

# James Daunt

Born 1963. Bookseller.

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# 1. Introduction



*This introduction was extracted and archived in 2021, with acknowledgement and thanks, from Wikipedia.*

Achilles James Daunt (born 18 October 1963) is a British businessman. He is the founder of the Daunt Books chain, and since May 2011 has been managing director of the bookshop chain Waterstones. He is known as "the man who saved Waterstones". In June 2019, he became the CEO of the US bookshop chain Barnes & Noble, acquired by Waterstones' parent, Elliott Advisors (UK) for \$683m.

James Daunt is the son of the diplomat Sir Timothy Daunt and his wife Patricia Susan Knight. He was educated at Sherborne School, before reading history at Pembroke College, Cambridge University.

His first job was as a purser with Carnival Cruise Lines. After working in the US as a banker for JP Morgan, he founded Daunt Books, a chain of six bookshops in London. In May 2011 he was appointed managing director of Waterstones by the company's new owner, the Russian billionaire Alexander Mamut.

He is married to Katy Steward, a health professional. They have two daughters Molly and Eliza, and live in Hampstead. They have a second house in Beccles, Suffolk, and another on the Isle of Jura in Scotland.

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## 2. Creating Daunts Bookshops

*The following chapter was archived in 2021, with acknowledgement and thanks, from the Financial Times website at [www.ft.com](http://www.ft.com). The article, by Natalie Graham, was published in February 2010.*

James Daunt, 46, is the founder of Daunt Books, the independent bookshop based in Marylebone High Street, with branches in Belsize Park, Hampstead, Holland Park and Chelsea. The shops are known for their old-fashioned interiors and organisation of books by country instead of subject.



*James Daunt in his first bookshop, at Marylebone High Street, London W1.*

Daunt was educated at Cambridge University, where he read history, and he went on to work at JP Morgan for four years as an investment banker. He opened his first shop in 1990. He lives in north London with his wife and two daughters.

*Did you think you would get to where you are?*

I don't know that I have gone anywhere! I am still on Marylebone High Street, selling books in much the same way as when I started. During my time in banking, I was young enough and arrogant enough to think I could go off and do other things. It wasn't easy giving up a job where I was intellectually satisfied. As my main interests are travel and reading, I wanted to combine them.

I was 26 when I started Daunt Books. I raised around £240,000 through shareholders under the Business Expansion Scheme. It's a shame that the BES no longer exists. The help and advice from some of the shareholders



was also invaluable. Now, we are one of a dwindling number of independent shops in a bookselling world dominated by chains.



*The Daunt bookshop at Marylebone High Street in 2019.*

*When you realised that you had made your first million were you tempted to slow down?*

I suspect my turnover reached £1m in 1995, about five years after we started. I had no intention of slowing down at all. I wanted to provide opportunities for my staff, and for that the business needed to expand. Our annual turnover now is about £7m, and we have 40 employees.

*What is the secret of your success?*

It is having very good people who are committed to the business. The key is that they stay and they have experience. Of our seven staff at Marylebone, one has been with me for 20 years and another for 18 years. They are vastly more knowledgeable than the short-term staff that predominate in the chains.

Our successful series of talks has become integral to the business, drawing in new customers and encouraging existing ones to feel a sense of belonging to a Daunt Books “community”. We just had AS Byatt in conversation with Leo Jensen, an editor of Vincent Van Gogh – The Letters. This talk attracted 200 people, and we were able to promote the book in a way that is not viable in a chain setting.

*Have you had time for personal financial planning?*

I am my own money manager. Having had a few years in a bank, I should hope that I take a sophisticated approach. The JP Morgan training was fabulous. I don’t take any advice at all. The problem with advice is that you have to pay for it.

*What is your basic business philosophy?*

Think long-term. There is often a temptation to go for a short-term fix, but my principle is to consider what will benefit us most in 10 and 20 years’ time. Even as a start-up, we built the business around systems with large latent capability that would have allowed us to run a small chain when we didn’t even have one.

*What was your biggest business mistake?*

We opened at the wrong time in the economic cycle – a major mistake. The recession that followed in 1991 was devastating. The whole of Marylebone High Street closed down, except for Boots, the newsagent and us. The silver lining is that it allowed a complete regeneration of the area.

