

PUBLISHED BY INTER IKEA SYSTEMS B.V.

2007

The Testament of a Furniture Dealer

A Little IKEA® Dictionary

By Ingvar Kamprad, IKEA founder



Contents

The Testament of a Furniture Dealer

To create a better everyday life for the many people	6
1. The product range – our identity	8
2. The IKEA spirit – a strong and living reality	10
3. Profit gives us resources	12
4. Reaching good results with small means	13
5. Simplicity is a virtue	15
6. Doing it a different way	16
7. Concentration – important to our success	17
8. Taking responsibility – a privilege	18
9. Most things still remain to be done. A glorious future!	20

A Little IKEA® Dictionary

Words	24
Humbleness	25
Will-power	26
Simplicity	27
The many people	28
Making do	29
Experience	30
Doing it a different way	31
Never say never	32
Fear of making mistakes	33
Status	34
... the IKEA Way	35
Bureaucracy	36
Honesty	37
Common sense	38
Cost-consciousness	39
Accepting and delegating responsibility	40
Facing up to reality	41
Togetherness and enthusiasm	42



The Testament of a Furniture Dealer

To create a better everyday life for the many people

by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

We have decided once and for all to side with the many. What is good for our customers is also, in the long run, good for us. This is an objective that carries obligations.

All nations and societies in both the East and West spend a disproportionate amount of their resources on satisfying a minority of the population. In our line of business, for example, far too many of the fine designs and new ideas are reserved for a small circle of the affluent. That situation has influenced the formulation of our objectives.

After only a couple of decades, we have achieved good results. A well-known Swedish industrialist-politician has said that IKEA has meant more for the process of democratisation than many political measures put together. We believe, too, that our actions have inspired many of our colleagues to work along the same lines.

Sweden, our “domestic market”, has become a world pioneer in that many of the new concepts have been devised right from the outset for the benefit of the many – all those people with limited resources. We are in the forefront of that development.

But we have great ambitions. We know that we can be a beneficial influence on practically all markets. We know that in the future we will be able to make a valuable contribution to the process of democratisation outside our own homeland too. We know that larger production runs give us new advantages on our home ground, as well as more markets to spread our risks over. That is why it is our duty to expand.

The means we use for achieving our goals are characterised by our unprejudiced approach, by “doing it a different way” if you will, and by our aim to be simple and straightforward in ourselves and in our relations with others.

Lifestyle is a strong word, but I do not hesitate to use it. Part of creating a better everyday life for the many people also consists of breaking free from status and convention – becoming freer as human beings. We aim to make our name synonymous with that concept too – for our own benefit and for the inspiration of others. We must, however, always bear in mind that freedom implies responsibility, meaning that we must demand much of ourselves.

No method is more effective than the good example.

I claimed earlier that we contribute to the process of democratisation. Let me add, to avoid any misunderstanding, that this does not mean that we take a position on questions of equality – such as salary issues. Though you may say that here again, we approach these problems from a different perspective.

Our product range and price philosophy, which are the essence of our work, are described in the following chapters. They also describe the rules and methods that we have worked out over the years as cornerstones of the framework of ideas that have made and will continue to make IKEA a unique company.



Ingvar Kamprad, 20 December 1976

1

The product range – our identity

We shall offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

Range

The objective must be to encompass the total home environment, i.e. to offer furnishings and fittings for every part of the home whether indoors or outdoors. The range may also include tools, utensils and ornaments for the home as well as more or less advanced components for do-it-yourself furnishing and interior decoration. It may also contain a smaller number of articles for public buildings. The range must always be limited to avoid any adverse effect on the overall price picture. The main effort must always be concentrated on the essential products in each product area.

Profile

The main emphasis must always be on our basic range – on the part that is “typically IKEA”. Our basic range must have its own profile. It must reflect our way of thinking by being as simple and straightforward as we are ourselves. It must be hard-wearing and easy to live with. It must reflect an easier, more natural and unconstrained way of life. It must express form, and be colourful and cheerful, with a youthful accent that appeals to the young at heart of all ages.

In Scandinavia, people should perceive our basic range as typically IKEA. Elsewhere, they should perceive it as typically Swedish. Alongside the basic product range, we may have a smaller range in a more traditional style which appeals to most people and which may be combined with our basic range. This part of the range must be **strictly limited** outside Scandinavia.

