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EDITOR'S COMMENT

Luke Tugby

After this defining year, retail will emerge stronger

A chief executive asked me earlier this week: "How would you sum up this year for retail in one word?"

The answer I mustered was: "Defining". It's a word that might have gotten lost in the tales of job losses, closures and administrations that have been aplenty during the past 12 months. But a defining year is exactly what 2020 has been for this sector in so many ways – ways that should give retailers hope and optimism as we head into 2021.

It has been defining for retail's workforce. Store teams, warehouse staff and delivery drivers were hailed as key workers during the first lockdown as essential retailers stayed open and kept the nation going. Tales of individuals going above and beyond to help older, vulnerable or self-isolating customers shone a light on their true value and made us all proud to be a part of this industry.

Retailers such as Tesco, Sainsbury's, Morrisons and Aldi responded by paying increased bonuses to store staff, while the cream of the crop have been nominated as frontline heroes in next year's Retail Week Awards. In June, we will celebrate their efforts in the manner they all deserve.

It's been a defining year for company cultures. Businesses like the Co-op that put people before profit and championed sustainability have won larger shares of the consumer wallet.

Retailers have been more open to partnering with third parties to build new revenue streams – just look at Aldi selling through Deliveroo, or AO opening physical stores in Tesco supermarkets.

The culture of decision making has changed, with ideas often generated on the shopfloor and fed up the chain to the c-suite, flipping the hierarchy on its head. Chief executives have been humbled by store teams coming up with new ways of working and rolling out initiatives in days, rather than months.

B&Q, for instance, transformed warehouse space into 'digital hubs' within weeks, allowing it to offer speedy deliveries from almost 60 of its stores.

It's been a defining year for the ways that central teams are working, too. Marks & Spencer is among the businesses to recognise the landscape has changed forever under its 'Never the Same Again' strategy. It has also created MS2, a division that creates "a single integrated online, digital and data team" for the first time.

And, of course, it's been a defining year for the ways in which consumers are shopping. Lockdowns opened up the idea of online to tens of thousands of people for the first time, and many of them are unlikely to revert back to their old habits. This, combined with a growing appetite to shop locally, has hit traditional businesses hard.

But if there is one thing we can all rely on retail for, it is an innate ability to reinvent and evolve. It has been doing so for centuries and will do so again, even during the toughest of economic times.

There are plenty of exciting, fast-growing businesses leading that charge. For every Arcadia, there's a Gymshark. For every Debenhams, there's a Hut Group. For every Edinburgh Woollen Mill, there's an In The Style.

If there is one thing we can all rely on retail for, it is an innate ability to reinvent and evolve

Yes, it's been a bruising year for many – one that has exposed strengths and weaknesses, forced them to take stock of strategies and widened the chasm between the digital laggards and leaders. Yet many will also be galvanised by the experiences of the past 12 months and head into 2021 with renewed hope, optimism and vigour.

The likes of M&S, Tesco and B&Q recognise how defining a year 2020 has been for their businesses. They realise that, despite the ups, downs and difficult decisions, there is plenty they can take with them into 2021 and beyond.

More challenges lie ahead, of course – we haven't even mentioned the dreaded 'B' word.

But in the eye of the most relentless storm, retail has proved, once again, that it can learn lessons, adapt and transform at incredible pace.

As we near the end of the most defining of years, I am more certain than ever that retail will emerge even stronger in 2021. RW

Read Luke's articles at Retail-Week.com/Luke-Tugby Luke.Tugby@Retail-Week.com @LukeTugby

INTERVIEW

Fenwick boss on delivering the 'best Christmas'

John Edgar took the reins at the department store chain during the first lockdown, but betting big on online and taking a novel approach to Christmas are paying off for the new chief executive, as he tells **Grace Bowden**

When John Edgar took the reins at Fenwick in April, in the midst of the UK's first national lockdown, there was not much that was certain.

It was not clear when stores would reopen or how shoppers would feel about returning to them, or how online would fit in after its nascent ecommerce operation was shut down at the beginning of lockdown.

But one thing that was absolutely clear to Edgar, who has previously held executive roles at Harrods and Selfridges, was that Fenwick would be going big on Christmas.

"It was one of the first conversations I had with the marketing team when I started," he tells Retail Week. "It took me no time at all to say Christmas is happening and we are going to make it the best Christmas we possibly can."

Christmas is a key period for most retailers and shoppers, but for Fenwick it carries particular significance.

The retailer, founded in 1882 and still under family ownership, has held a Christmas window unveiling ceremony at its flagship branch and first store in Newcastle on Northumberland Street every year since 1971. It is an event rubber-stamped in the city's calendar, and one that draws shoppers to the city centre in their thousands.

But, like many things in 2020, coronavirus put paid to tradition as concerns about social distancing made an in-person unveiling impossible.

That, combined with the chopping and changing of tiers as the year went on, meant Edgar and the Fenwick marketing team had to think on their feet about how to make their famous Christmas window a success while complying with guidelines.

"I knew we may not be out of this chaos state that we are still in, but I was pretty confident that if we were going to do Christmas we were going to do it properly," says Edgar.

"Newcastle is iconic for us and we are big in the community. The local council was fantastic and our marketing team did great work coming up with different ideas."

For Fenwick's Newcastle branch that meant entering uncharted waters by streaming the unveiling of its *The Wind in the Willows*-themed Christmas windows on Facebook and asking shoppers to stay away on the night of the reveal, before providing the chance for them to queue up and see the windows in person from a safe distance in the following weeks. Since the big reveal on November 8, around 1 million people have watched the Fenwick Christmas window video online.

The retailer has also launched a Christmas window competition, which sees Newcastle residents decorate the windows of their homes in a festive style for a chance to win a £1,000 shopping spree in store. It has also unveiled an 'elf-mobile', which is delivering orders to shoppers in Newcastle city centre until December 31. Edgar says it has been a big hit and will be rolled out to some of its eight other branches next year.

It is such ingenuity, and the heartfelt response from shoppers, which makes Edgar optimistic about the future despite the spectre of coronavirus.

"People don't realise it yet, but we will come out of this as an organisation and we'll be better for having gone through it," he believes.

"The Christmas window is a great example. We learnt something we wouldn't have otherwise, which means going forward, rather than only having 2,000 or 3,000 people on the night, we have a reach online to over 1 million.

"It was a really good moment for the business, a real statement and phenomenally successful, and in a socially distanced way people have queued to look at the window every day since. It's been a great focus and united us against a common enemy."

This unity is something Edgar says has helped Fenwick pivot in more ways than one.

When he took the reins, all of Fenwick's stores were closed due to the lockdown and its fledgling online business, which had only launched the previous year, had been put into hibernation. That decision, made just days before lockdown, was taken in the interests of customer and staff safety, but some people in the business also reasoned that the retailer's online operation would not be missed by shoppers as it was not long established.

Edgar was adamant that it was not the right decision and took decisive action to get the online operation back up and running within weeks of his arrival. It was a decision that led to the business generating more revenue online in six weeks than it had the entire previous year.

The process brought some challenges. Fenwick operates a pick-from-store model, which worked well during lockdown but has been more challenging since shops reopened.

"Don't sell Christmas baubles online from store if you can avoid it," says Edgar wearily. However, it is still a decision he is proud that Fenwick took enthusiastically.

"It was easy to convince people how online was important when everything was closed: we needed to get something through the tills; everyone understood that. But it also meant we were asking people who did a certain job before to do a different one, and people really embraced it," he says.

"It really helped change the culture of why online is important to our business and, having worked in other department stores, the cultural acceptance of online from stores is much harder than you might think. Bizarrely, the lockdown helped us get through that very quickly. There was Dunkirk spirit to it – whatever makes the boat go faster. It was incredibly encouraging to see how people responded to that."

It took me no time at all to say Christmas is happening and we will make it the best Christmas we possibly can
John Edgar, Fenwick

Edgar aims to generate 20% of the retailer's sales online in the next three to four years and says the brand will sell online internationally as well, buoyed by the response to its festive window unveiling.

As he speaks in Fenwick's Kingston branch, it is clear he is passionate about the future of department stores on the UK high street.

"I've worked in more department stores than most people and the thing I love about businesses like this is the early morning before you open. It's like the changing of a theatre set – there is a real energy and atmosphere. Someone I spoke to this morning on the loading bay said: 'It's great, we have customers again, it feels like the old days. It's definitely emotional," he says.

That passion makes Edgar adamant that department stores are well-placed to succeed in a post-Covid world, despite the demise of others, including, most recently, Debenhams.

"You go to the high street for something that entices, inspires, surprises, delights you – not for a load of stuff, 50% of which you could have just got online, because next time you will just buy it online. That is where department stores like us have real advantage.

"In the Covid world, would I want to queue outside a store that can only get four people in while it's pouring down with rain? Or can I actually socially distance in a department store, get a range of products, great service, a coffee and something to eat and spend some time and dwell? Bizarrely enough, department stores are probably the safest place to shop."

The Fenwick elf-mobile

Edgar believes Fenwick's place in the market as a department store chain that owns the bulk of its stores, operates just nine locations – a number which, despite the feast of property choice in the current climate, he is not tempted to increase any time soon – and has a clear connection to each community in which it operates sets the business up for success.

Edgar's enthusiasm for Fenwick is apparent, but his appointment was not without its drama. He was parachuted in to take the reins following the ousting of the retailer's first external chief executive Robbie Feather and chair Richard Pennycook in a bid to bring the Fenwick family "closer to the running of the business [and] slim down the board".

Edgar says he has "great backing from the family" and they are on board with his two key focuses in his new role of product and service – two differentiators he thinks the business has fallen behind on in recent years.

On the former, Edgar says aspirational brands that may have previously only been stocked at the Bond Street branch are now being expanded into its regional stores, such as Tunbridge Wells and Colchester, as home working and more local shopping become the norm.

The retailer is also experimenting with new types of brand to diversify away from its more traditional offering. As well as bolstering its range of more casual womenswear options, Fenwick has installed a sneaker wall from streetwear brand Presented By to gain the attention and spend of "sneakerheads".

