

Portfolio

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ANITA RODDICK

Business Rebel



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The Activist Cosmetic Queen

Activist, businesswoman and grandmother Dame Anita Roddick is best known for her Body Shop empire. Was it business savvy or just good timing that helped Dame Anita become the global Green Queen of Cosmetics and make a fortune in the process?

Written by Rachael Oakes-Ash

LIKE MOST GENERATION X'S I GREW

up with my feet swathed in peppermint foot lotion, my hair dripping in banana conditioner and my skin glistening with cocoa butter. The Body Shop brought the kitchen to my bathroom and informed me about the plight of the whales and third world famine. I religiously bought pumice and perfumed bath bombs and signed in-store petitions to save the world. Anita Roddick was my eco-warrior goddess and I spread her word with The Body Shop gift baskets each Christmas.

It's been a long time since I signed a petition and even longer since I set foot in a Body Shop and it seems I am not alone. The Body Shop empire showed its cracks in the late nineties with a rumoured in-house conflict between the board and the founders who were also co-chairs. Share prices that peaked at £3.72 in 1991 (when the company was worth £684 million) dropped to below the pound in the late nineties.

Anita and her husband Gordon Roddick stepped down as co-chairs of The Body Shop International in 2002 after 25 years and handed their enterprise over to current CEO Peter Saunders and Adrian Bellamy, the current Chairman of the Board.

There is little reference to Anita Roddick now on The Body Shop website. The brand and its founder have been



distanced from each other as the current management works to increase yearly profits. It seems activism has taken a back seat for turnover. In profit terms, it's working. Repositioning of the brand by the current team has included a three-year, £100-million investment to refurbish outlets and products (launched in 2004). Share prices have increased over the past three years from 89 pence in February 2002, when the Roddicks

became non-executive directors, to the current share price of £2.15.

I first met Anita Roddick in 2001 at The Body Shop headquarters in Arundel. She was shorter than I imagined, which I told her. She laughed and said she liked my accent. She opened her office doors to me and later her home where I couldn't resist the urge to peek at the products in her bathroom. The answer? No, they were not tested on animals. Even I, an Anita

Timeline

1976 First The Body Shop opens in Brighton, England.

1978 First Body Shop franchise opens in Brussels.

1984 In April The Body Shop goes public on the Unlisted Securities Market in London with shares opening at 0.95 pence.

1984 Anita Roddick named Veuve Cliquot Business Woman of the Year.

1986 In January The Body Shop was fully listed on the

London Stock exchange and share price was 0.82 pence.

1986 First Community Trade product for The Body Shop launches – the Footsie Roller from Southern India.

1988 Anita Roddick is awarded an Order of the British Empire.

1989 The Body Shop's 'Stop The Burning' campaign secures over one million signatures from customers to stop the mass burning of tropical rainforests in Brazil.

1989 The Body Shop launches in the United States.

1990 Over 2,500 applications are received for franchises in the United States.

1991 The Body Shop's market value is measured at £684 million.

1991 Anita and Gordon Roddick, together with John Bird, launch the first *Big Issue* magazine to help the homeless. It still sells on the streets around the world today.

1991 The Body Shop stock peaks at £3.72.

1994 The Body Shop at Home direct selling launches in the UK and spreads in later years to Canada, Australia, Ireland and the USA.

1995 Anita Roddick establishes the New Academy of Business masters degree specialising in social, environmental and ethical business management at the University of Bath.

1996 The Body Shop Against



understand the financial benefits of a CEO as a brand. Burston Masteller's survey in 2002 showed that a CEO's reputation can account for up to 52 per cent of a company's good name. People often buy a product because they believe in the figurehead of that company and the values he or she stands for. When trading in integrity, like The Body Shop does, it's best to ensure your founder and your company rules support the trade and each other.

ANITA RODDICK was born Anita Perella in 1942 in Littlehampton, England, the child of Italian immigrants. She was the third in a line of four children. As a teenager she openly called herself an outsider, saying she was drawn to other outsiders and rebels while growing up as the daughter of a single Italian mother in a WASP world. This may account for her proven ability to connect with just about anyone, from royalty to the poverty stricken. In her role with The Body Shop she has lived with remote tribes and communed with indigenous folk yet to meet white people. Naturally, this was done in the hope of setting up community trade and finding natural ingredients for Body Shop products.

So how did an immigrant girl from the wrong side of the tracks with big hair and

a bigger voice become a multi millionaire in the cosmetics industry? (Anita and Gordon Roddick are currently estimated to be worth £85 million). If you believe Roddick, it all began in Brighton with an £8,000 loan from a businessman who only asked for a chunk of future profits.

With two kids to support and her environmentalist husband away on a six-month horseback trek in South America, she decided to open her own shop in 1976 selling homemade body products packaged in recyclable containers. The trademark green of The Body Shop was born of necessity as it was the only paint colour deep enough to cover the mouldy walls of her first shop interior.

If you believe Americans Peggy Short and Jane Saunders, Roddick 'borrowed' the idea from them in 1970 while visiting the San Francisco Bay area. Short and Saunders set up their garage retail outlet, called it 'The Body Shop' and sold products in recyclable containers six years before The Body Shop opened in Britain. Sound familiar? There have been accusations of blatant lifting of copy from Short and Saunders' Body Shop brochures and products. However, Short and Saunders were happy in 1987 to sell the US rights to The Body Shop name for \$3.5 million and rename their own store Body Time.

It's often said there is no such thing

Roddick devotee, could not resist the urge to look for cracks to remind me of her human status. It is difficult to separate Anita Roddick from the Body Shop brand and vice versa. Like Richard Branson and Virgin, it is sometimes difficult to know where one begins and the other ends. To me, The Body Shop had always been synonymous with Roddick long before CEO branding came into vogue.

