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Interview: Kingfisher boss Sir Ian Cheshire on his legacy as he leaves the stage

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On a wet and grey day at Kingfisher's head office, located on the Grand Union canal in London's Paddington, Sir Ian Cheshire sits down to reflect on a distinguished 17-year career at the company.

For the last seven years he has held the role of group chief executive of Europe's largest DIY retailer and tomorrow (Monday) will hand on the baton to Veronique Laury.

As he prepares to step down from his position, the affable Cheshire reveals he will find it difficult saying goodbye to the people, but is looking ahead to a new start.

"It is going to be odd not to be with them but there will be other things to do and fun people to work with," says Cheshire.

While the 55-year old does not give too much away on what those other things may be, he takes wry amusement at stories in the press linking him to the chairman role at Tesco.

"It is a very out of body experience finding yourself being volunteered for something you haven't put your hand up for," says Cheshire. "At 55 is it a bit soon to go off and be a chairman? One of the reasons for stepping down now is it gives me a four to five year period where I can do something full on."

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And if he still has four or five years in him as a chief exec, why not stay on as Kingfisher boss? Cheshire explains that while in January he envisaged staying on for another one or two years, it became clear in the summer that the Kingfisher board required a five year commitment.

The five-year plan includes the acquisition of French rival Mr Bricolage and embedding it into the group, and the setting up of a major new systems platform that will run across all of Kingfisher's businesses.

"Either you stay for this and see it through or you actually need to leave before it," says the cerebral Cheshire. "So it bought [my departure] forward maybe a year. I thought no, I'm not going to do 11 years as CEO."

One thing is for certain, Cheshire wants to continue working at a consumer-facing business, and reveals he has "really enjoyed" his involvement with Premier Inn and Costa Coffee through his non-exec director role at Whitbread.

But first he will take a well-earned two month break that includes a skiing holiday and a trip to India after 17-years at Kingfisher that has not been short of drama.

Cheshire admits he had plans to leave the company on three separate occasions but that circumstances took over and he was parachuted into various new roles by then boss, Sir Geoff Mulcahy.

Cheshire joined Kingfisher in a strategy and M&A role focused on the Castorama acquisition, and initially planned to stay for three years before moving on. Roll on 17 years and he is only just poised to step out the door.

They have included heading up Kingfisher's ecommerce arm, leading the international business and the chief exec role at B&Q, before he was crowned group chief exec in January 2008.

"It was a bit of baptism of fire and looking back on it, 2008 was a really stupid time to take over," jokes Cheshire.

He took the top job following the sudden departure of Gerry Murphy, soon after the first signs of the credit crunch had begun to emerge in late 2007. One of Cheshire's first tasks as group chief executive was to talk the credit agencies round; they wanted to downgrade Kingfisher to junk status.

"That would have been really good news as a new CEO," says a deadpan Cheshire.

On top of that, he was at first forced to do two jobs simultaneously as he sought a successor for the B&Q business. And to exacerbate matters, Duncan Tatton-Brown, now at Ocado, decided he could not commit to another five years as chief financial officer.

"There was a slight sense of 'you are all on your own here'," admits Cheshire. "The first six months before I got the team in place was probably the most painful because I had not yet backfilled B&Q and was trying to shelve things and make some changes."

Fortunately during those first six months without a senior exec team in place Cheshire managed to dispose of the Italy business for 600m Euros, just before the global financial crisis really took hold. "If we hadn't done that we would have been sitting there with £1.6bn of debt with no banks lending anymore," says Cheshire

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By October Sutherland, O’Byrne and Peter Hogsted, who joined from IKEA where he was UK chief executive, were in place, providing Cheshire with a team to help him execute his vision for the company.

“The thing I have always believed in is leadership through teams and the hero CEO stuff I find very hard to believe and I automatically distrust,” says Cheshire.

Cheshire believes his greatest legacy is getting Kingfisher operating effectively as a team, something that certainly was not the case at the start of his tenure.

“There was a flat out civil war going on; Brico Dépôt and Castorama were fighting each other, B&Q and Screwfix would not talk to each other,” says Cheshire. “Nobody wanted to talk to anybody at Paddington so it was all quite tricky.”



Ian Cheshire chats to staff at Kingfisher's Castorama business

In order to break the deadlock in France Cheshire came up with a remarkably simple yet effective solution; he forced greater interaction by putting one person in charge of Kingfisher France and made bonuses dependent on the total profit performance of Brico Dépôt and Castorama. Cheshire describes it as a JFDI (just f*cking do it) moment.

He then allowed the executives to hammer out the detail as part of his philosophy of enfranchising the team and avoiding micromanagement wherever possible.

