



Satchel do nicely

*Julie Deane, founder of the world renowned Cambridge Satchel Company, explains how she bagged success. This article by **Peter Taylor-Whiffen** first appeared in ICAEW's *Economia* magazine in 2015.*

JULIE Deane is at once warm and welcoming. “Come in, come in,” she beams, before adding brightly: “Would you like a banana?”

She’s just been handed a couple by an assistant concerned that it’s 2pm and she hasn’t had any lunch yet. I feel a little responsible for this as she has just come from the *Economia* cover photoshoot and has promised me her undivided attention for the next hour.

“Don’t worry,” she beams. “The photographer was great, really friendly – although I do think there may be only so many ways one can look wistful. Have you had lunch? Are you *sure* you don’t want a banana?”

The generous and sincere concern that I might not have eaten either might, to anyone who believes business can only be conducted with a heart of flint and a mind

of humourless steel, seem out of step with the extraordinary meteoric rise of Deane's firm, Cambridge Satchel Company.

But this obvious nurturing side to her nature seems entirely consistent with the reasons this mum-of-two set up the company in the first place – to enable her to move her children to a new school away from bullies. The company's history, from £600 start-up to £12million turnover in just five years, has resulted in her telling the story many times to many interviewers – so I promise her I will try to think of some original questions.

She beams again. "I'm quite happy to tell it again," she says. "My daughter Emily, who was then nine, came home saying she had been pushed over and kicked on the ground. I could see how unhappy she and my son Max were and realised I had to do something. We did fall in the catchment of other state schools but they had no places, so we had to find a local private school. And when we'd done that, I had to work out, methodically, how I was going to pay for it."

The solution to Deane was simple and obvious: she would start her own business. And it worked – she did indeed pay for Emily and Max's school fees.

What she didn't expect to do was along the way create a company with an XX million revenue and a XXmillion turnover. She did not envisage her product becoming a "must-have" for Hollywood A-listers. Nor did she forecast winning the Queen's Enterprise Award for International Trade, becoming the first woman to be named European Business Awards RSM Entrepreneur of the Year, being chosen as the face of a Google Chrome advert or being invited by the Prime Minister on a trade mission to China. And as for landing a £12.5million investment from one of the world's leading venture capitalists....



A talent for spotting a gap in the market clearly helped, as did jumping on a style zeitgeist which made the fashionistas suddenly see a traditional school satchel as a necessary accessory. But Deane remains convinced this phenomenal – there really is no other word – success is founded on her experience and training as an accountant.

"I'd actually done a degree and a Master's at Cambridge in natural sciences," she says, "but a career didn't appeal because I wanted a more social environment. My dad was ill so I went back home to Wales and while there I looked to see what short-term professional job I could find – and I met one of the partners of Deloitte.

“He completely inspired me, portraying accountancy in a completely different way from how I had perceived it. He was the very best kind of accountant – he had a passion for his clients’ businesses and got under the skin of those businesses to really understand how they worked.

“I was a scientist, but science loves analytics and bringing numbers to life. Accountancy stops being about figures if you understand the business that underlies them. If you can do that, you should be able to spot if a number’s not right simply because it jars in the context of the business you’re looking at.”

Deane was inspired, and qualified as an ACA with Deloitte, a tenure that included an eight-year stint in Chicago (“Americans didn’t seem to have the same respect for accountants – I was really shocked the first time I was called a bean-counter”) and the merger with Coopers & Lybrand before she sought out a new challenge.

“I heard my Cambridge college, Gonville and Caius, was going to appoint its first development officer, so I applied for the job – fully expecting it to go to some old man in the city. But I got it!”

Here Deane arguably sowed more seeds for her extraordinary future. “It was only me and a friend to start with, really, but we had some unusual creative ideas to raise money for the college’s anniversary. We made and sold casts of the gargoyles on the college buildings, we printed and sold reproductions of the artworks. Not that I’d call myself a designer,” she smiles. “I fear I was probably one of those irritating people who would look at any product, or any service, and said: ‘I really, really like this – but can you just change it a bit?’”

