

CEO's interview



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Interview with Véronique Laury

Q You have been CEO of Kingfisher for just over a year now. What progress do you feel the business has made in that time?

A I feel we've made a lot of progress. Following an in-depth review of Kingfisher's business last year alongside in-depth studies of our customers' home improvement needs, the leadership team announced the ONE Kingfisher plan. This plan will leverage the scale of the business by becoming a single, unified company where those customer needs always come first.

In January 2016 we revealed the detail of our new strategy and our focus over the next five years based on the three key pillars of creating a unified, unique and leading home improvement offer, driving our digital capability, and optimising our operational efficiency. With a clear road map now in place alongside long-term targets, the size of the five year opportunity is significant. Of course we acknowledge the challenges ahead. However, having already made good progress since March last year with our first 'sharp' decisions, and with 74,000 committed colleagues, we feel confident about our plan and look forward to moving on to the first year of our transformation.

Q How do you view the potential of the home improvement market?

A I think the potential is huge. The home is an ever-changing, always evolving space that demands love and attention. But all across our markets, people are finding the task of starting, completing and keeping up with home improvement projects more difficult than it needs to be. What should be an enjoyable and rewarding process is often far too challenging, with many unforeseen hurdles along the way.

But despite all these challenges, people remain determined, because a good home is a vital part of living a better life. It can be hard work, but ask anyone who has ever swung a hammer, tiled a floor, or painted a room, and they'll tell you that once it's done it's all worth it.

Q What can Kingfisher do to help people create a good home?

A It is clear that when it comes to home improvement, something has to change. People need ideas and inspiration. They need help planning projects correctly. They need help purchasing the right materials and tools. They need help building and installing. And finally, they need help maintaining their homes. By putting the customer first, we can create a business to better address their needs. We have the scale, the expertise and the passion, and by directing it with a unified focus we can truly make a difference.

“Everyone deserves a home they can feel good about, and we all play a part in making that happen.”

Q So how will your customer offer change?

A We're creating a complete unified and unique offer based on deep customer insights. This offer will be unified across Europe and ultimately delivered by an integrated supply chain from the supplier to the customer's home for quality at lowest cost. Our new, unified 'core essentials' ranges are starting to arrive in stores, covering areas such as light bulbs, batteries and kitchen sinks.

We have also started working on developing unique ranges, where the design and quality will be owned and specified by Kingfisher. This will ensure we meet customer needs, whether they be functional, design or affordability, as well as differentiating our offer. We have started with the bathroom and outdoor categories. This is brand new and exciting!

As our new offer arrives in stores, it will not only be the same offer everywhere but will also be presented in the same way across Europe. But it is early days. We have said that our unified offer will roll out over the next five years. By the end of 2018 over half of our offer will be new so customers will notice a real change by then.

Q And the digital strategy, how will that work and benefit both customers and staff?

A We're going to start being where people need us to be, giving them what they need when they need it, from inspiration to realisation. We'll do this by creating digital tools that will help customers to find great ideas, plan their projects, connect with helpers from their community, and search for the right tools and products instantly and seamlessly from the comfort of their own home or wherever they may be.

We'll support this innovative approach in our stores, where we'll have access to the same digital tools our customers do, allowing us to know their projects and their homes inside and out. We'll provide new in-store technology that will help us spend less time on administration and more time with customers as we share our expertise with them. We will continue to optimise our ways of working, our store formats and our market presence, making us uniquely placed to offer the best customer experience possible.

Q Are you confident you have the right team to deliver this strategy?

A Yes, absolutely. We have a highly competent, highly committed leadership team with a great range of skills and experience. And when we need new competence we recruit them. For example, we recently appointed Pierre Woreczek to the new role of Chief Customer Officer. Pierre spent 17 years at McDonald's in senior

strategy, customer and digital roles. We have also decided to create a new role of Chief Sales and Retail Operations Officer. Jean-Paul Constant will join us in this role in late summer 2016. He spent 30 years at Decathlon in senior roles. And we have 74,000 committed colleagues within Kingfisher who do a great job helping our customers.

Q Can Kingfisher deliver all this change without impacting the day-to-day running of the business?

A We have set up a transformation programme management function to monitor the progress of our key initiatives against our external and internal Key Performance Indicators. For example, one of the reasons we are rolling out our unified offer over five years and not less is to manage the execution risk and to protect 'business as usual'.

Q Kingfisher has talked about changing the way it does things before. Why will it be different this time?

A I think it's different for three reasons. First, we are putting customers first in everything we do. This was not the case before. Second, we have a fresh view of our 'field of action' which we refer to as our 'home improvement ecosystem' (see pages 10 to 13), an ecosystem that really reflects the reality of home improvement projects. And third, we are radically reorganising for the first time to operate as ONE company to truly leverage the scale of the business.

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Q What do you see as the biggest risk to your plans?

A I would say the biggest risk to our plans is the cultural change and we are very aware of it. This is a transformation plan and Kingfisher in five years' time will be very different from what it is today, so our people will be an important part of that journey. Our new Chief People Officer, Emily Lawson, who joined us in October 2015, has the right experience of big transformational change. She will be key, alongside me, in ensuring that we bring our existing people along with us in the right way, as well as ensuring we recruit the right people to support this transformation where we need new competences and capability.

Q How is sustainability relevant to Kingfisher's transformation?

A We believe that a good home is a more sustainable home – one that is green outside and in, resource and energy smart, healthy and comfortable, durable and efficient to run. As we transform our offer we are further integrating sustainability into our ranges, to make it easier for our customers to create a good and sustainable home. Within our business we aim to be a truly sustainable company too, and we are looking at our supply chain, our buildings, our infrastructure and processes. We are lucky in this regard because we have a very strong heritage and a track record of leadership in sustainability. We are building on strong foundations and are very ambitious about what we want to achieve next.

Q What should a home improvement company stand for?

A Everyone deserves a home they can feel good about, and we all play a part in making that happen. Together we will become ambassadors for home improvement, full of knowledge, passion and ambition to support those with a desire to improve their home.

As the leading home improvement company we will stand for helping as many people as we can to have the good home that they want. And together we will improve people's lives – that's something we can all feel good about.

Véronique Laury
Chief Executive Officer

