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This article was originally an oral presentation at the conference of the Vereinigung deutscher Wirtschaftsarchivare (VdW) in Stockholm in May 2019. Being a Swedish corporate archivist, the conference for me was quite an experience, as there are so few of us archivists in Sweden working in corporate archives. Apart from the Inter IKEA Group there are only a few corporate archives in Sweden that are managed by trained archivists and then there is a larger number of companies that have their archives managed by the Center for Business History (CfN). You could probably say that the main competence managing corporate archives in Sweden lies within CfN.

For various reasons there has not been much connection between academic research and corporate archives in Sweden and this, I believe, comes down to the fact that so few corporate archives have been structured properly and thus made available, but perhaps also because so few academics realize the potential of the corporate archives. Another major reason would of course also be that corporate archives are not open to external research in the same way that public archives are.

Thus it was an inspiration for me to spend time with so many colleagues from the corporate sector and to get a better understanding for where we are in the Swedish context and get an idea of the potential in corporate archives.

The material in the corporate archives at the Inter IKEA Group goes back to the mid 1940s and continues up to present day. For a long time this material was not structured in any way, but at least it was not thrown away. Instead it was kept in its original files at the Kamprad family farm where once the business started, in attics and basements in old corporate buildings and so on. By chance there was an early co-worker who started his career as an errand boy in the late 1950s and ended up as a manager for corporate communication. Sometime during his career he realized the importance of the historical information gathered in the old files and started to collect what he found and through this he most likely saved a lot of interesting material. Ingvar Kamprad,

the founder of IKEA, knew about this and used his knowledge on different occasions such as for external book projects and the like concerning the IKEA history.

Later on, around 2007/2008, plans for an IKEA training and culture center in Älmhult, Sweden took shape. At that time the first structured effort to collect and catalogue the archival material and the collection started and more of the old stowed away files and binders were found and brought together.

In 2010 Ingvar Kamprad opened IKEA Tillsammans, where the Inter IKEA Culture Center was housed. In the basement of the same building an exhibition of the IKEA range history was installed, called *IKEA Through the Ages*. IKEA Tillsammans was an internal training and culture center, but the exhibition was soon open for the public and came to generate a growing interest in the IKEA history.

Further discussion led to plans for building a proper museum and the first professional archivist was hired and was soon followed by specialists in collection management. From then on we still have this competence in the department Archive & Collections within the IKEA Museum organization.

Now, what happened when the museum project started and the requests for stories and material from the archive started to come in was, that we discovered a lot of forgotten history and also realized that previous versions of events often turned out to be much simplified. So I will exemplify this with examples from the IKEA history in the German speaking countries of Switzerland, Germany and Austria, that happened to be in the order of the retail expansion outside Scandinavia. In many ways this is part of the internationalization of the retail part of the company.

I am also interested in a few specific aspects of history and how we describe history, as a linear story or as a complex story, and how we assess coincidence and strategic planning in the development of a company. This I will only briefly touch in this article. It is, however, something I believe that is worth studying when it comes to the formative decades of a company.

IKEA's early history

But I will start with a short presentation of the early IKEA history, and this will of course be one of the highly simplified, linear stories, and this history is in many parts the history of the entrepreneur Ingvar Kamprad.

In 1943, at the age of 17, Ingvar Kamprad registered the name IKEA and for the next few years he ran a mail order business from his parents farm Elmtaryd in the parish of Agunnaryd in parallel to his studies and later to his military services. During these years he sold a lot of imported products such as watches, razors, and pens and he managed to do quite well on this range, but eventually problems with import licenses made him look for a new range of products, preferably something domestic, and late 1948 he included a few pieces of locally

produced furniture in his brochure. This turned out to be a smart move and a few years later the IKEA business was all about home furnishing products.