Current business is only beginning to

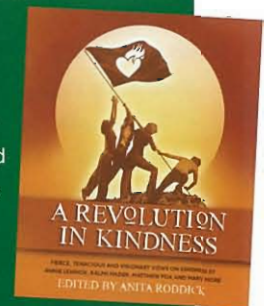
Animal Testing petition is presented to the European Commission with more than four million signatures. Within two years a UK wide ban on animal testing for cosmetic products is in place. 1997 The controversial Barbie style mascot, Ruby, is used in The Body Shop Self Esteem campaign exposing the myth of the perfect body.



1999 Anita Roddick protests at the World Trade Organisation meetings in Seattle. 1999 The Body Shop is voted the second most trusted brand in the UK by the Consumers Association. 2000 Roddick publishes her book *Business As Unusual* with Harper Collins. 2001 Roddick publishes *Take It Personally* – a collection of activist essays from high-profile people.

2002 Anita and Gordon Roddick step down as co-chairs of The Body Shop, becoming non-executive directors. Anita becomes a consultant to The Body Shop for 80 days a year. 2002 Anita Roddick Publications founded. 2003 Awarded Dame of the Order of the British Empire in the Queen's birthday honours list for services to retailing, the environment and charity.

2003 *A Revolution in Kindness and Brave Hearts Rebel Spirits* published under the imprint Anita Roddick Books. 2004 *Troubled Water and Numbers* both published by Anita Roddick Books. 2005 Anita Roddick Books publishes the updated *Business As Unusual 2005*.



as an original idea, it's how you market, package and sell it that makes it a success. Anita Roddick and The Body Shop were doing Cause Related Marketing long before it had a title. The idea of refillable containers, all natural products, helping raise awareness of environmental issues and getting your voice heard as a woman buying beauty in a bottle were revolutionary and elements have since been copied on a global scale by Red Earth, Estee Lauder Origins, Stila, Elizabeth Arden and others.

In the current climate of corporate social responsibility and strategic cause-related marketing, multinationals would do well to study The Body Shop philosophy. It takes more than donating money and then spending just as much money on a publicity campaign to tell the world you did it to convince consumers you're one of the good guys. Companies that fall into this trap often fall down, just ask Philip Morris who spent \$100 million publicising their \$75 million donations. Even the Body Shop has been accused by its critics of profiteering from the poor.

Anita Roddick has made her name by speaking up, sometimes to the detriment of her own company. In 2000, she created a furore (and front page news) at the Cheltenham Literary Festival by telling the audience that anti-wrinkle creams don't work, despite being the founder of a cosmetics chain. Roddick sees herself as an activist first, a retailer second and The Body Shop mission statement reflects this – 'To dedicate our business to the pursuit of social and environmental change'.

The real money for the Roddicks was made in franchising, which allowed The Body Shop to open outlets at a rapid pace. While franchisees were biting at the bit to take on a Body Shop outlet, Roddick continued her activism. She personally campaigned with her customers against the burning of rainforests in Brazil and used The Body Shop retail outlets as campaign headquarters for realms of petitions including Save the Whales, Stop Animal



Testing and the controversial 'Ruby' campaign that saw Mattel up in arms over the use of a Barbie-esque style doll in true womanly proportions (i.e. size 14).

She continued to campaign even as the media attacked her for her anti-globalisation views that jarred with her corporate wealth. She set up *The Big Issue* magazine, giving the homeless a job as magazine sales staff and promoting a sense of self-sustainability. Negativity is water off a duck's back and only fuels the voice that is Roddick.

THERE HAVE BEEN libel and fraud court cases with franchisees and money has been paid by The Body Shop to settle. The Body Shop is a worldwide name synonymous with environment but as far as business goes it is hard to sustain a business model that uses retail products as a second tier to the founder's voice and asks self-funded franchisees to do it. Roddick herself says "I haven't a clue how we got here" when referring to the 2,070 stores in 55 different markets, though she does say that timing played a key role in the original heady success of The Body Shop.

The older she gets she is now 63 the louder she becomes. "When you get to my age the deep questions are, 'what have you

done and what have you left behind' and I have added to that 'how are you heard?'" says Roddick. "We desperately need to be heard. Women my age are no longer seen as having a function, we can no longer have kids and visually you are not young, so on to the trash heap you go. The need to be heard is more important than the need to be visually acceptable."

It's no coincidence that as her mainstream beauty fades that she has distanced herself from The Body Shop and started her own activist publishing house. It is not about making money, as she has more than enough. Her current project is to free the Angola Three, black political activists from the 1970s, who are serving time for crimes she believes they did not commit. This is her voice, free from boards and shareholders – it's Anita Roddick unedited.

Gus Colquhan met Roddick while producing a video for The Body Shop 14 years ago. She was sweeping the store floor in the early hours of a Sunday morning when he came in complaining about the hour and 'this environmental rubbish'. He soon found out he was complaining to the queen of his 'environmental rubbish'. She took it in her stride and then went on to fund Jacaranda, a production company for corporates set up and now owned by Colquhan.

"Anita and Gordon have no ability to see business cynically," says Colquhan. "I think this is because they were both reluctant or accidental business people. Everything they did in business was shaped by their idealism. It helped them overall because the business they created was unique. The history of The Body Shop post Gordon and Anita is less interesting."

It may be less interesting but it is currently more profitable and projections show a rise again of 20 to 25 per cent, but for some in the world of business profit isn't interesting. There's a fine line between interest and interesting. At least that's Anita Roddick's view. ■