It took five years, but we now find ourselves at the heart of a vibrant high street with a mix of really good shops.

*Do you want to carry on till you drop?*

I cannot think why one wouldn’t. Early retirement to me would be unthinkable. At the moment, I enjoy what I do just as much as I did when I started.

*Have you made any pension provision?*

I don’t have one. I don’t understand why a pension is marketed as something that everybody should have. Actuarially, there are winners and losers in retirement. A man’s pension does not last as long as a woman’s, and you need to think realistically about how long you might live. My business will be my pension.

*What is your commitment to charity?*

Supporting local schools, as we see this as the most logical association for a bookshop.

*Do you allow yourself the odd indulgence?*

Travel, in particular around the Middle East. We were in Syria last half-term, and I know Turkey extremely well.

*What was your most prudent investment?*

Investing in staff, encouraging the talented ones to make a career here.

*Have you taken steps to pass on your wealth?*

Yes I have. That is prudent and sensible, particularly if it involves a business. But I would not seek to minimise inheritance tax. You cannot believe in the NHS but not in taxes, and I support taxing unproductive parts of the economy, like legacies, rather than businesses. I also like the Scandinavian way of taxing consumption – the Danish tax rate on cars is 180 per cent.

*What is the most you have ever paid for a bottle of fine wine or champagne?*

I do buy wine by the case that can age because I like old wine. In restaurants, however, I am a house-wine drinker.

*What is your money-saving tip in the recession?*

Lead a quiet life. Read books instead of going out to restaurants.

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### 3. Turning Around Waterstones

*The following chapter was archived in 2021, with acknowledgement and thanks, from The Guardian website at [www.theguardian.com](http://www.theguardian.com). The article was written by Claire Armitstead, and was published in February 2017.*



*Quidditch players at Waterstones Piccadilly in London during the launch of Harry Potter and the Cursed Child in July last year. Photograph: Waterstones/Twitter.*

Late on Thursday afternoon, would-be wizards across the UK dropped what they were doing to join the professors of Hogwarts for Harry Potter night. At 6pm in the basement of Waterstones' six-storey London Piccadilly building, staff were scurrying around with bowls of jellybeans and bottles of raspberry lemonade, but the Harrys and Hermiones were nowhere to be seen.

A couple of elderly customers looked faintly disgruntled to find their favourite section shut for a private party. Two young sisters, Alex, 11, and eight-year-old Polly, fidgeted by the closed door clutching a box of quidditch balls, while Yang, a 22-year-old physics student from Korea, appeared baffled.

Five minutes later they started to arrive, threading their way through book-browsers on the hushed shop floor. Young women pulled Hufflepuff blazers and Hogwarts ties out of backpacks, a small girl produced an owl cage, a larger one donned scholar's robes. Soon, the queue snaked up the



stairs and across the ground floor. “I’m reading the fifth book again at the moment,” said 28-year-old Alex, jiggling her wand. “This is the third event I’ve been to and it’s quiet compared with the launch of Harry Potter and the Cursed Child last year, when they transformed the second floor into Diagon Alley.” In many of the chain’s 275 branches across the UK, similar scenes were being played out.

“Our first wizards have arrived for #harrypotterbooknight” tweeted staff at the Bradford store, who had earlier professed themselves “totally giddy kippers” at the prospect of the night’s revels.

