A Chronology of Filofax

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The Early Years

In 1921 a London-base stationer, Norman & Hill imported the American personal filing systems to the UK at the suggestion of temporary secretary, Grace Scurr[1]. She could see the potential of the system in Britain and decided to have it manufactured in the UK. She invented the name "Filofax" as a contraction of the product being a "File of Facts." At this time Filofax's main customers turned out to be numerous professions such as the military and clergy (up until the end of the 1980s Filofax still sold "Church Family Records" and "Troop Commander's Bible" inserts[2]). By 1930 Filofax was registered as a trade mark.

In 1940, when the firm's premises were destroyed during he Blitz, Grace set about rescuing the company[3]. The bomb destroyed the firm's records and a nearby florist told her[4]: "You're finished - you'll never start again." However Grace had kept the names and addresses of all Norman & Hill's customers and suppliers in her two Filofaxes of her own. She rebuilt the company, was rewarded with a shareholding and eventually became chairwoman, a post she held until she retired in 1955. "I went round and told everyone we were starting again," she recalled. "They all laughed at me, but I was determined to carry on" she said. 'I had a terrible struggle.'

In 1976 the beginnings of major expansion in Filofax began to occur. David (Chairman) and Lesley (Personnel Director) Collischon started a company called Pocketfax to sell Filofax products by mail order[5]. By the late 1970s they were a major customer of Norman & Hill.

The 1980s

In 1980 Grace Scurr's successor as chairman, Joe Rider, sold his majority shareholding in the company to the Collischon's for a reported sum of £10,000 acquiring 76% of the equity in the process. In 1982 Grace Scurr sold her own 15% shareholding for £1,500[4].

In 1987 having seen the company grow significantly, the Collischon's took Filofax to the Unlisted Securities Market[5] (USM) by way of a placing of 4 million ordinary shares at 120p each by Phillips & Drew, the stockbroker. This was an attractive investment in 1987, Filofax made pre-tax profits of £1.4 million on turnover of £6.7 million in the year to the end of December 1986.

This became a short-lived period of success; the Filofax gained iconic status in this time. They offered dozens of binder designs and hundreds of refills and accessories. During the late 80s Filofax increased the size of its range that has never been overtaken and nearly all of it was made in the UK. This period of success was largely between 1986 and 1988.

Significant products made during this era were:

- Winchester wallet in $\frac{1}{4}$, $\frac{1}{2}$, $\frac{7}{8}$, and $1\frac{1}{4}$ inch ring sizes.
- Balmoral wallet in $1\frac{1}{4}$ inch ring size

- Billingham wallet (to complement Billingham photo-luggage – http://www.billingham.co.uk)
- Duplex wallet – a twin, ring-mechanism Filofax, primarily designed for the Military
- Time-Out Guides – Filofax sized city guides
- FreeForm – Business papers and learning materials in Filofax format
- Specific business papers for the clergy, military, journalists, architects, bookkeepers, writers and artists
- Specific leisure papers for sports, media and housekeeping
- Deskfax - a double-width sized Filofax page specifically for business
- High quality leather accessories including cash and credit card holders to fit Filofax wallets
- Storage boxes and binders, vinyl accessories, hole punches and other items to complement the Filofax system

However, this boom and period of expansion proved only to be a bubble and by 1989 Filofax was in serious trouble, half-year losses to mid 1989 were £554,000, compared with a profit of £2.72m in 1988[6]. Filofax lost £959,000 that year[7]. This was blamed much on the "Yuppie" image of Filofax[8].

The Decline of Filofax

However, by 1990 Filofax shares had sank from from more than 200p (peaking at 203p before the stock market crash of October 1987) to less than 20p[7]. Filofax may have also become its own worst enemy, selling unbranded generic organiser products and these were even included in their 1990 product catalogue. In trying to compete with the lowest end of the market, Filofax was bleeding itself to death. As a premium product it could never hope to compete with the tidal-wave of generic organisers[9], something the company was still having problems with in 1995[10].

As the company lost money under very difficult trading conditions Filofax began to look for a partner eventually agreeing agreed to a cash offer from Transwood Consortium Fund[11], which was managed by Transwood Earl. The offer of 30p a share values Filofax at £4.3 million.