This strategic move took place at a time of the urbanization of Sweden, in many ways this was the time when Sweden became a modern country. In the years after World War II the intact Swedish industry experienced a growing demand for its products and services, and the Swedish national economy laid the foundation for building hundreds of thousands of new homes. These projects were centered in cities like Stockholm, Gothenburg and Malmö and the people moving into the apartments needed furniture. Ingvar Kamprad had already in the 1940s, when selling watches and pens etc., developed his business idea of the low price offer to the customer. Much of this was based on his ideas on distribution, ideas that he developed into a cornerstone of



Terrain in Älmhult, 1959. The grey building in the upper right corner is the Lagerblads Snickerifabriken. The modernist white building is the 1958 store and we can see the construction of the 1960 extension behind it. The building was designed by architect Claes Knutson and today it is used for the IKEA Museum (© Inter IKEA Systems B.V.)

his way of doing business throughout the coming years. So he continued this idea when focusing on furniture and like so many similar businesses that were started from modern business strategies during these decades in Sweden, Ingvar Kamprad became a target of the established dealers who often used old business strategies that couldn't really compete with the modern competition. They saw him as a serious competitor who undercut their prices and what they did was that they threatened the suppliers: if you deliver to IKEA, we will not buy from you.

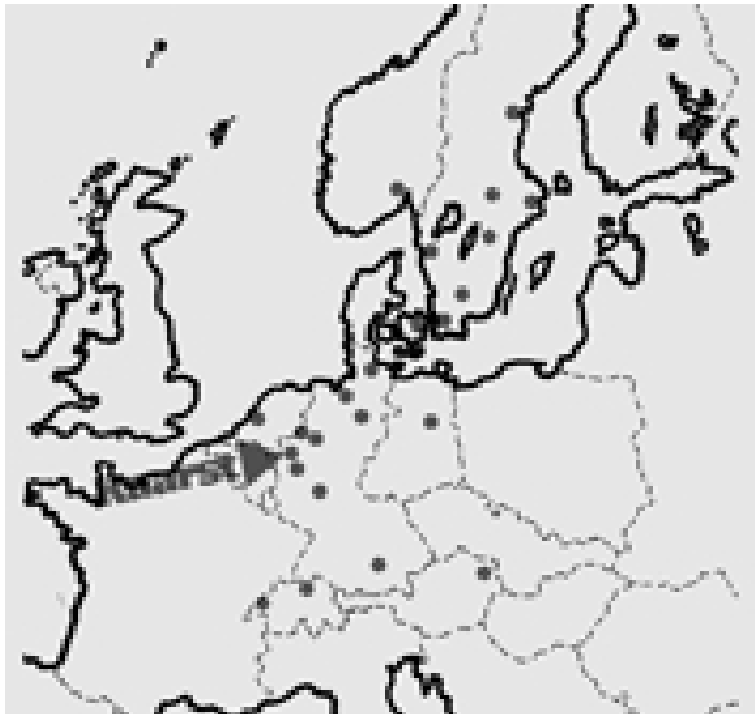
This situation soon became a problem for the development of the IKEA business. Many suppliers did not dare to do business with Kamprad, but still many found ways to work around the threat and keep IKEA as an important customer. Some suppliers were also big or confident enough in their relation with IKEA, that they did not care for the threats.

This threat was very real and it did pose a serious problem for businessmen like Ingvar Kamprad. The way he dealt with the situation was that he started to build relations with a handful of Danish furniture factories in mid 1950s and in the early 1960s he started his major co-operations with the Polish furniture industry. The relationship with the Polish furniture industry turned out to be perhaps the most important strategic move Kamprad ever made and Poland is still one of the biggest supplying countries.

As Kamprad's business developed he soon outgrew the farm and he made the decision to move the business to Älmhult. In 1953 he bought an old carpenter's factory in Älmhult, the so called *Lagerblads snickerifabrik*, and turned it into a showroom for his mail-order range. This might have been one of his first really clever ideas, as it turned out that his mail-order customers were happy to travel quite far, to actually see and try the products in the catalogue before they made

their decision and placed an actual order. Business continued to grow and in 1958 Ingvar Kamprad opened the first store that was designed to be an IKEA showroom/store and the first extension was opened already in 1960.

The expansion of the business continued with the opening of a store outside Oslo, Norway in 1963 and later three stores in Sweden: Stockholm in 1965, Sundsvall in 1966, and Malmö in 1967. In the early 1960s IKEA bought property both in Copenhagen, Denmark and outside Helsinki, Finland. However, it was not until 1969 that the Copenhagen store opened and for various reasons the Helsinki store, and the Finnish market, did not open until 1996. Later on, in the 1970s the continental expansion took off with the first IKEA store outside Scandinavia opened in Spreitenbach, Switzerland. The Spreitenbach store was the 9th store opened by the IKEA organization and six years later, in 1979, the 23rd store opened in Kaarst, West Germany.