Fenwick has also introduced a concierge service at its Brent Cross branch in time for Christmas shopping – a service Edgar says has generated "hundreds of thousands of pounds from a standing start" in just weeks.

All of these initiatives have been introduced at pace since Edgar arrived at Fenwick and that rapid and experimental way of operating is something he wants to embed in the retailer's culture.

He says: "One of the examples I used with our store managers recently was to treat this business as a start-up. Forget the history; think of it as a blank piece of paper.

"If we were a start-up, what would we be doing? What we wouldn't be doing is spending three months talking about maybe doing something; we'd just do it and see if it worked."

Edgar says that, although footfall is down, Fenwick is "trading way above our expectations" in the run-up to Christmas. It has sold out of a lot of festive categories online and expects to sell out in store before December 25.

And, come what may in 2021, he is raring to take Fenwick to new heights.

"I like a bit of a challenge, and in a way this is the easy time because no one expects much. It is tough, but this is the time to get everything right because when normal returns, whatever that means, there will be no hiding place." RW

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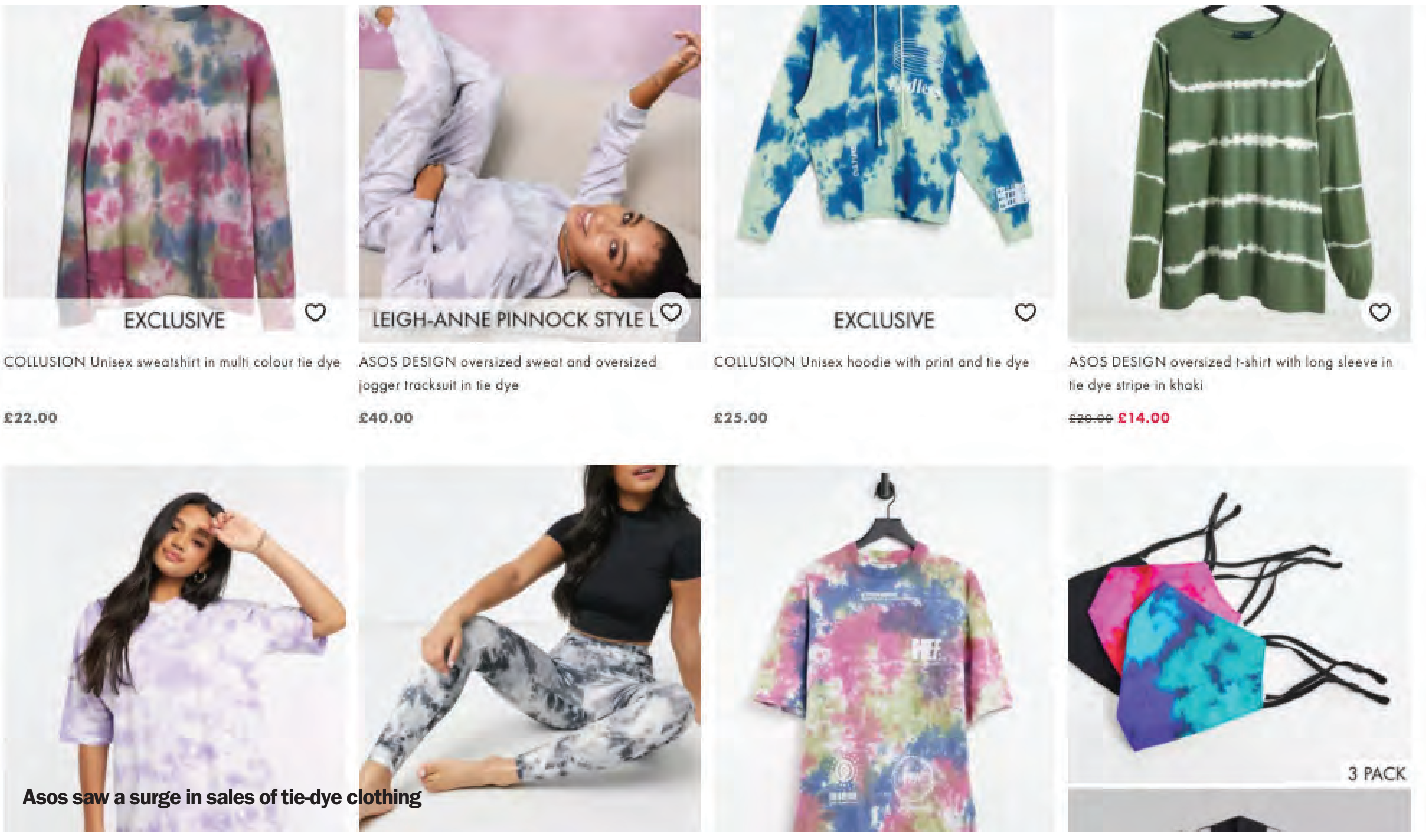


Asos saw a surge in sales of tie-dye clothing

From self-care to tie-dye: seven consumer trends to define 2021

The coronavirus crisis has had a profound effect on consumer behaviour, turbo-charging some trends and creating some completely new behaviours. Looking ahead to 2021, **Hugh Radojev** considers the trends that may emerge

Going gourmet

Periodic lockdowns encouraged people to expand their culinary repertoire and experiment in the kitchen.

Many people, perhaps missing international travel, used the additional time at home to explore exotic flavours.

This phenomenon was captured by Waitrose's latest *Food and Drink* report, which revealed that sales of mirin and other Japanese rice wines jumped by more than 100%. The supermarket also reported a rise in foraging and at-home fermentation.

According to Pinterest's 2021 predictions, this trend is only going to continue into the new year, with customers looking to recreate the restaurant experience at home.

Searches for 'gourmet food plating' on Pinterest's site are up 105% this year and 'home-made tea recipes' are up 60%, while searches for 'bread art' are up a whopping 130%.

Pinterest says: "Pinners will get fancy in the kitchen and recreate restaurant experiences at home.

"Chef-inspired meals, food plating techniques and garnishes are all trending up."

Skincare is self-care

With bars and restaurants closed, social plans cancelled and offices shut, many in the beauty industry could have been forgiven for fearing the worst from 2020.

However, John Lewis says its customers turned to health and beauty as a means of self-care during the pandemic.

Sales of skincare and haircare products were up a whopping 234%, while vitamin-C product sales were up 248%. Sales of multifunctional serums also rose 168%, while lip balm sales grew 121%.

Skincare sales at Asos also soared 94% over the year.

John Lewis says the focus on skincare has helped boost overall beauty sales, with customers' average spend for the year increased 6.2% per item. This trend will continue into 2021, according to the department store.

Products that promote and support inner beauty, sleep and relaxation will be key
John Lewis

"Beauty will become a totally holistic experience as wellbeing becomes permanently part of the beauty journey," John Lewis said. "Every product will need to make you both look good and feel good – we call this the 360 beauty experience.

"Products that promote and support inner beauty, sleep and relaxation will be key; our new wellness concept will support customers with this."

Au naturel

Tying in with the focus on skincare is a move away from overly made-up beauty looks.

Pinterest predicts that consumers will banish the caked-on makeup look in favour of letting their natural skin shine through.

The social network says searches for 'naturally glowing skin' are up four times this year, while 'natural everyday makeup' searches are up 180%.

John Lewis concurs, saying 2020 was a year when consumers – who were putting on less makeup – moved away from the idea of flawless and found peace in their own skins.

It says many customers now want "low-maintenance WFH [work from home] makeup routines", which also "taps into a wider cultural mood for inclusivity and diversity".

In 2021, John Lewis predicts health and beauty companies will develop products that "enhance the appearance of a natural complexion".

The era of the "pristine Insta-brow" is also over, apparently, with the department store predicting a return to "a fluffier, bushier look" in the new year, with sales of microfilling pens set to rise for this purpose.

Indie evolution

The coronavirus crisis has sparked a real reckoning for bricks-and-mortar retailing in 2020.

More than 11,000 UK stores closed in the first half of the year, according to figures from the Local Data Company and PwC, with the collapse of former high street heroes such as Debenhams, Arcadia, Cath Kidston, Oasis and Warehouse – to name just a few.

While this has left gaping voids on many high streets and shopping malls up and down the UK, all is not necessarily doom and gloom.

There has been a surge of support for local independent retailers, particularly with people spending more time working and living in their local neighbourhoods. In Shopify's *Future of Commerce* report, 65% of consumers surveyed said they support local businesses, while 50% said they actively looked for local businesses to shop with.

"Consumers want to shop independent," said Shopify.

"Independent brands that improve their discoverability and fulfilment capabilities are poised to succeed."

Meanwhile, seven in 10 UK shoppers expect to visit local independent shops and businesses in December, with £6.2bn predicted to be spent at such outlets, according to research from American Express.

The credit card provider also found that four in 10 shoppers said they had spent more with local businesses since the pandemic hit in March, with 80% of these planning to maintain or increase this level of spend in 2021.

This surge in support for local retailers could lead to independents taking up some of the vacant space on the high street.

Stephen Springham, head of retail research at property firm Knight Frank, said: "There are lots of retailers that are just starting out and there are decent deals to be had.

"They can cherry-pick space right now. If you're looking for space, don't waste a good crisis."

New egg substitutes are set to become one of the fastest-growing plant-based alternatives
WGSN

The rise of meat substitutes

Despite many consumers seeking comfort food in the early months of the pandemic, the ongoing growth of the meat substitute market has continued apace in 2020.

Meat substitute manufacturers such as Beyond Meat and Meatless Farm have continued to grow and all of the UK's major grocery players have launched their own vegan and alternative meat ranges.

Tesco is betting so big on meat alternatives that it wants to increase sales in its ranges by 300% year on year by 2025. Mintel predicts the alternative meat market could be worth more than £1.1bn in the UK by 2024.

According to food trend forecasters at WGSN, it won't just be meat protein getting the substitute treatment in 2021, but the humble egg, too.

"New egg substitutes replicating the look, taste and versatility of real eggs, but made from ingredients like mung beans, soya and chickpeas, are set to become one of the fastest-growing plant-based alternatives," it said.