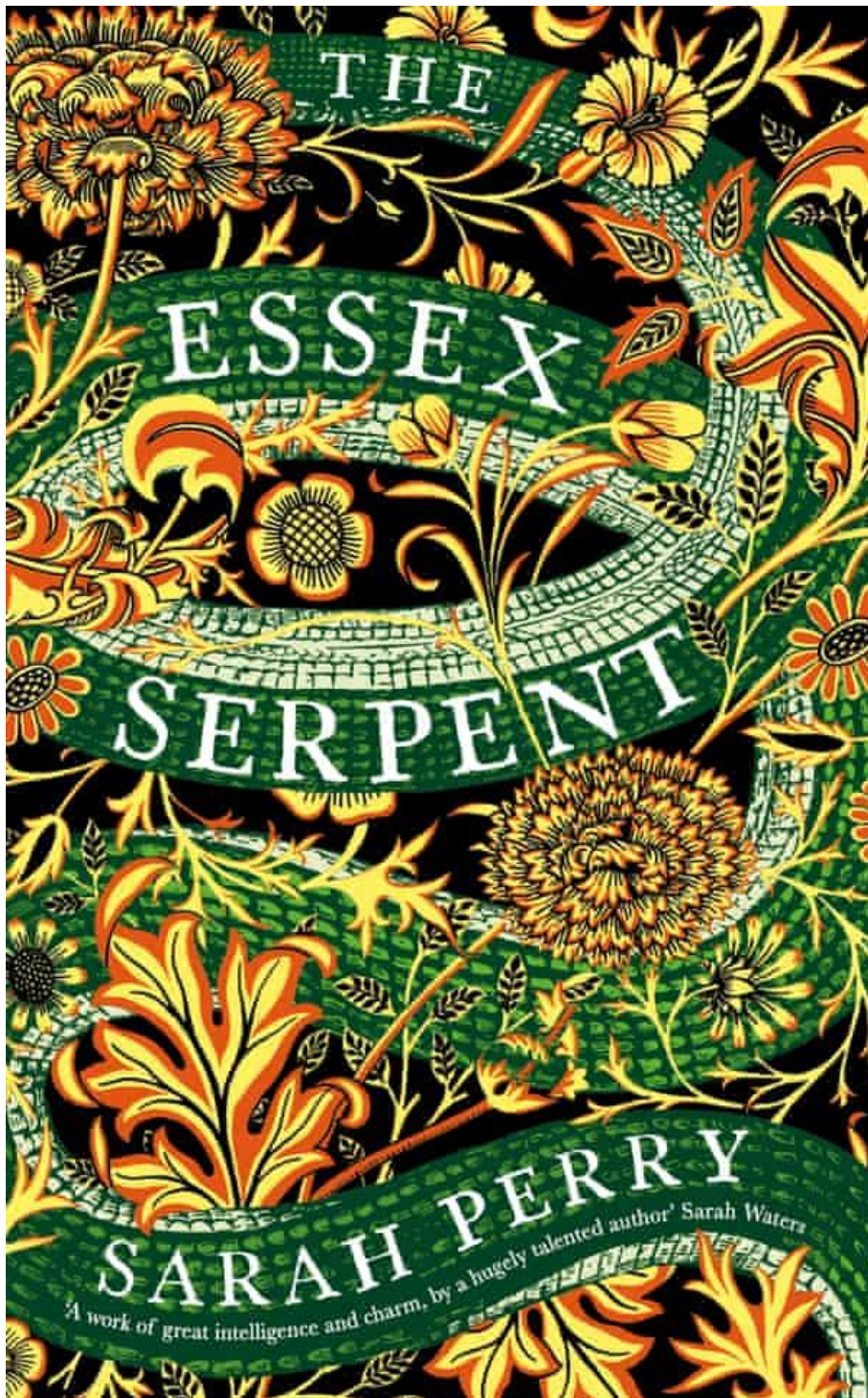
But Harry Potter night wasn’t the only cause for celebration for staff and customers of the 35-year-old company. A day earlier it had revealed that it had gone back into profit for the first time since the recession under the leadership of its very own wizard, banker turned career bookseller James Daunt, who was brought in to rescue the chain in 2011 after a buyout by the Russian billionaire Alexander Mamut.

“We came within a millisecond of losing everything. We were dead in a ditch,” said Daunt in 2014, as the company was easing its way back to break-even. From its origins as “a new breed of bookshop” dreamed up by founder Tim Waterstone in the early 1980s, the chain had lost its mission and its way. Successive takeovers by WHSmith and HMV had left it attempting to mimic the pile-em-high philosophy of the mass-market outlets, with centralised buying and Faustian pacts with publishers to showcase their books for large fees.

With a mixture of tough love and an unshakeable belief in the power of the physical book, which seemed quixotic in the era of e-readers and online discounting, Daunt began to turn things around. He closed underperforming stores and fired 200 booksellers, at the same time as declaring that his managers would be given back responsibility for their own stock, because what sold in Hampstead might not go down well in the Highlands. One of his boldest moves was to inform publishers that he would no longer do business through sales reps and they could no longer buy window space – which meant turning his back on £27m a year.

