

THE BIG STORY

Fashion's next great empire?



Missguided founder Nitin Passi has a lot more than bricks and mortar on his to-do list: this serial entrepreneur is set on fashion domination. **Rebecca Waller-Davies** reports

Missguided founder Nitin Passi manages to confound my expectations of him in one minute flat. “I thought you were Mancunian,” I admit confusedly as he greets me at Mayfair’s Arts Club.

“No,” he laughs. “I set the business up there but I spend most of my week in South Kensington.”

The southern accent is not the only surprise. I had Passi pegged as a trader, a ‘real retailer’ – brashly confident about his business’ place in the world with a demeanour to match his brand’s outlandish image.

Instead, I’m met by a pragmatic, softly-spoken individual, who thinks of himself more as a serial entrepreneur than a textiles trader from the Manchester mills.

Casually dressed with flashes of stealth wealth – Saint Laurent backpack, Cartier Juste un Clou bracelet – Passi has had a busy year.

The whirlwind hasn’t stopped since he opened Missguided’s first store in Westfield, Stratford on the day of his 34th birthday.

The store itself could teach most retailers a thing or two about the “experiential” quality the industry is so keen on at the moment.

Millennial pink, bursting with glitter, unicorns and even featuring a Barbie-esque jeep, it was soon followed by a slightly toned down presence at Bluewater.

This fanfare attracted its fair share of critics, perhaps irked by the lavishness of such a move when most of the market is struggling

to break even. But the reaction hasn’t swayed Passi from his course.

World domination

“My vision is for Missguided to be a global brand,” he says. “We are currently looking at planning some new franchise [stores] elsewhere. I want to open up all over the world, it allows us to have a two-pronged approach to our growth.

“I think retail [stores] are more important in certain territories than others,” he concedes. “But I think it is really important in the UK.

“We got a taste of that from opening in Selfridges, we had crazy sales per square foot when we did that.”

Two huge stores in the UK’s biggest shopping centres is quite a step up from a Selfridges concession. But it doesn’t stop there – Missguided will start up its openings spree once again next year.

“We’re looking everywhere,” Passi says. “We have so much data about where our customer is, we can see our hotspots and are focusing on the top centres.”

He demurs from putting a final number on his list of targets but says he imagines the business ending up with 20 to 30 stores.

I remind him that some people believe he’s wrong to open two, let alone 20. “Well, we won’t open stores if they are going to lose money in the long run, put it that way,” he responds.

Losing money is not something that Passi has worried about so far – Missguided’s bottom line has been erratic over the years and, for the year to March 26, 2017, it stood at £323,000, down from £4,708,000 the previous year.

“I suppose it’s never been a priority until now,” he says simply. “For the first six years it wasn’t a focus and it is becoming more of a focus now.

“There are a lot of reasons for our profits being up and down, a lot of it is investment. But each channel should be profitable – that is where we are heading.”

It’s not the only place Missguided is headed: news of a potential sale or float broke a few months ago.

Passi acknowledges that the business is exploring options. In fact, he is so straightforward about the possibility of an accompanying change in management that he answers the question before it’s even asked.

“At the end of the day, it’s my business and I’ll do whatever is right for it,” he asserts. “I am not afraid to take a step down or a different position if it’s right for the business.

