

Sir Ian Cheshire: Green shoots among the bedding plants for boss who did it himself

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The B&Q chief on shrinking floor space and growing hopes for Easter



Kingfisher boss Sir Ian Cheshire Illustration: Paul Dallimore

Never mind click and collect or the High Street's colonisation by convenience stores: Sir Ian Cheshire is adamant that this year's top retail revolution is taking place among his bedding plants.

The boss of do-it-yourself group Kingfisher is striding though the cavernous B&Q store in New Malden, south-west London, staff hovering nervously. He is heading to the gardening department, where shelves of seedlings are encased in what look like tea bags, an innovation which does away with the need for chunky polystyrene trays.

"They were totally unrecyclable and they clogged up customers' bins," says Cheshire, assured yet attentive, always tie-free, like a lawyer on an afternoon off. It comes as no surprise that he'll pick up his Knighthood in July for services to sustainability as well as business.

The 54-year-old doesn't linger among the greenery for long. Next off we are admiring a barbecue bigger than some of the capital's galley kitchens, whose grills have been made dishwasherable. Strolling back to the tills, he points out the comic-book posters that have flown off the racks as B&Q tried to make its decorative ranges more fashionable.

It's the "retail is detail" mantra writ large. There are further examples throughout the store of Cheshire's self-help plan to keep Kingfisher, which also trades in France, Poland and China, ticking

along regardless of what the economy or the housing market does. Now his challenge is to get the £11 billion-a-year turnover group pulling together by selling more of the same own-brand ranges, from Wandsworth to Wrocław.

Gearing up for Easter, B&Q's biggest trading period, Cheshire is quietly confident. For six years, Britain's DIY market has been shrinking, after it was "pumped up by equity withdrawal" but now consumers are spending again and the decline has flattened off.

He concedes that the Government's Help to Buy scheme has aided trade customers: "The white van man part of business really picked up."

So, too, has the secondary housing market been boosted, but there has been "nothing like the effect on our business as the housebuilders". Only a quarter of his sales are linked to the housing market, so there is no Foxtons or Savills-style boom here.

Instead, it is a familiar story of heavier spending in London and the South-East, where space is at a premium and consumers are hunting for some interior-design flair.

It is why Cheshire would like more B&Q and Screwfix outlets within the M25 even though he is eager to downsize overall.

"It is so difficult to find sites," he says. "There is no doubt that there is more opportunity here in the [London] market."

The nationwide downsizing plan is stark. Cheshire calculates he can generate the same sales from up to 20% less space. He will sub-let half of the floor space in 18 shops to various supermarket chains — subject to planning permission. Electronics chain Maplin and Furniture Village have also moved in here and there. B&Q will give up some bigger leases as they expire. Coffee chain Costa — on whose parent-company board, Whitbread, Cheshire sits — has installed one or two "drive-thru" cafés. Could Kingfisher buy its own restaurant chain, like Tesco? Maybe.

"That is where something like a Giraffe idea might make more sense," he says. "To buy a business you could put in here as a concession almost. What I've said is we should consider any option."

Kingfisher wouldn't be shrinking so fast if it weren't for sky-high business rates which, with his British Retail Consortium chairman's hat on, Cheshire has campaigned against.

The Chancellor delivered a £1 billion sop to ailing High Streets last December, but the rates that rake in £26 billion a year still won't be reviewed until 2017. Cheshire is pragmatic. "What we can't do is just say: 'Gosh, it's unfair as retailers that we ought to pay less.' There has to be a more constructive alternative."

It isn't as if B&Q is facing a tough challenge from internet upstarts. Big-ticket items such as kitchens don't easily translate to web ordering.

"We have tried to work out three or four times how you sell paint," he says. Online attempts to create virtual rooms that mock up the end result are "technically very interesting but irrelevant from the customers' point of view because what they want to do is look at the colours in light not on a screen they don't trust." Garden sheds, on the other hand, fare better online because no one wants to squeeze them in the back of their car. Cheshire is well-versed in what works and what doesn't. In

2000, he ran eKingfisher “when ecommerce was driven by steam”, writing shopping apps for brick-like Nokias. “I’ve seen the future a few times,” he adds with a laugh.

He joined the group 16 years ago as Sir Geoff Mulcahy’s strategy chief. After helping to break up retail group Sears, he was looking for a bigger, international challenge but realised the conglomerate that included Woolworths and Superdrug should be chopped up too. “In my first year, there were 13 businesses I had to write papers on, including ‘what is the point of Woolworths?’ which I failed.”

Earlier on, Cheshire had earned his spurs as bag carrier to Ernest Saunders, going by the nickname of “Son of God” for all the meetings he sat in on in place of the Guinness boss.

At Kingfisher, he has gained a reputation for being well plugged in, with an easy sense of humour. Not only has he nearly completed his “national service” as the lead non-executive for the Department for Work and Pensions, he’s lunching soon with Euan Sutherland, who quit Kingfisher to lead the ill-starred Co-op; Paul Tucker, the former Bank of England Deputy Governor, is a pal from Cambridge; and the old Asda duo of Archie Norman and Allan Leighton, whom he advised back in his consulting days, dropped by recently to give a master class to his top 20 staff.

But don’t mistake all this camaraderie for getting too comfy after six years in the job. Cheshire insists “there is another cycle to do”. As if to illustrate the point, soon after we meet, Kingfisher launched a £227 million offer to buy France’s Mr Bricolage chain, tightening its grip in its most profitable market. He learned French to bed down the company’s original tie-up with Castorama after discovering he had a head start on anyone else in head office.

“I studied it for O-level. Plus — long before I was married — I had a French girlfriend, which probably helped the accent,” Cheshire confesses.

The deal can be explained by the fact that it typically takes eight years to get a new store open in France, given the thicket of planning laws. And when you are so used to doing it yourself, why wait that long?

CV MILESTONES

1980 Boston Consulting Group management consultant
1983 Guinness: various roles, including retail and health director
1992 Piper Trust partner
1995 Sears commercial development director
1998 Kingfisher strategy and business development director
2002 chief executive of international and development
2005 B&Q UK chief executive
2008 chief executive

PERSONAL LIFE

Married with two grown-up sons and a daughter. Relaxes most weekends at his holiday home on the Isle of Wight where he likes to sail, ride or walk the dogs.

BEST ADVICE I'VE EVER RECEIVED

“Never confuse activity with achievement, which is about prioritising and doing the important things. I think that might have been from [former Asda chief executive] Archie Norman.”

Link: <http://www.standard.co.uk/business/markets/sir-ian-cheshire-green-shoots-among-the-bedding-plants-for-boss-who-did-it-himself-9254111.html>