Instead, a small team of buyers – in close consultation with Daunt himself – would select titles to feature as books of the month across all the stores, while individual managers were free to tailor much of their stock to their customers’ tastes. One of the centrally chosen books of the month for 2016 was a historical novel, *The Essex Serpent*, from *Serpent’s Tail*, an imprint of indie publisher Profile Books. Its author, Sarah Perry, had written one previous novel, which had been respectfully received before sinking to the special limbo reserved for decent literary debuts.





*The Essex Serpent* by Sarah Perry, the success of which was driven in large part by Waterstones's enthusiastic support.

Daunt himself was among the first to recognise that *The Essex Serpent* was special, says Profile's Andrew Franklin. It was featured as novel of the month in May 2016 and went on to be voted Waterstones book of the year by booksellers across the chain.

"Waterstones' role in the success of *The Essex Serpent* is nothing less than extraordinary," says Franklin. "They have – to date, and they haven't

finished yet – bought 100,740 copies of the hardback. And that gives them a 70.53% market share.”

For Perry, the experience was “more than a little surreal. Some of my most vivid memories from the early days of publishing *The Essex Serpent* are of waking in the morning, feeling fretful about how it might be received, to find the most extraordinary Waterstones window displays popping up all over the country.

“None of us knew it was happening, so each one was the most delightful shock – I especially recall being tagged on Instagram in the very early hours, as booksellers in Deansgate [Manchester] stayed up all night painting the most extraordinary mural. And I remember standing outside the Piccadilly branch, where a bookseller had created a display complete with oysters and moss and reels of blue thread, feeling that never, not even as a daydreaming 15-year-old, did I think I’d see something like that.”

When a book has become as successful as *The Essex Serpent*, one can forget how it so easily could not have happened. For a tiny outfit like Somerset-based children’s publisher Chicken House Books, selection by Waterstones can make the difference between many thousands of sales and virtually none at all. Chicken House has had four of its titles selected as children’s books of the month – the latest being Maz Evans’ debut novel Who Let the Gods Out, a “freewheeling fantasy” in which a 12-year-old boy finds his home near Stonehenge beset by bumbling Greek gods.

Barry Cunningham, who set up Chicken House in Frome in 2000, points out that the relationship with Waterstones doesn’t simply involve selling the book. “They’re experts in how to catch the fleeting attention of buyers, so they’ll advise on how a book looks, the words on the back, or even the title. In this particular case, there’s a lightning flash running around the edge. They said they really liked that, but could we bolster it.”

Part of the new strategy has been to customise orders, so as to drastically reduce the numbers of unsold copies that are returned to publishers. A report from the US in 2013 revealed an average return rate across the bookselling trade of 15%. When Daunt took over, the percentage returned by Waterstones was “far higher than that”, but has now been reduced to 2-3%.

At a recent conference of the Independent Publishers Guild, questions were raised about the downside of this policy in terms of “sleepers” by unknown authors that might never get the chance to become hits. Publisher Juliet Mabey, whose company Oneworld has published the last two winners of the Man Booker prize, paints this in stark terms. “Waterstones’ opening order for Man v Nature by Diane Cook, a dazzlingly inventive collection of



short stories, was a single copy.” she says. “It was saved by being shortlisted for the Guardian First Book award.”



*James Daunt, head of Waterstones, in 2012. Photograph: Geoff Pugh/REX.*

Even the big-hitters often start small. The initial order for Marlon James’s *A Brief History of Seven Killings* was 220 copies, rising to 57,534 to date, while Paul Beatty’s *The Sellout* soared from an opening order of 260 to sales of 65,048 copies so far. “You could argue that this shows their system does actually work. That said, without the prizes I’m not convinced such small advance orders would have really propelled these important books into the spotlight. Obviously we will never know,” says Mabey.



