

LEADING FROM THE FRONT

Great companies need great leaders and Graeme Horne fits into that category. He has been at the helm of Haworth UK since 2003 and has established himself as an influential, often controversial, industry figure. Sphere delves deeper to find out more about this intriguing man.

► Just what does make a good Managing Director? I have met many individuals who gleefully adopt the title, but very few who can actually rise to the challenge of heading up an organisation and inspiring a genuine cultural and commercial difference. The skills, personality and temperament required to front a company are an elusive mix, which few can genuinely claim to possess. Of course, the bigger the company, the tougher the task and the more acute the scrutiny.

Enter Graeme Horne, current Managing Director of Haworth UK. Confident, dapper and urbane, this forty-eight year old man exudes all the confidence and persona that I would expect from the head of an operation turning over almost £20m. His conversation is lucid and affable, but behind the words lurks a steely determination developed over a successful professional career during which one imagines he has suffered few fools.

Graeme joined Haworth in 2003. The business had incurred heavy losses during the previous year, and Graeme was given the crystal clear objective of returning the UK operation to profit. Although terrifying to most mere mortals, the challenge was perfect for Graeme, who had turned businesses around throughout his career. Describing the commercial situation he inherited, Graeme fires figures into the air at machine gun pace. Turnover, profits, logistics costs, overhead savings and projections are recounted with meticulous accuracy. Graeme lets the numbers define his period at the helm and like other successful MDs I have met or worked for, there is little room for emotion. "When I am doing a job, there is no sentiment. That's the beauty of it. People ask me to do things and I carry out my work without any personal emotion. It is the only way to be successful at what I do."

Written by Andrew Pinnell

Graeme Horne images by David Partner





Below: Haworth Showroom, Rome
 Opposite top: Haworth Showroom, Chicago
 Opposite bottom: Haworth Showroom, Washington
 Images courtesy of Haworth, Inc

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This air of personal detachment should not be confused with arrogance, as Graeme is anything but. His bulletproof demeanour is merely an essential tool of his trade. In my experience, boardrooms are too often inhabited by individuals motivated purely by self-interest, but the corporate landscape is no place for those without a deep-rooted conviction in their professional vision. The very best MDs thrive on a commitment to pre-defined company goals, and give any barriers to achievement short shrift. Graeme exudes these qualities so naturally that it is easy to understand how he turned Haworth UK into a profitable arm of the global business within two years.

Nothing is left to chance and Graeme cheerfully admits to having devised his own three year formula for “turning businesses around”. “In the first year I spend a lot of time observing, before filtering and replacing personnel, in the second I make sure the infrastructure is working properly and make minor tweaks, before identifying and training a successor in the third.” Such an apparently simplistic approach to rejuvenating a business masks the scale of each of these three objectives. It also illustrates the MD mindset, which is dominated by a hard commercial logic. A few years ago I sat on the board of a company headed up by an MD who had an equally straightforward approach to running a business. Whenever he had to make redundancies, or implement unpopular cuts, he would address the poor recipient of bad news with the line: “My job is to see the writing on the wall, yours is to read it!” It never failed to somehow ease the pain of the hammer blow to come.

To find out what really drives people like Graeme Horne, one has to search below the radar. Sometimes this is not easy, but Graeme is completely open about how he acquired the attributes so integral to his success. Born in 1959 to working class parents, Graeme’s personality was defined by his upbringing. His father was a tough task master and like many sons, Graeme shared a sometimes volatile relationship with his mentor. At fifteen, Graeme was expelled from school, and his father sent him to a metalwork factory for a year. He hated it, but it gave him an insight into a manufacturing operation and galvanized his desire to achieve success. In addition, despite loathing the drudgery of the factory floor, Graeme was fascinated by the transformation of raw metal into intricate objects. This lit the touch paper for his lifelong interest in design.

Graeme’s relatively humble beginnings instilled in him a predominately working class trait – the fear of failure. With his father’s cynicism ringing in his ears and the harsh experience of the factory fresh in his mind, Graeme vowed that he would do everything in his power to carve out a rewarding career for himself.

The fear of failure is often cited as a negative state of mind that prevents individuals from maximising their potential. I was forced to take a management course once and the fear of failure was consistently presented as the biggest hurdle to achievement. Yet in the case of Graeme (and of many other entrepreneurs I have met), the emotion can be beneficial. It is the motivating force that pushes them to the apex of their ability and the one single factor that sets them apart from those who accept less challenging occupations. For people like Graeme, fear of failure

is often rooted in class and in testing relationships with fathers or peers. A craving for success, financial security and respect is only heightened by the dream of telling your father that "I told you so!" This I sense was very much the case with Graeme.