“What CEOs need to work out is what are the big framing decisions we need to take and a chunk of what you have to do is get out of the way of very good people,” Cheshire. “There is a great temptation in CEO life to say ‘make it so’ and everyone responds ‘yeah whatever’ and 15 years later you wonder why it hasn’t happened.”

During Cheshire’s time in the top job he has witnessed an online revolution that has transformed the retail landscape, and it is the rise of mobile that has had the biggest impact on the sector, alongside institutional leases, in the eyes of Cheshire.

Both have had transformative an effect on Kingfisher, in both positive and negative ways. A huge opportunity for Kingfisher going forward, and something that Cheshire and his team spotted early on, is the power of mobile, particularly for Screwfix, the jewel in the crown for the DIY giant.

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But institutional leases have given Cheshire a huge headache; B&Q has been left lumbered with giant 100,000 sq ft stores that look out of kilter in the era of multichannel retailing.

However, overall Cheshire believes he has left the business in a decent state for Laury to take it to the next level. “The door has opened, there is a bunch of opportunity, have the courage to build on it and go faster,” Cheshire advises his successor.

A voice for the industry

Cheshire has never been afraid to speak out on important issues that impact the industry. As chair of the British Retail Consortium he campaigned tirelessly for a reform of the antiquated business rates system. He was the first retailer to put his head above the parapets over the issue of Scottish Independence when he warned in April of this year that an independent Scotland could have an impact on prices north of the border. His good standing in the industry led him to be appointed as the lead non-executive member on the Department for Work and Pensions board.

While Kingfisher’s performance has slipped of late – retail profit declined 6.9% during the quarter ending November 1, the last set of figures under Cheshire – the outgoing boss can be proud of his legacy.

During his 7-year tenure adjusted pre-tax profits have more than doubled from £337m to £744m and sales have risen from £9bn to £11bn.

But in an age where the legacy of lauded retailers such as Sir Terry Leahy and Justin King are being called into question after their departure, is Cheshire confident his will stand the test of time?

“The reality is you can never decide what other people will think of what you have done and what your record is,” says Cheshire. “What happens to the business in the next phase is not entirely within my control and there will be challenges but also a ton of opportunity. Personally I would like my legacy to be remembered by the way the people inside work together.”

As the book closes on the final chapter of his time at Kingfisher, Cheshire insists he has no regrets.

“The only slight wish factor would have been more progress in the last two or three years in Poland and Russia. But I don’t really see any big regrets because most of what has happened we have decided. Some of it worked, some of it didn’t, so can you really regret it?” says Cheshire.

And with that Cheshire – a fluent French speaker - excuses himself from the interview to make his appointment with the French ambassador. To cite one of the most famous of all French songs; il ne regrette rien.

CV

Jan 2008-to date Group Chief Executive of Kingfisher plc.

2005-08 Chief Executive of B&Q UK.

2002-05 Chief Executive of International and Development

2000-02 Chief Executive of e-Kingfisher (joined board in 2000)

1998-2000 Strategy and Development Director

Previous roles

Before joining Kingfisher Ian worked for a number of retail businesses including Sears plc where he was Group Commercial Director.

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Education: School: King's, Canterbury. University: Christ's College, Cambridge (law and economics)

Family: Married, 3 children (2 boys, 1 girl)

Home: Wandsworth, London (plus Isle of Wight)

Birthday: August 1959

Mentors: Crispin Tweddell and Sir Geoff Mulcahy

Kingfisher timeline under Sir Ian Cheshire as Group CEO

2008

- Recruits top team, including Kevin O'Byrne as Finance Director and Euan Sutherland as CEO of B&Q and Kingfisher UK
- Launches Delivering Value plan, a four year plan to deliver a "Step change in shareholder value". Aims to double earnings per share within four years.
- Sells Castorama Italy for £615m

2009

- Announces re-structuring of B&Q China, including the closure of 20 stores

2010

- Screwfix launches Plumbfix and Electricfix trade propositions
- Kingfisher's profits rise nearly 50% to £547m

2011

- B&Q becomes first UK retailer to sell 100% sustainably sourced wood
- Buys 30 ex-Focus stores from administrator for conversion to B&Q. Saves 600 jobs.

2012

- Delivering Value plan successfully completed with profits more than doubled from £350m in 2008 to £807m and debt eliminated.
- Announces next phase of growth plan, called 'Creating the Leader'.

2013

- Acquires 15 stores in Romania
- Ian Cheshire knighted in New Year Honours List for services to business, sustainability and the environment.

2014

- Brico Depot expands into Portugal, Screwfix starts trial in Germany, stake in Hornbach sold for £195m. Announces plans to seek local partner in China
- Announces acquisition of Mr Bricolage in France for enterprise value of 275m euros

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