

IN THE NEWS

New B&Q boss Michael Loeve

Kingfisher has poached Michael Loeve, a senior executive at Danish retailer Coop Danmark. **Matthew Chapman** profiles B&Q's new chief executive



Kingfisher is gaining an increasingly international flavour within its management team as it hires Michael Loeve as chief executive of B&Q.

Loeve is the son of an American mother and a Danish father and has lived in the US, Belgium and Denmark.

He is not the first Scandinavian to join the DIY giant's management team of late. The Dane's appointment follows on from former Ikea executive Arja Taaveniku, who joins Kingfisher in early May as chief offer and supply chain officer.

Kingfisher's management team is now a smorgasbord of nationalities. Chief executive Véronique Laury is French, while Brits still hold their own at the top – Steve Willett heads up omnichannel operations and Karen Witts holds the chief financial officer role.

Laury has brought in Loeve for his track record of revitalising retailers in a tough market.

The DIY sector is suffering as the public downs tools. And while sister trade business Screwfix is surging, B&Q is in the midst of a store closure programme.

Previous form

In his current role, Loeve heads up five formats at Coop including its warehouse arm, which helped the retailer deliver its first profit for 25 years last year.

In his previous role as managing director of grocer SuperBrugsen, Loeve helped drive profits from DKK6m (£600,000) to over DKK110m (£10m) between 2011 and 2014.

These performances came against a similar backdrop to the UK, where the mid-market players are being squeezed at both ends by the discounters and more premium players.

Arguably the discount sector is even fiercer in Denmark because as well as having to compete with retailers such as Aldi and Lidl, Netto is also a big player in the sector.

Although Loeve's retail background has principally been in grocery, he is no stranger to DIY in his personal life.

Loeve is married with children – all girls – and is said to enjoy a spot of DIY. His house in Denmark is over 100 years old and as a result needs a bit of tender loving care.

Practical nature

His practical nature is not just evident in his penchant for home improvement, but also shines through in his education and early career.

Loeve has a degree and master's in engineering and one of his first jobs was at Oticon, the Danish hearing aid manufacturer.

At 41-years-old, Loeve's impressive turnarounds at Coop and SuperBrugsen have led him to be hailed by the Danish press as one of the country's rising retail stars.



£9.4M

Profit increase at Danish grocer SuperBrugsen under Loeve's management between 2011 and 2014

"With a better and more unique offer at good prices where customer needs come first, we will transform and grow B&Q"
Michael Loeve

He will need to leverage that talent at B&Q, where on joining in September, Loeve will be faced with overseeing a store closure programme at the DIY specialist as it seeks to adapt to changing market conditions.

Loeve takes on the B&Q chief executive role left vacant by Kevin O'Byrne, who stepped down from the company amid a restructure at Kingfisher.

The reorganisation means that the B&Q boss no longer reports directly to Kingfisher's chief executive, but the head of Kingfisher's 'big-box' format instead.

O'Byrne left Kingfisher in relatively good shape as B&Q shows signs of gaining some sales momentum.

In the year to January 31, Kingfisher UK & Ireland like-for-like sales were up 3.2% and retail profit increased 16.1% to £276m.

Within that period B&Q UK & Ireland's like-for-like sales rose 1.4% – the first increase since 2009 and only the second increase in nine years.

As B&Q's sales increase Loeve will be looking to bring his Coop experience to bear on increasing profitability at the DIY retailer.

Loeve says: "Home improvement is a great market with huge potential and B&Q has a strong position within it, however, there is more that we can do. With a better and more unique offer at good prices where customer needs come first, all backed by the scale of a unified Kingfisher, we will transform and grow B&Q."

He has already shown his ability to patch up his house in Denmark. Now it is time to get B&Q's house in order.