Map cut from internal magazine MATCH #1 1979, German edition. The dots mark the IKEA stores (© Inter IKEA Systems B.V.)

Of the fourteen IKEA stores that were opened up until 1979 in Europe outside Scandinavia, twelve were opened in German speaking areas. The exceptions were the Dutch store and the Aubonne store, the first store in a French speaking part of Switzerland.

This makes up for a perfect model, with stores that fit into a network for distribution through Germany and further on to Switzerland and Austria, distribution and logistics being the backbone of the IKEA business model.

The linear story of the international expansion

If we take a look at the chronology of how the IKEA retail markets were established internationally it sort of makes sense, that the expansion began with a concentration on the Nordic countries in the 1960s, followed by the three German-speaking markets in the 1970s. In between these markets we have a handful of markets from outside of Europe that all are export co-operations initiated by external partners, i. e. business opportunities that Ingvar Kamprad could not say no to and that also laid the foundation to the later franchising business. The chronology looks like this:

- 1963 Norway
- 1969 Denmark
- 1971 Japan
- 1973 Switzerland
- 1974 West Germany
- 1975 Hong Kong
- 1976 Canada
- 1977 Austria
- 1978 Singapore
- 1978 Holland

This chronology is a result of both coincidence and strategic planning, even though it might look pretty straight forward, the export markets outside Europe taken aside.

When it came to the expansion into the German speaking markets in the early 1970s there was actually some strategic thinking behind it. The IKEA organization was now ready to expand outside the familiar Scandinavian market and enter the rest of Europe. West Germany was considered, but as Sweden at that time was part of EFTA and thereby

had free trade agreements with both Austria and Switzerland, it was decided that one of those countries were to be the trial market.

This was unfamiliar territory for the IKEA organization. There was extensive experience in purchasing throughout the 1960s from countries such as Poland, Czechoslovakia, Italy and West Germany, but buying property and running retail outside Scandinavia was something totally new. The search for property to start an IKEA store began simultaneously in Switzerland and Austria. The reason why Switzerland turned out to be the first market was that the Austrian bureaucracy was a bigger obstacle than the Swiss bureaucracy, and that was how the first IKEA store was established on the German speaking market.



The Spreitenbach store, opened in 1973
(© Inter IKEA Systems B.V.)

If we want to examine the complex story from the actual archive material, things get a bit more complicated and thus a lot more interesting. This is where the forgotten history in the archive starts to tell the complex story.

Skandia AG

The first plans that Ingvar Kamprad made for the retail expansion into continental Europe materialized already in the mid 1950s. He got quite a few proposals for expanding his business internationally through different co-operations, but he decided to start his own export business and registered Skandia AG in Switzerland in May of 1957. The company was registered in canton Zug for importing and trading in furniture and home accessories and also to own property. „Sie kann auch Grundbesitz in irgendwelcher Form erwerben, verwalten und veräußern“; the later could be interpreted as plans for building either an export warehouse or possibly a store.

We can follow Kamprads correspondence with his representatives in Zürich from 1958 to at least 1964, during which time the company never became active but was kept dormant. In correspondence from 1958 Kamprad wrote:

„I have a bad conscience, as I have not written to you for a long time.

I am sorry to say that I have only bad news this time too. The Swedish market has at present absorbed all my interest, which has given very good results, and it will continue to do so for the near future. We have just finished our new building in Älmhult, which gives us another 7000 m² (I am enclosing a photo), and we have now found that the space is too small still. Therefore we have to start building a new storehouse combined with a factory on about 12 000 m². This building will start now in winter. First after that it will be possible for me to plan building a factory, which will concentrate on export. As the export business on account of the big expansion in Sweden, where we just now have reached the position as our country's largest furniture house, have been very much delayed, I will not be able to use A.G. Skandia for another few years.“¹

So at this time Kamprad had a choice of either terminate Skandia AG or to keep it dormant, he decided to keep it dormant. Later that year his representative wrote in a letter that he

„... hope that the dormant period of your Swiss firm will only be of short duration, especially since you already have engaged a gentleman who specializes in the export trade. In view of the proposed common market, we believe there should be possibilities to get into action before long.“²

The rapid expansion on the Swedish market in combination with opening a store in Norway continued and the plans for an international expansion had to be further delayed. In a correspondence from 1964 Kamprad wrote:

„It has not been any activity for AG Skandia the passed year either. I had hoped to employ a younger business man, who at the same time is a furniture architect, whom I have been in contact with, but this man chose to be director for another firm instead, which is active. [...]