Function and technical quality

“Throw-away” products are not IKEA. Whatever the consumer purchases shall give long-term enjoyment. That is why our products must be functional and well-made. But quality must never be an end in itself: it must be adjusted to the consumer’s needs. A tabletop, for example, needs a harder-wearing surface than a shelf in a bookcase. In the first example, a more expensive finish offers the consumer long-lasting utility, whereas in the latter it just hurts the customer by adding to the price. Quality must always be adapted to the consumer’s interests in the long-term. Our benchmarks should be the basic Swedish Möbelfakta requirements or other sensible norms.

Low price with a meaning

The many people usually have limited financial resources. It is the many people whom we aim to serve. The first rule is to maintain an extremely low level of prices. But they must be low prices with a meaning. We must not compromise either functionality or technical quality.

No effort must be spared to ensure our prices are perceived to be low. There shall always be a substantial price difference compared to our competitors, and we shall always have the best value-for-money offers for every function. Every product area must include “breath-taking offers”, and our range must never grow so large as to jeopardise our price picture. The concept of a low price with a meaning makes enormous demands on all our co-workers. That includes product developers, designers, buyers, office and warehouse staff, sales people and all other cost bearers who are in a position to influence our purchase prices and **all our other costs** – in short, every single one of us! Without low costs, we can never accomplish our purpose.

Changes in our range policy

Our basic policy of serving the many people can never be changed. Changes in the guidelines given here concerning the composition of our product range can be made only by joint decision of the Boards of Ingka Holding B.V. and Inter IKEA Systems B.V.

2

The IKEA® spirit – a strong and living reality

You have certainly experienced it. You may even have given it our own interpretation on it. Obviously it was easier to keep alive in the old days when there were not so many of us, when we were all within reach of each other and could talk to each other. It is naturally harder now that the individual has gradually been lost in the grey conformity of collective bargaining and the numbered files of the personnel department.

Things were more concrete in those days – the readiness to give each other a helping hand with everything; the art of managing on small means, of making the best of what we had; cost-consciousness to the point of being stingy; humbleness, undying enthusiasm and the wonderful sense of community through thick and thin. But both IKEA and society have changed since then.

But the spirit is still to be found in every one of our workplaces. Among old co-workers and new ones. Heroic efforts are still being made – daily – and there are many, many people who still feel the same way. Not everybody in a large group like ours can feel the same sense of responsibility and enthusiasm. Some undoubtedly regard the job simply as a means of livelihood – a job like any other.

Sometimes you and I must share the blame for failing to keep the flame alight, maybe for faltering in our own commitment at times, for simply not having the energy to infuse life and warmth into an apparently monotonous task.

The true IKEA spirit is still built on our enthusiasm, from our constant striving for renewal, from our cost-consciousness, from our readiness to take responsibility and help out, from our humbleness in approaching our task and from the simplicity of our way of doing things. We must look after each other and inspire each other. Those who cannot or will not join us are to be pitied.

A job must never be just a livelihood. If you are not enthusiastic about your job, a third of your life goes to waste, and a magazine in your desk drawer can never make up for that.

For those of you who bear any kind of leadership responsibility, it is crucially important to motivate and develop your co-workers. A team spirit is a fine thing, but it requires everybody in the team to be dedicated to their tasks. You, as the captain, make the decisions after consulting the team. There is no time for argument afterwards. Take a football team as your model!

Be thankful to those who are the pillars of our society! Those simple, quiet, taken-for-granted people who always are willing to lend a helping hand. They do their duty and shoulder their responsibility without being noticed. To them, a defined area of responsibility is a necessary but distasteful word. To them, the whole is just as self-evident as always helping and always sharing. I call them stalwarts simply because every system needs them. They are to be found everywhere – in our warehouses, in our offices, among our sales force. They are the very embodiment of the IKEA spirit.

Yes, the IKEA spirit still lives, but it too must be cultivated and developed to keep pace with the times. **Development is not always the same thing as progress.** It is often up to you, as the leader and bearer of responsibility, to make development progressive.

3

Profit gives us resources

A better everyday life for the many people! To achieve our aim, we must have resources – especially in the area of finance. We do not believe in waiting for ripe plums to fall into our mouths. We believe in hard, committed work that brings results.

Profit is a wonderful word! Let us start by stripping the word profit of its dramatic overtones. It is a word that politicians often use and abuse. Profit gives us resources. There are two ways to get resources: either through our own profit, or through subsidy. All state subsidies are paid for either out of the state's profit on operations of some kind, or from taxes of some kind that you and I have to pay.

Let us be self-reliant in the matter of building up financial resources too.

