

GULF

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business

Sushi furniture

Thomas Lundgren, founder of THE One, holds no college degrees or any other prerequisites that would qualify him to become a retail mogul in charge of a global home fashion empire. Pressed hard, he describes himself as a seriously obsessive-compulsive, frustrated artist on a heaven-sent mission and ascribes his entrepreneurial success to sheer naivety, stupidity, creativity, curiosity, passion, stubbornness and luck in employing the right people and good old-fashioned hard work. He spoke to JACOB JOSEPH about his plans for "a world free from Ikea!"



The first thing that strikes you when you enter THE One's global headquarter in Jumeriah, Dubai, is a wall adorned with framed letters of rejection. Almost 40 of the world's leading banks and regional investors telling Thomas Lundgren, founder of THE One, that his idea of starting a furniture retail outlet is not feasible and silly to some extent. "It feels good to look at it now, but I felt devastated when I got each one of these letters. It was painful. Having said that, in a way it was helpful too, I became better at presenting and selling the idea," says Lundgren.

It's rare for someone to knock at so many doors (roughly around a 100 potential investors, according to Lundgren). What made him so confident of his idea? "You are not going to believe me, but an angel came to me in my dream and told me that I was the chosen one to save the world from Ikea," says Lundgren with a dead-serious look on his face.

Lundgren started his career with Ikea, first in Jeddah and later in Kuwait. During the Iraqi invasion, Ikea folded its Kuwait operations, and he was forced to move back to Sweden without a job. This is where

he felt let down by Ikea. "I felt bad because I had a wife and daughter to take care of, and they did nothing to help me out," laments Lundgren.

Once the war was over, we agreed to go back to Kuwait to re-establish Ikea, but this time on his terms. He was paid for the time he was unemployed and offered a better package. But his heart wasn't in it anymore, so he decided to come to Dubai and be a consultant, offering his services to European firms thinking of opening shop in the Middle East.

It was at this point, he claims, that the angel appeared in this dream. He put together a business plan to start THE One. Just one problem, he estimated he would need \$4 million to start the business. Having been turned down by banks, Lundgren finally found success in persuading three investors to hand him \$2.5 million, two Arab businessmen, Rashid Al Mazroui from the UAE, Shakir Abal Sadeq from Kuwait (\$1 million each) and an American investor with \$500,000.

THE REST IS HISTORY

Twelve years have passed since that day and today THE One has grown to 11 stores across the Middle East and Europe. Sales revenue is around the \$80 million mark. THE One broke even in 2000 after going through a whole list of problems including empty showrooms, fire, accountants who didn't keep accounts... to list a few. This doesn't, however, mean Lundgren has achieved his dream. Far from it, Ikea has annual sales revenue of \$30 billion and growing rapidly. That's a lot more than Lundgren's \$80 million.

What makes THE One so different? "My vision has always been to save the world from cheap, mass-produced, as well as over-priced home retailers by becoming the funkiest and sexiest, global home fashion brand around. The culture and philosophy of the company is to inspire, innovate and challenge; rejecting routine, normality and functional existence," Lundgren points out.

This is reflected in its advertising, which is as radical as it is unconventional and has moved away from traditional product placement to a more interactive, emotive stance. The new creative concept reflects the brand's passion for drama with the campaign being far removed from traditional 'bread and butter' furniture shots; instead, the focus is on the unpredictable, unusual... even downright weird.

The adverts feature people doing things that contradict their stereotypical appearance. An elderly lady can be seen grasping her gaming console, completely enthralled by the action whilst the headline 'Save the World from Boredom' is emblazoned across the top, slapping you in the face with its bluntness.

This brand attitude is visible at THE One stores as well. Each of THE One's showrooms is a cosmopolitan mix of ethnic, colonial and contemporary design influences. "At THE One, we go out of our way, so our customers don't have to. We want to inspire our fans; and annoy and challenge our competitors," Lundgren added.

STRAIGHT FROM THE HEART

Lundgren maintains that he relies more on his instincts than research. A good example of this is his recent exclusive sponsorship of the Robbie Williams concert in Dubai. At the time of signing the contract, he said he had not done any market research as to how the brand would benefit from the sponsorship. "It's fun and it fits in with our dream! As we'll be celebrating our 10th anniversary this year in the Middle East, where we were born and bred, we feel it's the perfect opportunity to give something back to the people of the region, who have made us what we are today," he says.

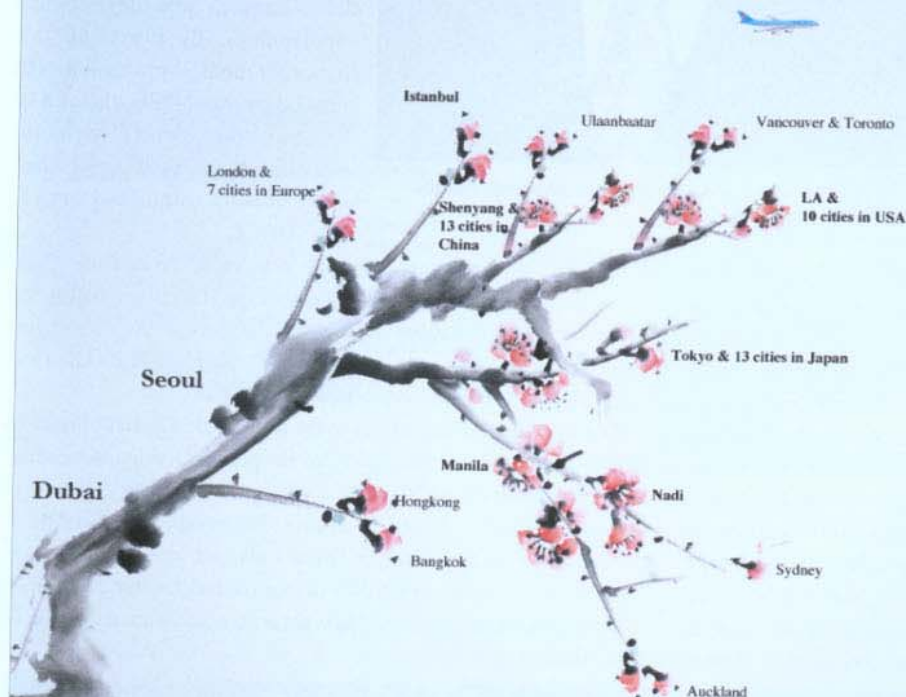
Signing a sponsorship deal without any idea of its benefits might sound radical, but what is more radical is his plan for the summer. "We are going to shut down completely for a week and our entire team is going to India to build a school," he says. "There are three ways our customers can help us - they can give us money, come with us

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or promise not to show at the competition during this time," he says. When asked if he sees THE One going for an IPO, Lundgren was not sure of the benefits of such a move. "Right now, we can do things as we please, we are flexible and this keeps us creative. If we go in for an IPO, then there are things like share price and investor approvals we have to seek before we do anything and that may not be that good for us," he says.

THE One has clearly established itself as a fashion-lifestyle brand, compared to the furniture shop identity of its major competitors. However, with growing competition from regional retailers such as Home Centre and Pan Emirates in addition to Ikea, Lundgren must continue to hope that consumers follow their hearts more than their wallets. Ikea still dominates the world of furniture, but who better than a Swede to take on a Swede? ■

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