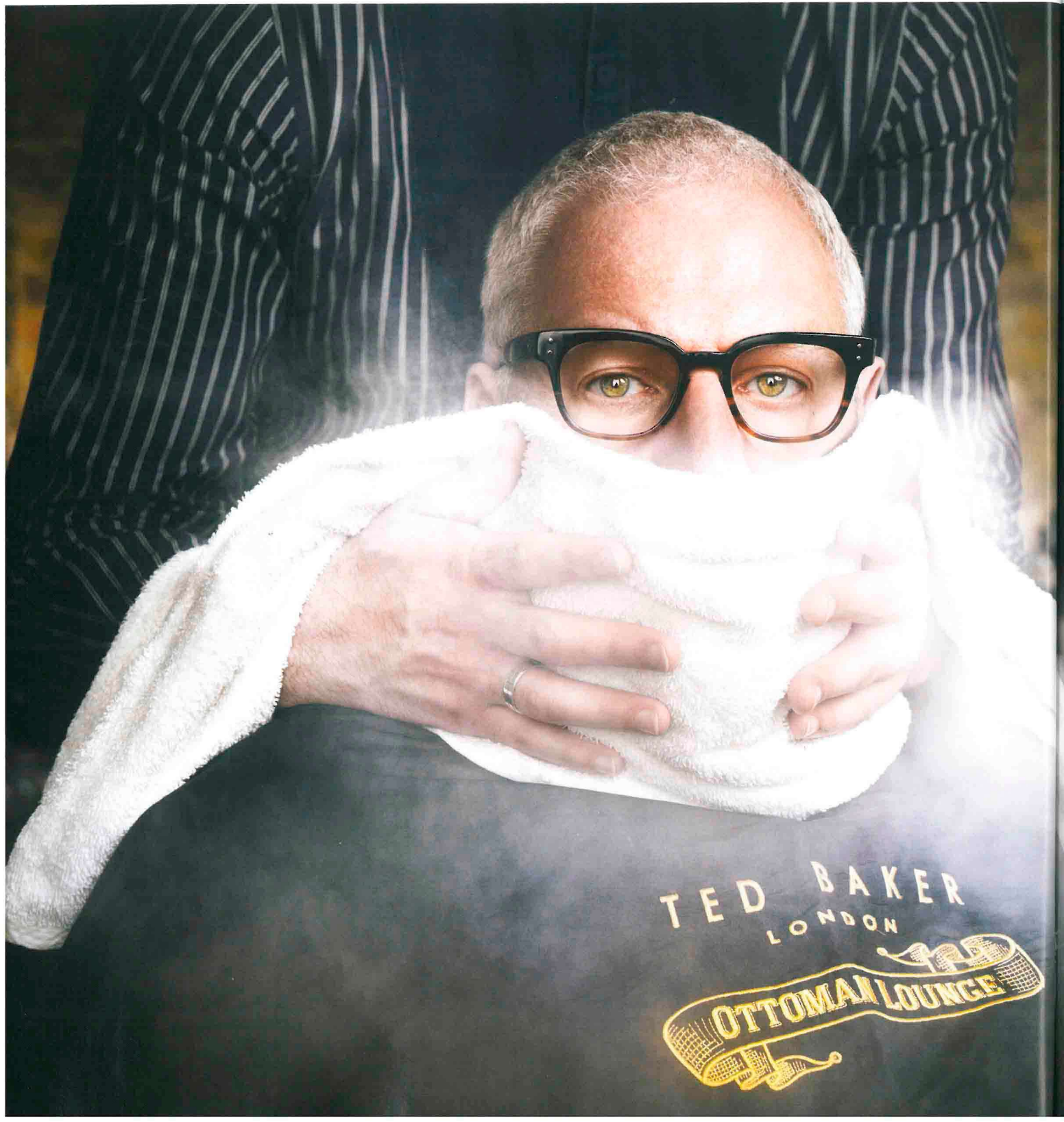


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**THE ORACLE
RETAILER OF THE YEAR**

HOW TED BAKER



STAYS LOOKING SHARP

The fashion retailer and brand stands out from the crowd with its unique style. **George MacDonald** hears from Ray Kelvin and Lindsay Page how they keep cutting a dash

If there is a retailer to which the phrase perfectly turned out could be applied, fashion specialist Ted Baker fits the bill.

The retailer and brand personifies savvy, one-off, not a hair out of place stylishness.

It is unique not just in being guided by a distinct persona in every decision it takes, but taking its name from that person too.

The word that founder Ray Kelvin (pictured left) likes to use is “personality”.

That personality comes in large part from Kelvin himself – Ted is his alter ego and guiding spirit.

Last year Kelvin was recognised for his pivotal role when he picked up the Outstanding Contribution to Retail Award.

At this year’s event it is the entire business that is celebrated as Retailer of the Year. Asked to define the personality, the things that make Ted Baker stand out from a crowd, he says: “It’s quality – it feels different from the marketplace, special.”

He widens the point. “It’s the energy

within the company. It gives it an edge that’s not easily replicated.”

Such qualities might seem hard to make concrete. But Ted Baker does so through fidelity to the original vision in all that it does. It may be the obsessive focus on product quality or the fact that every shop is different.