The aim of our effort to build up financial resources **is to reach a good result in the long term**. You know what it takes to do that: we must offer the lowest prices, and we must combine them with good quality. If we charge too much, we will not be able to offer the lowest prices. If we charge too little, we will not be able to build up resources. A wonderful problem!

It forces us to develop products more economically, to purchase more efficiently and to be constantly stubborn in cost savings of all kinds. That is our secret. That is the foundation of our success.

4

Reaching good results with small means

That is an old IKEA idea that is more relevant than ever. Time after time we have proved that we can get good results with small means or very limited resources.

Wasting resources is a mortal sin at IKEA. It is not all that difficult to reach set targets if you do not have to count the cost. Any designer can design a desk that will cost 5,000 kronor. But only the most highly skilled can design a good, functional desk that will cost 100 kronor.

Expensive solutions to any kind of problem are usually the work of mediocrity.

We have no respect for a solution until we know what it costs.

An IKEA product without a price tag is always wrong! It is just as wrong as when a government does not tell the taxpayers what a “free” school lunch costs per portion.

Before you choose a solution, set it in relation to the cost. Only then can you fully determine its worth.

Waste of resources is one of the greatest diseases of mankind. Many modern buildings are more like monuments to human stupidity than rational answers to needs. But waste costs us even more in little everyday things: filing papers that you will never need again; spending time proving that you were right anyway; postponing a decision to the next meeting because you do not want to take the responsibility now; telephoning when you could just as easily write a note or send a fax. The list is endless.

Use your resources the IKEA Way. Then you will achieve good results with small means.

“No method is more effective than a good example”

Ingvar Kamrad

5

Simplicity is a virtue

There have to be rules to enable a lot of people to function together in a community or a company. But the more complicated the rules are, the harder they are to comply with. Complicated rules paralyse!

Historical baggage, fear and unwillingness to take responsibility are the breeding ground for bureaucracy. Indecisiveness generates more statistics, more studies, more committees, more bureaucracy. Bureaucracy complicates and paralyses!

Planning is often synonymous with bureaucracy. Planning is, of course, needed to lay out guidelines for your work and to enable a company to function in the long term. But do not forget that **exaggerated planning is the most common cause of corporate death**. Exaggerated planning constrains your freedom of action and leaves you less time to get things done. Complicated planning paralyses. So let simplicity and common sense guide your planning.

Simplicity is a fine tradition among us. Simple routines mean greater impact. Simplicity in our behaviour gives us strength. Simplicity and humbleness characterise us in our relations with each other, with our suppliers and with our customers. It is not just to cut costs that we avoid luxury hotels. We do not need fancy cars, posh titles, tailor-made uniforms or other status symbols. We rely on our own strength and our own will!

6

Doing it a different way

If we from the start had consulted experts about whether a little community like Älmhult could support a company like IKEA, they would have undoubtedly advised against it. Nevertheless, Älmhult is now home to one of the world's biggest operations in the home furnishings business.

By always asking why we are doing this or that, we can find new paths.

By refusing to accept a pattern simply because it is well established, we make progress. We dare to do things differently! Not just in large matters, but in solving small everyday problems too.

It is no coincidence that our buyers go to a window factory for table legs and a shirt factory for cushions. It is quite simply the answer to the question "why".

Our protest against convention is not protest for its own sake: it is a deliberate expression of our constant search for development and improvement.

Maintaining and developing the dynamism of our business is one of our most important tasks. That is why I hope, for example, that we will never have two identical stores. We know that the latest one is bound to have several things wrong with it, but, all things considered, it will still be the best yet. Dynamism and the desire to experiment must continually lead us forward. "Why" will remain an important key word.

7

Concentration – important to our success

The general who divides his resources will invariably be defeated. Even a multitalented athlete has problems.

For us too, it is a matter of concentration – focusing our resources. We can never do everything, everywhere, all at the same time.

Our range cannot be allowed to overflow. We will never be able to satisfy all tastes anyway. We must concentrate on our own profile. We can never promote the whole of our range at once. We must concentrate. We cannot conquer every market at once. We must concentrate for maximum impact, often with small means.

While we are concentrating on important areas, we must learn to do what people in Småland call "lista". "Lista" is common term in Småland; it means "making do", doing what you have to do with an absolute minimum of resources.

When we are building up a new market, we concentrate on marketing.

Concentration means that at certain vital stages we are forced to neglect otherwise important aspects such as security systems.

