Sweet DREAMS

CEO of Beter Bed Holding John Kruijssen works on the principle that good sleep is the foundation of a good life. He spoke to Milestone about Beter Bed fast becoming a market leader in the competitive bedroom furniture and mattress business.

JOHN KRUIJSSEN
CEO @ BETER BED

In April 2018, Beter Bed Holding N.V. recruited John Kruijssen as CEO to grow the business internationally. Already established in the Netherlands, Belgium, Germany, Switzerland, Austria, and Sweden, the group felt that both the wholesale and retail arms needed to expand their continental reach if the operation was to move forward, however, this focus changed when John took up his post.

"When I arrived at the company, I felt that there was quite a challenging dynamic regarding the underlying business drivers – we needed a clearer mission and a clearer focus," John says.

Utilising a core principle that all growth must begin at the root, John abruptly changed tack, shelving immediate international expansion to deal with more pressing matters. This meant his first two years as CEO didn't play out as he'd expected: "I felt I had to restructure and reorganise the whole organisation. In the end I sold and divested nearly 50% of the company in order to make it healthy and strong."

Big decisions

Gain often involves a little pain, and John's drive to streamline meant cutting 172 stores, about €12 million worth of stock, and the loss of 60 staff from Beter Bed's head office in the Germany region. The payoff, however, was →

No sleeping on the job for Beter Bed's drivers

worth it as this decisive action was crucial in the company's resurgence. Leaner and tighter with a renewed focus rooted in efficiency, Beter Bed Holding was now positioned to grow in a sustainable and enduring way. "This action relieved us of €25 million of costs giving us the means to move forward," John explains.

With the upward trajectory set, John on-boarded a new management team and reshaped the capitalisation of the company, while new governance and financing arrangements were confirmed with banks. Inspired by the evolution taking place before their eyes, the majority of Beter Bed Holding's professional shareholders increased their stockholdings during this period.

By the end of 2019, John's initial phase was complete and only half of the original group remained – but it was the strong half. Satisfied with his overhaul, the start of 2020 saw the CEO's attention return to his original mission.

Of course, the timing of this was not ideal and the first part of the year turned out to be a risky time to launch new strategies due to COVID-19.

"We approached pandemic with the attitude that no crisis is big enough to get the better of us," he says. "We decided to keep our stores open whenever possible and increase our stock, although, of course, we did this with safety in mind. We also boosted our marketing spend."

Rather than adopting a cautious approach, Beter Bed Holding confronted the pandemic head on. John led by example, ensuring he was in the office every day despite the circumstances.

Due to COVID, Beter Bed Holding increased supply sources to avoid relying solely on individual entities. This accelerated the process of truly internationalising the business, by seeking out supply chain partners in a variety of global locations. In every category – textiles, mattresses, and so on – John chose certain suppliers to strategise with. Online operations were also ramped up. Holistically, this amounted to a bold strategy.

> ***Veldeman has been working with Beter Bed for over 30 years – we have grown together and invested in machinery and logistics to keep in step with Beter Bed's ambitions and expansion. CEO John Kruijssen has laid out an ambitious roadmap for the future and Veldeman is looking forward to being part of this successful new chapter.***
>
> **MARC VELDEMAN**
> CEO Veldeman Group

In-store experience

The results of this proactive approach were staggering. Under John's guidance, Beter Bed Holding increased its annual turnover by €40 million in 2020, representing growth of more than 20%. By the time the Dutch government ordered all non-essential stores to close on 15 December, the company's online position was so strong that the impact was mostly mitigated.

"I think in some ways the pandemic actually worked in our favour," John says. "Because customers were unable to spend money on leisure activities such as restaurants and bars, which were closed, people perhaps focused more on their homes and spent more on furnishings, etc."

Looking to the future, Beter Bed Holding's growth plan is genuinely forward-thinking. A collaboration with Phillips seeks to optimise the in-store experience by inviting customers to choose beds using the latest methodology. →

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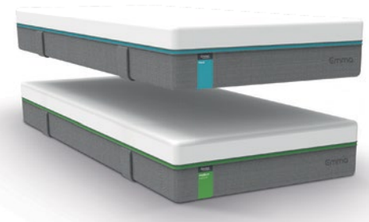

Land of sleep: a Beter Bed store

"We will also move away slowly from the larger stores next to highways," the CEO explains, "and focus more on smaller inner-city sites with the appropriate technology."

At the heart of Beter Bed Holding's intended expansion also lies a firm commitment to sustainability. All products using what John describes as "traditional materials" will be replaced by eco-friendly items.

> ***We want people to realise they should be prioritising sleep***

John concludes by explaining that because people spend an average of eight hours a day in bed, just as much importance should be put on sleeping comfortably as everything else, if not more: "Our business is about focusing on sleep as one of the three key components of health. We want people to realise they should be prioritising it just as much as food and exercise. We anchor everything we do to this."

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"I was half asleep when I first saw her.
She thought I was being flirty and winking at her.
One eye open, one eye shut,
that's the best way to see love."

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