



## **Company Vitae: Kingfisher**

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The owner of B&Q, Screwfix and Castorama turns 30 this year and is Europe's largest home improvement retailer. Here's how it first got bitten by the DIY bug.

### **Formative years**

Although many of its constituent brands are older, Kingfisher itself is a fairly recent construct, emerging from the post-industrial gloom of 1982 Britain. Initially called Woolworths Holdings, it was created by the buyout of the British end of the US Woolworths. Led by retail legend Geoff Mulcahy, it went on a high street spending spree, snapping up B&Q, Comet and Superdrug in the 1980s, plus Screwfix and France's Castorama in the 1990s, which created a diverse if unfocused retail giant. B&Q was founded in Southampton in 1969, the same year as Castorama, which is based near the Franco-Belgian border in Templemars.

### **Recent history**

Like many firms that began life in a recession, Kingfisher has been doing rather well by the standards of the punchdrunk UK high street. It's Europe's largest home improvement chain and the third largest in the world, with sales of £10.8bn (half from outside the UK) and pre-tax profit up 20% to £807m. A few years ago, things weren't so rosy - in 1999 the group overreached itself to bid for Asda and was bested by Wal-Mart. Coupled with a cross-channel battle for control of Castorama, this put Kingfisher's share price under pressure and first Woolworths and then Comet were sold off to pacify investors. However, that may have been for the best, as neither business has prospered since. Woolies, of course, went bust in 2009 and Comet ended up being sold to high street rescue specialist OpCapita for a mere £2 in 2010.

### **Who's the boss?**

Formerly head of B&Q, chief executive Ian Cheshire is a company veteran under whose leadership Kingfisher seems to be enjoying its most prosperous period for 25 years. A self-confessed DIY dummy, Cheshire has doubled underlying profits since he took over in 2008 and Kingfisher operates 950 stores in eight countries.

### **The secret formula?**

Thanks to its range of brands, Kingfisher has a spread of customers, from the weekend decorator at B&Q to serious amateurs and tradespeople at Screwfix. Cheshire has also implemented a new 'bottom-up' strategy model, but boosting like-for-like sales in the UK remains a challenge.



### **Don't mention**

China. In 1999 B&Q was one of the first major UK retailers to gain a foothold in China. But the world's largest DIY market has proved a tough nut to crack - in 2009 it made a loss of £52m and 22 of its 'Big Box' Chinese stores have closed. The firm is now having another go with a distinctly non-DIY design and installation service.

### **Vital statistics**

Employees: 80,000  
Revenues: £10.8bn  
Pre-tax profit: £807m  
Figures for: FY 2011

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