



## Interview with... Jim McCarthy January 2011

Beth Cauldwell, Managing Partner

**Beth talks to Jim McCarthy, the charismatic CEO of Poundland, about his career, the influences in his life, the success of Poundland and the skills needed to be a great CEO.**

## Interview with Jim McCarthy

### Profile summary

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#### Career

From Newspaper delivery boy to Group Managing Director of Dillons by 29 years of age

1989	Dillons acquired by T&S Stores, in 1994 became CEO
2003	Tesco acquires T&S Stores
2004	Joins Sainsbury's as Managing Director of Convenience
2006	Joins Poundland as CEO
2010	Poundland sold in £200 million deal to Warburg Pincus

### Beth Cauldwell: Tell me how your career in retail began?

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**Jim McCarthy:** My Father was a publican and we learnt about work from an early age. Things like fetching in the coal, taking out the ashes.... before we went to school....Living in a public house meant I learnt the principles of merchandising from an early age, and how to manage stock. When we went to grammar school our father expected us to also earn money and I got a job as a Paperboy, at the local Dillons store, delivering papers before school each day and serving customers in the store at weekends. It was a strict upbringing. Academically, I lost interest and at 17 and decided to leave the sixth form. As I left the headmaster told me "**you will never make anything of yourself!**"

I was offered a junior trainee role at Dillons, where I had been working part-time, and at the tender age of 17, I found myself learning every aspect of how a multiple newsagent chain worked. This was my entry into retail and ultimately convenience shopping.

### BC: What was your first company car?

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**JM:** I remember it well. I was 18 years old, just married, promoted to special project work and living in mice infested rented accommodation in Small Heath, Birmingham. The car was an old bronze mark 1 Ford Escort, with 85,000 miles on the clock, but I was grateful to have it!

### BC: How did your career progress from here?

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**JM:** I was very competitive and highly ambitious in my early career. At Dillons I progressed rapidly and after further development running a store was promoted to Area Manager at 19 years old, with responsibility for 26 newsagent stores. Then at 21 years of age, I was promoted to Regional Manager, with 105 stores with a team of 5 Area Managers. After another 5 years I became Managing Director for a Dillons subsidiary on the south coast and at the age of 29 years, following some great results from my team was promoted to MD of the entire group. Following the acquisition of Dillons by T&S Stores Plc, I became Group Retail



Director subsequently being promoted to joint MD and then in 1995 Group Chief Executive. Following the sale of T&S to Tesco in 2003 I decided to take some time off and left the business. I then joined Sainsbury's as Managing Director for the Convenience business on the Operating Board before moving to Poundland as Chief Executive in August 2006.

### **BC: How did you spend your time out between T&S and Sainsbury's?**

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**JM:** I had 14 months off, longer than I'd intended. It was great to spend time with my family, with more time to watch rugby, and take holidays but I drove my wife mad! I also found I missed the buzz of running a company, and I wanted to get back into the driving seat. I'm someone who hates to fail and having worked for effectively the same employer for over 30 years, some executive search firms and prospective employers possibly viewed me as institutionalised and more of a "risk". I took on a Non Exec Director role and did some consultancy work before joining Justin King at Sainsbury's in 2004.

### **BC: What do you see as key factors in your rapid career progression?**

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**JM:** Whilst I seemed to have a "Midas touch" in my early career, I believe my success was down to three key things:

1. Having the right team around me, and not being afraid to make the tough decisions sometimes needed to build a great team.
2. Creating momentum and ownership.
3. Having a great strategy in place.

But building a great team is the most important of all. A great strategy with a poor team and poor execution will get you nowhere.

### **BC: Who has influenced you most in your career?**

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**JM:** My father was a big influence on my early life. I was quite shy at school and lacking in confidence. He taught me the art of boxing, and generally helped me build up my self confidence early on. He was also very good at ensuring I was personally well presented for job interviews in my early career. I also learnt a lot working with George Davies during the late 80's when Next acquired Preedys and Dillons. Kevin Threlfall the T&S Chairman was also a big influence who taught me that business should be fun as well as about achieving. Working with Justin King at Sainsbury was also a great learning curve. JS is a superb brand and Justin taught me never to be content with success it was all about the next step. I had a board position, a blank piece of paper to work on- and enough oxygen to do my own thing.

### **BC: What skills do you think make a great retail CEO?**

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**JM:** The ability to build and work with a great team, generate momentum and to set the right strategy has always been top on the list for me. A great CEO sets their sights high, painting an easily understood goal and creating the positive atmosphere that motivates. They will not be frightened to make tough decisions



when necessary. The best CEO's set clear objectives, provide focused leadership and direction, ensuring their teams have a well structured framework to operate in and have all the oxygen they need to thrive. Good CEOs learn from their mistakes and are not afraid to admit when they have got it wrong, or when someone else is more right than they are!

**BC: What has been key to the success of Poundland?**

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**JM:** We have succeeded by focusing on what customers want and sticking to it. We spend on market research and listen to our customers and colleagues. We've allowed room for creativity and innovation; there are no corporate strait jackets in Poundland. We've driven significant expansion opening almost 60 stores in the last nine months, some of this has been made easier by availability of store space on the high street, but our growth and success is not down to luck alone, we've ensured we are well placed to meet the needs of all consumers at a time when shoppers are tightening their belts.

**BC: And what do you think the future holds?**

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**JM:** We've still a lot further to go in the UK. Opportunity abounds, we haven't yet launched online ordering and we know from market research that there are hundreds more locations that suit the Poundland model. We have a vision of 500 stores, over a Billion pounds of turnover within the next three years.

For more information on this interview, or if you would like to feature, please contact the partners via:

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