That is why we have to make extra special demands on the honesty and loyalty of every co-worker.

Concentration – the very word implies strength. Use it in your daily work. It will give you results.

8

Taking responsibility – a privilege

There are people at all levels in every type of company and community who would rather make their own decisions than hide behind those made by others. People who dare to take responsibility. The fewer such responsibility-takers a company or a community has, the more bureaucratic it is. Constant meetings and group discussions are often the result of unwillingness or inability on the part of the person in charge to make decisions. Democracy or the obligations for consultation are sometimes cited as excuses.

Taking responsibility has nothing to do with education, financial position or rank. Responsibility-takers can be found in the warehouse, among the buyers, sales force and office staff – in short, everywhere. They are necessary in every system.

They are essential for all progress. They are the ones who keep the wheels turning.

In our IKEA family we want to keep the focus on the individual and support each other. We all have our rights, but we also have our duties. Freedom with responsibility. Your initiative and mine are decisive. Our ability to take responsibility and make decisions.

Only while sleeping one makes no mistakes. Making mistakes is the privilege of the active – of those who can correct their mistakes and put them right.

Our objectives require us to constantly practise making decisions and taking responsibility, to constantly overcome our fear of making mistakes. **The fear of making mistakes is the root of bureaucracy and the enemy of development.**

No decision can claim to be the only right one; it is the energy that is put into the decision that determines whether it is right. It must be allowed to make mistakes. It is always the mediocre people who are negative, who spend their time proving that they were not wrong. The strong person is always positive and looks forward.

It is always the positive people who win. They are always a joy to their colleagues and to themselves. But winning does not mean that someone else has to lose. The finest victories are those without losers. If somebody steals a model from us, we do not sue them, because a lawsuit is always negative. We solve the problem instead by developing a new and even better model.

Exercise your privilege – your right and your duty to make decisions and take responsibility.

9

Most things still remain to be done. A glorious future!

The feeling of having finished something is an effective sleeping pill. A person who retires feeling that he has done his bit will quickly wither away. A company which feels that it has reached its goal will quickly stagnate and lose its vitality.

Happiness is not reaching your goal. Happiness is being on the way. It is our wonderful fate to be just at the beginning. In all areas. We will move ahead only by constantly asking ourselves how what we are doing today can be done better tomorrow. The positive joy of discovery must be our inspiration in the future too.

The word impossible has been deleted from our dictionary and must remain so.

Experience is a word to be handled carefully.

Experience is a brake on all development. Many people cite experience as an excuse for not trying anything new. Still, it can be wise to rely on experience at times. But if you do so, you should preferably rely on your own. That is usually more valuable than lengthy investigations.

Our ambition to develop ourselves as human beings and co-workers must remain high. Humbleness is the key word. Being humble means so much to us in our work and in our leisure. It is even decisive for us as human beings. It means not just consideration and respect for our fellow men and women, but also kindness and generosity. Will-power and strength without humbleness often lead to conflict. Together with humbleness, will-power and strength are your secret weapons for development as an individual and fellow human being.

Bear in mind that **time is your most important resource**. You can do so much in 10 minutes. Ten minutes, once gone, are gone for good. You can never get them back.

Ten minutes are not just a sixth of your hourly pay. Ten minutes are a piece of yourself. Divide your life into 10-minute units and sacrifice as few of them as possible in meaningless activity.

Most of the job remains to be done. Let us continue to be a group of positive fanatics who stubbornly and persistently refuse to accept the impossible, the negative. What we want to do, we can do and will do together. A glorious future!



A Little IKEA® Dictionary

Words

– an important part of the IKEA heritage

IKEA, more so than most other businesses, has put its own, individual stamp on many a word and phrase, giving each of them a special meaning which may occasionally signify rather more than an outsider may be inclined to imagine.

The obvious advantages this provides as far as internal communication and shared values are concerned should not leave us blind to the risks that this involves.

The words we use may be misinterpreted, not only by outsiders but by our new co-workers as well. In an ever-changing world, they may acquire values which they were never originally intended to have.

It is our sincere hope that this little dictionary will prevent some of these misunderstandings.



Ingvar Kamprad, February 1996

Humbleness

A nice word, though often misused. More than anything else, it really means respect. We are humble towards our competitors respecting their proficiency, and realising that we constantly have to be better than they are, if we're not going to lose our market to them. We respect our co-workers and their views. We recognise the value of actively listening, and know that the only lasting victories are those where there are no losers. And we also have respect for the task we have set ourselves: it entails more than you realise, and our success is built on a foundation of unglamorous groundwork.

