

There's no better method than a good example

Ingvar Kamprad

Swedish people usually say that Per-Albin Hansson, Sweden's social democrat leader in the mid20th century, built the people's home – but that Ingvar Kamprad furnished it. Since the opening of the first IKEA store in Älmhult (Sweden) followed by more than 250 in Europe, Russia, China, Japan, Australia and the USA, the name of the giant furniture and houseware producer has been closely linked to the culture conveyed by its founder Ingvar Kamprad.

This visionary entrepreneur started selling ball-point pens, wallets, picture frames, clocks, jewellery and nylon stockings in 1943 at the age of 17. The name IKEA consists of the initials of his name followed by the initials of the farm and village where he grew up.

The original idea was to offer people everything they might need at a good price. In 1947 furniture was added to the IKEA range and four years later the first catalogue of affordable furniture was published. The rest of the story is well-known.

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But the influence of Ingvar Kamprad is still very much present and his business management model is the subject of much research and a source of constant inspiration for business owners and entrepreneurs. Some of its keys are “simplicity and common sense

should be the basis for strategic management and planning. If good leadership exists, it consists of setting an example. I have to do it for all IKEA employees.”Driven by his relentless obsession for greater efficiency, Kamprad has taken unorthodox decisions, including the bold move to relocate production from Sweden to Poland in 1961 at the height of the Cold War.

Despite pressure to float his company, Kamprad has always been against the idea. He feels this would slow down decision making – a cornerstone of the unstoppable growth of the company he founded. Since the start of his business venture Kamprad has always focused on building an effective organisational structure. IKEA is currently owned by the family-controlled foundation which has several holding companies that run different aspects of the business and its operations, ranging from production and distribution to banking and construction.

Ingvar Kamprad is discreet by nature and throughout these years, he has kept a very low-key public profile. Despite being one of the world's richest men, he usually travels by public transport and stays in very cheap hotels. It was also quite usual to see him at the wheel of his Volvo 240, more than 20 years old, until at last he was recently convinced that it was no longer safe. In response to curious onlookers who are surprised by what some describe as “eccentricities”, Kamprad simply says, “I could travel regularly in first class, but having a lot of money doesn't seem to be a good reason for wasting it.”

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Long before corporate social responsibility and sustainability became commercial weapons, they were already part of Ingvar Kamprad’s work philosophy. “Wasting resources is a mortal sin at IKEA”, he wrote by hand in what is known as the “IKEA Bible” to convey the clear message

of “making a better day to day” for many people because “we have decided once and for all that what is good for our customers, is good for us in the long run.” In the process of building a better day to day, Kamprad is clear that part depends on “breaking by-laws and conventions and being freer human beings.”

Since he retired from the company’s helm in 1986, he has rarely appeared at public events or spoken to the media. This is perhaps not surprising, since the only posts that Ingvar Kamprad currently holds in the Group are senior board member of the INGKA Stitching Foundation and board member of the IKEA Group.

Today, IKEA is still one of the largest family firms in the world and everything suggests that it will continue to be in the future. For some time, his sons Peter, Jonas and Mathias have held senior positions in IKEA’s different areas and offices. But their presence has always been very low-key, a very typical trait in this Nordic company. Ingvar Kamprad’s announcement last June made it clear that he intended to leave the company altogether – the symbolic start of a new era.

But the culture of this furniture giant will continue to bear the stamp of its founder’s personality who tells entrepreneurs and other executives to treat time like the most important resource and to always remember that “There’s no better method than a good example”, the maxim of the man who furnished Sweden.