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Gillian Maxwell, co-owner of Tiger Stores in Ireland

A new Tiger in town

Since opening in Ireland in 2011, Danish discounter Tiger Stores has expanded to 13 outlets and been named company of the year. But its owners have greater ambitions, writes **Elaine O'Regan**

Since opening its first shop in Dun Laoghaire just over three years ago, Tiger Stores Ireland has brought its Danish brand of cut-price curio to 13 locations, in Dublin, Kildare, Galway and Cork.

The company's Irish co-owners, husband and wife team Gillian Maxwell and Niall Stringer, have earmarked five further locations for expansion in the New Year, including Limerick's Cruises Street.

The Tiger proposition – a kind of Scandinavian "pound shop" emporium – is proving popular with Irish customers, and it was recently named Company of the Year at this year's Retail Excellence Ireland awards.

"We offer a range of products from candles and toiletries, to spices or accessories for your bike," said Maxwell.

"My feeling, in terms of the Irish customer, is that we've got a very well-travelled consumer.

"They are interested and open to things that are representative of Denmark or Scandinavia, maybe more so than some other countries."

Originally established as a single store in Copenhagen in 1995, Tiger has since grown to encompass more than 100 outlets in ten countries, including Germany, Spain, Sweden, the Netherlands, Greece and Italy.

"Denmark has the same population as Ireland, and they have 68 stores. We plan to continue on our ambitious growth plan, ideally having 30-plus stores in Ireland," said Maxwell.

Maxwell and Stringer, who first encountered the brand while on a trip to London, describe Tiger as a "variety store", offering household, personal, craft and food items priced affordably from €1 to €30.

"We loved the concept and offering, so approached the parent company in Denmark and became the partners for Ireland," said Maxwell.

"The model is based on a partnership – it's a joint venture company, with the local partners running the day-to-day operations and the parent company providing the buying and concept expertise. It is a 50/50 split."

Maxwell and Stringer are eyeing the market in Northern Ireland, and have plans to expand the Tiger brand in the north and south, but no immediate e-retail strategy.

"Our USP is our products and the way we offer them in our stores. Our stores are like playgrounds, brightly lit with paired-back Scandinavian-feel furniture. Unless we can do something different online, we'd prefer not to do it," said Maxwell.

Tiger Stores take new stock deliveries twice a month, so, at any given time, between 30 to 40 per cent of the stock in the shops is new. "We have a new theme every month – we call them campaigns," said Maxwell.

"For December, it's presents, and for November, hearts and moustaches was one of the themes. In January, we will have a fitness theme. The quick stock turnover is what keeps the customer experience fresh."

Products are designed by Tiger's parent company in Denmark, and manufactured in numerous locations around the world.

"They're made in China, Indonesia, and various countries throughout the Far East, and also Europe. For example, our candles are all sourced from Denmark," said Maxwell.

"We have a very clear corporate social responsibility policy. The Danish are slightly obsessed with it, which is great. For Niall and I, it as one of the big questions we had starting the business. We don't want to sell products that aren't sourced ethically, so that bit sits very comfortably with us."

Tiger Ireland employs 100 people year-round, with seasonal additions at busy times of the year.

Maxwell and Stringer run day-to-day operations in the Irish stores, while their Danish parent company designs and buys stock.

"We buy from their central storehouse, and they also provide financial oversight, so we submit weekly and monthly accounts. Four times a year, we have a board meeting and we have almost weekly conversations with our contact within the international office there."

Keeping it cheap and cheerful

Gillian Maxwell, co-founder of Tiger Stores Ireland, has this advice on getting a new retail venture off the ground successfully.

Costs: "Control your costs. We started the business bootstrapping our way through the opening of the first store, and we have always tried to keep that mentality."

Customers: "Irish customers are discerning and will not accept poor customer service. You need to constantly surprise your customers with new ideas and stock."

Staff: "You can never underestimate the need to recruit, train and retain the best teams possible.
You can sit in head office talking about what you want your company to be, but if the person unpacking boxes or serving at the tills does not understand and believe in that goal, you have nothing."

Management: "We have a Danish style of management, relaxed and informal, incorporating fun into as much as possible, but not mistaking that informality with a lack of professionalism."

The Lowdown Tips for SMEs

Your product must speak for itself

BY RYAN SMITH


Ryan Smith: be bold when scaling up your SME

I first visited Dublin in 2012, at the invitation of Paddy Cosgrave for an event called F.ounders, the sister event to the Web Summit.