Deane’s outgoing, friendly personality soon brought her another role as the college’s first female Registry in its 650-year history (“that was a wonderful honour”) but then chose to take a complete break from business to focus on raising her young family – little knowing that that personal commitment to them would radically shape her professional future.

“I had always thought the way back to work might be to start my own business,” she says. “It was 2008 and the children had reached an age where they were becoming a little less dependent, but I didn’t want suddenly to go from being there all the time to getting a job that meant I was never at home at all, and self-employment was the answer.

“When we found the private school, and knew exactly how much it was going to cost, as an accountant I could work with that knowledge. I’m very methodical. I sat with my mum at the kitchen table and drew up a list of 10 business ideas – and being an accountant, I put them on an Excel spreadsheet! – and assessed each one. I worked out capital start-up, cost, cash-flow, but I also needed to work out a plan to sustain the business. It was no good having an idea that always needed me there to make money. It needed to survive and keep paying the school fees if I got knocked down by a bus.”

And taking all financial and other factors into account, Deane and her mum, Freda Thomas, opted for satchels – an idea which again was prompted by her children.

“We’re big Harry Potter fans and I liked the idea of recreating the sort of school bag – ie a satchel – that he might have. I don’t like disposable bags that would only last one school term – I wanted my children to have something strong, dependable but which was nice-looking and uncomplicated, like the satchel I had at school,” says 46-year-old Deane. “But of course I was never going to convince Emily and Max by saying: ‘Here, have this bag like Mum’s old one.’ I had to say: ‘Look, these bags are just like Harry’s and Hermione’s!’”

Deane, whose husband Kevin is managing consultant at PA Consulting Group, soon discovered the time was right for inventing an old school favourite. “When I tried to buy a proper satchel I found they just weren’t available,” she says. “I managed to get



three on eBay but one wasn’t leather, on the second the proportions were all wrong and the third was second-hand – and had inappropriate things written in the label....”

Deane determined to produce her own satchels – but with only £600 to start the business she had to make every penny count. “I read a fantastic book on guerrilla marketing and the importance of meeting customers and connecting with them through the internet, newsgroups, flyers, business cards – I did all that.

“We (Deane and Freda) found a designer and made up just six satchels – we used pictures of them on the website. When we sold them we replenished our stock, determined to keep our overheads as low as possible. It grew gradually and

then we got a mention in The Guardian’s Christmas Gift Guide in 2009 and sales went through the roof. But I was still operating from home and we spent that Christmas unable to move for tripping over boxes of satchels!”

Cambridge Satchel Company’s business and reputation took off so spectacularly and quickly that Deane found herself pretending as a joke that the booming business had more staff than herself and her mother. “When a magazine journalist came to interview us it sounded a bit pathetic that there were only two of us, so I mentioned Rupert. The journalist asked who he was and I said he was head of security. He didn’t realise I was joking and that I was actually talking about my bulldog!”

Business boomed. From the initial half dozen in the traditional school colour, Cambridge Satchels began to appear in other hues – reds, blues, greens, blacks, pinks, purples, yellows and a host of combinations, which did more than just give

customers choice. It also cannily enticed them to buy many more than one to match their clothes or moods.

It meant what began as a practical portable storage solution has become style leader across the world. As well as the XXX sold in the UK, last year Cambridge Satchels received XXX orders from China and despatched XXXX to customers in the US. There's strong celebrity endorsement too - Sophie Ellis Bextor and Fearne Cotton have both bought Deane's satchels, and cast of US drama Mad Men, a show famed for its sartorial style, are all now proud owners of Cambridge Satchels after show director Matt Weiner handed them out to his stars at an end-of-series wrap party.

There's government approval too. Deane recently joined David Cameron in a trade delegation to China, a visit that excited her enormously. "I talked entry routes into that market and have returned with a clear strategy. There are so many bodies of companies by the wayside who tried and failed in that market – but now I know how we are going forward."