*Simpsons of Piccadilly was a large retail store situated at 203-206 Piccadilly in central London. It was created by Alexander Simpson and architect Joseph Emberton. When it opened in April 1936 it was the largest menswear store in Britain, and is now a Grade I listed building due to its innovative construction. Its original purpose was to house the entire range of clothing provided by the tailoring company S. Simpsons and DAKS. It was later purchased by the Waterstones chain of bookshops, and currently serves as their flagship store, shown below.*



One reason for the turnaround in the chain's fortunes has been the stagnation of the ebook market. It stopped selling Kindle e-readers in 2015 in a move that was regarded as a watershed moment in the battle between physical and digital books. Sales of children's books have played a big part in its resurgence, and data from market researchers Nielsen Bookscan revealed that, far from embracing the digital revolution, young



readers were among the most resistant, with 75% of children favouring physical books and 35% refusing to read digital copies at all.

“Publishers pushed a cheap-and-cheerful approach with ebooks, and it seems to have become more the associated domain of trashy, poundshop-type products,” said Simon Lowe, a former bookseller. “With the refits of Waterstones reflecting a more boutique, upmarket style, the physical and digital realms of bookselling seem to have separated and become distinct, rather than competing with each other.” Inevitably, five years of such radical change has left some feeling disgruntled. “There’s been a massive restructuring of staff and the way stores are run so the wage bill has dropped drastically over the years,” said the bookseller. “Most of the managers I know have left, taking redundancy. When I left my old store, there were six full-timers; now there are three.”

Daunt is undaunted, pointing out that Waterstones is no longer the minimum-wage company he took on in 2011. “Running companies does involve doing all sorts of things that are deeply unpleasant, but if you are very sure of the outcome you’re looking for, it makes things better in the long run. I’d hope to employ fewer booksellers and pay them much more.”

Nine days before the European referendum, Daunt made an unexpected political intervention, sending a stark email to employees warning that if the UK left Europe, there would be a “significant retail downturn”, which would “reverse much of the hard-won gain of the last few years”, forcing the firm to axe jobs.

So far, he admits, his fears seem unfounded. “The economy remains buoyant. We had a very good Christmas and the notion that there would be an immediate downturn has been proved wrong. But I remain very pessimistic about the longterm prospects.”

The day after announcing his company’s surge from a £4.5m loss in 2014-5 to a £9.8m pretax profit in the year to 30 April 2016, he caught a morning train to Edinburgh. He aims to spend two days a week at the London head office and the other three roving the country. “I want to visit them all, but I try to focus on the stores where I can do something. I think there is a science to it. It’s a slow old tanker to turn around, but it is turning.” No detail of the bookselling life is too small to catch his attention. Coffee shops and merchandising play their part in the creation of 21st-century stores, he says, but the most important thing of all is improved lighting.

Among his booksellers, there is a palpable sense of civic mission. Jane Skudder, of Yorkshire’s Bradford branch, which is atmospherically housed in the former Victorian Wool Exchange, says: “You have to look at the history of the last 10-12 years: we’ve had riots and by the late 2010s there was a big hole in the ground where the new shopping centre was

going to be. I think Bradford has got its pride back. It spent a long time trying to be Leeds, and now it's remembered how to be Bradford."

In bookselling terms, being Bradford involves lots of poetry and maths books, washed down with Yorkshire tea and locally produced Yorkshire scallywags ("posh scones to you and me"). Jordan Ellenberg's *How Not to be Wrong: The Hidden Maths of Everyday Life* has been a big seller, while the launch of a debut thriller from local pharmacist turned "Bradford noir" pioneer AA Dhand drew more than 100 people. Plans are now in hand to capitalise on the route of the Tour de Yorkshire cycle race in April by selling tickets for charity to watch the peloton streak past from the arched windows at the back of the store.

Eighty miles north, in the small market town of Yarm, the manager of one of Waterstones' newest and smallest shops is catering for a very different sort of clientele. "We're a rural community and we're quite dog-friendly," says its 27-year-old manager, Michael Howlett, who heads a team of three. A picture book called *Oi Dog!* is a current in-store favourite as is *Horses, Heifers and Hairy Pigs*, the second volume of memoirs from Yorkshire vet Julian Norton.

In common with several of Waterstones' more recent outlets, the Yarm shop picked up where a previous bookseller had failed. Though it serves a small but prosperous community, "there's a real commitment to keep shops open in places that are really quite difficult," says Franklin. "They have branches in areas that have been economically blighted for a very long time. They have a real vision of the importance of books and bookselling."