On this initial visit, I stayed at the Shelbourne Hotel in the heart of the city by the beautiful St Stephen's Green Park. I immediately felt at home in Dublin because, in many ways, the vibe here is very similar to Provo, Utah, where my company is based.

Ireland's friendly reputation was evident, but more than that, the vibrant and enthusiastic start-up community in Dublin made a huge impact on me.

The energy then, particularly in the tech sector, was palpable and still is today. I was truly impressed by the spirit of innovation throughout the city. In fact, this was one of the primary reasons why we chose Dublin as the location for Qualtrics' European base.

I returned to Dublin this year for the Web Summit and F.ounders. Again, the vitality and drive among Ireland's start-up community is clear.

While having the energy to get a business off the ground is great, however, it's really important to make sure that this energy isn't misdirected in the early days.

Silver bullets are rare

Don't get me wrong, your start-up needs a strategic marketing plan. Even with the best product or service, if customers don't know you exist or understand the value proposition, then you can't build much of a business.

However, everyone thinks there's a silver bullet. Believe me, silver bullets are rare. When it comes to marketing, the expectations around what it can deliver are often way out of line. Marketing is a long-term play, not a quick fix. Very rarely do you hit a home run. It's much more about notching up lots of solid base hits.

Product first

Let your product speak loudest. Whether you're building a product or a service, it must be innovative, disruptive and indispensable. Qualtrics didn't have a dedicated marketing team for the first ten years. Instead, we focused on product development.

We tore down our systems time and time again, until we knew that it was the best it could be. You have to nail it before you scale it. How did we know it was good? Because our customers would share it with their friends, and a strong recommendation from one customer to another is invaluable.

Market focus matters

Be laser-focused on one specific industry. The shotgun approach does not work. You can't spray and pray. Goal-setting is crucial to making this strategy work, so set goals and be relentless in achieving them.

For Qualtrics, it was all about academia. The target was to secure 200 leading universities as Qualtrics' customers. Nothing else mattered. Professors were the early adopters, essentially crowdsourcing our product and providing great insight into feature development.

> **We tore down our systems time and time again, until we knew it was the best it could be**

Don't forget word-of-mouth

Single market focus taught us a great lesson: word-of-mouth (WOM) is the most powerful form of marketing. Whether you're a start-up or an established brand, harness the power of WOM, but use it wisely. With a solid product and concentration on a slice of the market, your start-up can more readily build customer advocacy.

Be bold

When it comes time to scale your business and really ramp up the marketing machine, don't be afraid to do it your way. Be unconventional, wild or just different. As we say in Utah: "Don't be afraid to lean out over your skis a little."

Qualtrics has grown up a lot since our young start-up days. While we currently have a full marketing team, our biggest goal is to stay lean and scrappy, no matter how big we get.

We haven't forgotten the core values that ultimately took our company from a crowded basement to more than 500 employees.

This lesson is one that we won't soon forget. Stellar products that deliver ultimate value are the foundation on which all marketing efforts will either succeed or fail. Let's face it, you can put lipstick on a pig, but all the marketing in the world won't make a bad product good.

Ryan Smith is chief executive of Qualtrics, a Utah-based private research software company

Corporate governance: the right approach

Boards need to avoid the perception of a club feel where directors have strong personal, business or social connections


David Duffy

One of the most common weaknesses of Irish boards is the perceived lack of skilled and experienced individuals sitting at the boardroom table.

The challenge for all organisations is to ensure that the skills and experience of those on the board are aligned with the needs of the organisation and its strategic direction.

According to an Institute of Directors in Ireland report in 2012, 21 per cent of directors under 50 years of age do not feel they are adequately qualified to be on their boards.

Indeed, many of the directors we interviewed for this book stressed that board members often lacked the financial and sectoral knowledge as well as the soft skills necessary for being an effective director, leading to poorly informed decision-making in particular.

At the same time, there is no doubt that there is available to Irish companies a large pool of talented and experienced directors both in Ireland and overseas.

The challenge for boards today is to tap into this pool effectively by ensuring those appointed have the appropriate experience and knowhow to make a real contribution.

'Clubby' image

Boards need to avoid the perception of a "club feel", where a majority of members have strong personal, business or social connections.

Director appointments in Ireland, particularly on publicly funded organisations or state boards, can be based on political and personal connections, creating the perception that due process has not been followed in such appointments.

Board selection should be based on a rigorous selection process to ensure that the board has the best talent available and that appointments made are based purely on a candidate's skill set and relevant experience.

