



Crew 's Control

The birth of Crew Clothing Co. was something of an accident. Founder Alastair Parker-Swift saw selling clothes as a means of funding grand ambitions as a semi-professional skier. But a combination of good luck, excellent timing, entrepreneurial vision and an eventual partnership with ISIS Equity Partners has seen him go from selling rugby shirts in a Salcombe storeroom to presiding over 40 retail outlets in the UK and two in Dubai.

Reflecting on Crew's early days, Parker-Swift says: "I was nearly 25 years old and my conscience got the better of me. I thought I'd better do something a bit more serious with my life. It wasn't a light bulb moment; I'd been selling clothes in the Alps and it didn't seem like something I'd be doing in 15 years' time or even the following year."

He adds: "It was just a way of doing something to pay for my trips skiing in the Alps. So Crew was born."

Once Parker-Swift had recognised Crew's potential, he considered, under the close guidance of advisers Argyll Partners, four approaches from different private equity houses – one of which was ISIS. "I was only selling a minority stake in the business. I was staying on and wanted a partner, not just a bank and an overdraft. It wasn't just about the cheque on the day; I knew this was going to be a relationship that needed to last," he says.

Crew's story was one ISIS Equity Partners understood, having dealt with similar circumstances at clothing brand Fat Face. The private equity firm's track record – which includes a six-fold increase in Fat Face's turnover – made it the ideal partner for another burgeoning clothing firm. "It was hugely helpful and comforting to know that ISIS had done a fantastic job at Fat Face," Parker-Swift says.

ISIS spent considerable time talking about Crew's origins and ascertaining what Parker-Swift hoped to achieve.

"I felt very comfortable with the meetings we had," says Parker-Swift. "What was proposed as due diligence seemed appropriate and not too invasive, and I just wanted to get the deal done."

Andrew Garside, of the ISIS investment team working with Crew, adds: "The relationship felt completely natural; we were

both able to be very open from day one."

A mandate for growth

Once the deal was agreed in 2006, the next step was to strengthen the management team to work alongside Parker-Swift and his existing employees. Justin Hampshire was brought in as Crew's first finance director with a mandate to professionalise the company's approach to reporting and accounts, while Zoe Price later joined to develop the firm's womenswear offering.

Hampshire claims Crew's brand and position in the market made it an attractive proposition, and as the firm's first ever FD, his was a role with ample opportunities.

"The ownership of the brand was very important. Also the business was reasonably small and had never had an FD so it was an opportunity for me to come in and make things work better," he reveals.

"The team and skill sets are now in place and people complement each other," says Gareth Young of ISIS. "The ability to execute the plan is there."

In spite of the ease with which the new recruits fitted in with the existing Crew team, everyone involved in the deal is acutely aware that these relationships cannot be taken for granted.

Hampshire says: "The proof of the relationship comes if we stop meeting targets and we start failing, because that is a different theatre. As long as we continue to perform and achieve the necessary numbers and growth it will be an easier relationship to manage."

"I knew this was going to be a relationship that needed to last"

Alastair Parker-Swift

Young believes that as ISIS' partnership with Crew develops, relationships will open up further and see the two sides through any challenges.

He says: "The relationship is inevitably going to become more open. I think there will be difficult challenges, things will go wrong, but we are unfazed by those kinds of things because we've dealt with them before."

A multi-channel business

With the right team in place, the hard work of growing the business could start. Crew had already established diversified growth channels, which Garside believes made life easier. He explains: "We recognised that Crew was a multi-channel retailer and had established good traditional retail production,

wholesale and direct mail order channels. Each channel was already growing nicely, but equally there was opportunity and potential in each part of the business.”

Parker-Swift adds: “Part of the beauty of being a multi-channel retailer, particularly on a microscopic level, is that when it pours with rain on a Saturday, we know our stores won’t do well but our website will be busy.”

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Crew’s mail order business is growing at 50% a year with limited investment and the management team intends to maintain that momentum. “The

challenge now is what can we do by investing more and being proactive at ramping that up as a proportion of our business,” says Garside.

Aside from growing the business using the various distribution channels, Crew has concentrated on expanding across international borders. “We have always felt the brand would translate to Europe very well and we’ve got our second store opening in Dubai in April, with another two planned for later in the year,” says Parker-Swift.

Growing pains?

The rapid growth in Crew’s retail outlets, however, does present some hurdles, according to Garside: “One of the biggest challenges we face is finding the best retail sites that we want for the roll-out programme. It is becoming tough on the high street and the more successful niche retail brands are fighting over the same types of properties in attractive market towns.”

Eighteen months in and both sides are upbeat about how the deal is progressing. “When we agreed the deal it was everything I thought it would be,” says Parker-Swift. “I’ve genuinely never looked back and I feel 100% comfortable about what we did.”

With challenging times ahead, this positive attitude, coupled with the strength of the relationships between ISIS and Crew, should help the partnership finish what it started. Garside is confident: “If you fast forward a few years, hopefully Crew will be saying we all helped deliver the true potential.”