



## KING OF THE (COUNTRY) ROAD

Ian Moir, Group CEO of Woolworths Holdings Limited, on the evolution of the company, expansion into Africa and growing his 'first love' clothing store

BY KERRY DIMMER

ILLUSTRATION CINDY FOURIE, ISTOCKPHOTO

**D**uring this interview in late September – amid the controversy concerning Woolworths' employment practices – Ian Moir was calmness personified. The only noticeable change in his demeanour was a slight lack of humour because 'there is nothing funny about the mistruths that were circulated in emails and the media'.

However, Woolies' Scottish-born group CEO could see the upside to the barrage of positive and negative communication that customers, government and corporates rained upon the company. 'It's wonderful that everyone has a point of view about Woolworths, whether critical or complimentary, and I'd rather have some reaction than simple indifference. It's also obvious that South Africans feel a sense of ownership of the brand and this is something we encourage.'

And so they should, given that the homegrown retail apparel, food and homeware giant was founded more than 80 years ago and has since grown to more than 400 stores nationwide and 60 stores in 12 countries, including two in the Middle East. Expansion and growth has included a number of additional clothing ranges that are all performing exceptionally well: Studio.W, RE, Trenerly and Moir's first love – Country Road.

Moir, a chartered accountant with a BA and joint Masters in Economics and Accounting, is responsible for reviving the floundering Australian lifestyle brand, Country Road Limited, during his 13-year tenure there. He remains a board member and is selective about where he works.

'I don't see myself as the owner of a company, rather as a custodian. You look after a business, help it grow, enhance it so that those to come have something of value to nurture. I am equally passionate about people and teamwork.'

Moir remained loyal to Country Road and influenced the growth of the brand in-store after joining Woolworths. Country Road has been so successful that it currently has four stand-alone shops with plans to expand to an additional 10. Then again, looking at Woolworths' figures, just about everything is up despite the slow economy. He says the share



price has doubled in more than three years. These are the same three years with Moir at the helm, but he won't take credit alone. Instead all the group's values, strategies and growth plans are motivated by customer need and directed and implemented by a team.

'We co-create at Woolworths, from the vision down to what is on the shelves, and we never compromise on quality to get a better price. It requires a large percentage of people with exceptional technical knowledge and skills. This, with an abundance of processes and the commitment to the way we do business, results in almost zero quality failure.'

Benchmarking world-class standards, Woolworths has redefined itself and implemented a plan that includes a 10% increase in individual store space; a 'shop with a trolley, not a basket' concept; the construction of more, larger stores; and the introduction of branded ranges.

'We are also seeking increased market share by being more competitive to satisfy customer demand. In terms of those aspirations we have to remain innovative, offer more choice, and motivate faster fashion and stock cycles,' he says.

Woolworths has also acquired Witchery, a brand that has boosted its Australian market share to some AUS\$700 million. 'With that economy of scale we believe that we can harness at least AUS\$10 million of synergies, thereby securing a very profitable business in a market that we believe will grow strongly in the next five years.'

Moir has made a concerted effort, together with his financial team, to improve what was considered a low, about 18%, overseas investment share of the Woolworths portfolio three years ago.

'In trying to understand why our stock was underrated compared to our competitors, it became clear that we had a lower overseas investment share in our total portfolio.'

'We've since made a significant jump to more than 45%, largely as a result of raising our profile internationally through roadshows and motivating large fund investors to think differently about the brand. We've also maintained constant dialogue with our local investors.'

Expansion into Africa is seen as crucial, but the group is no longer focused on franchising, confirms Moir, which has been the case in the past.

'We are taking back control. We want wholly-owned, or more than 50% joint-venture deals that will allow us to make our prices more accessible so that we only reflect what is the minimum amount of premium that can be charged. And this will allow for the differences in the economies varied marketplaces.'

With all this activity, how does Moir define the SA market? 'SA is like Australia ... but on speed. There are obvious similarities but there's more going on and the challenges are exciting.' **JSE**

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