

## Analysis: How the B&Q youth board transformed the retailer's thinking

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The B&Q youth board is challenging the DIY giant to think again.



How many teenagers does it take to change a retail giant? If you're B&Q, nine 16 to 18 year olds can make a huge difference, it seems.

In spring 2011, the DIY retailer launched a nationwide competition to find a group of youngsters to form the retailer's first youth board. Last September, a shortlist of 20 was whittled to nine, and each member teamed with a senior board mentor.

The youth board impressed the industry at this year's The Cloud Retail Week Conference 2012 with its insightful take on the challenges facing the sector. Last week, Retail Week caught up with the board at B&Q's head office, on the day of the members' final presentation to senior board members.

The decision to recruit a youth board was driven by B&Q's desire to tap into a younger market, says B&Q chief executive Martyn Phillips. "Getting access to these guys, their perspectives and the way they think and interact – that was the genesis."

But the project also tapped into the retailer's focus on sustainability. As part of its partnership with the Ellen MacArthur Foundation, which works with young people to rethink the future in different industries, B&Q set the youth board an ambitious task. It was to imagine B&Q's business model of the future, to explore how the company – and retail – needs to change in the face of rising material and energy prices and the increasing cost of waste disposal.

By all accounts the youngsters' concluding report received a rapturous response from the assembled B&Q bigwigs, which on the day included Phillips, marketing director Katherine Paterson, consumer

director Steve Robinson, supply chain director Chris Ward and people director Fraser Longden, as well as B&Q owner Kingfisher chief executive Ian Cheshire.

“The Q&A sessions turned into real discussions, it was nice to see people responding,” says Josh Watson, a confident 18 year old who shadowed business development director Ian Herrett.

## **Making connections**

Watson added that many board members asked how they could tie aspects of the presentation to their areas of the business. He says: “Many said that one idea would go with something they’d been working on, or a slide connected with something else. It was nice for them to draw the connections.”

Phillips adds: “The youth board more than lived up to expectations. They thought about things more broadly than we expected. It was their uninhibited view [that impressed most]. We realised how much we constrain our thinking because we’re conditioned by business, while they were uninhibited and free-thinking.”

The youth board met face-to-face on nine days since forming, but its members were in regular contact with each other and their mentors. They also attended B&Q events, such as a reception in the House of Commons and the Kingfisher results announcement in late March.

The initiative culminated in last week’s big event, but the relationships between the youngsters and senior board members didn’t just produce an ambitious proposal for how B&Q should reshape its business model. It also taught the retailer important lessons on business thinking.

“They drew in examples from a whole range of different businesses and sectors,” explains Phillips. “They didn’t just explore what’s going on in home improvement or what other retailers are doing, they drew on what businesses such as Netflix were doing.”

He adds: “They looked at up-and-coming niche businesses that work in a sustainable and closed-loop way.” These niche areas included mobile phones and car hire, and how they could be applied to B&Q.

The youth board was able to explore the entire company, obtaining unique insight into the workings of the retailer, without getting bogged down with financial considerations.

“We have had unprecedented access to whatever we’ve needed, whenever we’ve needed it,” says Watson. “I’ve been working with Ian Herrett and at no point has he ever said ‘you can’t do that Josh’.”

“At our first meeting we were told, ‘if you have an idea, don’t judge it, see where it takes you’,” adds Jaideep Wasu, the considered youth board chief executive. “The whole idea was to give the company an opportunity to hear a completely different view – one without experience, but open-minded, fresh and completely different.”

## **Candid viewpoints**

Phillips appreciated that freshness, even when his advice was sometimes ignored by his junior counterpart. “In a business like this, because you’re in a senior position, people will do things because of

your position, whereas he ended up doing it his way. He wasn't thinking 'I have to keep the boss happy', which is liberating. They're happy to give an honest view, because they haven't been conditioned by organisations and politics – that's priceless," says Phillips.

The trust built between mentor and youth board was also invaluable. Phillips says: "I ask him what goes on in B&Q stores, and he gives me the answer – he doesn't dress it up. I trust his point of view, and he trusts me not to use that information in a stupid way. I just want to run the business as best I can and if he can give me that kind of feedback that's enormously powerful."

The teenagers' instinctive use of technology and their ability to draw on external resources also impressed. "We still think in a fairly traditional way, whereas these guys, through the power of social media and so on, got moving very quickly," says Phillips.

Watson, Wasu and Carys Jones-Williams, the youth board's only female who shadowed Paterson, are quick to point out that they all learned a lot from the experience, and it led to the youth board members significantly changing their views on retail.