It is certainly not a sign of respect if you make life difficult for colleagues by failing to give them sufficient information, or failing to tell them how and where they can reach you.

It is vital that we IKEA co-workers don't lose sight of our humbleness in the face of all our success. Success breeds envy and can easily become the worst enemy of humbleness. We must also bear in mind that today's success can soon turn into tomorrow's failure if we let ourselves become intoxicated with our own achievements rather than knuckling down to more hard work.

We must be willing to accept criticism and act upon it without delay. Listen to customers, suppliers and others around you. Friendliness, appreciation and praise are good investments which don't cost anything. Being humble means admitting your mistakes, not blaming others. It's big to say you're sorry.

Being humble isn't the same as keeping a low profile. If you have something important to say, say it. Being humble means admitting your weaknesses, and trying to put them right.

Being humble doesn't mean being over-kind either. A manager who lets co-workers do a bad job without pointing this out is far from humble. Sometimes you have to be cruel to be kind.

Consideration, respect, friendliness, generosity, sincerity, admitting your mistakes, listening to others – these are the qualities we like to encourage within IKEA organisations. This is what we mean by humbleness.

Will-power

Will-power is another characteristic which we value highly. Humbleness should never be confused with defeatism or laziness. We know exactly what we want, and our desire to get it should be irrepressible.

We want to be an army of humble, strong-willed enthusiasts who value a simple, positive lifestyle, where things get done, if not always perfectly, then as near to perfection as makes no difference. You can always improve things at a later stage, as long as that last five per cent or so isn't too expensive. It's a question of taking responsibility, making decisions and having the courage to act.

Will-power isn't the same as always getting your own way. Trying to get your own way without being humble, without respecting other people's opinions, doesn't get you anywhere. It just leads you into an endless maze of discussions, confrontations and endless rounds of meetings.

Will-power means first agreeing on mutual objectives and then not letting anything stand in the way of actually achieving them.

Simplicity

A complicated word, because people have a tendency to misunderstand it. It has nothing to do with turning the clock back, or avoiding computers and modern technology. It has nothing to do with scruffy clothes or untidy offices.

No, the key words behind simplicity are efficiency, common sense and doing what comes naturally. If we do what feels natural, we will avoid complicated solutions. The fewer the rules and the shorter the instructions, the easier and more natural it is to stick to them. The simpler the explanation, the easier it is to understand it and carry it out.

Only don't forget that no task is so "simple" that it doesn't need any explaining at all, and no one can possibly enjoy doing a job unless they understand properly why they're doing it.

Avoiding computers isn't efficient, so it has nothing to do with simplicity. On the other hand, talking to your co-workers, instead of composing long memos on the screen, is simple – and it's efficient. Replying to internal mail by writing a couple of lines by hand saves a lot of time. Simple solutions are the ones which are more efficient to carry out.

Of course, simplicity is related to cost-consciousness. So, for us who have low price as part of our business idea, it must be more important than it is for others. But we have to tread carefully. Simplicity should always be seen in its proper context. For example, gathering 200 people to look at badly prepared, illegible overhead transparencies is hardly a cost-conscious exercise. Another example: a simple, one-man investigation can usually do just as good a job as a big, expensive project group.

Simple habits, simple actions and a healthy aversion to status symbols are a part of the IKEA culture, but we must never forget to show respect for each other. Some of us like to dress differently. Others like sports cars or going to the opera. At work, we fly the flag of cost-consciousness. Outside work, we respect everyone's right to choose for themselves.

The many people

We shall stand on the side of the many people, which involves taking on more responsibility than might at first seem to be the case. Standing on the side of the many people means representing the interests of ordinary people, regardless of whether that's good or bad for our own, short-term interests. It means getting rid of designs which are expensive to produce, even if they are easy to sell. It means refusing to sell in hard currency to consumers in countries with non-convertible currencies, even if that would make our profits bigger and our problems fewer.

Developing a range and presenting it in an imaginative, appealing way in all our stores demands a great deal of knowledge about the hopes and aspirations of the many people. The best way to learn this is through personal experience, not as tourists gaping at things with our cameras slung round our necks. Using public transport is one good example of how to get nearer to people.

Our contribution to a better everyday life for the many people means that everybody with thin wallets should also be able to enjoy a functional and pleasant home.

