

Connecting people



At Dixons Carphone's HQ, James stands in front of a wall signed by colleagues who attended the party to celebrate the company's creation

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RETAILER
OF THE YEAR

Retail
Week
AWARDS
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Winner: Dixons Carphone

“Any company that thinks it’s a great company is probably not one,” he asserts.

“We spend our time thinking about what we’re not good enough at. Both companies shared that sense of unease, that restless quality.

“I think people don’t worry about themselves, they worry about the shared enterprise.

“We have a good sense of the ridiculous. In the end we’re selling washing machines and TVs. We mustn’t become self-aggrandising. Everybody mucks in.

“That comes from Charles and Stanley. Both companies were founded by entrepreneurs and some of that spirit flows through.”

Dixons Carphone’s management structure prompted some raised eyebrows among observers who thought it looked unwieldy, but James thinks it was right at the time.

He observes: “We got a bit of stick about apparently making a fudge but it gave us a chance to get to know each other and what people were best suited to. A few people left, they didn’t like the ambiguity.

“Change in shops we rolled out at breakneck speed. Most of what we did on synergies... you don’t need a grand organisational structure, you need to be gentle enough to let people find a home.”

The sense of restlessness and entrepreneurial drive still characterises Dixons Carphone. The retailer moved rapidly following the merger to open three-in-one stores, introducing Carphone to Dixons’ Currys and PC World shops.

The button has been pressed on a full roll-out of the store model, allowing Dixons Carphone to reduce its estate by 134 branches while delivering the same or better level of sales and maintaining or increasing the number of staff – the people who through their informed conversations drive revenues.



Similarly, Dixons Carphone launched a US joint venture with telecoms company Sprint. That too has gone well and the decision has been made to move out of trial phase to build a 500-store chain.

Beyond retail, what really excites James is the potential to build Dixons Carphone’s services operations. The retailer serves consumers through options such as delivery, installation and repair, and businesses through the Connected World Services division.

James finds the opportunities in services “hugely exciting” and says: “It could be enormous. We have incredible back-end

capabilities. We’ve done a lot of work on it and we’re at a very exciting moment.”

He says the average number of connected devices per household has risen from nine to 17 over the past two years and will only go up. “We think there will be real demand for services for making the damned things work,” says James.

“We’re already the biggest repairer of pretty much everything in the country.”

A sizeable proportion of Dixons Carphone comes from subscription revenues of various types and is expected to grow.

So Dixons Carphone is likely to evolve once again in the coming years, as each of its constituent businesses has in the past. For James, that is as it should be.

“Don’t you think every business should be unrecognisable every five years?” he asks. “In five years’ time we’ll be a big multiplay player, a big services player, then who knows?”

As Dixons Carphone grows, James and his team can still draw on the entrepreneurial founders for useful conversations. Dunstone remains involved as chairman while Kalms retains an honorary role and he still maintains a keen interest.

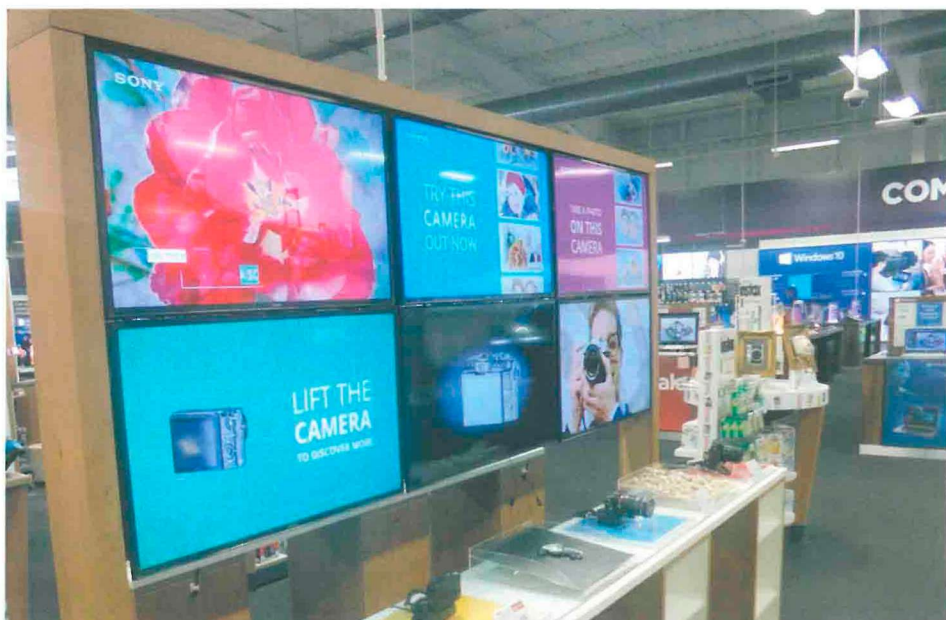
“Stanley continues to be very excited about the day to day and gives me a bollocking about what I’ve not done,” reveals James.

That no doubt helps him keep his feet on the ground. James concludes: “It’s always a two-step thing.

“One, protect our core business and make sure we’re innovating. I hope we’ve not taken our eye off the ball as far as the customer is concerned.

“And we need to start developing our services business as quickly as we can.

“It’s not easy. We’ve had a good year, but bugger me it’s another year and we have to do it again.”



Dixons Carphone’s model works because consumers can experience products in stores

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