Even after the takeover from Transwood Earl, losses still mounted at Filofax. By June 1990 Filofax announced a "Rescue Package" to turn the company round[11].

Transwood's shares fell to 1p[12] with Filofax shares dropping to 13p. As losses mounted Robin Field was appointed as new Chief Executive that October.

By March 1991, Filofax's parent company, Transwood Earl, was in serious trouble[13] having made pre-tax losses of £15 million. However Filofax itself was looking stronger by April with shares at 32p.

This became a watershed year for Filofax. Robin Field described "major changes of policy and structure" and the groups losses deepened to £1.5m and a warehouse was closed[14]. This year stands out because it signalled the largest change at Filofax since it was bought out by the Collischon's in 1980. Filofax was arguably taken down-market and much of its British-based production was cut - high quality binders made in England from leathers and exotic materials were dropped to be replaced by cheaply made products from the Far East[15]. It is arguable that some of the essential “Englishness” of the product was lost in this change of the Filofax group.

By September Filofax’s interim loss has reduced from £2m to £613,000 and had made a £493,000 profit in 1991. Robin Field had said the original Filofax binders produced were “tired and boring”[16] and he had extended Filofax to be sold through more than 6000 outlets and aimed to corner the student market with academic calendars and inserts.

The Recovery of Filofax

Robin Field took over from David Collischon as chief executive, and a change of strategy. It has been suggested that the company’s products became far too expensive and its share of the profit fell. Under Field’s new strategy, cheaper, more popular soft leather was introduced, and the product was repositioned to sell at a 15 per cent premium to rivals, rather than twice the price[17]. Unfortunately all the premium Filofax binders, without exception, became a casualty of this[18]. Field went on to say: “The company had grown very fast in the 1980s, doubling sales and profits almost every year. In the course of that growth, it got out of control. Costs were much too high; product sourcing Filofax buys in leather, plastic and paper from British and some Far East suppliers was out of control and the product became old, tired and too expensive.”

Many of Filofax’s inserts were also culled to save money, Robin Field said “We came down from more than 1,000 different papers to just over 100.[18]” This failed to acknowledge that the key strength of Filofax was in its range of papers for specific functions. Although Filofax may have produced too many (it’s unknown how many windsurfer’s records and beekeeper’s guides were sold for example) the range of papers was trimmed to little more than diary refills and notepaper.

In October 1992, Filofax purchased its long time US rival, *Lefax*[19], for £1.23 million[20]. With Filofax’s own high end products deleted, Lefax was then intended to fill the gap[1]. Also in 1992 Filofax paid its first share dividend in more than 3 years.

In November 1992, 8.05% of the Filofax group was bought by private investor Patricia Roxby[21] at 50p a share (she would later sell them in February 1993[22] for 80p a share[23]). Profits had increased to nearly £1 million for the first half of the year helped by excess capacity in paper manufacturers enabled Filofax to achieve better margins on its stationery[24]. The A5 sized Filofax was also launched this year[24].”

Robin Field also said that he wanted to expand the Filofax range with a 9 hole, desk-sized Filofax and a mini 3 hole version[24]. Over time both products would come to market and neither became particularly successful. The three-ring organiser, launched as the “M2” is currently only available as refills with no wallets available, a similar fate to the nine-holed “Deskfax” which replaced the original Deskfax model; the original *Deskfax* was a double-width standard Filofax page. The new “Deskfax” was much more similar to an A4 binder and was arguably an unwieldy design. The workforce at Ilford, Essex was cut in 1993[25]. The distinctive voice of Filofax was further diluted through bought-in components and foreign made products; it is a matter of argument whether Filofax was reduced to a brand-name only at this point.

[1] Although the author’s memory is very fallible he can’t actually remember Lefax appearing as part of Filofax for any more than a few years before vanishing completely

In July 1994, Filofax bought greetings card maker Henry Ling and Son, for £5.8 million[26]. This still stands as one of Filofax's strangest buys as although Ling does produce some stationery, it is best known for greetings cards. At the time Filofax were reported as seeing greetings cards as one of the fastest growing sectors of the stationery market[27]. Filofax turned out to be overly optimistic and although the Ling business ran generally profitably they eventually sold the business to a private buyer in April 1998[28] for £1 million and made a net loss on the business of more than £6.5 million.