WGSN head of food and drink Jennifer Creevy points to San Francisco-based Clara Foods and Just Egg as players to watch in this space next year.

Independent retailers could fill gaps on the high street

Tie-dye and DIY clothes

With hospitality venues and many offices closed, 2020 was, if nothing else, clearly the year of the elasticated waistband. Sales in athleisure exploded, with Asos reporting jogger sales growing 156% and an 88% rise in sweatshirt revenue.

However, Asos says one of the other big trends this year was tie-dye – particularly tie-dye accessories, with sales of psychedelically patterned socks exploding by more than 2,281%. Asos predicts that the craze will continue into 2021 with "hippie brights and acid washes set for success".

Consumers will not only be buying tie-dye, but creating their own clothing using the technique. In fact, making our own clothes is also a growing trend.

Pinterest says Gen Z consumers are particularly interested in the trend, with searches for 'sweatshirt embroidery' growing seven times, 'jean painting' up three times and 'DIY tote bag design' jumping 115%.

A safe space

One of the overarching themes to emerge from customer behaviour this year has been a focus on personal wellbeing. With the world outside seemingly uncontrollable, consumers have felt driven to improve the spaces they live in and look after themselves as best they can.

According to data from Statista for November, sales of DIY tools were up 14.7% year on year and building materials were up 31.4%, while sales of paint were up more than 41%.

Pinterest believes 2020's DIY resurgence was down to customers essentially building themselves safe spaces in their homes and predicts this will lead to a continued focus on wellbeing and relaxation in 2021.

The platform notes that searches on its site for all things sleep-related have spiked massively: "Sleep care is the new self-care. Bedtime routines will be more luxurious than ever."

Pinterest also reported a significant increase in searches around bathing, with a particular focus on things like bath teas and a 145% increase in searches for free-standing, deep-soaking tubs. "This year, you'll see people carving out time for an extra-special soaking experience," it said. **RW**

THE BIG QUESTION

Should retailers close on Boxing Day this year?

After a tough year, retailers including Pets at Home, Marks & Spencer and Asda have decided to give their colleagues Boxing Day off. Should others follow their example?

Anna Blackburn, managing director, Beaverbrooks

We understand that this year has been challenging for the retail sector and appreciate Boxing Day is one of the biggest trading days of the year, so it's a big decision for businesses to close their doors on December 26.

For us, we think it is more important than ever for our colleagues to be spending time at home with their loved ones and restore some normality and tradition for them after an unconventional year.

Anna Blackburn

Despite not trading in store for approximately four months due to Covid, we will be closing all of our 72 stores on Boxing Day, as we have done for every year of Beaverbrooks' 101-year history, to enable colleagues to be with their loved ones.

Customers can still shop our Sale online on Boxing Day and in store when we reopen on December 27.

This year our people really have gone the extra mile. The hard work, dedication and resilience they've shown over recent months have been truly remarkable and we couldn't be prouder.

They more than deserve to spend some well-earned time with their loved ones over the festive season.

While we know this may not be possible for every business, we stand by our people-centric approach and absolutely believe this is the right thing to do for our colleagues.

John Colley, chief executive, Majestic Wine

We normally close on Boxing Day, so that's not an unusual step for us. This year, we want to give our colleagues the opportunity to maximise the time they spend in their family bubble. We are looking at ways to do that during the Christmas period and balance the wellbeing of colleagues, the lockdown situation and business trading.

John Colley

That's where the problem lies – because Boxing Day Sales are big for a lot of retailers. So many retailers are still in crisis mode and they will need to maximise their trading hours as much as physically possible over the Christmas and New Year period while they are allowed to – we could get through Christmas and go into another lockdown, which could be disastrous.

A lot of businesses will want to stay open as long as possible and trade as hard as possible while consumers are allowed to go out.

It's a really tricky dilemma for a lot of businesses. Whatever they decide, the key will be to speak to colleagues. We are fairly open with our conversations as we try to balance their wellbeing, the commercial impact and the legislation around trading. Our intention, certainly, is to give our colleagues as much time as we can with their families but there is no easy decision.

Ian Shepherd

Ian Shepherd, retail NED and author of The Average Is Always Wrong

Good retailers look after their colleagues. With that in mind, and after an incredibly demanding 2020, it is not a surprise that some have made the decision to close on Boxing Day and give their teams a rest.

For some sectors that is a sensible call on what would be a quiet trading day. For others, however, Boxing Day is still a huge trading opportunity; many homewares retailers, for example, will do more business on that single day than in any week of another month.

For them, the decision is a more complex one. Rather than miss out – and risk handing yet more business to online giants that won't close at all over Christmas – many will choose to trade and find ways to appreciate their hard-working teams at a different point.

With 2020 trading devastated by lockdowns, we should support their fight for survival. RW

OPINION

Retailers may have shot sector in foot with rates payback

In the space of a few days, essential retailers voluntarily returned the best part of £2bn in business rates relief to the government. In doing so they have won the PR battle, but have they lost the long-term rates reform war?

Hugh Radojev
Senior reporter, Retail Week

"It's absolutely the right thing to do." They were the words of Tesco chief executive Ken Murphy when Britain's largest grocer said it would be voluntarily waiving £585m in rates relief, which was implemented across the retail sector by the government at the start of the coronavirus crisis in the UK.

The line has since been parroted by a number of other essential retail chief executives as many scrambled to follow Tesco's lead.

Within 72 hours of the supermarket titan's decision, the government pocketed almost £2bn in tax from retailers ranging from fellow big-four grocers Sainsbury's, Asda and Morrisons to other essential retailers Pets at Home and B&M.

It is ironic that having led the rush to repay the relief, Tesco was previously among the staunchest voices in defending the tax breaks. Only two months ago, at its full-year results, Murphy was eager to point out that the grocer had already racked up £533m in Covid-related costs – a bill he expected to eventually exceed £700m.

Regardless, the great business rates rebate repayment has been well received in the court of public opinion. The move has also gone down well in certain media and political circles.

Yet, for all the PR glow, some essential retailers, such as the Co-op, Poundland and Waitrose, have either outright refused to return rates relief or have vacillated.

With the pandemic set to continue until spring at the earliest, and with the risks of a disorderly Brexit growing by the day, waiting until the end of the financial year to make a decision on repaying rates seems prudent, if not popular.

Despite the acclaim, the optics of handing back all of this money, at this particular time, are not all rosy.

For years now, the industry as a whole has argued that the business rates system is fundamentally no longer fit for purpose and in urgent need of root-and-branch reform.

Yet, in the teeth of the worst economic gale in a generation, retailers have voluntarily put their hands in their pockets and handed back £2bn they have been saying for years they cannot afford and should not be reasonably expected to pay.

What kind of message does that send to chancellor Rishi Sunak and the Treasury? This government has shown time and again that it doesn't necessarily think granularly about issues. While the likes of Tesco may well be able to afford to give back hundreds of millions of pounds in relief, the lion's share of the industry simply can't.

In the worst economic gale in a generation, retailers have voluntarily put their hands in their pockets and handed back £2bn they said they can't afford

Even as they have been handing their tax breaks back, the majority of essential retailers have been loudly banging the business rates reform drum. It is an issue that Sunak and the Treasury will find increasingly hard to ignore.

The chancellor may also decide that one good turn deserves another and look to reward an industry that has stood tall in the most challenging of times with the kind of reforms it has been clamouring for.

However, this government is notoriously revenue-neutral and removing or reducing a £9.5bn tax revenue stream in one area will need to be replaced in another.

This is where the mooted online tax might come into play. As any retailer will tell you, the playing field needs to be levelled and the likes of Amazon need to start paying their way.

On paper at least, this argument is a winner for bricks-and-mortar and multichannel retailers. But it could well end up becoming a poisoned chalice.

The Covid-19 pandemic has seen many retailers' online channels grow exponentially, not least the likes of Tesco and other essential retailers rushing to hand back billions in tax breaks.

Any online retail tax would, by its nature, need to be applied to multichannel retailers, too. Given the growth many have seen in ecommerce, that might prove more onerous now than it would have done five, three or even one year ago.

The sector must be careful what it wishes for. Otherwise, it could end up shifting one taxation millstone from around its neck, only to replace it with another. RW

NO LIMITS

Rimal Patel became online director at Tesco in 2018

How retail changed my life: Tesco's Rimal Patel

Tesco online director Rimal Patel tells **Luke Tugby** why he no longer feels like a fish out of water and why authentic leadership is key to making retail more inclusive

The life of Tesco's online director Rimal Patel and his extended family has been shaped beyond recognition by the retail industry over the past five decades.

His father was among the tens of thousands of British-Indians who were told to leave Uganda in 1973, with nothing more than a one-way ticket to India or the UK to their names.

Pitching up in south London and refusing to sign on or take money from the state, retail offered a way for Patel's dad to earn his keep. He juggled several jobs in his early months in Britain – working in accounts at the Co-op, on the shop floor at Selfridges at the weekend, baking bread in a factory overnight and studying for banking exams in the evenings.

That work ethic was instilled into Patel, ultimately drawing him into retail, too. As a teenager, he would help at his uncle's newsagent near Millwall and later took a part-time job in Sainsbury's during his GCSE and A-Level years and to fund his law degree.

After graduating from the London School of Economics, Patel "somehow ended up" in investment banking and advisory roles. It was during his time in that corporate world that a sushi restaurant "trauma" and resulting trip to McDonald's opened Patel's eyes to the true meritocracy of retail as an engine of social mobility.

"Going from living in Ilford in a three-bedroom terraced house to working alongside a team of people who were mostly from Oxbridge, alongside clients who were very well-to-do, I felt like a fish out of water," Patel recalls.

"I remember, a year out of uni, going to a client dinner as a vegetarian, to a Michelin-starred sushi restaurant – it was a recipe for disaster. I felt unbelievably uncomfortable because I couldn't pick up anything using chopsticks and I remember sitting in this restaurant in Mayfair worrying about making a fool out of myself over dinner.

