

Interview: James Barnes, chief executive of Dobbies

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THERE'S no argument over who has the greenest fingers in the Barnes household. James Barnes, chief executive of Dobbies, the Scottish garden centre business, freely admits his wife's horticultural knowledge exceeds his own.

"I tend to get involved more in the destructively creative bits," he jokes. "A chainsaw is a very significant part of my toolkit, but I also find it therapeutic just cutting the grass.

"It might sound a little sad, but I do spend quite a bit of my time in the garden."

It's as well that the one-time City investment banker has a keen interest in the greener side of life, even if his involvement tends to be at the more serious end of Britain's favourite pastime.

Barnes, who joined the board of the Edinburgh-based group in 1989 as its business development director, clearly likes to plan on a grand scale.

There's a ten-year goal to take Dobbies to 100 sites (it currently runs 29) and annual sales of £1 billion (soon-to-be-published accounts will show turnover rising to a record £112 million).

The target is certainly ambitious, but "realistic", says Barnes, who is trying to grab breath after the company's busiest Easter ever. Overall sales across the business, including its burgeoning website, were up 70 per cent, year-on-year, over the extended holiday period.

A recent growth burst has resulted in the opening of five centres - as far apart as Aberdeen and Ashford, in Kent - plus there's a healthy pipeline of new sites. This summer and autumn should see the opening of Dobbies outposts in Carlisle, Liverpool and Peterborough, while branches in East Kilbride and Gillingham, also in Kent, are at the planning stage. Such bold expansion plans require financial muscle. And in the case of Dobbies, that firepower comes in the shape of Britain's biggest retailer.

Tesco became the company's majority owner three years ago after a protracted and, at times, bitter takeover tussle with retail entrepreneur Sir Tom Hunter, who at the time owned larger rival Wyevale - since rebranded as The Garden Centre Group. Dobbies had been quoted on London's Alternative Investment Market since 1997, three years after a management buy-out led by its current chief executive.

Barnes admits it has been easier for the firm to achieve what it has done of late with the backing of Tesco.

"It's made a difference on two or three fronts and the most obvious is access to capital," he says. "There is the ability to acquire sites and build them out. That has been helpful when the commercial property market has been a little depressed.

"It has also been helpful to understand and see how with a company of Tesco's success we can approach things in an evolutionary way - look at how we manage the business, how we can capitalise on our expertise on the internet."

While Tesco's top team ultimately hold the reins, Dobbies' management retain considerable autonomy. Day-to-day control of the business and decision-making takes place at a head office on the outskirts of the Scottish capital that the firm has occupied since 1934. The Lasswade site is also home to a showpiece garden centre.

Barnes - whose father David had acquired the business in 1984, five years prior to his son coming on board - talks of the Tesco connection as more of a "relationship". He is adamant there has been no backlash from consumers critical of the supermarket behemoth's seemingly unstoppable growth. Truth told, most punters will be unaware of the tie-up.

"There were one or two comments at the time (of the takeover] but we have never really noticed anything since," notes Barnes. "I think some customers may have been frightened that the name wasn't going to survive, but one of the reasons for the acquisition was the awareness of Dobbies as a powerful brand and the desire to build upon that. There has been no change in the fascia and the Dobbies management team is much the same."

Even on that ten-year goal of £1bn, Dobbies forms a small part of a global retail empire that last year drew in sales of £62.5bn.

Tesco recently saw change at the top with Phil Clarke succeeded long-standing chief executive Sir Terry Leahy. Last month, the group unveiled a 12.3 per cent rise in annual profits to £3.8bn, although investors were spooked by a 0.7 per cent dip in UK like-for-like sales in the final quarter. Clarke has vowed greater innovation and marketing edge as Sainsbury's & Co claw market share.

"The new Tesco structure has a greater UK focus and I think that will assist us in terms of communication," observes Barnes.

Dobbies - founded in 1865 by James Dobbie, a green-fingered chief constable of Renfrew - employs more than 2,600 staff including 130 at its central support operation at Lasswade. Each new outlet adds about 120 staff.

The centres are also upping their green credentials, with extensive use of timber framing and maximisation of natural light.

"When it opens in September our Peterborough site will be the first of our stores to feature an 'eco product' department," beams Barnes. "It will offer a whole range of products allowing people to lead a more sustainable life.

"We also aim to get to the situation where we can build a carbon neutral garden centre. If there's any retail business that needs to have first class environmental credentials it's us."

The Dobbies boss, who turned 50 at the start of the year, is clearly at his most relaxed when talking shop. That passion makes him doubly determined to see out the ten-year plan.

Despite a love of "west coast holidays featuring boats and things", Barnes clearly has no intention of sailing off into the sunset any time soon.

"Our ambition is for Dobbies to become the leading brand in UK horticultural retailing and that's what certainly gets me up in the morning.

"There's still a lot of ambition there and it would be good to see it materialise."

JAMES Barnes worked in the City of London, dealing with finance and capital funding, before joining garden centre chain Dobbies in 1989.

His career began in investment banking at the firm of L Messel & Co in 1983. In 1987 he joined Prudential Bache (Capital Funding).

Barnes's family have a long history in horticulture. It was his great-grandfather, grandfather and father who developed Waterers Nurseries in the last century. Waterers acquired Dobbies in 1969.

Barnes led a management buy-out of Dobbies in 1994, followed by a listing on Aim in 1997 - the year he became chief executive.

He lives in the Borders with his wife, Amanda, and their three children.