

The kea culture case study

Business



Swedish company registered in the Netherlands that designs and sells ready-to-assemble furniture, appliances and home accessories.

As of January 2008, the company is the world's largest furniture retailer.

Founded in Sweden in 1943 by 17-year-old Ingvar Kamprad, who was listed as one of the world's richest people in 2013, the company's name is an acronym that consists of the initials of, Ingvar Kamprad, Elmtaryd (the farm where he grew up), and Åmål (his hometown in Småland, south Sweden).

The company is known for its modern architectural designs for various types of appliances and furniture, and its interior design work is often associated with CEO-friendly simplicity. In addition, the firm is known for its attention to cost control, operational details, and continuous product development, corporate attributes that allowed KEA to lower its prices by an average of two to three percent over the decade to 2010 during a period of global expansion. KEA is about much more than just products.

It is about offering inspiration, home furnishing knowledge, new products and solutions people can relate to.

Always at low prices. KEA home furnishing gives people access to affordable solutions that solve their needs and improve everyday life at home. Simply put, KEA home furnishing makes it possible to turn dreams into reality and create homes to love living in. A culture of hearts The KEA culture is hard to describe but easy to embrace. It's a culture of enthusiasm, togetherness and willpower, born from our roots in southern Sweden and inspired by the KEA founder, Ingvar Kamprad.

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The KEA culture humbly unites us In our work to create a better everyday life for the many people.

It's not an easy task - and maybe that's why we and all other KEA co-workers are so dedicated and so stubborn. We all share the same conviction that many, not few, shall be able to create the home they want and dream of. And when you put your heart into your work, it's then you really can make a difference. Over 150, 000 people are involved in the creation of a better everyday life for the many people. Business plans " Maintaining a strong KEA and expansion ideas are great motivators to work hard.

But there is no culture is one of the most crucial substitute for the feeling of actually contributing to something bigger.

Factors behind the continued success of the KEA Concept" Angina Kampala
KEA founder I en KEA values Values cannot be invented - they can only emerge from one place: the heart. KEA values are very much a product of our origin. Hard work, tough challenges, common sense, Swedish roots and limited resources have formed KEA values. To keep the KEA Concept successful, we work to keep our values close to our heart.

The KEA values convey the essence of the entire KEA culture.

Over the years we've learned that acting according to KEA values not only brings us together - no matter what age, race or part of the world we live in - it helps us do business successfully. The KEA product range Developing KEA products can take place almost anywhere around the world - on a factory floor in Asia or on the drawing board in ? Elmhurst, Sweden. And

everybody involved works together to create a product range that is simple, easy to live with and affordable.

Good design should be available for the many, not the few. That's why all KEA designers design every KEA product starting with a functional need and a price.

Then they use their creativity and knowledge and use low-cost raw materials and manufacturing processes to create functional products. Then large volumes are purchased to push prices down even further. Most KEA products are also designed to be transported in flat packs and assembled at the customer's home. This also lowers the price by minimizing transportation and storage costs.

By doing all this, the KEA Concept uses design to make sure that KEA products can be bought and enjoyed by as many people as possible.

KEA designers constantly seek new ways to improve people's lives - without emptying their wallets. But how can good design and function be combined with good quality, all at a low price? It starts with focusing on what's important. Will an expensive finish on the back of a shelf or under a table-top improve the function? Of course not. So KEA designers do not do it, because a product is of no use to the many people if it is not affordable.

Low prices with meaning Low prices are only valuable if they offer good function, quality and design.

KEA product development teams constantly ask themselves - does this product contribute to a better everyday life? Does it have a good,

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sustainable design? Is the function and quality suited for everyday life? And most crucial - is the price low enough to make this product accessible to many, not just the few? Touch. Try. Explore. Dream! The KEA store is our meeting place. It is where the KEA product range comes to life.

Visitors can compare styles and prices and get inspired by realistic room settings.

They are welcome to sit, lie down, open and close drawers and cabinets, and pretend to cook, sleep or watch TV. The KEA store is designed to meet many people looking for something for their homes. It's also a place where you actually can go from inspiration to involvement by getting inspiration from solutions in the store, searching, finding and choosing the products needed, picking them up, buying them, bringing them home, putting them together and enjoying them the same day. All the

KEA products in the store are supported by price and product information that makes it easy for visitors to serve themselves. Customer involvement contributes to low prices.

An invitation for the whole year With hundreds of pages of ideas, inspiration, solutions and products, the KEA catalogue shows how the KEA product range contributes to a better everyday life. It is filled with solutions that answer people's dreams and needs, it is also complemented with digital content that gives users a richer experience and provides more in-depth home furnishing knowledge.