"One of the other people at the dinner was a retailer. We left the restaurant afterwards and I remember feeling really embarrassed having not had much dinner. But the retailer said: 'I feel the same, I'm not big on these fancy dinners – do you want to go for a Maccy D's?'

"It was a nice moment and it reminded me there are so many people in retail who have worked their way up from the shop floor to executive roles but are just perfectly normal people."

Authentic leadership

By this point, Patel had already discovered "a magnetism towards retail". Despite his demanding roles at investment bank Dresdner Kleinwort Wasserstein and then PwC, Patel had continued to work weekend shifts at Sainsbury's. "You can tell the mood of the nation just by spending an hour on the checkout," he says.

Patel joined the John Lewis Partnership in 2007 and spent three years in the strategy team at The Very Group, then known as Shop Direct, before joining Tesco in summer 2012.

There are so many people who have worked their way up from the shop floor to executive roles
Rimal Patel, Tesco

Having initially joined the grocer as a senior strategy manager, Patel progressed to head of strategy for convenience and head of strategy for online, before being promoted to the role of online director in 2018.

Patel has used his own progression to shape his management style and help all members of his team to develop, no matter their background.

He says: "My family didn't have a lot of money, but I was lucky because my mum and dad invested in my education. Not everyone is as fortunate as that.

"I didn't see a huge amount of my mum because she worked shift patterns and worked in a factory, but I was always given the time and the space to do what I wanted to do without any pressure. At the same time, certain values got instilled in me. I was told: 'Be somebody who makes everybody feel like a somebody'.

"For me, the big leadership journey has been about driving authenticity and making people feel welcome at work. The Tesco of old was very hierarchical and you knew which work level you were at, which part of the business you were in – it was stamped into your head.

"But when you're not being yourself, you're not at your best. I've taken that with me to this day; I actively encourage anyone I work with to be themselves and give their honest opinion. In my first team meeting as director, I think we talked about *Love Island* and *EastEnders*."

Patel's journey may have taken him from cash-and-carries to click and collect, but he has never forgotten his roots, nor the impact retail has had on his life. **RW**

Get involved in No Limits

If you are a senior retail leader and want to get involved in the No Limits campaign, or if you are a retail employee with an inspirational story of how the sector has changed your life for the better, contact Retail Week editor Luke Tugby on luke.tugby@retail-week.com.

OPINION

Philip Green – from retail's King Midas to King Canute

Arcadia tycoon Sir Philip Green's fall from grace has been so spectacular and so total that it's hard to remember what a force he once was, writes **George MacDonald**

To a younger generation Green is a pantomime villain, his name linked not to retail prowess but to failure – first BHS and now his fashion empire Arcadia – to greed and to bullying behaviour.

But Green in his pomp was feted in retail, business and wider society for his audacity and buccaneering attitude.

Many people may have disliked his pugilistic, four-letter style but they still admired, if grudgingly, his ability to pull off bold deals. Bankers knocked on his door to get in on the act. Supporters believed he'd make a better job of running M&S when he attempted to win control of the famous business in 2004.

He was knighted by Labour's Tony Blair for services to the retail industry and relied upon to splash the most cash and outbid other buyout barons at the annual Retail Trust fundraiser.

He was the driving force behind the creation of the Fashion Retail Academy, backed by the industry's biggest players as a seedbed for tomorrow's talent.

David Cameron's Conservative government called in Green to advise on better procurement; journalists chased him for interviews and happily swapped war stories about how rude he was to them; and consumers flocked through the doors of his Topshop flagship to grab the latest collections.

It is abandonment by those customers that felled Green. And they abandoned Arcadia's stable of businesses because amid all the glitz of success, celebrity and wealth he forgot about them, what they wanted and what they thought.

Green's detractors argue he was never really a retailer but a trader, a financial engineer and ultimately an asset stripper. But he relished retailing. He loved pacing his Oxford Circus store, watching how shoppers behaved. He could create magic, such as through his hugely successful tie-up with Kate Moss in the 2000s.

He could attract some of the biggest names in the business to work alongside him – from Asda saviour Allan Leighton who chaired BHS, to pop icon Beyoncé for the Ivy Park athleisure range, to private equity investor Leonard Green & Partners, which paid £350m for a 25% stake in Topshop in 2012 in anticipation of successful US expansion.

Leonard Green ended up selling its shareholding back to Green last year for 76p. Its hopes had by then been dashed and Arcadia was preparing to launch a CVA. That followed the disgrace of BHS, which after being sold for £1 to chancers – leader Dominic Chappell is now serving time – collapsed and created the subsequent pension scandal, and a slew of stories about Green's bad behaviour.

It is a reversal of fortune that would have seemed inconceivable when Green was at the height of his power. But, sadly, power and its trappings went to his head and created a false sense of invincibility.

A couple of weeks back, I mentioned my favourite retail maxim, which came from Stuart Rose, a sometime friend and sometime foe of Green: "Look out the window." In the end, Green stopped doing that or spent too much time taking in the view from the deck of a yacht or Monaco penthouse rather than over the high street and its changing shoppers.

George MacDonald
Executive editor, Retail Week

Green's detractors argue he was never really a retailer but a trader, a financial engineer and an asset stripper. But he relished retailing

He failed to invest in his businesses, supremely confident in his ability. He failed to register the scale of fashion's shift online, pouring scorn on upstart Asos and refusing to sell Topshop product on the site until as recently as last year – even though its presence there would have boosted his top line. He failed to see that his behaviour would turn off many of the shoppers upon whom he depended to spend with him.

Speaking on Radio 4's *Today* programme recently, Rose, who famously fought off Green's attempt to seize control of M&S, said: "I'm not one to demonise people. Philip has done some good things in his time and he's had some difficult situations. I'm sure if he wanted to replay the record he might play it differently himself."

Green, retail's King Midas, ended up as King Canute, raging against the tides of change that were sweeping the ground from beneath his feet.

In that, despite in many ways being a one-off, he is not alone. A raft of famous retail names may have been laid low by coronavirus but while that's what you might find on the death certificates, those retailers, like Arcadia, typically had underlying health conditions.

Tempting as it may be for some to get out the popcorn and enjoy the theatre of the abrasive tycoon's demise, it would be better to look at the bigger lessons from his rise and fall. RW

OPINION

The job losses are awful, but fashion needs a cull

With the news of the collapse of Arcadia and Debenhams came a sad day for the UK high street, but it will allow new fashion brands to emerge, writes **Peter Williams**

I joined the retail industry rather a long time ago – in 1987 to be precise, at Freemans, the traditional mail-order business that produced a 1,000-page catalogue twice a year.

At that time, the retail conglomerate Burton Group, was one of the great 'universities of retail'. The group owned a collection of retail brands including Debenhams and several multiple fashion brands – Burton Menswear, Topshop, Dorothy Perkins and Evans.

The group was led by the legendary chief executive Ralph Halpern and was seen as a leading, successful retailer – a great place to learn, an exhilarating environment, well remunerated and a good name to have on your CV.

More recently, in 2011, Retail Week published a family tree for the Burton Group that identified no fewer than 60 senior and well-known retailers in the industry who had spent a significant period of their career at the company.

This month, both Debenhams and the Arcadia Group, which owns the former Burton Group brands, both went into administration. It is possible that these retail names will now disappear from the high street, though Topshop may well be preserved as an online business. This is an incredible and, in certain ways, a sad moment.

Of course it is easy to dwell on the more salacious elements of the story.

In the case of Debenhams, did private equity sow the seeds years ago that eventually killed the business by rolling out too many stores and bringing

Burton Group was a leading, successful retailer – a great place to learn, an exhilarating environment

Peter Williams
Chair of Superdry and Mister Spex

too much debt on to the balance sheet? Although the beauty offer gave customers a reason to visit, over time the fashion sections lost their mojo.

At Arcadia there are some similarities in the weakening of the fashion offer and brands that lost their relevance, as they were overtaken by the newer and more dynamic 'online kids' in the form of Asos, Boohoo, PrettyLittleThing and others.

Philip Green's ownership cannot have helped. Headlines about £100m yachts, outlandish birthday parties and tax avoidance do not ultimately sit well with consumers and are insulting to his employees.

It's that last group that we should all feel most sorry for. The employees of both Debenhams and Arcadia are the innocents. Decisions made by owners, and some senior management, have brought about this situation, causing the employees to lose their livelihoods at a time of economic mayhem from Covid and the onset of Brexit.

However, fashion retailing is different from the other subsectors of the retail

Decisions made by owners, and some senior management, have brought about this situation, causing employees to lose their livelihoods at a time of economic mayhem

industry. In non-fashion, many retailers may have been in existence for more than 50 years and the successful ones dominate their sector – the big four or five food supermarket chains, Dixons in electronics, Boots in healthcare, etc.

Fashion is more diffuse. The consumer doesn't want to be in the same dress as someone else at work or at a party. The choice in terms of product and brands is huge. Brands come and go, and with fashion media and celebrities we are always interested in what is new. The commentary around the recent Sky thriller *The Undoing* focused more on Nicole Kidman's collection of coats and less on the actual outcome of the plot.

At the risk of sounding cruel, a culling of fashion brands is no bad thing as it allows new ones to emerge. The advent of internet shopping has lowered the barrier to entry as you don't need any physical shops that require capital investment. Product and brand are key but, as the business grows, so are the people and processes.

In its heyday, the Burton Group was strong on all of these key elements for its portfolio of brands. Then the elements became weaker and now the brands are likely to die. RW

We need a level playing field for online and high street

After a disastrous year for physical retail, a re-evaluation of business rates and rent is in order if the high street is going to compete with online, writes **Roger Wade**

Earlier this month brought the end of shopping restrictions as retail returned across the UK. Sadly, the second lockdown did more damage than we ever expected as high street retailers suffered a double blow of not only the pandemic, but online competition.

Even as lockdown eased, the industry suffered the harshest of blows as Arcadia and Debenhams collapsed, putting 25,000 jobs at risk in less than 24 hours.

This is going to hit everyone hard. Have we really considered the long-term impact this will have on our high streets, which form the lifeblood of our community?