In June 1995, Filofax launches the "Mini" sized binder and papers. In July Filofax eliminated long-time rival "Microfile" by buying out *Topps of England* (for £6.6 million)[29], its parent company. Topps also made leather goods which led Filofax to state around 25% of the binders will be made in-house[30] (compared to all being made in England in 1988). Robin Field was said to believe that "Made in Britain" is valued, particularly among foreign buyers.

By November 1995 although profits had fallen on the Filofax-owned *Drake* group due to falling value of office products, pre-tax profits at Filofax had risen to £2.9 million on a turnover of £19.8 million (higher than what Filofax had earned during the "boom" times of the late 80s). However The Independent (November 21, 1995) newspaper was warning that Filofax's speedy revival could falter if it could not maintain the momentum built up during the company's recovery.

A Dip in the Market

In July 1996 Filofax issued a profit warning[31] noting sluggish markets and destocking by UK and Japanese retailers. This should not have come as a surprise as sales of prefilled and empty binders was outselling sales of refills, worrying because the average life of a Filofax binder is around 8 years[24]. Clearly the climb of sales of binders could not last forever. Shares dipped from 165p to 105p as one of its largest customers, WH Smith, was reducing stocks of Filofax products[32] - at the time WH Smith represented 15% of Filofax's UK sales[33].

This led to a fall in the value of Filofax shares as it emerged WH Smith intended to use up existing Filofax binders rather than ordering more to reduce its total inventory[34]. Costs had also risen at Filofax, increasing 15% and 30% at Topps. Difficulties had also been had in the US and Japan, sales had slowed in America without a reason for the slowdown and it had invested heavily in expensive display systems in shops[33]. It had also been effected by Japanese distributor, *Inchcape*, which had not placed any new orders for Filofax in some time.

In December 1996, Richard Eteson, who had served as group sales and marketing director of Filofax Group since 1990, stepped down[35] from the board on December 31 to form his own consultancy business through which he would continue to work with the group.

After a disappointing 1996[36], Robin Field said the company had been relying on too many old designs offering only 20 new products out of a range of 200[37]. It is still debateable whether this was a factor in the declines of 1996; Field had already said that having too many designs was a problem Filofax originally had and whether there is benefit in introducing novelty to a product that tends to eschew it is debatable.

It can also be said, with some justice, that most of the designs and ideas during Field's reign were probably no more inventive than those of the 1980s with both a far smaller number of papers and many of the ring binders being basic repetitions of the same idea. Unusual binders such as the *Duplex* and *Balmoral*, were never reinstated.

Ironically, after excising the higher end of Filofax's range in the early 90s, history appeared to be repeating itself when it was reported that Filofax is "rightly focusing on higher value products[38]" the very action Filofax seemed to abandon 6-7 years before.

By June 1997 Filofax had been moving slowly, particularly in revamping its binders to attract 16-24 year old customers[39]. The same articled noted that "A year ago its emphasis was on housewives". Filofax had been targetting women for many years (and still does) but it is unknown how successful targetting this younger age group was. In the 1980s Filofax had run a special promotion with *Barclays Bank*[2] in which a special edition Filofax was give away with a student bank account. It is also unknown how successful this promotion was.

Even though the market was growing at 8-10% a year, sales at Filofax were down 3% to £36 million[39]. This was not a particularly good half-year performance for the company.

Through aggressive new products and designs[40], Filofax saw its interim profits increase by November 1997 by 9% to £2.24 million[41]. On April 1 1998, Filofax disposed of Henry Ling[42] greetings cards that *The Times* described as a "dog from day one[43]". They had made an enormous loss on the acquisition, after paying £5.4 million in 1994. An end to an odd period in Filofax's history - there has never been an obvious explanation why they would buy a greetings card company. Filofax stated that they were suffering from a strong pound and the increasing popularity of electronic organisers. Sales for 1998 were not expected to exceed much more than £6 million.