The Swedish firms are at present in a very important development. Since 8 months back we are building an exhibition- and store-property of over 30 000 square meter 1,5 swedish mile south of Stockholm. The establishment will be ready in July 1965. This autumn we are starting building a big property of 20 000 square meters in Sundsvall, which will be able to serve north of Sweden.

During the passed year Möbel-IKEA founded a daughter firm outside Oslo in Norway. The activity, which is taking place from rented premises, has been very successful with a turnover during the first year of 5 000 000 Swedish Crowns. The Swedish Möbel-IKEA's turnover is now 65 000 000 Swedish Crowns, and this is expected being doubled, when the new establishment in Stockholm and Sundsvall are starting.

This development is amongst other demanding money and during the next 2 years there is no place for any further investments.“³

From this time forward it seemed that the plans to use Skandia AG for the export business were terminated. Ingvar Kamprad spent most of the 1960s concentrating on the Scandinavian markets and when in the 1970s it was time to expand to new markets outside of Scandinavia he used a totally

different organizational set up. If he had found the right person to manage the export business in the late 1950s or early 1960s the development of IKEA had very likely taken a different route. But what perhaps is the interesting aspect of what we now know about the situation in the late 1950s is how far Ingvar Kamprad was prepared to go in his ambition to expand his export business.

Möbelmesse Köln 1958

At the same time Skandia AG was launched, Kamprad planned for an expansion into West Germany as a wholesaler. He tried this by entering the 1958 Möbelmesse in Köln, this was the first time IKEA entered an international furniture fair to show products from the IKEA range. He had planned for this for some time and even produced the first IKEA export catalogue, a catalogue where all the products were knock-down products that came in flat packs.

The idea behind the catalogue was probably bigger than just the German market, as the text was written in German, English, French and Spanish.

The result of this initiative did not amount too much, no deals were struck that we know of. Kamprad did however find other producers that became suppliers to IKEA. The demand from the Swedish market continued to expand more than his supply could satisfy, so Kamprad was probably happy to have found additional suppliers instead.

Joint-venture Möbel-IKEA and the Bonnier Group

Maybe the last major initiative from Ingvar Kamprad to enter the German market in the early 1960s came through plans for a joint venture with the Bonnier Group, a media house that was founded in 1837 by Albert Bonnier and still today is privately owned by members of the Bonnier family.

In a way it all began with the relationship between Ingvar Kamprad and Reidar Grönneberg, the managing director of Henriksdals Gummifabrik AB, a company within the Bonnier Group at the time. During the 1950s and 1960s the Bonnier Group invested in and developed an industry divisi-

Förstklassiga Exportkatalogen avsett för svenska exportföretag, som tillhanda-håller möbelsaker och produkter, vilka bäst lämpas för AB IKEA, Företaget för tillagning av billiga och praktiska möbelsaker tillhanda-håller i Möbel-AB, Köpenhamn, Danmark.

Förstklassiga Exportkataloger för svenska exportföretag, vilka bäst lämpas för AB IKEA, Företaget för tillagning av billiga och praktiska möbelsaker tillhanda-håller i Möbel-AB, Köpenhamn, Danmark.

Excellent catalogues for Swedish large-scale production of home goods by leading designers and made of flat-pack quality products, are produced for you in this catalogue from AB IKEA, subsidiary of Sweden's leading furniture company, Möbel-AB, Köpenhamn.

Excellerant kataloger för svenska stora-scale produktion af hemmetillbehör, som tillhanda-håller av Sveriges ledande möbelfabrik, Möbel-AB, Köpenhamn.

Des renseignements essentiels de la production en série mondiale d'ameublement, destinés aux architectes, designers et fabricants, sont produits de qualité mondiale, sont tout particulièrement destinés au catalogue de la société AB IKEA, une filiale de la plus importante entreprise de meubles de Suède, la société Möbel-AB, Copenhague.