"I never even considered business before, but I thought this was a great opportunity to actually be listened to," says Jones-Williams.

"My initial perception of retail was that of store level," says Wasu. "I never thought of the big picture, that's why I loved this experience. B&Q is not a store, it's an entire company with 300-plus stores and all of them have to comply with restrictions – that's incredible because it makes you rethink how retail is perceived."

Watson, who worked in a B&Q store when he applied to the youth board, adds: "I worked at store level for a year before I joined this scheme and I had no idea about this whole business, the supply chain, the distribution centres. I just thought you got to store manager, and regional manager and that's where the company ended."

Nine months later, the youth board has plenty of ideas on how retailers should change. "They need to rethink the way they are currently thinking. From communication to stores to profit margins, they should literally change everything," Watson reckons.

Jones-Williams takes this further: "I don't think they should rethink, they should start from scratch. There is no harm in finding out whether there's another way to do things."

The youth board's action points laid out in its final presentation were for in-house eyes only, but Phillips reveals that they embraced the idea of the 'circular economy', applying the concept of cradle-to-cradle supply and consumption to the retail context.

"They thought about the whole way retail can function in the future," says Ellen MacArthur, who was as impressed by the youth board as Phillips. "The circle economy is about redesigning the whole system from the outset and these guys applied that to retail. It affects product design, different business models, marketing and the consumer experience – the whole lot. So it's a big-picture redesign of the system."

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Phillips is keen to continue working with the youth board, to build on the relationships and trust forged between the senior board members and their mini-mes. And B&Q is already looking at how it can take the recommendations further – perhaps the reason why it is keeping the youth board's core insights to itself for now.

“It’s partly an obligation because of the quality of the work,” says Phillips. “But it [the need to think of retail in the future] is also our reality. It’s our duty to keep pushing.”

## Yahya Pandor



### **Mentor: Fraser Longden, People director**

My advice to retailers would be, especially at boardroom level, to listen and act on advice even though it may seem a little different; to act with imagination and not cynicism. Don't find reasons as to why new ideas cannot work but find reasons to make them work, because sometimes it really is the different ideas that are the most successful. Retailers also have a tendency to look at the numbers in the short term, and a greater focus should be on the future. Retailers also need to make use of their greatest assets – their employees who have a wealth of untapped knowledge and potential that can be the key to success.

## Daniel Beattie



### **Mentor: James Skelton, finance director**

I've got a broader idea now about what retail is all about, it's not just about selling things. What surprised me most about the experience was realising just how much we as people, as well as retailers, waste. My advice to retailers would be to reduce waste. I would also like retailers to change their business strategy and approach by listening more to young people. You need to cater for a new generation of people who want different things from retailers, to be more interactive and feel more involved.

## Jamie Taylor



### **Mentor: Damian McGloughlin, operations director**

The most surprising aspect of retail for me was the level of skill involved, in back-office and logistical roles in particular. I'd advise retailers to recruit young people and retain the talent they have. Over the next decade and beyond, retailers need to become smarter technologically to develop the next generation customer needs, in a sustainable, long-term way.

## Ben Pearson



**Mentor: Chris Ward, supply chain director**

The aspect of retail that surprised me most was the amount of space that is required to store products, and how logistically challenging it can be before products reach the shelves. I was also surprised about how much thought goes into which products are put on the shelves at a certain time, in response to trends or consumer buying habits. It's important for businesses to look at ever-changing market trends as well as keeping up with advancements in technology – especially social media – because it is the main way that people of all ages receive messages.

## Mark Buckley



**Mentor: Véronique Laury-Deroubaix, commercial director**

The innovation and rethinking in retail is something I did not expect, especially within B&Q. It's fascinating to see its vision for the business in the future. I would advise retailers to talk to young people, and get them into their business. Not just at the checkout, but at the heart of what they do. My mind really opened to the way retail and business will need to change to thrive in the next 10 to 20 years. Moving to a more circular economy is an exciting way to protect business and stimulate growth. It creates and allows a whole new way of thinking in retail and business.

## Harris Aslam



**Mentor: Nick Folland, legal and corporate responsibility director**

I have been involved in retail from a young age as my family has been in the sector for more than 40 years. Despite having this experience, the past year has given me a very different insight into the way a large multinational conglomerate operates and has shown the difference a superior management team can make. One of the largest changes occurring now is in the technology sector. The opportunities are immense and businesses need to invest more and ensure they fully exploit this field, which can substantially increase productivity and profitability.

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