It goes beyond the demise of retail. There is a detrimental knock-on effect on hospitality, leisure, offices and homes, too.

Part of the physical retail experience includes stopping off somewhere for a bite to eat and hospitality operators will suffer from the lack of footfall, which is largely driven by retail.

Without physical retail in town centres, the drop in the value of local commercial and residential properties makes them a less attractive place for businesses, home-buyers and tourists.

The pandemic, rents and business rates, plus a shift to ecommerce, has put a huge amount of pressure on the high street and it is imperative that measures are put in place to help businesses adapt. We need to take urgent, prompt action.

If we don't have places where people can come together, what sort of future town centres do we really have?

The first and most important step is to level the playing field when it comes to online retailers and physical, high street stores.

Independents can't compete among the ecommerce retail giants such as Amazon because they are encumbered with rent and the massive burden of business rates.

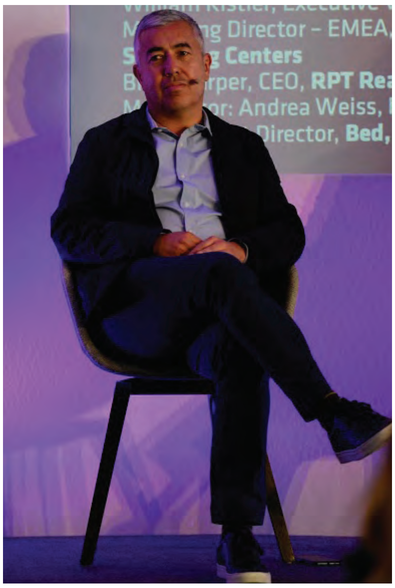
We need the government to re-evaluate business rates to help level the playing field.

Second, landlords and tenants need to get together and find a way to share the pain of rent.

I think the hospitality and retail industries should shift towards turnover-based rent where landlords actually take a stake in their tenants' business because upward-only rent just isn't feasible in the current economic climate.

We are offering turnover-based rent to our tenants at Boxpark to help them better manage the costs of staying open and trading.

The government needs to remember the hundreds of thousands of jobs at



Roger Wade
Founder and chief executive, Boxpark

We offer turnover-based rent to our tenants to help them better manage costs

risk and consider what support can be offered to retail employees made redundant.

For years, people have predicted the death of the high street, but I don't buy into that idea.

I don't believe the future is all online shopping. Physical retail will never die out; it will keep evolving.

Independent retailers have been a crucial element in the survival of Britain's high streets.

In a world where you can now buy almost everything online from large chain stores, independent retailers fill in the gaps by offering unique artisan products and a more personalised experience for consumers.

We can already see evidence of how independents have helped to transform high streets in more successful town centres mainly populated by such businesses.

Big technology companies such as Apple and Tesla are investing in physical retail to showcase their products, which surely demonstrates the power of touch and experience.

With soaring overheads for high street retailers, including the cost of a lease, rent and business rates, the most compelling reason to have a physical presence is all about people and local communities.

If we don't have places where people can come together, what sort of future town centres do we really have?

The high street serves as the heart of local communities, a place that people depend on for their social lives, employment and livelihoods. We must do everything we can to save it. RW

ANALYSIS

The new world of work

Hugh Radojev looks at the long-term impact of the pandemic on the workplace and our roles within it, from hybrid working to changing retail roles and reimagined office space

Since coronavirus hit the UK in mid-March, the world of work has been upended. The virus has forced a rethink in the use and purpose of workspace, and the long-term fate of offices may be one of the longest-lasting impacts of the pandemic.

Vaccine or no vaccine, the processes and behaviours developed by businesses and learned by workers as they have adapted to unprecedented circumstances have become entrenched and created very different ways of working that are here to stay.

Hybrid working

When the first lockdown was introduced, the working-from-home revolution kicked in overnight. Video-conferencing apps such as Microsoft Teams and Zoom suddenly became ubiquitous and helped keep businesses going.

While this way of working was a necessity, it has become apparent that staff and companies alike are coming around to the idea of working more flexibly.

Consultancy Gensler's UK Workplace Survey 2020, carried out in August, found that more than two-thirds of the UK workforce would prefer a hybrid model moving forwards, with just 21% of those surveyed saying they would look to return to the office full-time when they are able to.

Gensler found that 71% of those surveyed are satisfied with their experience of working from home, with 64% saying they are more productive and 52% feeling they achieve a better work–life balance.

Gensler strategy director Jane Clay believes coronavirus has caused a huge mental shift – not just in staff but in managers, too – that working from home can work. This in turn means that the vast majority of retail head-office staff are unlikely to go back to offices full-time.

Clay says: "Something has fundamentally shifted, because we have all proved that working from home can work. There may have been those in senior management who were resistant to the idea pre-Covid, but they have mostly come around to accept this change."

But the head office is not going to be killed off by coronavirus. People will still want to have a central space where they can come together and collaborate on projects, says Clay.

"Initially, a number of people thought it was fun or exciting being able to work from home. I think now, nine months later, everyone's a bit fed up with doing it every day. People need other people. What people are missing is the culture of work; the kind of in-person stuff that you can't get over a digital meeting," she says.

71%
of staff are satisfied with their experience of working from home (Gensler)

River Island chair Ben Lewis told the Korn Ferry 2020 UK Retail Chair Survey that there were positives and negatives from working from home: "You get the benefit from productivity and structure, but you lose your peripheral vision.

"In the future, the office will have a purpose – that of coming together for ideas generation, relationship building and deal making – where physical and personal contact matters. If you are sitting there just doing emails and calls, then it doesn't matter where you are."

The Very Group chief people officer Sarah Willett says that moving forwards her company will adopt a hybrid working model.

"We'll move to a working model that includes time at home and time in the office. We want our colleagues to be hyper-productive at home and hyper-collaborative in the office, and we're investing in reconfiguring our workspaces right now to make that happen.

"We absolutely still need our offices. We firmly believe that creativity happens when people are together.

"Our office spaces will be about high-energy, high-impact creativity and collaboration. We know that small teams with a clear brief and an inspiring environment can deliver outstanding changes for our customers."

This tallies with what workers say they want from their workplaces. In the Gensler survey, 56% put the main driver for going to an office as working in-person with colleagues, while 35% said the primary reason was brainstorming.

How retail roles will change

With so many of the old ways of working made redundant overnight, every role in a retail head office, from chief executive to receptionist, has had to adapt.

Willett says everyone has been forced to adapt to new technologies – such as business communication platform Slack and video-conferencing tool Microsoft Teams – "that used to be largely the preserve of our technologists".

"We travel less, but need to communicate and collaborate more," she says. "We're still a people business, but tech has made us more productive, more collaborative and more innovative, and we have no intention of returning to business as usual when the pandemic is over."

The chief executive

Former Figleaves and eBay fashion boss Miriam Lahage says the pandemic has had a profound effect on how the c-suite operates.

"I think the pandemic has shown chief executives that they need to flatten the

Offices will become more focused around in-person collaboration

We absolutely still need our offices. We firmly believe that creativity happens when people are together
Sarah Willett, The Very Group

hierarchies they've established in their businesses. They can no longer manage by walking around the office, having conversations at the tea station or meeting people at the printer," she says. "In a sense they've had to empower subordinates a lot more."

Gensler's Workplace Survey shows that the c-suite is far more likely to embrace a hybrid-working model than any other group, which suggests that this style of management is dead.

Consultancy Bain & Company senior partner James Allen says as the world moves beyond the pandemic, the chief executive role will become one of liberating teams to deliver on projects, enabling employees to autonomously develop their own ideas and reimagining their businesses as places of learning.

Lahage also says the pandemic has fundamentally changed the relationship between a chief executive and their non-executive board.

With so many businesses' long-term strategies overturned by Covid-19, Lahage believes the culture of the once-a-quarter boardroom presentation has been killed off.

"In the days pre-Covid, the relationship between a chief executive and a non-executive director was a very formal, almost rubber-stamp one, when you went in with a perfectly presented deck of slides," she says.

"We're not in that world right now. So what I have seen is that there is less formality and more willingness to have open conversations with any non-executive and with chairs."

The more than 40 chairs interviewed for Korn Ferry's Retail Chair Survey said board meetings were run with greater ease and speed in the critical early stage of the pandemic and occurred far more frequently, with crucial decisions being made in real time.

Most thought that post-pandemic board meetings would include a mixture of virtual and in-person interaction, which would allow greater flexibility and efficiency, and could reduce travel time and costs.

Tech team

The IT team was perhaps the most important department during the pandemic.

Lahage says: "If you're a CTO, your job went overnight from being focused on helping to support people working in the office, to helping people work from home or remotely. If you didn't have some kind of cloud computing software built into your business before, it's become an absolute necessity."

Digitising processes has been – and will continue to be – high on the agenda, with workforces likely to continue working remotely to some degree.

The IT department has not only had to facilitate new working conditions, but adapt to new shopping behaviour as consumers have rushed online. Apps, data analytic projects and web improvements have been pushed forward.

This means tech teams have been overloaded this year and will continue to be in 2021. Halfords group IT director Neil Holden says his team is now dealing with an influx of new development demands and currently has between 80 to 100 projects on the go. This level of demand means that tech teams will have to either grow or have a robust prioritisation system in place.

Halfords has opted for the latter, ranking projects based on their complexity, level of

ANALYSIS

return and what it could mean for customers.

The role of the HR head has also been fundamentally altered as many will need to come to terms with helping to onboard and train people remotely.

Pets at Home chief people and culture officer Louise Stonier says her company has created its own virtual onboarding tool that allows new starters to meet with her and other senior members of the team.

Ecommerce

The biggest change in ecommerce teams will be their growing size and importance within retail organisations in the wake of the pandemic, says Lahage, herself an ecommerce pioneer who has worked for businesses including eBay, Net-a-Porter and Figleaves.

Stonier agrees: "We've been increasing our digital capability, which in turn has meant we've been recruiting a lot of new people to help facilitate that." She says many of these new hires are keen to work in more hybrid ways and "don't want to be constrained" by five-day office hours.

