



# SIR IAN CHESHIRE ON THE ART OF RETAIL

Few have had such an impact on the industry as the former Kingfisher boss. He tells **Nicola Harrison** about his approach to retail and what he may do next

**F**logging orange juice at Heathrow Airport seems an unlikely point from which to plot world – or at least retail – domination. But that’s exactly where a young Sir Ian Cheshire’s love of shopkeeping was ignited.

In his mid-20s Cheshire went to run Healthworks, a business his former employer, Guinness, was contemplating acquiring.

Healthworks sold freshly squeezed orange juice at airports, which Cheshire says was “revolutionary at the time”.

“I went from a very gilded existence in Portland Square with a big plc to sitting on an orange crate in Hayes and having to make the payroll. At the time it was a brilliant experience but with hindsight it was a bit scary. Once I’d got into that I was then into various forms of retail, and that was it.”

That early taste of retail leadership paved the



► way for a glittering career in the industry that has culminated in Cheshire being selected by this year's Oracle Retail Week Awards judges (see overleaf for full list) to receive the Outstanding Contribution to Retail Award.

Sometimes such awards mark the end of a successful executive career, but not for Cheshire. At 55 the former Kingfisher boss still has another chief executive role in him, and it was that ambition that led him to walk away from the Tesco chairman recruitment process in January. He refers to the prospect of taking the helm at Tesco as a "great idea at the wrong time", adding: "At this point, the chairman role doesn't quite make enough sense.

"There's a chance to do another major role and I would slightly be regretting not having a crack at something else."

The question on everybody's lips is what will that "something else" be? Speaking from India – where he is taking a well-earned break following his departure from Kingfisher in January after 17 years – he is not giving much away. But he hints that his next role won't necessarily be in retail. For instance, he has enjoyed his time at Premier Inn and Costa Coffee owner Whitbread, where he is a non-executive director. "You could argue it is very close to retail. There are a lot of very similar parallel industries. I've had a fantastic run over the last period and we'll see what happens next," he says, cryptically.

## Unglamorous origins

Before shaking up airport dining, Cheshire cut his teeth at Guinness, where he worked on the company's burgeoning convenience and chemist arms and Cheshire's team brought the license for 7-Eleven to the UK.

"It was a rather unglamorous end of retail but that was my first exposure to it, with people such as Rodney Fitch who has just sadly died. It was a sort of 1980s revolution – there was a whole reimagining of retail going on."

Cheshire quickly caught the retail bug, appreciating a job "where you could really change something and get immediate feedback from customers". He recalls: "It was a collaborative effort, you couldn't do it on your own. It was quite a contrast to the main business of Guinness, which was much more classical FMCG marketing. This was so much more human and so much more immediately interesting, I found myself getting further and further dragged into that. And that dragged me into 30 years of various forms of retail."

He would later learn his family history meant a career in shopkeeping was perhaps inevitable. "I found out that both my grannies had been in retail behind the counter, so I think I was genetically doomed to be in retail," he laughs.

And no doubt they would be extremely proud of their grandson's achievements. Cheshire has been lauded as one of retail's great leaders. He transformed DIY giant

**"There's a chance to do another major role and I would regret not having a crack at something else"**

## Cheshire's DIY manual on leadership

Cheshire has some tips for budding retail leaders.

● **First, get as broad experience as possible as early as possible.** "Get into those areas you may not think are very sexy, such as supply chain. Really understand the breadth of the business before you get too far down the track, because the leadership challenge is now much more complicated than ever and you need to understand the moving parts."

● **Second, advises Cheshire, get as much line management experience as possible early on.** "The people who make the difference are those who know how to get things done through people."

● **Third, stay close to the customer, without projecting yourself on to them.** "The great danger with leadership is you get pushed further and further away from the customer.

"In the old days it was getting out on the shopfloor, but nowadays you have to be a bit more comprehensive so it's things such as customer groups, spending time on big data and understanding what the data is telling you. Understand the customers and how they are changing. There's tonnes of data but very little insight. Spend enough time on 'and so what does that mean?'"

Would Cheshire have given himself the same advice when he was starting out in the 1980s? "I think directionally it might be the same, but it has changed because businesses are much more complex now, and the way the internet is changing consumer shopping patterns – it's becoming so much more profound, and the rate of change is accelerating not declining. The intuitive merchant prince is great but I don't think it's enough now. If that intuition isn't complemented by really good data, you're going to die. That's different from where we were 30 years ago, the amount of data."



Kingfisher into a joined-up global business and increased pre-tax profits from £337m to £744m during his tenure as chief executive. And the French were so enamoured of his leadership of Castorama and Brico Dépôt that the French President granted him the Order of State for his "significant contribution to the strengthening of economic and commercial links between France and the UK".

## Voice of the industry

He has also proved a vocal and articulate spokesman for the retail sector, ensuring his bulging contacts book includes not only major business leaders but politicians at the top of the tree, including Prime Minister David Cameron.

Cheshire has striven to charm and influence Government on a range of issues affecting retail, both in his role as Kingfisher boss and when he was chairman of the British



### Cheshire's Kingfisher milestones

- Sales increased **23%** under his seven year tenure
- Adjusted pre-tax profit jumped **108%**, from **£357m to £744m**
- Kingfisher's market capitalisation increased by **112%** to **£3.8bn**
- Over **£1.6bn** of financial net debt was eliminated leaving the business financially strong enough to commence a capital return programme in 2014, the first in its history

## “Retail is a critical industry for the country”

Retail Consortium for two years until September 2014.

Cheshire modestly points out he is not the only retailer to try to exert influence in the corridors of power, citing current BRC chairman and John Lewis Partnership boss Sir Charlie Mayfield and former Sainsbury's chief Justin King as two examples.