Turnover rose from XXXXX in 2011 to XXXXXX in 2012 and XXXXXXX last year. And early in 2014 the company's stock soared to its highest level yet it secured £12million of venture capital funding from Index Ventures– backers of global fashion retailers Asos, Moleskine, Net-a-Porter and Nasty Gal and technical giants SoundCloud, Dropbox and Skype.

"This is such an exciting new phase for the company," says Deane. "I have been approached by several venture capital and private equity firms wanting to invest in our company. I never wanted to be in a position where I *had* to take on an investor and I am pleased that we have been in control of making the choice.

"We filtered the approaches and I thought long and hard about choosing the right company to work with. It's not about who writes the biggest cheque, it's who has the best, most appropriate vision for our company. Index are some of the cleverest people I've ever met. They have a phenomenal track record."

The new funds will be used to form a new senior management team, upgrade the website (www.cambridgesatchel.com) into an international, multi-lingual facility and increase production at the company's factory in Leicester.

"Index understand us and are respectful and protective of the brand," says Deane. "When we were considering different investors one of their partners, who sits on the board at Moleskine, had so much passion, so much enthusiasm for that company and its products. It was exactly like that Deloitte partner all those years ago, being passionate about a client and knowing what makes it tick in order to get the very best out of it. That Index partner clearly loves Moleskine and wants the very best for them. I am convinced they have the same belief in us."

But for all its meteoric rise – and Deane is confident that Index's involvement can help it hit a £70million turnover in the next five years – the core of Cambridge

Satchel Company remains what it always was: a homegrown, proudly British business making what remains a quintessentially British product. A business with Deane and her now 76-year-old mother, who still comes in to work at the Cambridge office every day, at its heart.

“I love this company,” says Deane, looking proudly around her office in Cambridge’s Copley Hall Business Park. In keeping with her ethos, the premises are on the small side – satchels are on shelves, in packages, on tables, under desks but they sit comfortably in an office that simply does not need to be any bigger than it is.

Deane’s staff seem as quietly efficient and enthusiastic as she is. One woman is on the phone to a customer, patiently and earnestly explaining how to get a stain out of a satchel. At the reception desk, another member of staff is ordering a bag for one of her friends. “Is it her first?” asks a colleague. “How exciting!” This isn’t sycophancy, you understand – it’s merely a chat between two people who, like those who work with other iconic brands such as Apple, know how cool and desirable their product is.

Deane continues to survey her team. “We have a fantastic ethical base and I’m fantastically proud of the jobs I have created in the UK,” she says. “I’ve just followed my instincts. Those instant decisions I’ve made have worked. Other decisions make sense on paper but they don’t have the same effectiveness – or give you that thrill of excitement.

“And now we’re taking off to the next level – employing even more, wonderfully gifted people who have worked with Mulberry and Karl Lagerfeld.

“This company has given me more opportunities than I could have dreamed of. I’ve worked with Vivienne Westwood, been to New York Fashion Week, Paris Fashion Week. I’ve got shops! It’s such a buzz to see shoppers in our stores in Covent Garden or Cambridge who tell you they have come from the other side of the world and deliberately sought us out because they love our products so much.”

As our chat draws to a close, she politely thanks me for coming and kindly compliments me on my questions. “There were some original ones which made me think,” she says. “Trouble is, some people try too hard and go too far the other way. One interviewer recently asked me in all seriousness: ‘Are you afraid of spiders?’ and ‘What would you do if a spider got in one of your satchels?’ Sometimes it’s best just to go with ‘Why satchels?’ you know?”

But there is one achievement that clearly, from her look and her tone, remains the source of more pride than anything else. “I got my kids into a school where they are safe and thriving,” she says. “I said I would help them, and I did what I set out to do. That’s what makes me the most happy.”

She pauses and smiles again. “Now, would you like to take a banana with you?”