In June 1998 Filofax shares slid further as none of the companies he had discussed alliances with were willing to pay a premium for the company[44]. At the same time David Collischon retired as executive chairman but stayed on as non-executive director. He was to be replaced by Robin Field[45].

Day Runner Ownership

In September 1998, California-based Day Runner has launched a hostile[46] bid for the group, with a cash offer of 200p a share[47] which valued Filofax at almost £50million. Day Runner was very critical of Filofax's performance saying it was "an underperforming company that lacks direction[47]". Day Runner also said "...has struggled to find a way forward, failed to develop [the] Filofax brand and failed to deliver value.[46]" By the end of October, Filofax had accepted the takeover deal which paid £50.3 million for the company[48]. Robin Field stood down as chairman at this point. It seemed unlikely that Filofax/Day Runner would be a good combination as they were largely selling the same product of generic organisers.

By August 2000 it was obvious that Day Runner had over-extended itself. Day Runner found itself struggling with debts[49] and to cut costs[50] had closed Filofax's UK manufacturing operations with 123 people being made redundant[50]. From that point on Filofax had to source all its products from overseas. Day Runner also lost its Nasdaq listing[51] when its shares were traded for less than $5.

By December 2000, Filofax launched a hi-tech electronic pen and paper system which will capture several pages of writing in its memory, which can then be downloaded to the user's office or home computer. Even by 2006 Filofax was still promoting this product which has never seemed to have quite captured anyone's imagination. By 2009 this product has largely disappeared, Filofax still produces a single refill but the digital pens by Nokia and Logitech are very hard to find.

[2] Please see `http://www.flickr.com/photos/biscuitsinthehouse/2419553136/`

In January 2001 Day Runner finally admitted the game was up and put Filofax up for sale for £20 million[49], less than half of what it had originally paid for the company. Day Runner was also accused of overpaying for Filofax.

Christopher Brace, Filofax's managing director, said: "It is no secret that Day Runner is in serious financial difficulties and making strategic asset sales[52]." By May diary maker Charles Letts were poised to make a £16 million bid for Filofax.

Filofax owned by Letts…and resold again…

At the end of July 2001, Filofax had been acquired in its entirety by Letts for £17 million[53]. For the first time since 1987, Filofax was back in private hands. By December 2003, Filofax, now renamed Letts Filofax, announced higher than expected profits and higher demands for its products. It posted revenues of £54 million with a pre-tax profit of £4 million. In May 2004, research by Filofax estimated its customers to be around 60% female, a proportion perhaps smaller than previous marketing attempts by the company may have assumed.

In February 2006, Letts Filofax announced Phoenix Equity Partners was in exclusive negotiations to take control of the company. In the year ended January 2005, Letts Filofax grew pre-tax profits 72%, to £6.84m, on sales up 2%, to £56 million. By March 2006, the company had been bought by Phoenix Equity Partners in a £45 million deal[54].

Filofax continued to to do well in 2007; group sales had increased to £57.6 million and pre-tax profits had run to £8.38 million, though earnings had declined slightly owing to a £700,000 advertising campaign[55]. Letts-Filofax was also highly regarded by The Sunday Times in saying that "Filofax has been transformed since its acquisition in 2001 by Letts.[56]"

Filofax in 2009

Filofax is enduringly popular in 2009; for the past 20 years digital devices have been tipped to usurp Filofax yet it has never come to pass. In fact PDA's in the traditional sense (i.e. devices that are just standalone organisers that have no telephony functions) have all but vanished from the marketplace. Even with Smartphones and BlackBerry's, Filofax is still performing well. Pre-tax profits stood at 19.8% to £10 million and a 3.5% increase in sales[57].

Epilogue

Filofax has existed for nearly a Century by 2009 and even if traded under different names its appeal has never truly lapsed. Its concept is as relevant now as it ever was and it is a tribute to the concept that it has continued to endure. The company has went through many changes of management and ownership and (from a personal point of view) it is still diminished from the changes that took place in the early 1990s. Even though Filofax is still British owned, it has sacrificed a great deal of its heritage over the past 20 years. The fact the company has survived and has retained its own identity is remarkable and it will be interesting to follow the company over the next decade.

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