These powerful motivations demanded that Graeme utilised his entrepreneurial spirit to escape the factory floor. After establishing a landscape gardening business in the late Seventies, he joined Supreme Discount Stores, becoming their top salesman within six months and their youngest ever manager soon after. In the early eighties, a spell at Harris Lanier Inc selling dictation equipment was followed by a move to Ergonom (now part of Unifor), where he more than doubled his sales targets for four consecutive years. Two years in the financial sector followed, raising capital for businesses in the Midlands, before Graeme returned to Ergonom as a Sales Director on a board initially led by Phillip Hilliard. The team re-established the company as a serious player, increasing turnover from under £5m to £12m in six years. Phillip departed in 2000 and Graeme was offered his job, but Graeme duly resigned in support of his colleague rather than accept the post himself.

These commercial experiences created a firmly entrenched set of values and principles, which Graeme admits to sometimes "cutting off my nose to spite my face" to uphold. Inevitably, such an attitude has created some friction over the years, but sticking to his instinctive beliefs provided the tools required to climb the treacherous corporate ladder.

During this period, Graeme also developed an appetite for making decisions that could influence the very heart of a business. His talents were recognised by Bench Marque, one of Haworth's dealers. Ironically, one of Graeme's first strategic moves was to end Bench Marque's relationship with Haworth and restore the company's independent status. After three years, the Haworth opportunity presented itself and Graeme took on perhaps the biggest challenge of his professional career.

Haworth is now the largest privately-owned furniture company in the world with a turnover of £1.7bn and over eight thousand employees. The company was founded in 1948 by GW Haworth, a high school industrial arts teacher, with the aim of helping him put his five children through college. Initially known as Modern Products, the company was run from GW's Michigan garage based on the twin principles of innovation and flexibility; principles which have been the cornerstones of the Haworth philosophy ever since. In 1954, the development of modular office partitions catapulted the company to national status. GW's son, Dick, took over the reins in 1976, changed the company name to Haworth, and was able to build a global brand. This he did with the help of \$10m won from the company's biggest competitors Steelcase and Herman Miller, who infringed Haworth's patent for connective vertical panels.

Graeme joined when economic trading conditions were less than favourable, but he quickly embarked on his proven three year plan. Wastage was eradicated, logistics costs slashed, and a streamlined business was created that reached its customers by forming close and mutually beneficial relationships with a portfolio of dealers. This "dealer network" business model was created in the US to enable manufacturers to distribute across vast geographical



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areas. Graeme recognised that Haworth was only ever going to be as successful as its dealership network, and listened carefully to their requirements in the course of his business restructure. Haworth remain the only North American company to adhere entirely to the dealer model and have resisted any temptation to open showrooms or build their own sales force.

Graeme's aim is to create a network of twelve A-Grade dealers by 2010. This, he feels, embraces GW's original business model and has a great deal to offer to both parties. "It is about building trust. The dealers know we won't betray them, and will look after them the best we can. Each dealer wants something different from us and we empower them to make their own decisions. 3Sphere, for example, wanted assistance with their rebrand programme, while another dealer might want to upgrade their premises; we always try and help where we can."

Haworth UK is now safely profitable and Graeme has a plan to achieve a 5% market share by 2010. He freely confesses that this job will be his last working for somebody else, and he has extended his tenure at the head of the company to achieve these financial targets. The fire in Graeme's belly still burns and he has

an idea that he might end up running his own business sometime in the future.

Graeme is rightly proud of his achievements, but memories of his father and the factory floor have always kept him firmly grounded. He enjoys the acknowledgements of his peers and admits to having a small ego. The principles formed during his upbringing, and three decades of commercial experience have combined to position Graeme at the pinnacle of his professional career.

Few people ever become Managing Directors and fewer still make a lasting commercial difference to the companies they represent. Graeme is one of a group of exceptional people who really are genuine Managing Directors and are therefore worth their weight in gold. An ability to turn businesses around is perhaps his greatest asset, but as a communicator, strategist and visionary, Graeme has proved he has all the facets required to be a successful MD. His engaging personality, dry sense of humour and indefatigable passion are a heady concoction and his achievements stand testament to this hybrid of skills and traits. He is now in a position to reap the rewards of his hard graft and plan the next chapter in Haworth's remarkable story.

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