Still, it shows only part of what is offered in KEA stores. Improve and develop the KEA Concept The KEA Concept is a living concept. We develop and improve it together with KEA retailers and other contributors.

Together we work to stay in the forefront of global trends and changes in retailing. We listen to the needs based on real-life shop floor experience to get better insight into what the many people need in order to improve their life at home. All this helps us to ensure that the KEA Concept remains successful in an ever-changing world.

We constantly monitor how the KEA Concept is implemented in every market to ensure it is creating the maximum impact. Monitoring helps us to understand the different challenges facing ' KEA. This could range from market conditions to cultural factors affecting shopping behavior.

Through monitoring we can find ways to improve the KEA Concept and how it meets the many people. KEA retailers share their experiences, knowledge, innovation and ideas. This helps the KEA Concept to be a living and dynamic concept that continuously develops and expands. The key is working together.

Online know-how, Publications, Training programmer We offer an online resource for KEA know-how that includes solutions, news, training programmer, publications and much more. We provide manuals and guidelines for all parts of the business and specific know-how areas.

We also publish a magazine for KEA retailers filled with tips, tools and proven solutions from all over the KEA world. We offer a range of training

programmer for many aspects of the business. Market research We conduct regular market research and provide KEA retailers with reports and tools that help them improve their business.

For example, we measure how well KEA retailers have positioned the KEA Brand in each market and how satisfied customers are with their latest store visit. We also conduct research that helps find ways to improve the KEA product range, the KEA catalogue and the KEA website.

And we gather and analyze insight into macro-economic factors and the competitive situation. The KEA Concept Center We believe in learning by doing. We operate the KEA Concept Center in Delft, the Netherlands, where shopping, learning, testing and supporting all come together.

The idea is to give KEA retailers the chance to learn about the KEA Concept and its recent updates Ana Detent t Trot all ten competence AT specialists In a nanas-on environment. For most visitors, the main attraction of the KEA Concept Center is the KEA store. Like all KEA stores in the world it offers inspiring solutions, low prices, tasty food and shopping that is fun and enjoyable.

The KEA Concept Center is also home to specialists who, in co-operation with the KEA retailers, find and identify good ideas and solutions.

New solutions are developed, documented and analyzed from a conceptual viewpoint. We provide systematic transfer of KEA know-how. And communicate proven solutions to all KEA retailers, so that each and every one can benefit from these in their business. Together, we work to keep the

KEA Concept successful. We offer more than 50 different training programmes and workshops to KEA managers and specialists at the KEA College.

In addition, many training programmes are offered locally or as learning programmes.

Every year thousands of students are educated on how to use proven systems, methods and solutions to maximize the possibilities of the KEA Concept. Testing Just as all KEA products are tested to ensure quality and to find ways to improve, we are always interested in improving the living KEA Concept. We test lots of new and innovative ideas at the KEA Concept Center. These could be ideas suggested by KEA tillers or ones that we come up with ourselves.

When we find solutions that work well we make them part of the KEA Concept and document and describe them so that all KEA retailers benefit. 2013 was exciting for KEA retailing. In a tough climate KEA retailing continued to grow and expand. Retail sales ended at EURO 29.2 billion for the full year. The business climate in Europe continued to be challenging for KEA retailers, while we see improvements in North America, Asia Pacific and the Middle East.

As many developed economies strive to balance economics and social well-being, we see that uncertainties will continue to dictate the economic climate for some time. This affects people's lives and living conditions and therefore we believe that the KEA Concept is more needed than ever.

The KEA Concept gives everyone the possibility to improve their life at home KEA products are becoming more accessible. This is about offering a wide range of good home furnishing products at low prices. It is about providing more and better services. And it is about creating a positive shopping experience in KEA stores and online.

Nine new KEA stores opened, two of which are in new markets: Lithuania and Qatar. There are also continued You do your part. We do our part. Together we, save money. Improvements In sustainability efforts In various aspects AT ten KEA concept.

Example is that by 2016, all the lighting sold at KEA stores will be LED. The KEA product range aims to help the many people live a more sustainable life at home, with solutions to help save energy, water and reduce waste. Most things remain to be done The first KEA business was founded in 1943 and the KEA Brand celebrated 70 years during 2013. Today more than 150, 000 co-workers are working through-out the KEA world. We saw more than 770 million visits to the KEA stores and 1.

Billion visits to KEA websites in the past year.

Still we are Just at the beginning. KEA retailing is small in most markets and does not exist in others. People's needs for good home furnishing products at low prices are bigger than ever and the KEA Concept will continue to contribute to a better life at home for the many people. A July 2013 media report speculated that KEA is the world's largest consumer of wood after a finding that the company uses 1% of the Earth's wood supply.

As of January 2014, KEA owns and operates 349 stores in 43 countries. The
Balanced Scorecard Value proposition