Juggling an increased importance and pressure with more disparate ecommerce teams could prove challenging.

However, it is possible. Very's Willett uses Black Friday as an example of how the retailer's ecommerce and trading teams are now working collaboratively virtually.

"We set up virtual war rooms, filled with experts from right across our business – from trading to marketing and tech to financial services – to track data, share information and make critical decisions," she says. "Everyone was at home but it didn't matter. The approach worked just as well as being there in person."

Buying and merchandising

Lahage, who started her retail career as a buyer with TK Maxx owner TJX, says the travel limits placed on buyers and merchandisers during the pandemic have led to a long-term change in thinking.

"We convinced ourselves for years that we needed to touch everything, to look at every trim choice, to look at every button and every zipper in person," she says.

"Moving forwards, that's still going to be a part of it. There will still be an art to it, but buying teams aren't going to visit every supplier in Asia or Italy before every season. It's more about knowing which suppliers you can trust and giving them that agency to fulfil orders properly."

The new office

As the nature of some retail roles change and become less office-based, the purpose of offices themselves will change.

Pets at Home chief executive Peter Pritchard says his head office will become a creative, collaborative space for teams to meet when working on larger projects together.

"Those colleagues who have the ability to work from home will be able to [on a long-term basis] as we've got the tools and capabilities to allow them to do so," he says.

"This, in turn, will lead to a change in the function of the head office. People will start to use offices as places to meet, congregate and work in groups where appropriate," he says.

Workplace consultancy KKS Savills' senior workplace strategist Daniel Gardner says many existing offices have not been designed with more collaborative working in mind. With office capacity likely to be down in the aftermath of Covid-19, Gardner says many businesses will need to use that extra space to reconfigure set-ups for collaborative working. This includes making video-conferencing facilities ubiquitous in offices.

"In the past, clients might need one or two video-conferencing rooms per office," says Gardner. "Now clients are realising they haven't got enough supportive tech to deal with the level of video conferences and meetings they've been having over lockdown.

"Moving forward, every single place in an office where you might have a meeting will need at least to have a conference call dial-in ability, and a way for someone to be able to share content without a lot of upheaval."

Less office space

Real estate advisory firm CWM partner Jonathan De Mello says that, as the office becomes more of a collaborative space, the need for large floor space will eventually diminish.

With Covid hitting so many retailers' bottom lines this year, he expects many to downsize offices from next year or even do away with a head office altogether.

"If you need fewer staff on site and are promoting more flexible working, that will affect the sort of property you need. You'll need less and more flexible space," he says. "A central London prime office space will likely just be a place for meeting with clients, going forwards, or important meetings where everyone has to be present in person."

Already the office market is in decline. In London, the take-up of office square footage is down 70% year on year, according to Knight Frank.

Satellite offices

Another shift could see retailers moving away from having a single head office to more of a hub-and-spoke model.

Stonier says Pets at Home has been exploring the idea, looking at regions with a large concentration of remote staff to set up a smaller office where they can occasionally meet.

"We're potentially looking at creating some different regional hubs. Some of our stores also have training facilities where we could have colleagues congregate and collaborate more regionally.

Video-conferencing technology is likely to still play a part

People will start to use offices as places to meet, congregate and work in groups where appropriate
Peter Pritchard, Pets at Home

"We're exploring all opportunities and looking at where people are mapped. That is absolutely on our radar and we're working through that at the moment with the development team."

While this concept may be in its infancy in the UK, a number of office-letting companies in the US have sprung in to fill the void, such as New York-based Industrious, which launched Oasis Enterprise in November. The new venture gives clients access to satellite offices across the US, enabling them to build a hub-and-spoke model.

Co-working, too, is likely to see a resurgence. While use of co-working spaces has fallen by more than 40% this year, according to a survey by Coworking Insights, many in the property industry are betting on it making a comeback.

Property firm JLL predicts that flexible/co-working space will comprise around 30% of the total UK office market by 2030, compared with just 5% currently.

Health and safety will be key to future office design

A worldwide workforce

Retail jobs have been a big casualty of the coronavirus crisis, with more than 125,000 roles lost in the sector in the year to September, according to the Centre for Retail Research.

This has impacted both shopfloor workers and head-office staff with John Lewis, Marks & Spencer, Boots and River Island all cutting headquarters-based roles.

Although this trend is likely to continue, new ways of working could also create new career opportunities.

Stonier says: "We've always prided ourselves on the fact that we have fantastic career pathways through our organisation. In some cases, it's been restrained by the fact that our offices are based in Cheshire but we have stores nationwide. So it's not necessarily been open to all.

"But this is the opportunity to create wider pathways for store colleagues if they do want to have a role in the support office because they don't have to come in every day and they can work remotely. We have seen many instances of this happening over the past eight months and this is set to continue," she says.

Chief executive of Ocado Solutions Luke Jensen agrees. He says the ubiquity of working-from-home technology has helped employees move from roles on the delivery and warehouse side into more office management positions.

"We have a number of people who started as van drivers or working in warehouses and ended up in management jobs in the business," he says. "You're probably not going to move from a customer service team manager to a software developer, but there are still many management roles that are required to run the infrastructure."

Working-from-home tech has helped Ocado Solutions better liaise with staff around the world without the need to travel internationally.

Jensen adds: "We've had to make a lot of our training remote. Whereas in the past engineers from, say, Kroger would come to the UK for training, now we have guys walking through processes with GoPro cameras attached to them. They can effectively do a live version that's as close as possible to what somebody would experience if they were in the facility themselves."

The success of not just virtual working but virtual training could pave the way for a more international workforce, according to retail recruitment firm Oresa.

Chief executive Orlando Martins says a number of his clients are already looking to widen the net in terms of hires, not just within the UK but also looking at countries overseas.

"Coronavirus is only going to further enhance that, and it will increase and improve the level of talent that certain organisations can attract," he says.

"Ten years ago, if you were interviewing someone for a role outside of where they lived one of the conditions would be to relocate. Over the last decade – and five years particularly – that has already lessened substantially.

"Coronavirus is only going to further enhance that and it will increase and improve the level of talent that certain organisations can attract," he says.

Willett agrees and says more flexibility in where staff work from will enable retailers like Very to attract more diverse and better talent.

"By offering better balance, flexibility and interesting and inspiring work, we can widen our potential talent pool, and attract and retain more amazing people."

Making offices Covid-secure

Office design will also change due to additional health and safety concerns. Modern offices tend to be open-plan, with many companies choosing to have staff hot-desk, a practice that doesn't lend itself to being overly Covid-secure.

KKS Savills' associate director and senior designer Ann MacDonald is working with clients to design more Covid-secure office spaces with an emphasis on less touching of shared surfaces.

"We're looking at everything from remote-controlled lighting to sensors by doors so people won't need to touch the handles. In bathrooms we're installing faucets that have sensors so the taps turn on and off without touching," she says.

MacDonald says offices have to become places in which people feel safe and such measures will be necessary even after vaccines are rolled out.

This will mean businesses look at limiting the time staff spend in enclosed spaces, such as lifts or stairwells, and even communal coffee- and tea-making areas, where capacity will have to be controlled.

Another area of change is in general understanding of health and wellbeing. The era of people "soldiering on" with coughs, colds and other ailments in the office is at an end.

Even when vaccines are rolled out, workers on both the front line and in the office can expect more monitoring of their health, so as not to impact far-reaching supply lines or lead to outbreaks in offices. RW

ANALYSIS

Christmas cheer or festive fear?

As 'non-essential' stores emerge from lockdown and shoppers swap Christmas parties for WFH and smaller gatherings, which retailers are set to reap the benefits of an unorthodox festive season? Grace Bowden reports

Latest data from Barclaycard shows that shoppers are keen to spend in the run-up to Christmas, with Saturday December 5 ranking as the biggest day of retail spend in 2020 so far, with 40.6% more transactions than Black Friday last month.

It's clear that despite, or indeed because of, a challenging 2020 shoppers are keen to make Christmas special this year.

We take a look at some of the retailers who are set up for festive success and those who will struggle to persuade customers to loosen their purse strings.

Winners

B&M

The value general merchandise retailer has had a stellar year as it found itself in a number of sweet spots for shopper preferences.

It sells a broad range of products at competitive prices – appealing to the more value-conscious shopper – was open throughout both lockdowns as an essential business and is located primarily on retail parks, where shoppers can drive up and fill their car boots without having to tackle public transport.

Peel Hunt analyst Jonathan Pritchard says these qualities will continue to serve B&M well in the run-up to Christmas as shoppers look for a one-stop-shop for affordable home decor, garden furniture and stocking fillers.

"We know they nailed November trading and I'd be surprised if they didn't do the same in December," he says.

"There's a great deal of longevity in this because the people who went to B&M in April and May when there were very few alternatives were impressed – it has good availability and value for money – and have become repeat customers."

The Entertainer

The toys sector had a subdued performance last Christmas, but Pritchard is confident this trajectory is likely to reverse this year, due to a combination of many families having fewer outgoings and a desire to treat children who have not been able to socialise or engage in extracurricular activities as normal.

He also points to shopping as an activity that will keep stir-crazy children and parents alike entertained.

"We didn't shop in November and now it's one of the few things you can do as a family in December. I don't see people using that as a chance to buy more partywear but, when it comes to treating loved ones and gift-giving in general, that may increase more."

The Entertainer's combination of 160 high street and shopping centre locations and its click-and-collect partnership with Asda means it is well-placed to cash in on the money burning a hole in some parents' pockets in the run-up to Christmas.

Mountain Warehouse

In what has undeniably been a tough year for clothing retailers, consumers are likely to swap their usual Christmas party shopping for more practical purchases.

Against this backdrop, price-conscious outdoors retailer Mountain Warehouse is well-placed to win trade.

The colder weather and regulations around socialising outside to stem the spread of the virus puts the retailer in a strong position to capitalise on increased spend from shoppers.

The retailer's high street and market town locations also mean it is likely to benefit from a surge in more local shopping trips as customers avoid busier central locations for destinations closer to home.

