

the interview

Since his appointment last year, the Carpetright boss has put an end to a run of poor performance and brought a new sense of focus. **Matthew Chapman** asks how he did it

WILF WALSH

Carpetright boss Wilf Walsh is quick to poke fun at himself, but after halting a series of profit warnings at the retailer he can afford a bit of levity.

Walsh is currently recovering from a knee operation that has forced him to trade in his running shoes for cycling Lycra.

"When you are lying on your back [post-operation] it gives you a chance to reflect on life in general," says Walsh. There follows a pause worthy of a comedian. "Not much came out of that."

Walsh, who has recently celebrated his 53rd birthday and is just under a year into his chief executive role at Carpetright, gave his first sit-down interview to *Retail Week* straight after presenting his first full-year results as a chief executive of a quoted company.

He is full of good cheer and has reason to be. Carpetright posted a pre-tax profit of £5.4m for the year ending April 25, having made a £7.2m pre-tax loss the year before.

After Walsh joined Carpetright last July from gaming group Fortuna Entertainment, where he was chairman, the retailer succeeded in putting an end to a run of nine profit warnings. Not bad for a boss who had been out of retail for 15 years.

Carpetright group finance director Neil Page, also in the room, admits a series of "threadbare profits" headlines had been embarrassing.

Getting back to basics

Yet the exuberant Walsh appears to have re-energised the business by honing the basics after the period of morale-sapping results.

"We have been focusing a lot on who we are, what we sell, how we sell it and where we sell it," says Walsh.

Carpetright has begun a rebranding including a new logo and trial format launched in its Clapham High Street branch last week.

The shop features more premium lines, while fixtures and fittings have been revamped to ensure the store is "much cleaner and more contemporary".

Walsh has also been looking at the way

"We have been focusing a lot on who we are, what we sell, how we sell it and where we sell it"

Wilf Walsh, Carpetright



Carpetright's new format is being tested in Clapham, south London

the business is run as part of its 'who we are' exercise.

"The culture change has been quite big in Carpetright over the last year with a much more collegiate approach to decision-making," he says.

That has involved speaking to many store managers as well as gathering feedback from customers, an aspect of the job he relishes.

The self-deprecating Walsh says he engendered such a collegiate atmosphere because when he joined he knew "nothing about carpets so I had to ask people what was going on".

In this respect, Walsh and his predecessor Lord Harris could not be more different. Lord Harris is a carpets retailer through and through, having founded the retailer in 1988. He remained its chief executive until 2012, when he handed the reins to Darren Shapland. After Shapland exited 17 months later Harris resumed control on an interim basis until the retailer appointed Walsh.

Walsh may have big shoes to fill but he seems to be taking it in his stride.

"I keep reading about CEOs and they always say it is the loneliest job in the world," says Walsh. "Here is a newsflash: it is probably lonely because nobody likes you. It could be

CV

2014 to present

Chief executive, Carpetright

2009 to 2014

Chairman, Fortuna Entertainment Group

2000 to 2008

Managing director, Coral UK (still a non-executive director of Gala Coral Group)

1994 to 2000

Operations director, HMV UK and managing director, HMV Germany

1984 to 1994

HR and commercial roles at GlaxoSmithKline and Pepsi-Cola International

Education

Law degree from Leeds University

nobody likes me, but I don't have feelings of isolation even when I'm alone."

The former HMV executive says customer feedback has helped him formulate a "crystal-clear" plan for the Carpetright business, which is built around key pillars of a revitalised brand, an "unrivalled" range, outstanding customer service, "unbeatable" value and multichannel convenience.

He has drawn inspiration from the success of businesses such as Aldi and EasyJet, which "have a reputation for value but have extended their reach beyond what people see as their typical demographic".

One of the drivers behind Carpetright's rebrand is appealing to a broader range of customers, including the more affluent shopper.

BEHIND THE COUNTER**Who has been your biggest inspiration?**

Stuck between Albert Finney or George Best.

What was the last book you read?*Bowling Ball* by Escobar Walker.**What was the last film you watched/
What TV series are you watching?***Mad Max: Fury Road*. Mindless nonsense, completely brilliant. I have also been watching *Humans* on Channel 4 – took me three episodes to realise it was garbage.**Who is your favourite band/artist?**

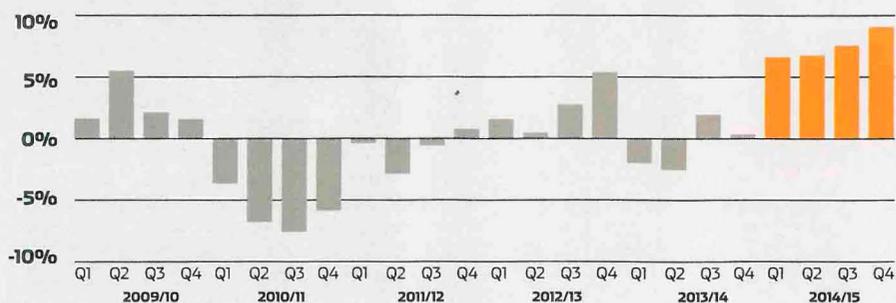
Massive Attack, James Brown.

What was your last purchase and where did you buy it?

A man bag from Aspinall of London in Selfridges.



“I don’t want to be seen to be moving too upmarket”

UK LIKE-FOR-LIKE SALES

However, Walsh refutes any suggestion that Carpetright is going upmarket.

“The interesting thing is trying to convince people it is not a move upmarket,” says Walsh. “I don’t want to be seen moving too upmarket and if that is the way it comes out then it has been poorly translated.”

Walsh explains the revamped store concept came about because customers still want to shop in pleasant surroundings whether they

live in a council house or an eight-bedroom house in Wandsworth.

Market leadership

By following the simple strategy of listening to store staff and customers, the changes Walsh has implemented appear to have helped propel like-for-like growth (see graph).

The introduction of a £500 minimum spend interest-free credit offer in December –

which has encouraged customers to trade up – has also driven sales, as has rebounding consumer confidence.

Walsh argues the management team has “made massive inroads in terms of driving these numbers” but admits not all the changes have turned to gold.

“I think we have probably been guilty of pushing too hard in certain areas and we have made mistakes, and there have been weeks and months where we probably could have traded better,” he acknowledges.

Carpetright will have to be at the top of its game to grow market share in what is becoming an increasingly competitive market.

Martin Harris, son of Lord Harris, has set up new floorings retailer Tapi. Backed by DFS founder Lord Kirkham and renowned businessman Sir Harry Djanogly, the retailer plans to open 200 stores.

The usually frank Walsh will not be drawn on the potential threat of Tapi. “They can produce their own oxygen without me helping,” he says. “I’m told it is not cool to talk about the competition.”

Even if Tapi does reach 200 shops Carpetright will still dominate the market. At the end of its financial year on May 2 it had 460 stores in the UK and around 25% of the market, although it is in the process of trimming its store estate by closing shops where it has more than one in a catchment area.

Despite Walsh professing to hate clichés, in Carpetright’s full-year results the retailer said it was only at the beginning of its journey.

Walsh too is at the beginning of his own journey at the retailer and, if the success he has already inspired continues, he is likely to be fêted on a red carpet.