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Mike Clare

Founder of Dreams

After 12 years of selling furniture for other people Mike Clare decided it was time he started selling some for himself. It was not the ideal moment – his wife was pregnant with their first child, they were in the process of moving house and he had a good job working as an area manager for a large chain of furniture stores. Clare had just turned 30, however, and suddenly realised it might be the only chance he would have.

He says: 'It was not the best time to start your own business and put everything on the line. But I had been thinking about doing my own thing for years, and as our life was in a phase of change I decided it was a good opportunity to try it. My wife was very supportive and told me I should get it out of my system. She said that if it failed and we were going to have hard times then it was better to do it now rather than later.'

Clare persuaded the bank to lend him £8,000 to add to savings of £4,000. He borrowed another £4,000 on his credit card by claiming it was for a kitchen extension. Then he



took a lease on a former motor-spares shop in Uxbridge and reopened it as the Sofa Bed Centre. It stank of oil but Clare was determined to make it look as good as he could. The night before he opened for business he was still in the shop at midnight on his hands and knees, chipping away at the concrete floor with a chisel to make the doormat fit. On the first day he sold two sofa beds and Clare realised he was on to a winner. He says: 'In the mid-1980s everyone wanted a sofa bed. It was a trendy thing to have and we were on the crest of a wave.'

Brought up in Buckinghamshire, Clare first developed an instinct for making money after his father died when he was 12. He says: 'When my father died I realised that life wasn't going to be as cosy as I had been used to. Suddenly we had to tighten our belts and couldn't go on holiday.' His mother could not afford to keep paying for him to attend a private school so he was transferred to a state school instead where he was teased because of his posh accent. He says: 'It was a big shock and I started to understand that I needed to pay a

bit more attention to money. So I began doing entrepreneurial things in the evenings and at weekends.'

He started by going out on his bike with a bucket on the back to wash people's cars. By the time he was 16 he was buying batches of used tents from campsites and reselling them through ads in the local paper. He says: 'When people came round to see me I pretended I only had one tent to sell in order to get the best price. If there was a rip in it when they opened it up I would have to make up a story on the spur of the moment about how it happened.'

Within two years of opening his first Sofa Bed Centre Clare had added three more stores. However he realised there was a limit to how many more he would be able to open just selling sofa beds so he decided to sell beds too and changed the name of his shops to Dreams to reflect the new focus.

Not everyone approved of the new name, however. Clare says: 'My accountant thought it was a stupid name because it didn't say what we did. But I thought it had mileage. It's like the name Virgin – it can adapt to all sort of things and means we can sell anything relating to sleep, such as

Fact File

Date of birth: 8 February 1955

Marital status: married with four children

Highest level of education achieved: sixth-form college

Qualifications: two A levels

Interests: travel, watching rugby

Personal philosophy: 'Concentrate on planning, people and passion and always live your dreams.'

pyjamas, bed linen and bedside lamps. It is one of our big strengths.' It certainly struck a chord with customers. Within a year of launching Dreams, beds accounted for 80 per cent of the company's total sales.

When Clare decided to take on the company's first warehouse in the early 1990s, however, it became a financial struggle to stay afloat. He says: 'It was very tough and we really had to tighten our belts. I was in the shop seven days a week for six months. But when your house is on the line it really does focus your mind.'

In 2002 the company also started manufacturing its own beds in a factory in the Midlands, selling them to hotels, nursing homes and universities. Sales took off and by 2008 Dreams had 185 stores across the country and a turnover of more than £200 million. In 2008 Clare, who owned 100 per cent of the business, sold Dreams to Exponent, a private equity firm, for a figure understood to be between £200 million and £250 million. He immediately reinvested £20 million back into the business and although he is no longer involved in the day-to-day running of the business, he goes in one or two days a month to offer his advice.

Now aged 54, Clare thinks success is due to a combination of three things: 'It is partly down to luck, in that maybe our shops were in the right place or we chose a lucky name. It is also due to skill, in that you have to know how to employ the right people. But the most important element of success is hard work. It is not sexy to say it but it is about working very hard. Success comes from a bit of luck, a bit of skill and an awful lot of hard work.'