Morrisons has made some smart decisions throughout the pandemic

Morrisons

The grocery sector is set for a bumper Christmas all round, but Morrisons' house broker Shore Capital's head of research Clive Black insists the supermarket is in a particularly strong position to capitalise on festive spend.

He says the grocer "has really done the right things" during the pandemic so far and "transformed its brand credentials" as a result.

From leading the way on grocery delivery boxes to partnering early with Deliveroo, guaranteeing rapid payment to smaller suppliers and introducing timely Christmas price cuts, Morrisons has made decisions throughout the pandemic that have endeared it to customers.

Indeed, November's Kantar grocery figures show Morrisons leading the way for the big four, with sales up 13.7% in the four weeks to November 29.

AO.com

The electricals etailer should do well this festive season. Pritchard points to the fact that many shoppers, who would otherwise have used discretionary spend on holidays or socialising, will have a wad of cash that they may want to spend on white goods, which may not have made for a particularly festive purchase in previous years.

Restrictions on shopper numbers are bad news for Card Factory

A rise in home working and distanced learning also means household items are going through wear and tear at a more rapid rate than they did when families were outside their homes for five days a week. Shoppers spending more time at home over the festive period may also want a new TV to make those long winter nights more entertaining.

AO.com's combination of rapid delivery, customer service and online testimonials mean they are in a good position to capture Christmas spend in this category.

Losers

Asda

While most grocers are set to do well this year, Black predicts Asda is likely to be the weakest performer.

"[Asda] lacks a convenience and neighbourhood proposition and so it has been fighting a little with one hand behind its back in the evolving UK grocery market," says Black – a shortfall in its proposition, which will be exacerbated in the lead-up to Christmas.

Aldi

Controversially, Black also thinks Aldi – a perennial Christmas outperformer – will lag the rest of the sector.

"The business is losing out to Lidl, but also to the rise of online grocery participation, with which it really cannot compete," he says.

Aldi has begun to ramp up its click-and-collect capabilities in recent months in a bid to capitalise on the online shift in grocery since the start of the pandemic, but this will not come in time to make a significant impact on its festive performance this year.

Indeed, Aldi was the worst-performing of all the grocers in sales-growth terms last month, with sales up 8% – just half that of rival Lidl.

Quiz

Beleaguered fashion retailer Quiz has been struggling all year and Pritchard believes it is particularly vulnerable to poor performance over Christmas.

The retailer, which has historically relied heavily on festive and occasionwear to drive trade, is likely to struggle to capture customer spend in a year in which many shoppers are likely to forego dressing up and nights out in favour of more comfortable casual attire.

Restrictions around socialising also mean the type of clothing Quiz specialises in is unlikely to be in demand this festive season – which, coupled with the fact that it is not represented on popular clothing retailers such as Zalando and Asos, puts it in a tough spot.

Black points to fellow mid-market fashion players, such as New Look, Peacocks and Matalan, as businesses that will also find the festive period hard going this year.

House of Fraser

As competitor Debenhams lurches into liquidation and applies heavy discounts across its ranges, House of Fraser may be forced to apply similar tactics and erode margin or risk losing market share.

Fellow department store operator John Lewis has form in electricals and homewares, which will likely win spend from shoppers looking to make big-ticket purchases without fears about the impact an administration may have on their product warranty and insurance.

Meanwhile, M&S can coax shoppers in for festive grocery spend and then lure them into its other departments.

House of Fraser does not have these contingencies to rely on and is therefore most likely to lose market share from Debenhams' fire sale – although owner Mike Ashley may see this as further motivation to acquire Debenhams' assets as he circles the department store chain.

Card Factory

Limits on shopper numbers in stores and smaller store formats will put greeting cards retailer Card Factory in a tricky spot. Shoppers are unlikely to be tempted by the idea of queuing to get into its stores when they can make a similar purchase at a supermarket or online competitor.

Restrictions on shopper numbers are bad news for Card Factory

"I don't think we'll stop buying cards this Christmas, but I don't know if we'll have the patience to shop for them like we used to," says Pritchard.

Retailers like Card Factory, who rely on their specialist proposition and moving a hefty number of shoppers through their stores at pace, may struggle to offer a compelling shopping experience to customers this year, which could hurt their revenue over Christmas. RW

ANALYSIS

Who are retail's next CEOs?

Retail Week speaks to a panel of industry experts to find out which executives will be in charge of the UK's biggest retailers over the next five years

George Wright, commercial director, food and supply chain, Marks & Spencer

George Wright joined M&S last year as a key member of Stuart Machin's team as he strives to revive its struggling food division.

Wright has much experience turning around grocery giants. He came from Tesco where he helped mastermind the grocer's dramatic return to growth under Dave Lewis in the wake of the accountancy scandal.

In his role of commercial director, Wright was an architect of Tesco's 'Project Reset', which saw the supermarket axe thousands of products and relaunch its value own-brand range. It's a strategy that had much success and helped return Tesco to former glories.

Wright's impact is already being felt as M&S food like-for-likes, excluding hospitality, jumped 6.6% in the half-year to September 26.

Although for the last decade Wright has worked within the grocery sector, having spent time at Coles in Australia prior to Tesco, he has a vast array of retail experience from Phones4u, where he was commercial director, and John Lewis, where he was buying director for the electrical and home tech division.

Moira Benigson, founder and chair of retail headhunter The MBS Group, says Wright is a "brilliant operator who is very well respected by the supply chain for his fair and commercial approach, a great team leader and hugely experienced on the supplier side".

"He has built a new team under him and has helped bring back the sparkle to M&S Food, which now has the most exciting and interesting offer of all the grocers," she adds.

Clodagh Moriarty, retail and digital director, Sainsbury's

Clodagh Moriarty was one of the most mentioned names when Retail Week asked our panel of industry experts for their pick for future retail CEOs.

And it's no surprise. On new Sainsbury's boss Simon Roberts' first day in the job, he handed then chief digital officer Moriarty a promotion to retail and digital director.

The job is a big one and gives Irish native Moriarty responsibility for creating a digital-first Sainsbury's business that is integrated and seamless across online and stores.

Putting Sainsbury's vast retail business in the hands of someone with no store experience – her decade spent at Sainsbury's has largely been spent in online and strategy – could be seen as a risky move, but it indicates the esteem in which Moriarty is held.

And she has certainly proved herself during her time at the grocer, which has emerged as a digital leader under her watch. Moriarty has led innovations such as Sainsbury's one-hour Chop Chop fulfilment, SmartShop, which allows customers to scan and pay for items in store using their smartphone, and the full digitisation of its Nectar scheme. Propelled by the pandemic, online sales accounted for nearly 40% of sales at the group, which also owns Argos, during its last half.

Described as having a "first-rate brain" by one headhunter, Moriarty has an MBA from INSEAD and spent nine years at consultancy Bain & Company before joining Sainsbury's.

This strategy nous, combined with her expertise in digital and now stores, puts her in good stead to nab a retail CEO role in the future, where one headhunter predicted she would be well-placed to "innovate in an unpredictable world".

Sam Perkins, managing director, retail, The Very Group

Ex-Tesco director Sam Perkins has risen through the ranks in his five years at The Very Group.

Starting out as group merchandising director, where he led work to develop data-led, dynamic pricing and helped grow categories such as sportswear, in which Very is now the UK's top online seller, he was soon promoted to group product director and then to his current role as managing director of retail.

He has helped navigate growth and reshape the business around fast-growing brand Very, and is understood to be well-respected by owners the Barclay brothers.

Perkins, who was put forward as a future CEO by Leandro Martins, managing consultant at multichannel executive search specialist Oresa, cut his teeth in the world of FMCG, working for both PepsiCo and Nestlé. However, it was at Tesco that he really made his name.

He spent eight years at the grocer and took on a variety of roles, including household category director, telecoms commercial and marketing director and commercial director of convenience business One Stop.

Adept at working for both private and public companies and across online and stores-based business, Perkins is a well-rounded leader with what it takes to get to the top.

Ed Connolly, chief commercial officer, Dixons Carphone

Former John Lewis Partnership high-flyer Ed Connolly has also been named as a CEO of the future.

Described by Clarity founder Fran Minogue as a "charismatic and inspiring leader with immediate gravitas". Connolly has proven he can work across diverse categories from electricals to fashion during almost 14 years spent at the partnership.

Connolly's final post at the business before taking his current job at Dixons Carphone was group strategy director, which is becoming a more important role for future chief executives, and director of JLP Ventures, the part of the business that developed new – often tech-led – customer propositions, tapping in to how we will shop in the future.

Connolly joined Dixons Carphone earlier this year and is already viewed as chief executive Alex Baldock's right-hand man.

Minogue says: "The move to Dixons Carphone brings exposure to a more decisive and immediate trading environment, and working with Alex Baldock will ensure he remains focused on long-term goals while driving day-to-day trading. A strong contender for a future CEO role."

Terri Westlake, customer director, Dunelm

Marketing guru Terri Westlake has been tipped as another one to watch. Westlake was a key figure in the scale-up of Asos.

An accountant by trade, Westlake moved into marketing and branding early in her career and helped transform Asos into a household name during two stints with the fashion etailer between 2008 and 2016.

For the majority of her time at Asos she worked in marketing roles, including marketing director, where she helped grow customer numbers and loyalty around the world. She went on to be customer experience director at the online retailer, leading the marketing and digital experience teams.

Westlake has mainly worked within fashion, leading ecommerce and digital strategy at Urban Outfitters after her time at Asos, before going on to be chief customer officer at Reiss.

However, she is now bringing her digital acumen to the world of homewares after joining Dunelm earlier this year.

Described by one headhunter as having a "strong, rare mix of commercial, customer and marketing" prowess, Westlake is tipped for big things.

Sally-Anne Newson, chief digital officer, Reiss

Another Asos alumni tipped for big things is Sally-Anne Newson.

With a long history in ecommerce she certainly has the right credentials to help businesses thrive in a retail industry that is moving rapidly online.