Des renseignements essentiels sur les meubles completement démontés, destinés aux architectes, designers et fabricants, sont tout particulièrement destinés au catalogue de la société AB IKEA, une filiale de la plus importante entreprise de meubles de Suède, la société Möbel-AB, Copenhague.

Este catálogo de la AB IKEA, empresa subsidiaria de la industria de muebles, Möbel-AB, Copenhague, que es la más importante de Europa, presenta información detallada de sus muebles producidos en grandes series de muebles diseñados por prestigiosos arquitectos y fabricantes a favor de empresas grandes series de serie mundial.

Información esencial sobre muebles de exportación que son diseñados por arquitectos, diseñadores y fabricantes, están especialmente diseñados para ser producidos en grandes series de muebles producidos en serie mundial.

From the 1958 export catalogue produced for the Möbelmesse in Köln (© Inter IKEA Systems B.V.)

on that had its base in the vertical integration of the printing industry within the Bonnier Group media production. This was further developed to diversify the business and Henriksdals Gummifabrik was an example of this. Among other things they produced mattresses and pillows and IKEA was one of their customer and they were also one of the suppliers who did not follow the boycott of IKEA. Ingvar Kamprad and Reidar Grönneberg became personal friends sometime around 1956, and later on Grönneberg became a Board Member of IKEA. Grönneberg also introduced Kamprad to other managers at the Bonnier headquarters at AB Bonnierföretagen in Stockholm, but that is another story concerning the development of the flat-pack products in the IKEA range.

One interesting aspect of Kamprads relation with Grönneberg is that it might have opened the first doors for Kamprad into the established business world, where things were done based on strategies and analysis. In the late 1950s Kamprad could still be considered a businessman who trusted his gut feeling more than anything else, judging business opportunities more from what he thought of the people involved than what the balance sheets revealed. He never gave up on this side of his business acumen, but he did indeed pick up an additional thing or two about doing business as IKEA grew.

From correspondence between Ingvar Kamprad and Ola Ellwyn, the company lawyer, we know of discussions in 1961 between Ingvar Kamprad and representatives of AB Bonnierföretagen on a joint venture on a 50/50 partnership. The idea was that they together should „... work the German market“ [my translation].⁴

Why these plans did not come through we do not know. But the Bonnier Group continued to expand in the furniture industry, among other businesses they set up a new company, Overman AB, that specialized in injection molding and developing plastic furniture. This technique was quite advanced for its time and IKEA became a customer and did a lot of development for this new segment of the range.

Conclusion

Before the IKEA Museum project started around 2012, i. e. before we went back to the primary source material in the archive, the IKEA history was in many ways described according to events that actually took place and leaving the stray paths aside. While going through quite a few aspects of how we have described the IKEA history in the past we can say that this has been the norm, not only when it comes to the international expansion of the retail business as described in this essay.

This resulted in a highly simplified picture of where IKEA came from, but then again, it also made sense. That is of course the main objective of the simplified model, it explains a chain of events in a way that we can relate to, depending on what motives we have in describing e. g. part of a company history.

But all this changed with the ambition to open a museum, both because we spent time with the archival material and not the least that when you decide to start a museum, you need to take source criticism seriously. This will lay the foundation for a more complex IKEA history that in a better way will recount the hurdles an entrepreneur needs to overcome in the building of a successful business. At the IKEA Museum we are still in the early days of writing the IKEA history from the archival material, or in the words of the late Ingvar Kamprad – Glorious future, most things still remain to be done.

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Notes

* Revised version of a lecture given at the VdW's annual conference at May 6, 2019 in Stockholm.

- 1 Ingvar Kamprad to Kurt Fleischmann, November 6, 1958, 19581106_korr_Skandia_AG.
- 2 Kurt Fleischmann to Ingvar Kamprad, December 11, 1958, 19581211_korr_Skandia_AG.
- 3 Ingvar Kamprad to Kurt Fleischmann, July 20, 1964, 19640720_korr_Skandia_AG.
- 4 Ingvar Kamprad to Ola Ellwyn, March 4, 1961, 19610304_Exportsamarbete_AB_Bonnierföretagen.