Women still find it difficult to become non-executive directors (NEDs) in Ireland because of this perceived "clubbiness" and the existence of a "glass ceiling".

Managing risk

A key failing over the past ten years has been the lack of effective risk management, for example in the financial services sector.

This has resulted in failures where there was a chronic lack of understanding of the consequences of global systemic risk on the Irish financial system and Irish banks.

Many institutions built loan portfolios that were heavily weighted to the property sector, which eventually became overheated and then collapsed.

Many directors have lacked the necessary experience, insight and training to ensure that the executive management team identifies, addresses, monitors and manages the risks to which the company is exposed.

Increased regulatory requirements from the Central Bank of Ireland now require that credit institutions appoint a chief risk officer (CRO), with effect from January 1, 2015.

Despite the proactive approach taken by the Central Bank, managing the country's exposure to the financial services sector will always be difficult as inevitably markets will almost always be ahead of the regulation required, as businesses try to find jurisdictions with a light touch or simply no regulation.

> **Many directors have lacked the necessary experience, insight and training**

Accurate information

Perhaps the key factor in the success of any board is its ability to ensure that appropriate information is made available to it in a timely manner and in a form that is easily digested. Many boards fail this simple test.

A key challenge for a board is in ensuring that the executive management team provides it with accurate information, particularly when that information may be negative (for example, when sales are behind budget) or portray management in a bad light.

The chair has a critical role in setting a "tone from the top" that facilitates the timely flow of accurate and relevant information. This can be facilitated by promoting a culture of openness, constructive questioning, free debate and not "killing the messenger".

Making time

Aside from appointing the right people, boards face significant challenges in ensuring that all directors are able to commit the necessary time and effort to the business of the board.

If directors do not allocate sufficient time to prepare for meetings and familiarise themselves with the operations of the organisation, the board will be less effective and ultimately company performance will suffer.

Many directors underestimate the time commitment required of board and committee membership and as a result may treat board membership with less than the respect it deserves.

Governance training is typically the responsibility of the chair and the company secretary, who together ensure that it happens and is addressed on a regular basis.

Board productivity

The boards of many voluntary organisations, particularly in the education and healthcare sectors, and indeed some state-funded organisations, struggle to make effective decisions due to their size.

Such boards can have memberships of over 30 people, which puts enormous constraints on its efficiency.

While there is no "right size" for a board, its size will be influenced by the size of the organisation, the range of skills and experience required to support it strategically, the stage of its development and the work to be carried out, either at board meetings or in committees.

Larger boards tend to be less efficient. Consequently, smaller boards with the right composition tend to be more effective.

Clarity of focus

Those serving on boards may not always be clear about their duties, responsibilities and the commitment required. It is vital that the commitment required is clearly communicated as part of the recruitment process and covered off in an induction process.

Importantly, the Charities Act 2009 and the Companies Bill 2012 spell out these duties and responsibilities specifically, which was not the case with previous legislation.

Board focus will be improved by having a clear strategy for the organisation, an annual business plan and risk assurance procedures in place. Without this, decision-making will take place in a vacuum.

A key challenge for any organisation is getting the balance of work right between the board, its committees and the executive management team. Planning the board agenda, ie the work of the board for the year, is a vital part of this.

Independent challenge

The role of non-executive directors (NEDs) is to bring an independence of thought and objectivity to the boardroom. This valuable asset will assist the board to make tough or difficult decisions more efficiently.

The quality of information available to NEDs is critical in this regard. If the information that the NEDs require is not made available, they should ask for it.

Board members should be able to challenge each other constructively and debate issues without letting personal agendas unduly influence future policy or decision-making.

All of these challenges are closely linked. If qualified and competent directors are not on the board, it will struggle to make the right decisions on a timely basis.

This is an edited excerpt from Practical Guide to Corporate Governance by David W Duffy, published by Chartered Accountants Ireland and available in bookshops and online at charteredaccountants.ie/shop/books. €35

Movers &Shakers

■ **Irish Life Investment Managers has appointed a new head of alternative strategies. Peter Haran joins from the National Treasury Management Agency, where he was head of investment strategy for the National Pensions Reserve Fund. Before that, he was fund manager with IIU Asset Strategies.**

■ **Hilary Coates is joining Bank of Ireland Business Banking as head of health and life sciences. Coates has been a management consultant with PA Consulting for the past year. She was also formerly head of healthcare regulation with the Health Information and Quality Authority.**