As well as Asos, Newson has worked for fellow etail giants Ebay and The Very Group. Newson led Asos' Australian business, one of its biggest regions, and helped build its first in-country.

She went on to head up business development at the fashion retailer, relocating to its London headquarters where she reported to founder Nick Robertson.

Newson has actually already held a CEO position at small fashion etailer Atterley. However, the business fell into administration in 2016.

Since its collapse, Newson has picked up some valuable experience at big retailers such as The Very Group, where she led customer experience and digital product, and Reiss.

Newson, who is responsible for departments including brand, marketing, ecommerce, digital experience and content at Reiss, has been tasked with fuelling growth at the fashion retailer – albeit the majority of her tenure has been during the pandemic.

One headhunter says they expect her to return to another CEO role in the future using the experience she has since gained in scaling larger organisations.

Andy Atkinson, group commercial officer, Morrisons

Andy Atkinson was promoted to group commercial director at Morrisons in February, just a month or so before Covid-19 sparked the UK's first national lockdown.

Chief executive David Potts dubbed Atkinson one of a "new generation of talent" at Morrisons when he handed him his promotion.

For Atkinson, it was the culmination of more than eight years working at the business, but he's been tipped for even higher honours.

Deemed a protégé of Potts, Atkinson has been centre stage in the turnaround and transformation of Morrisons for the past five years.

He joined Morrisons in 2011 as trading director and has since worked as own-brand and sourcing director, and then group marketing and customer director, before taking on his latest role.

Prior to his tenure at Morrisons, Atkinson had a five-year stint at Boots, where he rose from head of trading to commercial director.

He also has much experience at FMCG businesses, starting his career as a graduate trainee at Coca-Cola and later working for L'Oréal.

ANALYSIS

Matt Birch, director, Amazon

Grocery specialist Matt Birch's latest appointment at Amazon was shrouded in secrecy, but he is thought to be working on rolling out Amazon Go's convenience format in the UK.

If the venture is a success, Birch could play a role in transforming the UK grocery market.

A former Sainsbury's director of commercial operations, where he helped develop new store formats and had responsibility for the grocer's convenience channel, Birch is seen as a high-flyer with a Cambridge degree.

He has spent the majority of his career in property and commercial roles, although he spent time running Sainsbury's northwest stores in a move to expand his wider understanding of retail.

He left Sainsbury's in 2017 to join Central England Co-operative, where he led trading across its broad portfolio of businesses, including food.

Birch's time at Amazon, which could be a game-changer in the grocery industry, will put him on many retailer's watchlists when looking for potential leadership roles.

Barracuda Search managing partner Justin Linger says Birch's blend of different skills across operations, commercial and property, as well as his mix of multichannel and pureplay appointments, make him an ideal candidate for a CEO role in the coming years.

Huw Crwys-Williams, commercial and marketing director, Wiggle

Wiggle executive Huw Crwys-Williams has been deemed a strategic and analytical leader with the potential to go all the way.

Crwys-Williams has much experience in retail and is highly commercial after being schooled in the classic trading environments of Dixons and Argos, according to Minogue.

He has been at his current role at Wiggle for almost three years, where he is responsible for buying, merchandising, international and marketing at the cycling etailer.

Crwys-Williams has spent the majority of his career in trading roles, although he did take on the position of synergy and transformation director at Argos, tasked with integrating the commercial teams and building a new operating commercial model after Sainsbury's bought Argos.

Minogue describes Crwys-Williams as "logical and analytical" and able to balance long-term strategic planning with tactical execution. "He has well-developed transformation skills and a strong work ethic. His current role at Wiggle has brought experience of the fast-paced and dynamic world of private equity, which alongside his blue-chip PLC background sets him up for a CEO role in the not-too-distant future," she says.

Richard Dent, vice-president for fresh and frozen foods, Asda

Richard Dent has climbed up the ranks of Asda during an entire career – bar two years at Morrisons – spent at the grocer.

Mancunian Dent started out in buying but went on to lead chilled food and, since last year, has been in charge of Asda's vast fresh and frozen foods division, giving him responsibility for the P&L of a circa £6bn business.

He has wasted no time in improving its offer and is building a vast food-to-go category, which seeks to tap into the latest eating trends, and has inked innovative tie-ups with Greggs, Sushi Daily and pan-Asian street-food brand Panku, which is selling katsu curry, sushi and plant-based meals at the grocer.

Dent, who describes himself as a passionate and energetic leader, was labelled "high-potential" by bosses at Walmart, says Benigson, who says he is definitely one to watch for the future.

Nick Thomas, chief digital officer, Holland & Barrett

Oxford graduate Nick Thomas began his career in consulting but has held various retail roles since, including stints at Travis Perkins and The Works, where he propelled growth at its failing website by 30 times in just two years. Thomas' focus has always been digital and he is highly skilled at driving growth through the channel.

He has helped Holland & Barrett emerge as a digital leader throughout the pandemic, with more than 300% growth year on year during lockdown.

He also led initiatives such as home delivery from stores, which allowed the health retailer to more than double its digital order capacity, and a tie-up with Deliveroo over the period.

Holland & Barrett achieved more than 100% year-on-year digital growth in its 2020 financial year, compared with 11% the prior year.

Linger says Thomas' experience to date puts him in the ideal position to be a managing director of a digital consumer business in the not-too-distant future.

"He's had varied experience at a range of growth businesses and is excellent at digital – a real talent for the future," he says.

Olga Nazarkova, chief commercial officer and chief merchandising officer, Modanisa

Currently at Turkish modest clothing etailer Modanisa, ex-Amazon executive Olga Nazarkova is a digital leader tipped for the top.

Nazarkova spent more than four years at Amazon, where she led its office products division before moving on to drive UK exports on the platform.

She developed a strategy to quadruple UK exports and accelerate growth of UK businesses worldwide on the platform. She also created the Amazon UK Centre of Excellence for incubating ideas into practical global solutions during her time at the etailer.

Prior to Amazon, Russian Nazarkova spent five years at Mothercare, where she rose to global ecommerce director. During her time there, she helped propel the maternity brand's international business.

With ecommerce and international expertise, along with time spent at Amazon, Linger believes Nazarkova has the right credentials to rise to the top.

He describes her as "incredibly bright and data-orientated, but also highly commercial".

Nazarkova has broadened her skillset in recent years and now has an MBA from Saïd Business School.

She has also undertaken courses in machine learning at MIT and leadership in crisis at INSEAD, which indicate she is ready for a chief executive role. RW

DATA

Download the full report
Retail-Week.com/Talking-Shop

The real impact of Covid-19 on store staff wellbeing

An avalanche of job losses, the threat of contracting a deadly disease and abuse from customers. Just how has Covid-19 impacted retail's most valuable asset – its staff?

Retail's frontline staff have had a lot thrown at them since Covid-19 hit, with working hours upended, new safety protocols introduced and a real sense that their livelihoods are constantly under threat as firms lay off staff and shutter stores. Store staff have been lauded as heroes working to serve the nation, but the pressure is taking its toll on many.

For Retail Week's groundbreaking report *Talking Shop*, in association with Reflexis – part of Zebra Technologies, we surveyed 500 frontline staff to lift the lid on their fears, motivations and aspirations at this most tumultuous of times.

Against a backdrop of closures and redundancies, we asked respondents how secure they feel in their jobs right now. Alarmingly, one in four store staff feel 'not at all secure' in their jobs. This rises among certain sectors, with colleagues in fashion, department stores, entertainment and stationery feeling the most insecurity – perhaps unsurprising given how these sectors have been hit in the past 12 months.

And this feeling of anxiety over livelihoods rises among certain job titles, with area managers feeling the most unsettled, perhaps due to the fact some retailers are stripping out middle-management roles in a bid to streamline structures and cut costs.

Morale has taken a hit, too, with more than one in three of all respondents stating that morale was poor or very poor within their business.

Perhaps most alarmingly, four in 10 store staff would not recommend retail as a career. And younger colleagues are more negative, with 16% describing retail as a 'very poor' career choice, versus the 8% average across all ages. The top reason cited is abuse from customers.

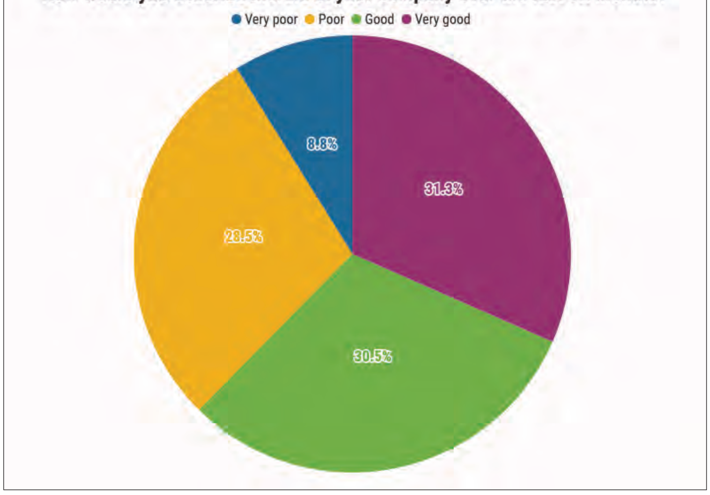
This snapshot of the wide-ranging and data revealed in *Talking Shop* lays bare the scale of the challenge leaders are facing when it comes to motivating staff. But it does not just uncover the problems; it seeks to provide solutions through case studies from retailers meeting the challenge, including M&S, Dixons Carphone and Lush, as well as insights from experts looking ahead.

It is a must-read for retail leaders looking to engage their workforces in these toughest of times. And the data does not paint an entirely bleak picture. Retail Week's findings show store staff feel appreciated by their employer and that they care about their wellbeing.

Download *Talking Shop* to discover:

- The true extent of the impact of Covid on store staff
- How to form a meaningful health and wellbeing strategy
- The tech that can transform engagement and productivity
- Innovative ways to offer rewards without hitting the bottom line
- How the store associate role will evolve in the future

How would you describe morale at your company over the last 12 months?



How secure do you feel in your job right now?