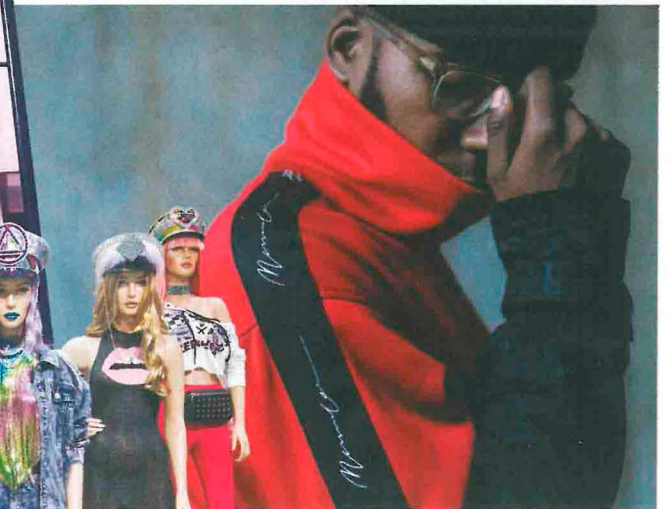
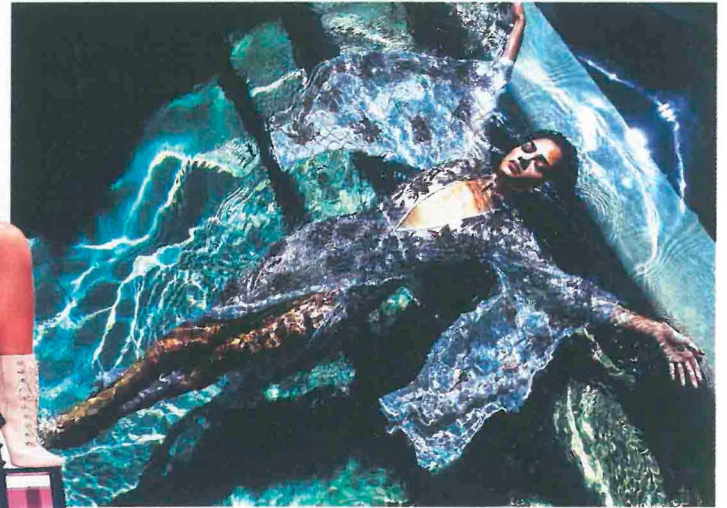
“I think it’s been amazing and will continue to be amazing but in the future if it’s not right for me to be the chief executive, for example, if we do float,” he pauses. “Maybe I will, maybe I won’t, who knows.”

The arrival of former Shop Direct deputy chief executive Gareth Jones, who joined Missguided as chief executive of online this week, could perhaps offer a potential successor if Passi decides to check out.

Exploring options

For now, Missguided is considering its options. “The business is private and we haven’t taken any external investment but as we

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continue to grow we are going to require some investment," Passi continues.

"I also might want to take some liquidity out of the business at some stage so we are exploring our options. A float could be an option, so could private equity."

"I suppose the ideal would be to grow and go on as we are without any external influence but at some stage we will require more money."

More pressing is the launch of Mennace, Passi's new menswear label. Mennace made its debut on Asos late last year and launched its own website last Thursday. Aimed at the same age group as the Missguided customer, Mennace is a more premium offer.

"I believe there is a gap between cheap high street – River Island, H&M, Topman and New Look – and top high street brands like All Saints," Passi says. "You have nothing in the middle – that's where we want to be."

Although he mentions the popularity of streetwear "even among high designers", he is reluctant to pin Mennace's aesthetic down quite yet.

"We have an idea of what we want to do but it's all about test and learn for the first months," he says. "I don't want to get pigeonholed. We are developing our offer right now – we just want to be on-trend and first to market."



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Nitin Passi, Missguided

Serial entrepreneur

Mennace is Passi's short-term ambition. Long-term, he explains, he wants a stable of brands.

"My vision is to operate multiple brands the way Inditex and H&M do," he asserts. "Look at those two groups and the amount of stores they are putting out all over the world. It can still work if you get the recipe right."

He mentions his third brand, Peace & Love, an occasionwear brand currently selling on Missguided. "When I think about where I want to be in five years' time, it is to have multiple brands going after different areas of the market," he explains.

"I just want to make sure we get the recipe right with Missguided, or put the right structure there, so that I can go and focus on other things.

"That's kind of what I'm doing at the moment. There's there's so much I want to do, so many ideas floating around, not enough time in the day to do them."

If Passi can find the time, the world of fashion may have another Inditex on its hands. **RW**