

I said I'd never do more than three years on the tiles says Topps Tiles boss

Topps Tiles' Matthew Williams has risen from crockery shop 'Saturday boy' to chief executive of the company his father founded and revived it for the modern British home owner

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'People don't need tiles to survive', is a surprising mantra for the boss of Britain's biggest tiling company.

However, it is that philosophy that has helped Matthew Williams bring Topps Tiles back from the brink. In the process, he has achieved something even more impressive, by encouraging Brits to trade in their long-standing love affair with carpets and wallpaper for glossy, patterned tiles.

Williams, who has been Topps Tiles' chief executive for the past nine years, has spent the past five on a mission to revamp the chain, moving it away from outdated associations with grout-splattered tradesmen and dusty bags of cement into a place that looks more like a chain of showrooms containing the latest trends in interior design.

"Our customers are far more outlandish these days", Williams says, striding around one of its 340 stores, in Shoreditch, east London. "We were worried that after the recession that everything would become really boring, safe and commoditised. But actually people have become more imaginative and a lot more ambitious, partly because they are staying in their houses for longer".

"Part of our quest was for customers to reappraise our brand", he says, and without missing a beat adds, "that's marketing-speak for 'give us a go'."

At 6ft 4 inches tall, Williams, 41, has a commanding presence, and while his hair is greying he often breaks into a wide boyish smile, complete with dimples, suggestive of a mischievous streak. Despite resembling a burly rugby player, he turns into a character more reminiscent of a fashion designer when picking up a white, glossy brick tile: "This 'metro white' is our number one seller at the moment – it's sort of the white heat of fashionability."

Not a sentence your average Topps Tiles tradesman would utter.

However, it soon becomes clear that Williams was always destined for the retail world. Both sets of grandparents were involved in shop-keeping and his father, Stuart, was a serial entrepreneur, despite initially training as a chartered accountant.

Williams's first job in retail was as a "Saturday boy" at one of his father's early ventures – a crockery shop in Catford, south London. He confesses the venture didn't last long and nor did a second-hand car dealership.

His father then moved to Brazil and, as well as setting up a coffee import business, also launched Tile Kingdom on his return, inspired by the widespread use of tiles across South America.

He opened his first store alongside business partner Barry Bester, who had bought his first tile shop in 1981 with the money he made from selling his wife's hairdressing salon.

The business became Topps Tiles when it bought a bigger Manchester-based business in 1994.

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"We went through a tongue-twisting period where we called ourselves Topps Tile Kingdom before we thought, 'what are we doing?'" Williams said.

After a stab at banking, encouraged by a traineeship at Salomon Brothers, Williams realised he wanted to do something "more tangible" and retrained as a chartered surveyor to enter the property world. However, this flirtation soon came to an end when his father called him asking him to find sites for Topps Tiles' expansion.

"When they floated the business in 1997 they promised investors a store roll-out, but the person who was meant to be doing it moved on, so Dad gave me a ring and said, 'come and work with us'," Williams says.

During a two-year stint as property director at the company, the business grew rapidly from just 54 stores to around 250 shops.

"I said I'd do three or four years at the most. I never saw myself going into a family business," he says. Ten years later he took over as chief executive.

Williams' father, 71, remains Topps Tiles's biggest shareholder, with 10.6pc of the company, after stepping back from the board in 2006.

"We had always had an agreement we wouldn't be on the board at the same time, I don't think you can win in that situation."

Luckily, he doesn't get ticked off about tiles over the Sunday roast.

"We get on; very much so. We have shareholder meetings with my father and my mother, which can be a little bit strange, but outside of those we hardly talk about Topps at all.

"When we do chat about the company, it's mainly him asking me about the people he knows and catching up on what they're up to, rather than trading", he adds.

While in some ways inheriting the business, Williams has been determined to put his own stamp on the company, last year rebranding all 350 shops from their former tired, yellow signs, complete with a naff cartoon tile, with slick, black banners. "We didn't kill Toppsy, but we retired him", Williams says of the absent cartoon figure.

It's clear that Williams is enjoying his role, but then again, maybe it's just relief. In December Topps Tiles posted record annual sales of £212m, evidence that he has successfully steered it through a string of profit warnings and the toughest trading period in its history.

One year after he took the helm, the global recession kicked in, destroying consumer confidence and the housing market, which Topps Tiles is heavily reliant on.

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To compound matters, the company had loaded up with debt in 2006 to hand shareholders a £122m special dividend, putting its balance sheet under considerable pressure in the face of sliding sales.

“It was all the rage at the time”, he says sheepishly of the boom-time debt binge. “Becoming chief executive was definitely a baptism of fire,” he adds.

Then, in February 2009, Euler Hermes withdrew credit insurance for Topps Tiles suppliers. Not to be defeated, Williams hit the phones to all his suppliers, who assured him they would be happy to continue trading with the company. Topps’ share price still tumbled to just 15p. Two years earlier, when Williams took over, the shares were changing hands for 300p-a-share. Williams continued to face an uphill battle as retail woes deepened across the country.

Topps was forced to issue another profit warning in August 2011, wiping almost a third off the value of the company. However, it escaped the fate of flooring rival Floors 2 Go, which toppled into administration during the same month.

To this day Topps Tiles doesn’t have credit insurance, despite Euler Hermes knocking on the door to offer it again.

“Our suppliers don’t find it necessary, we have a strong relationship and they are involved in all of our products and what we do.”

According to Williams, this unusual relationship with suppliers has been beneficial, enabling it to have more exclusive and innovative ranges, including an ink-jet printed Moroccan-inspired range and another that replicates the bark of silver birch trees.

While most of the high street has lost customers in the shift to online shopping, Topps Tiles seems to have bucked the trend. Around 99pc of customers still visit Topps Tiles shops before making their purchase.

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Online shopping was once a bit of a sensitive topic as Nick Ounstead, who served as chief executive for 15 years, joined forces with two other former colleagues to set up rival Tile Mountain in 2013, which analysts warned could decimate Topps Tiles. However, Tile Mountain has failed to gain ground and the entire online market continues to make up less than 1pc of the wider market’s sales to date.

“There are some people who will buy tiles online and we can see that through our own sales, but the vast majority still come to stores, either to look at the tiles before they buy.”

Last year Topps Tiles claimed a third of the British domestic tile market – an ambition Williams had had his eye on since taking the helm.

Now he has his sights on entering the commercial market, particularly small business owners such as pubs, hotels and hairdressers. He admits that major developments might be beyond their reach.

“We’d be a bit of a fish out of water, selling through stores is our specialism.”

So what about the big DIY specialists, particularly Homebase, which is getting a £500m boost from Down Under as part of its takeover by Wesfarmers?

“I think it’s great. I’m very supportive of competition and if they want to spend that money putting barbecues in the front car parks then I’m definitely a fan”, he says with a laugh.

Link: www.telegraph.co.uk/finance/newsbysector/retailandconsumer/12143592/I-said-Id-never-do-more-than-three-years-on-the-tiles-says-Topps-Tiles.html