Making do

The people of Småland, the birthplace of the IKEA Concept, a stony province in the south of Sweden with only a thin scattering of soil to make a living from, have a long tradition of "making do". They even have their own special expression for the art of getting by, of managing on small means: they use a phrase derived from the Swedish word for cunning or craftiness, "lista".

"If I turn the quilt over", they say in these parts, "I can make it do a little longer".

Translated into an IKEA term, this could mean, "If I lower the shelf half a metre, I can make do with my old hand-operated pallet truck. It'll save me having to buy a fork-lift".

Ingenious, thrifty solutions like these are good examples for people like us who are determined to cut costs and avoid making investments which aren't really necessary.

This expression also describes the way we try to find temporary solutions by using our talents to solve unforeseen problems today, not tomorrow. For example, we can always make do with a padlock until a more permanent lock is fitted or repaired, and so on.

Experience

A dangerous word which you have to learn to handle properly. It can easily be used as an excuse for not trying something new. A hundred years ago, much of what we do today was deemed impossible simply because people had no experience of it. Many great discoveries have been made precisely because people have chosen to turn a blind eye to what experience has taught them: others have been made as a direct result of inexperience.

Yet without personal experience we cannot function. Positive and negative life experiences are essential for our future actions. The way we act is based on exploiting the potential of the positive experiences we have had and being wary of the negative ones. Just because you fail once, it doesn't necessarily mean that your idea was a bad one.

Doing it a different way

“Doing it a different way” doesn't mean wearing weird clothes or doing things in an unusual way just to avoid being like others. To question conventional wisdom is one thing; to choose inferior solutions is another. When we think differently, we must always do it for a reason – to improve efficiency and reduce costs – otherwise it can all too easily become an end in itself.

We have already found satisfactory solutions for most of what we have to do, but that doesn't stop us questioning every single one of our production methods and techniques, nor constantly asking ourselves: “Why?”, “Why not?”, or “Is there another way of doing this?”

Daring to be different is one of the most important criteria behind the IKEA success. It's the thinking behind some of the most significant aspects of our business idea. Here are some examples: while other furniture retailers were selling manufacturers' designs we started to make our own designs. While furniture dealers set up shop in the centre of town, IKEA was building large stores out of town. While others turned to furniture factories to help them make tables, IKEA got them made by door manufacturers. Whereas others sell their furniture assembled, IKEA lets customers assemble it themselves.

We encourage our co-workers to come up with unconventional ideas and to dare to try them out. Of course, this has to happen under controlled conditions within the framework of our concept, and it is certainly no excuse for foolhardiness. After all, you only need to invent the wheel once.

We have a saying: only while sleeping one makes no mistakes. It's always possible to test new, exciting ideas within the framework of our concept.

Never say never

If at first we don't succeed, we must try and try again – until we have achieved what we set out to do. “Never say never” is our motto. In Småland, we call it “bli vé”. It describes our own special brand of positive obstinacy, perseverance, and that irrepressible determination we have to reach our goals, not to give up. It's a motto which often comes in handy in the pioneering work we are constantly involved in as we enter one new country after another.

We can also avoid a lot of stupid mistakes, and save ourselves the problem of having to spread our resources thinly if we make sure that we never start projects that we can't see through to the end. A one-off purchasing trip to a new country; an intensive course in a language you don't use very often; an investment in machinery at a factory where there are no technicians – these are all examples of how to waste resources. And all of these situations can be avoided, just as long as you always ask yourself, “Am I really going to be able to see this through?”

Of course, “never say never” is not the same as not knowing when to stop. There are dozens of projects we should have put a stop to a long time ago.

But, by constantly reviewing your aims and operational frameworks, you'll soon learn the difference between slow, hard work that promises rewards, and slow, hard work that promises nothing but blood, sweat and tears.

Fear of making mistakes

The fear of making mistakes is the root of bureaucracy and the enemy of development. We need to combat our fear of making mistakes. We must allow people to get things wrong now and again. We have to encourage initiative and dynamism, give young co-workers responsibility, constantly remind people that missed opportunities result in indirect expenses which may sometimes be a good deal higher than those incurred directly.

But, with the privilege of making mistakes, there also follows the responsibility to put them right afterwards. We aren't trying to defend bad ideas. Explaining why things go wrong is a waste of time, so instead we just put them right, and then, if need be, we make more changes later on.

The right to make mistakes does not give you the right to do a bad job. If we want to get something done, we can't wait until we are one hundred percent certain that it will succeed – but, at the same time, we can't go around making decisions without the least shred of information, either. We don't do shoddy rush-jobs, or hand over projects that are only half finished.

