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# TRANSFORMING Retail

Tesco has revolutionised the retail sector in Poland thanks to the passion of its local staff and the established expertise across its global network.

Images courtesy of Tesco Poland

**R**yszard Tomaszewski was the first person to be employed by Tesco when it entered the Polish market in 1995. In January 2007, he was appointed as CEO of Tesco Poland and his more-than-19-year fascinating journey with the company saw him move from a small-business entrepreneur to Tesco Poland CEO.

“With my friend, we were co-owners of a small chain of around 50 supermarkets,” explains Ryszard. “In November 1995, we sold them to Tesco and I, as the previous owner of that company, became the first Tesco employee. We had built up that business for more than six years after Poland gained its freedom in 1989.

“At that time, the Polish market completely differed from Western economies. There was no private industry or modern retailing. Previously, when we had a communist government, almost

everything, apart from family-owned craftsman’s workshops or small shops, belonged to the government. I remember times when it was difficult to buy food that wasn’t sourced from the government. Having gained our freedom, a new era for industry and retailing started and we adopted new laws concerning people’s activities.

“My friend and I were students at the time and decided to set up our retail business. For the first six years, we built stores and acquired a supermarket business, so it grew from nothing to 56 stores. Later on, in the mid-90s when modern retailers started to set up their businesses in Poland, we sold our company to Tesco. My friend did not stay long and moved into a different job but I decided to stay with Tesco and be part of the changing retail industry.”

This shifting retail landscape witnessed the market move from hundreds and thousands of small

entrepreneur stores that developed after the end of the communist era to the modern multinational retailers building their chains across Poland.

“With Tesco, alongside my team, we built the first superstore in 1998,” remembers Ryszard. “It was 10,000 square metres in size and one of the biggest shopping centres and hypermarkets in Poland. In the 90s, all of the retailers started to build businesses in Poland and they completely changed Polish retailing. Today, despite 20 years of changes, 50 per cent of retailing in Poland is still made up of those small independent stores. They are now more specialised and tend to be franchised businesses.

“The rest of the market belongs to modern chains. There are three types of them: the hypermarket chain, the supermarket chain, and the discounter chain—all of which are growing very fast around the world, not only at home.” >

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Today, Tesco is one of the leading retailers in Poland, serving five million customers each week, with more than 450 stores including hypermarkets, supermarkets, and online deliveries. The company employs 28,000 people and sources products from 1,500 Polish suppliers. Ryszard states that Tesco Poland has had a huge impact on various facets of the marketplace.

“Looking back, these shifts not only changed the Polish retailing landscape but also the retailers and suppliers, including Tesco. We influenced the way Polish suppliers developed and helped them to grow their business with us. Many of them started to export to other countries thanks to long-term relations we built with them. When I started my work for Tesco, a majority of products didn’t have any barcodes. This was the first thing we worked on with suppliers, to put barcodes on our products. Then, we collaborated with them to develop better packaging and improve products. The next step

was to modernise our logistics, to find the right management of our supply chain and its processes and to collect products together in the best possible way. At the beginning, each store had its own delivery system. We changed it and centralised the system into a single modern delivery centre.

“Today, we have three state-of-the-art delivery centres across Poland and we cooperate with suppliers on the best systems and processes. We also work together with them on how to significantly improve the quality of products. Finally, we work together on how to utilise retail-ready packaging, putting multiple products in one box to save costs and improve productivity.”

After organising the supply chain, Ryszard and his team focused on a range of forward-thinking initiatives that completely changed the hypermarket offer. “We set up the best worldwide loyalty program in Poland using our

group scale and it became the biggest one in four years. After launching it, we established a fantastic clothing business in Poland, with brands only available in Tesco. Last but not least, we moved from big outlets into mid-size stores and supermarkets.

“Around four years ago, we set up the self-service check-out operation for our customers. In the last three years, we started online deliveries so that they could shop for groceries online and get their products delivered to their homes.

“Over the past 19 years that I’ve worked with Tesco, I can definitely say that everything has changed, both in Poland and in its retail industry. Poland is now a modern country with really modern retailing and the leading-edge supplier base, which exports a lot of products to the European market. I can say I was a witness to a complete change of the retail industry in Poland.”

“I think the key to our success was to find a way to learn from the Group and to transfer the worldwide knowledge into the local team and the local culture.”

- Ryszard Tomaszewski

This change is reflected in Tesco Poland’s own operations with the well-known brand becoming a dominant force in the Polish market. Ryszard says that there were a few key factors that aided Tesco Poland in its growth.

“All of the experience and wisdom across the Tesco Group was vital. It really helped me and my team from the very beginning. I didn’t need to open a door that someone had opened before. My job was to create the fantastic Polish stream and bring novelties to Poland quickly and effectively. Currently, all board members of Tesco Poland and almost all of our employees are local. I had to create a great team that could take these learnings and apply them in the Polish culture right for the first time.

“What’s really interesting is that countries from our part of Europe are doing things fast maybe due to their history. For example, Tesco UK is the leader in home grocery shopping in its country and it was our target as well. We started building our e-commerce three years ago and we’ve already become the leader, with 30 per cent of the Polish market. It was because we could use all of the expertise and knowledge that was implemented in Tesco operations around the world. In the Group we have businesses located in 12 different countries around the world so it’s a lot to draw on.”

In addition to this deep source of knowledge, Ryszard says that Tesco has a number of inherent strengths. “I’m proud of how we treat colleagues. We employ different ways of working as individuals but follow the same value: ‘Treat others how you would like to be treated’ is the foundation of our culture.

“Another important idea in Tesco is that you should do everything that you possibly can for your customers. My employees know that we always treat customers the best we can by treating our colleagues well. That’s our recipe for success. I can honestly say that



more than half of the foreign retailers that entered Poland in the 90s have failed because their management was foreign—the French or Germans for example—and it didn’t work here.

“I think the key to our success was to find a way to learn from the Group and to transfer the worldwide knowledge into the local team and the local culture. I’ve had fantastic bosses throughout my career with Tesco who shared with me their way of working and aroused my passion for this business. I think that retail without passion means nothing.

“For example, three years ago we went to America to see what the Tesco in-store restaurants looked like. When we came back, we set up one restaurant and after a couple of months another five. In three years, we developed a chain of 72 self-service in-store restaurants, delivering around two to three per cent of each store’s turnover. We are fast innovators for



our customers. The people are happy and we have become the leading self-service restaurant chain in Poland in three years. That’s our passion.”

This passion and dedication will serve Tesco Poland well in the coming years as it continues to set new benchmarks in retailing. •



## From PARTNERSHIP to LEADERSHIP

In today’s competitive business reality, we must be able to acknowledge opportunities, lead innovative initiatives to make an impact within the existing organisation, but most of all, identify and build a long-lasting and trustworthy partnership with surrounding stakeholders, including our main customers.

With more than 60 years of tradition and experience, Animex is the meat market leader in Poland. One of our most important assets is our brands such as Krakus, Berlinki, Morliny, Morlinki, which are the most recognisable brands in Poland’s meat and food industry.

Our mission is to be a reliable and preferred supplier of fresh and processed Polish meats of the highest quality and of excellent brand for consumers in Poland and abroad. Among the most important customers is Tesco—our partner for more than fifteen years. Working together, we have a deeper knowledge of how to successfully organise supply and distribution chains and how to properly manage them with the support of our marketing and sales divisions.



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