“It’s just about being consistent and disciplined,” says Kelvin. “We’re not chasing a quick buck, we’re about consistent growth. It doesn’t need to be the next big thing, it has to be the right thing.”

Ted Baker has itself become a “big thing”. From its origins as a shirt specialist bought out from Goldberg’s in 1990, it has grown into a business that generated group sales of £321.9m in its last full year – an increase of 26.5% – while retail sales climbed 24.6% to £259.1m. Annual profits soared almost 35% to £38.9m.

And there are no signs of a slowdown. Over the eight-week Christmas trading period retail sales climbed 22.8%.

Dressing the world

Its UK success is increasingly being repeated internationally. Last year, for instance, retail sales in the US and Canada climbed just over 38%.

Such momentum in North America is a far cry from when the business started opening stores there two decades ago.

Kelvin recalls: “When we first opened and tried to get space a guy asked, how big

“We’re not chasing a quick buck, we’re about consistent growth”

Ray Kelvin, Ted Baker

are your ovens? Nobody had heard of us – they thought we were a baker.

“Now we’ve got a very good, growing business in America after kicking the tyres and walking the pavements.”

Ted’s business model, which spans licensing and wholesale as well as retail, has helped it to expand overseas.

Kelvin says: “We started in America through selling wholesale, and we could see our product was in demand and very much liked.”

The diverse channels gives Ted Baker additional strength.

Chief operating officer and finance director Lindsay Page says that the variety of revenue streams means “there’s not the same pressure [as in some businesses] on any one channel to perform. We’re not on a treadmill in that way. It gives people a longer-term outlook”.

When it comes to maintaining the ethos and high standards of Ted Baker, whatever the channel, international partners are measured by the same exacting yardstick as it uses on itself.

“Lindsay falls out with a lot of people,” jokes Kelvin when asked about the maintenance of brand values.

“Occasionally it doesn’t work out,” is how Page prefers to put it. “We’re very careful and selective about the people we do business with. We expect them to deliver the same standards. When we have a very strong culture it should be passed across.”

Of course, Ted’s team make every effort to do its part to make sure all goes well, efforts recognised by US department store group Nordstrom – legendary for its high standards of customer service – which this month made the UK business a Partner in Excellence.

That was in recognition of “Ted Baker’s outstanding commitment to the Nordstrom customer and exemplary performance across categories including quality, value, fashionability and business culture”.

As Ted Baker grows it is essential that the spirit that animates the business is passed on and shared by new generations of employees, the importance of which is clear in its stated requirement for “new Teds” when it is hiring.

For Kelvin “new Teds” certainly need the right aptitudes but equally important once again is “personality, attitude”.

“Someone who’s miserable, who isn’t effervescent, isn’t the right fit – they know it themselves,” he says.

He remains intimately involved in design – during the interview he is looking at product options, occasionally muttering as an aside “like this, don’t like that” – and he says he throws his all into his people.

“I develop and train people all day long,” Kelvin emphasises. And there are no airs and graces. “I go to same toilet as everybody



All of Ted Baker’s store designs are different

else – I’m not the Queen,” he points out with a chuckle.

Perhaps one quality that Ted Baker does share with the monarchy is management stability.

Page has been at Kelvin’s side since preparations for flotation in 1997 and knew him, as an adviser and friend, before then.

However, the longstanding presence of those at the top has not bred complacency. “You need to ensure there are always new challenges for people and we challenge each other in a positive way,” Page says.

“We’re very careful and selective about the people we do business with. We expect them to hit the same standards”

Lindsay Page, Ted Baker

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Kelvin maintains: “When you’ve got a business that’s been built by the founders we’re in it for the long term, not for the quarterly updates and long-term incentive plans.”

Continued delivery remains the priority, especially overseas. Ongoing improvement in North America has given Kelvin the most satisfaction over the last year, he says.

Consistent delivery

Page adds: “Our key area of focus is to continue to drive North America, Europe – which has strong potential – and we’re nurturing a business in Asia, which needs love, care and attention in these early years.”

Page draws comparisons between China – where Ted has an Asian presence along with countries including South Korea and Singapore – and the US of two decades ago.

“We’re mirroring to some extent our experience in the US. Small investment, learn the lessons,” he observes.

“It’s a challenging market. There are lots of new rules and regulations. There’s a bigger language and culture difference than in many places you can go to.”

But Ted’s leadership intends to bring to it, and to the wider business, the same focus they always have.

Kelvin says: “Second to my family, I don’t stop thinking about the business.”

He remains full of energy and ideas, something generated on the riverbank since he and Page are both keen fishermen. “I get my ideas when I’m fishing, from the world around us,” Kelvin says. “I write things down, I store them, then come and use them.”

So Kelvin, dubbed “the closest man to Ted”, seems as in tune with his second self as ever.

The awards judges were impressed with Ted’s progress and said: “Ted Baker consistently delivered over years. It’s all homegrown talent and it just keeps getting stronger and stronger.”

Page, who left a job with one of the world’s biggest accounting firms and took a pay cut to become part of the adventure, has no doubt that joining Ted Baker was the right thing to do.

“Ray is a truly gifted designer and entrepreneur,” he says. “Although the business was small I was confident, given his vision and skill, that it would be a success.

“We still pinch ourselves.”

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