Status

A word like this, charged with emotion, is liable to be easily misunderstood. Literally, the word “status” means “position”, and usually signifies one person’s position in relation to others. We claim that we don’t need status symbols. What we really mean by that is that setting a good example should be the manager’s most persuasive quality.

Having a PC on your desk which is seldom used; having a special outside phone line when the office phone will do just as well, having huge sofas and armchairs in a small office, are all examples of wasting precious resources, which, if left unchecked, can easily spiral out of control.

We are a low-cost company, and we must be seen to be one. Luxurious company cars, first-class flights, separate dining rooms and washrooms for senior staff are all status symbols. It’s not that we begrudge our hardworking managers a sense of status, it’s just that status symbols like this don’t fit in with our low-cost profile.

Don’t get us wrong. We will reward our co-workers. There’s nothing wrong with singing the praises of the people who make our company successful. No, this is a question of our credibility. Luxuries like this just don’t fit in with the low-cost IKEA profile. Just as fancy titles do little to help the image of IKEA as an unconventional concept. Of course, we want our key people to become well-known – but more for what they do than because of their business cards.

... the IKEA® Way

Our most misused expression. If you don’t have any other comment to make, you can always make the excuse that this isn’t really “the IKEA Way” of doing things.

What we really mean when we talk about “the IKEA Way” is actually the sum total of all of our values; the amalgamation of everything we believe in. It’s never enough simply to claim that such and such isn’t “the IKEA Way” without giving a reason. That a particular idea is not cost-conscious, that it’s a waste of resources, that it’s not in the interest of the many people, that it doesn’t reveal our customary humbleness, that it’s complacent, that there’s no price tag – they are examples of not doing things “the IKEA Way”.

Without a proper explanation, “the IKEA Way” is merely an empty expression used by empty-headed people.

Bureaucracy

This literally means “the power of the desk”, and it is used to describe unwieldy, formalistic administration. Does such a thing exist in the IKEA world? Yes! You bet it does!

Do you spend far too much working time at meetings? Do you try to make important decisions in groups of more than 10 people? Do you have more than, let's say, 15 co-workers under your direct management? Do you receive daily reports which you don't read on the day you get them? Do you have days when you don't have time to ring back the person who's been looking for you to discuss an important matter? If the answer to any of these questions is “yes”, then you yourself are part of the problem, because you're no longer on your guard against ever-increasing bureaucracy.

Put your guard up now! Remember that the fear of doing something wrong results in indecisiveness, analyses, project groups and endless discussions.

Keep it simple! Complicated systems and rules are a form of paralysis. Working parties, reports and paperwork consume a lot of time and energy and cost a great deal of money. Make decisions on a local level wherever possible. And don't forget: a small team with a lot of decision-making power can deliver a knock-out punch to sluggish bureaucracy.

Honesty

Honest IKEA! That's perhaps the very best message we have created in our communication with our customers. At the same time, it's something which could dangerously backfire on us if we don't genuinely live up to what we say, or if we are not always completely honest with people about our products, and tell them all we know about them – the good things, and the bad.

In our relations within the IKEA world, honesty is more important than anything else. We must be able to communicate with our co-workers in a straightforward, open manner. We must be able to say what we think, without having to worry about the consequences. Mind you, that's no excuse for hurting people. We have to take people as they are. We must show our confidence in them, and we must constantly encourage them so that they feel strong and dynamic.

We must learn how to give constructive criticism. Nothing your co-workers do can be so bad that you can't find a single positive thing to say about it. It's every manager's responsibility to follow up and give criticism. Always mention the good things first, but don't back away from discussing what is less good. This is the innermost essence of honesty.

Common sense

Get in the habit of questioning conventional wisdom! And not just old ideas, but new ones as well. Of course, it's only natural to be enthusiastic about new suggestions and overlook the difficulties, but make sure that you always keep your feet firmly on the ground, and that you can tell the difference between what is feasible and what is mere fantasy.

Learn to make realistic judgements in your everyday work. How many visitors does the store have? How much storage space do you need for all that stock? Work out a few ratios you can use. What's the average cost per cubic metre? How much space is needed to park a car? What's the average cost for a newspaper ad, everything included? Learn these ratios by heart, and use them! Question, and ask why!

Learn to use your common sense. Learn how to say "no" and learn how to stop activities which never should have been started in the first place. Learn to limit the number of decisions you have to make, because you know all too well that too many decisions tend to lead to poor results! It won't necessarily make you popular, but at least you'll be respected for it, and you'll get the lasting results you need!

