

Capstone Investment - Business All-Stars



Published: September 18, 2013 (Updated 2/24/2014)

The Container Store's Kip Tindell

Kip Tindell opened the first Container Store in 1978 in Dallas. The store has grown to a chain of 59 locations throughout the US. There is some talk at this point of continued growth, a stock IPO, and possibly going international at some point. Mr. Tindell has built a unique business on a set of principles that separate the Container Store from most other retailers.

One of his primary founding principles is that 1 great person equals 3 good people. So, Kip Tindell has set out to find, nurture, and keep great employees. The idea has been that "if you take better care of your employees, they will take better care of the customers".



Ranking high in the Fortune Magazine list of the 100 best places to work, full time employees at the Container Store earn roughly double the industry average for retailers at about \$48,000 per year. Double!!! Mr. Tindell is also a huge believer in training. While the average

retailer provides about 8 hours of employee training, the Container Store provides 263 hours of training!

Paid sabbaticals at a retailer? Yes, after 10 years of service the Container Store has a sabbatical program. The high paid workforce was 29% minorities and 65%

women this year, according to Fortune. They offer a 401-k with an employer match as well as domestic partner benefits.

So, we are not talking about someone with a small commitment to trying to do a couple things differently. We are talking about a CEO who is willing to make a huge commitment to doing things very differently. As a result, the Container Store has a turnover rate amongst employees of only 5.7%. Rather than approaching shareholder value from a cost first perspective, Mr. Tindell is focused on happy employees creating happy customers which create the company's value. Should The Container Store go public, Kip Tindell is interested in getting stock into the hands of the employees to increase their financial independence. Carving out his own path to success, he is a true All Star!!!

Updated Info:

(The Container Store did go public on November 1, 2013. Its shares trade under the symbol TCS.)

This is the second in a series articles published by Ted Schwartz, CFP®