

“Closest Man to Ted”



EDITORS' NOTE Ray Kelvin founded the Ted Baker brand in 1988, when he opened up a men's shirt specialty shop in Glasgow. Kelvin relied on word of mouth and early viral marketing initiatives alongside the creation of a rich personality to anchor the brand.

COMPANY BRIEF U.K. designer label Ted Baker (www.tedbaker-london.com) is a British lifestyle brand known for applying innovative and unique twists to all of its products. Following the opening of the first store in 1988, stores quickly opened in Manchester, Cambridge, and Nottingham. Initially, Ted Baker exclusively offered men's limited edition shirts. Six years later, a store in Covent Garden opened and Kelvin bought the company outright from part-owners Goldberg and Sons. Additional stores in Soho in London, Nottingham, and Leeds opened in 1994. In 1995, Ted Baker launched Ted Baker Woman. Ted Baker has since become a global brand, which produces men's, women's, and children's clothing. The company also produces fragrances, eyewear, footwear, watches, and accessories. The Ted Baker collections are also sold by other retailers. Ted Baker has launched new collections in partnership with Debenhams, including Baker by Ted Baker and B by Ted Baker. Ted Baker has stores, outlets, and concessions across Europe, the U.S., Australasia, Asia, and the Middle East, and has expanded its presence in these territories through its wholesale and export business, which now covers Australia, New Zealand, the U.S., Canada, Norway, Greece, Spain, Portugal, Andorra, Finland, the Netherlands, and Belgium, as well as the U.K.

When you look back to 1988 and the creation of the brand, what did you see in the market that made you feel there was an opportunity?

I started the business and called it Ted Baker because I thought, from day one, that it would be a failure, and I didn't want to be “Ray Kelvin the bankrupt.” So it was a good name to hide behind.

Now that it is a global success, I'm still happy to be in the background, because I'm a big believer in team performance and the brand is not about an individual.

We design for our customers, not for prestige. So it's about delivering what our customers want. When I started, I wanted to create a product that was twice the product at half the price. I tried to design and create product that we sell or deliver in



An Interview with Ray Kelvin CBE, Founder and CEO, Ted Baker

a way that is far-reaching – the design doesn't have to be for the luxury few. So my challenge was to create a beautiful piece of design that doesn't have to be expensive and is acceptable by all.

Even to this day, a lot of people within the industry wonder how good it can be because it's not being sold at a ridiculous luxury price. But that is how we design and it is the whole model of the business.

Many equate quality with price. How do you create the type of quality you do but keep the price within a reasonable range?

It's not just about the product – as a business, we're just proud to be in a world-class organization and to still be here. There is a love and passion that runs through the veins of everybody in this business that makes it unique. We love to give service and care.

One of the reasons why other brands make things very expensive is so they don't have to sell a lot – it's a margin, a model. We don't make enormous margins, but we get the volume. So it's the volume we drive that gives us the net reward we need to achieve as a publicly quoted company. If we raise the prices, then we're the same as everybody else and we will sell less.

We like to sell a lot, but we don't have to sell a lot of any one particular item because we are continually producing new ones. We design like luxury designers but we produce like the mainstream ones.

How broad do you plan for brand extensions to go?

Very broad. I don't like to follow trends in terms of what other people do; I'm motivated by product, design, and great service.

Culturally, when you have a founder/owner of the business and a team that have been there from the early days, you have a chance to create something special. If you're a corporate player just looking for your next payout, it's a different thing.

The world has become homogenous and, unfortunately, we're surprised by great service today.



In America, I used to be thrilled by the service; today, you don't get that anywhere in the world.

Is it challenging to retain people and how have you kept the culture intact through all the growth?

Retaining people has not been a challenge because we're very real. The challenge for us is bringing people from outside in because we're no ordinary designer label. They find it odd that people have been here for so long and struggle with how to get on in that environment. They sometimes bring some bad habits with them, but we don't do everything well and we're not arrogant in the way we do things.

I have retained the same directors I had from day one. There were only three of us in the office then. We're all growing together and they're all still young.

We recently gave 60 people a little wisdom tooth and a holiday because they had been with us over 10 years even though they were only in their 30s. There was one kid who was 15 when he joined us – he's now 35.

You know why? Because we care.

If you think back to the early days, could you imagine this would have become what it has?

I'm still running a little shop. The danger is thinking that way.

It's a much bigger business than what the figures show in the accounts – close to 500 million pounds a year when looking at the grossed up retail value of all the products. But I don't want to think about that because money is a byproduct of doing a good job. It's about loving and caring for people, and the product and the customers.

Do you have the ability to ever turn the business off?

Yes. If you have a balance, you're more invigorated, and if you're interested in and motivated by product and by people, then you have to stand back from it and do other things.

Do you know how many business calls I get a week? Three. The phone never rings. Because if the business is well organized and delegated, set up, and instructed, I don't get involved. My conversations are with people internally. It's not about the one person – it's about driving the organization and the team. The people understand that as well because they're running the business and they know better than I do about running it. ●

Several sides of Ray Kelvin's personality