Cost-consciousness

This notion is probably the easiest to understand since it goes hand in hand with our business idea. Low price is written into our business idea as an essential condition for our success. Anyone can tell you that it's impossible to have a low price, good quality and good profitability if you don't have low costs. So cost-consciousness has to permeate everything we do, almost to the point of that kind of exaggerated meanness that some may call "penny-pinching". Examples include:

- simple products which are adapted to factory production
 - a strong focus on purchasing prices
 - simple, inexpensively-built stores, located out of town
 - achieving good results with small resources
 - producing a product or service without a price tag is always wrong
 - living and travelling cheaply
 - a strong awareness of all those little, insignificant expenses which can so easily mount up
 - an awareness that time is money.
- Learn how to use your time effectively.

Accepting and delegating responsibility

In an expanding company there is neither the time nor the resources to work out precise descriptions of all the different areas of responsibility and draw up the boundaries between them – especially as there is always going to be a lot of new, unoccupied positions.

This means that we must always be willing to accept and to delegate responsibility. Making mistakes now and again is the privilege of the dynamic co-worker – they are the ones who have the ability to put things right.

We often must have the courage to promote people who show potential even before they have any documented experience. We encourage those who have the desire and the courage to take responsibility when given a relatively free hand. We could give many examples of young co-workers who have taken responsibility and reached a position which would never have been possible in any other company.

Facing up to reality

We have already learned that success can be a dangerous thing. It can easily lead to stagnation and death. Once we've accomplished one thing, we need to remember that there is still plenty left to do. The conviction that we are always on the way, always on the brink of something new and exciting, makes it easy for us to tackle new challenges with enthusiasm. Of course, we have the right to feel satisfied occasionally, but not for too long, otherwise it will smother the ardour that glows inside us.

A distrust of theories and “products of the drawing board” means that it is necessary for us face up to reality as often as possible. We know that one of our biggest problems at the moment is our large number of desks, and the fact that these are usually found far from the realities of our business. For us, it's important to follow up all the decisions made in our own area, and to praise the co-workers who implement them.

Our “anti-bureaucracy” weeks also give us a taste of reality. Reports direct from the horse's mouth are far more convincing than written ones. That's why we are firm believers in “management by walking around”, which someone aptly translated into the IKEA expression “management by running around”. An eye for detail is an important quality in an IKEA manager. RETAIL IS DETAIL.

Togetherhness and enthusiasm

The companies whose staff see their job as merely a meal ticket – they are the companies which have problems. No one can be happy or do a good job unless they like the place where they work. After all, it's there that they spend most of their waking hours. Feeling appreciated and motivated leads to good results.

Many surveys have shown that co-workers tend not to regard things like salary, working hours and a company car as the most important things. For them, interesting tasks, the feeling that their efforts are appreciated by managers and co-workers alike; the pleasure of being part of a successful team; and a sense of “belonging” and togetherness, both at work as well as outside work, are far more important criteria.

We respect each other's efforts. We realise that we all need each other. Everyone is prepared to lend a hand.

Nurturing this feeling of togetherness and enthusiasm for what we are doing is crucial for our success. It gives us that little extra edge over the competition. It helps us attract talented, new co-workers and encourages our present co-workers to give that little bit extra to make us better and more successful than our competitors. There are numerous examples of this sort of enthusiasm. Look at our “build-up” teams; the amount of effort our co-workers put into inaugurating a new store; the work we do at night for statistics and accounting; the work in the warehouses before the Christmas rush; and the contributions made by our purchasers in far-off countries.



The Testament of a Furniture Dealer

A Little IKEA Dictionary

The IKEA Concept has developed Småland, southern Sweden, where IKEA founder, Ingvar Kamprad was born and where the IKEA Concept first saw the light of day more than 60 years ago.

Values, norms and informal rules are strong and ever-present elements which create identity, togetherness and strength among IKEA co-workers worldwide.

In 1976 Ingvar Kamprad described these elements in what later became known as *'The Testament of a Furniture Dealer'*. In 1996, Ingvar defined words which are an important part of our heritage in a *'A Little IKEA Dictionary'*.

Everybody working with the IKEA Concept should know and understand these documents.

According to Ingvar Kamprad, maintaining a strong IKEA culture is one of the most crucial factors behind the continued success of the IKEA Concept in the future. It is all about people!