



What I Learned as a First-Time CEO

Catriona Marshall, CEO of Hobbycraft, recalls her experiences of joining the company as a new CEO and shares advice to those stepping up to the top role

When Catriona Marshall joined Hobbycraft in 2011 to take on her first CEO role, she was faced with a number of leadership challenges. Not only did she have to quickly adapt to her new role, she had to transform the performance of a traditional retail business in the arts and craft market.

At that time, the UK economy was struggling and retailers were being hit by the rapid rise of online discounters.

Catriona's mission was to reposition the brand, making it more appealing to a much wider audience and to develop a sustainable, multichannel business.

Here, Catriona draws on some of the main barriers she faced in that early period and gives advice to those about to take the helm for the first time. >

These thoughts were shared at Criticaleye's Global Conference Call, [Golden Rules of a First Time CEO](#).



Get Involved

Hobbycraft was a family-owned business until it was bought by the private equity firm, Bridgepoint, in 2010. They had done due diligence, but when they really got under the bonnet post-sale we all realised there was a lot more to be done than first expected.

We needed wholesale changes across people, systems, the supply chain and the stores – and to build online pretty much from scratch. As CEO, I was heading into a major change programme in a very competitive market with high expectations from my private equity owners. I knew I had to understand the business and all of its elements as quickly as possible.

What I learned: The first key learning for me was the difference between reading, watching, listening – which I did a lot of – and actually doing. Putting on a uniform and being in the stores, working at the tills, unloading deliveries, talking to customers, actually knitting and sewing and doing the things our customers do, that made a difference. You have to do it, not just watch.

Understand Your Investors

I love the private equity model; I'm a huge fan because you have real clarity on your mission. We know we have to build value by growing EBITDA and creating a growth story. As a leader that gives you a strong hook to get your team on board and aligned without siloes.

One thing you should know entering the PE world is that you'll need to share everything with the private equity company and rapidly. Don't go quiet on them because at the end of the day it's their business and they only ask for information if they need it.

What I learned: It was important to understand what the owners of the business wanted, their plans, expectations and what they wanted from me. I needed to know my responsibilities and that I had a path on which to deliver. I was then able to put that into a plan and share it with my chairman.

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Get the Board's Backing

One challenge I had was that I wanted to do everything perfectly; I wanted a new distribution centre because it was the right thing to do and I wanted to rebuild the supply chain because we needed it for the long term. There was a lot of discussion about that because I was asking for a big cheque while telling the PE firm it would take two years longer than expected and was likely to set us back in our performance.

Asking for more investment and time was a big thing, so it was really important that the PE firm didn't see it as investing in my decision but that the board were moving forward on it together. If anything went wrong, it was a collective issue. I was pleased I had done that and felt I'd gone about it in the right way.

What I learned: Share the decisions and challenges with the board because they need to be on your side. We've a very open board and I tell all of my team there should be no surprises, that's the golden rule. An attitude towards that is one thing but you should also put mechanics in place to support it.



Create a Strong Team

Building a new management team was tricky and I was essentially creating it from scratch; I then had to build the layers below. To be honest it's been really hard.

I had a view on what to pay each member of the executive team due to the turnover and size of the business but the reality is different. What I did well was bring in interims. Thinking that I couldn't afford the best people long term but could get them for a year, I punched above my weight and got really high calibre interims for projects such as working on the supply chain.

I went through a couple of trading directors and finance directors before I set the benchmark and we invested to get the best people. Getting a CFO who is technically good and commercially savvy is hard, but getting one who can also build a team is the real trick. Those who don't can take on too much and become a rabbit in the headlights.

What I learned: The lesson was that I needed people of the highest calibre. My advice is to spend the money and get a really good team from day one. When it's a small business in a period of complex change you need the best.

Say Goodbye the Right Way

It was a daunting realisation just how deep I had to go into the organisation to replace people and build layers. We didn't build a team below us well enough or fast enough, therefore we all ended up getting far too much into the detail. The lesson was to build much stronger teams from below. All the time we were worried about budgets and pace but you have to take the time to build the right team.

What I learned: It was really important to me that people left with their heads held high, realising that it wasn't their fault, just that they weren't right for the business. We worked hard to make sure people left with the right financial package and I've kept in touch with nearly all of them. That's important for the business and everybody left behind.

Take Time to Reflect

I really immersed myself in the business and wasn't going to conferences or events but you do need to interact. The best way I found was to use my network of contacts. I'd invite them over for a day to do some site visits and speak to my management team; we'd all get so much out of it. We'd be re-energised and have great insights on what we'd do again.

I also use board reports as a tool to reflect. We all complain about them; it feels like you've just written one when the next comes around, but I think the discipline of taking time to read everyone's thoughts, reflect on what they're telling you and the direction of the company is invaluable. The quality of your board report is really important, it shouldn't just be a summary but the opportunity to reflect and I really treasure that time.

What I learned: Make sure you have a work/life balance that is right for you. Set boundaries early on and stick to them. Reach out when you need reassurance that you're doing the right thing and call on ex-colleagues and contacts if you need a confidence boost.



Catriona Marshall
CEO
Hobbycraft

Catriona Marshall is CEO of Hobbycraft, the UK's leading chain of arts and crafts stores.

Catriona was brought on board by Bridgepoint in 2011 after the private equity firm bought Hobbycraft in 2010.

Catriona previously worked for Pets at Home as the Trading and Marketing Director.

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