggest suppliers – in fact the biggest for several years in the 1980s and 1990s, with sales of almost £400m a year.

The culture of M&S today is very different to what it was in the 1960s. In those days the spirit of the Marks and Sieff families pervaded the place, and the concern was primarily for the customer, after which came the employees and then the suppliers. Shareholders came last on the list, but the M&S philosophy was that if you looked after your customers and staff and offered good value for money (which required healthy and efficient suppliers), the profits would follow and dividends would flow. And they did and shareholders did very well out of it.

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le business titan



Lord Alliance, now a Liberal Democrat peer, pictured here with Baroness Thatcher

The glory years

A great deal of M&S's success and reputation can be put down to Marcus Sieff (Lord Sieff of Brimpton), who was the chairman from 1967 to 1984 when the company was at its height – 'the Glory Years' as they are called now inside the company – and was probably the most loved and respected company in Britain, an icon of good retailing and enlightened management.

Marcus was always available to his suppliers and prepared to help them when he could. There was an occasion when we were producing towels at our Horrocks mill, where we had about 200 looms, around half of which were working on M&S orders. The direction came through from the M&S buyers: "Take those looms off because we don't want those towels for the moment." I was so angry that I picked up the phone and asked to be put through to the chairman's office. "Marcus," I said when I finally got through, "your people have cut us back on towel production at Horrocks. And if you go ahead, you'll never get your towels because I will be forced to sell them to House of Fraser or John Lewis. When you want more, the looms won't be available to you."

Marcus, very coldly, told me he would call me back and for the next couple of hours I had to sit still because of the back pain that afflicted me when I was very anxious. Finally Marcus called me to say curtly: "OK, David – keep the looms on."

I learned a lot from Marcus and became close to him. He was actually born in Didsbury, Manchester, where I have had a house for years, and I bought a flat in the same block where he lived in London. In later years we worked closely together on fund-raising projects, including the Weizmann Institute. In his memoirs, published in 1986, he referred to me approvingly as one of only three leading British businessmen he knew (the other two were Sir Hector Laing of United Biscuits and Sir Edwin Nixon of IBM UK) who really had a company policy of trying to replace imports with British products that were at least as good or better.

Customers before profit

I was once told by a former M&S director that when the company was approaching its year-end and had met its financial targets, Marcus would deliberately hold his profits

down by reducing his prices. He reckoned that this helped him in a number of ways: first of all he didn't want to show excess profit, reckoning that this damaged M&S's image with customers and suppliers, and probably even employees; secondly, it helped suppliers who sold more of their goods; thirdly, it made the comparisons for the next year's profits a little bit easier; and, most important of all, by reasserting M&S's reputation for providing value for money, it increased the loyalty of customers and therefore profits over the longer term, which was what mattered to him. He would have been shocked by the short-term term culture that drives the City – and the company – today.

Marcus unfortunately succumbed to Alzheimer's disease in his later years, and it was sometimes said by his friends that one of his few blessings in his old age was that he was not able to see the deterioration of his wonderful business. He eventually died in May 2001. I am proud to have known him and to have called him my friend.

This extract is taken from *A Bazaar Life: The Autobiography of David Alliance* by David Alliance with Ivan Fallon, published by The Robson Press, price: £25.00.

Retail Week readers can purchase the book for £20 with free P&P. To claim the offer visit TheRobsonpress.com/promotions and enter the code RWBAZAAR. Or call 020 7091 1260.

Lord Alliance will discuss *A Bazaar Life* as part of Jewish Book Week at London's Kings Place on February 26. Visit Jewishbookweek.com for more information.