The erudite Cheshire says the urge comes from a sense of responsibility. “It comes down to the fact that if you are running the big businesses you've got to recognise the fact that you operate, partly, your business as a result of the way the country is run and you've got some responsibilities to your people and the business,” he says. “I feel it's better to be engaged with those conversations and try to make a difference, but only in areas where you've got something relevant to say.”

And he is about to put that experience to the

test when he takes over next month from Lord Browne to become the Government's lead non-executive – in other words, its top business adviser. It is not the first time Cheshire has worked closely with Whitehall, he was a non-executive at the Department of Work and Pensions. But his latest position is broader based and certainly more high profile.

So will Cheshire be able to wave retail's flag from his new elevated position? He responds cautiously, noting that his priority is to help the Government be more effective.

“I've got a specific remit in that role to be both independent and represent all business, rather than just be a cheerleader for retail. But obviously I know and care about it and on subjects such as rates reform and skills I hope I can lend a strong push to the retail voice,” he says. “It's useful for retail to have someone operating in that area even if it is part-time.”

## ▶ “Every leader’s got a job to create ideally at least two possible successors – that is the responsibility of leadership”



Sir Ian Cheshire in his early days at Kingfisher

### Cheshire’s ladder to the top

#### January 2008 to December 8, 2014

Group chief executive, Kingfisher

**2005 to 2008** Chief executive of B&Q UK

**2002 to 2005** Chief executive of international and development, Kingfisher

**2000 to 2002** Chief executive, e-Kingfisher (joined group board in 2000)

**1998 to 2000** Strategy and development director, Kingfisher

#### Previous roles

Before joining Kingfisher, Cheshire worked for a number of retail businesses, including Sears, where he was group commercial director, and Guinness.

**School** The King’s School, Canterbury  
**University** Christ’s College, Cambridge (law and economics)

**Family** Married, three children

**Home** Wandsworth, London (and Isle of Wight)

**Mentors** Investor Crispin Tweddell and former Kingfisher boss Sir Geoff Mulcahy

Retail is such a critical industry for the country and probably generally not as well perceived in some Government circles as, say, manufacturing is.”

### Building teams

Cheshire believes the perception of retail as a career choice also needs to be addressed. While he notes that it has improved over recent years, he says: “I think a lot of people, particularly the younger generation, can’t see past the shelf stacking image to see, for instance, that there are more careers in finance in retail than in any other sector.”

He continues: “The crucial thing is the whole idea that retail is a force for social mobility. It gets young people into jobs, gives them responsibility early and it’s something we should be pushing and be proud of.”

The people side of business is something the affable Cheshire is clearly passionate about.

“There have always been two themes I keep finding with whatever I end up doing, one of which is the opportunity to make a difference.

“The second has been that all the fun bits of my entire working life have been when I’ve been involved with great teams. Assembling a great bunch of people and getting them to work together is by far the most rewarding thing you can do. The get-you-out-of-bed test is: ‘Am I doing interesting stuff with a great bunch of people?’ Not everyone is lucky enough to have done that, so I’m very lucky.”

And the biggest lesson he has learned after all these years? “If you develop the right team you can do more or less anything.”

Cheshire says this has driven his style of leadership. “For some people that may give the impression I am more hands-off than the traditional hands-on retail chief executive, but I think it’s a bit subtler than that. You need to give people room but you, as a leader, need to frame what the job is and you need to stay close enough to the detail that you can intervene if you need to. If you try to do other people’s jobs for them then you are doing something wrong.”

### Choosing a successor

Another key aspect of leadership is succession planning. Cheshire worked hard on that at Kingfisher, and on leaving he handed the reins to the respected boss of the retail group’s French business Castorama, Véronique Laury.

“Every leader’s got a job to create ideally at least two possible successors – that is the responsibility of leadership, not HR.

“While you could argue that no one is ever quite ready to take over when they do take over, you’ve got to get people into position where they’ve got a good chance.

“The main thing is to work with people on their understanding of their leadership style and what you can do to help develop their self-awareness. The more they are aware the more they’re likely to be able to cope.”

Cheshire has more than coped with the challenges he has faced, including leading a home improvement retailer through one the worst recessions this country has ever suffered.

And the reputation he has built on the back of his stewardship of Kingfisher means he will no doubt have been approached with some exciting job offers.

But wherever he ends up, there is no disputing the profound impact Cheshire has had on the business he has led, as well as the retail industry.

## ORACLE RETAIL WEEK AWARDS JUDGES

### Alex Baldock

Chief executive officer, Shop Direct

### Liz Bell

Group talent development director, Kingfisher

### Andy Clarke

President and chief executive officer, Asda

### Ian Filby

Chief executive officer, DFS

### Alan Giles

Associate fellow Saïd Business School, University of Oxford

### Vanessa Gold

Managing director, Ann Summers

### Chris James

Vice-president, EMEA, Russia and India, Oracle Retail

### John King

House of Fraser

### Catriona Marshall

Chief executive officer, Hobbycraft

### Mark Newton-Jones

Chief executive officer, Mothercare

### Richard Pennycook

Chief executive, Co-operative Group and chairman, The Hut

### Stephen Robertson

Non-executive director, Timpson Group

### Peter Ruis

Chief executive officer, Jigsaw

### Mike Shearwood

Chief executive officer, Karen Millen

### Angela Spindler

Chief executive officer, N Brown Group

### Sarah Taylor

Senior director retail, EMEA & JAPAC, Oracle Retail

### Rob Templeman

Chairman, Gala Coral

### Phil Whittle

Head of store operations, Schuh

### Matthew Williams

Chief executive officer, Topps Tiles