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## X. Turning Around Barnes & Noble



*A Barnes & Noble store before Daunt (above) and another after Daunt (below).*



*The following chapter was archived in 2021, with acknowledgement and thanks, from the Publishers Weekly website at [www.publishersweekly.com](http://www.publishersweekly.com). The article was by Ed Nawotka, and was published in April 2021.*

On Thursday, James Daunt, CEO of Barnes & Noble, gave the keynote address at the Independent Book Publishers Association's annual IBPA Publishing University, where he was in conversation with Karla Olson, publisher of Patagonia Books and IBPA chair. The conversation covered a range of subjects, from the impact of 2020's store closures due to Covid-19,

the growing autonomy of individual B&N store managers, and how independent publishers can get their books into B&N.

Daunt began by reporting that as of today, "all Barnes & Nobel stores are opened." He emphasized that when the stores were closed last year the chain began to return the company's focus to stocking and selling books. He said the mix of books and non-book products, is 65% to 35%, something he wants to change. "I would like the percentage of books [as stock] to be 75%," Daunt said. "As soon as you approach 25% non-book items," Daunt said, "you should look long and hard" if additional items belong in a bookstore. He said the chain was especially keen to add more backlist, an area he admitted B&N had been neglecting.

Last year's retail pause also gave the company an opportunity to ""tear the stores apart," including throwing out old furniture and rethinking the merchandising, especially how the books are presented. "How do you arrange the history section, for example? Do you do it alphabetically by the author, as we have been doing, or chronologically, which is easier for the browser?"

He said that some of the changes were done to make the merchandising more visually appealing, which he felt would appeal to both shoppers and publishers. Another big change he emphasized was the buying and merchandising autonomy that has been granted to individual stores. "We trust booksellers to know what books will sell in their store, they can make their own decisions about what to buy and how to display it," he said. As a direct consequence of this decision, B&N is no longer taking co-op advertising from publishers. "You cannot do what we have done, giving so much responsibility to stores and charge for co-op, unfortunately. [The booksellers] will choose what they want to sell and where it will be on display. Nobody's paying for it to be there."

Now, individual stores will also be responsible for their own stock replenishment. The hope is that this move will help reduce returns, which are hovering at a 25% rate. "We know that there are boxes of books that get shipped to stores, get opened in the back and never get shelved because they just won't work in some stores.," Daunt said. He said the goal is to get the percentage of returns down to 10%, before "we will drive it down into the single digits."

Asked how IBPA members can get more books into B&N, he was circumspect. "Talking to booksellers in stores is always practical and enjoyable," he said, noting with a caveat that "we need to be able to get books relatively easily and it is best to talk to someone who knows how to do that." Daunt mentioned working with Ingram specifically.



"The brutal truth is that we carry in our bookstores a fraction of books published. The role of the bookseller is to curate what we want in our bookstores. We often ask 'do we want any at all?' and quite often we don't. The standards of the book will have to be high: cover design, texture of the book, paper and feel, and above all, the content. My frank view is the very few readers buy books because of the publisher. They buy books because of the subject or the cover."

Though Daunt did not volunteer specific data about last year's sales he did say that the company's larger stores in urban downtowns were the most negatively impacted by the pandemic. "With offices effectively empty and the reduction in travel and tourism, we have seen a reduction in sales in downtown bookstores. That is a step back that may be relatively permanent," Daunt said. He added, "Given the sense of total crisis we were in a year ago, we can all feel things are much better now."

Referencing last summer's Black Lives Matter protests and the push for more diversity in the book business, Daunt said, "Retailing is more socially diverse than publishing, so it is beholden on us to move this forward. When we look back on 2020, memories of the pandemic will recede, but Black Lives Matter will remain in consciousness as a social movement that was long overdue."

He acknowledged that B&N's management was not racially diverse, but was diverse in terms of gender. The company is aware of the need to become more racially diverse. "It will only serve to make us better booksellers overall," he said.

Questioned whether the boom in online bookselling in 2020 impacted B&N in any material way, Daunt said that the relevance of shopping in physical stores is "intact" and any shift to online sales has been "relatively minor." He said: "I do truly believe that the bookstore remains relevant in this world. I don't think the book you get in your mailbox delivers the same pleasure as the book you selected by interacting with a knowledgeable bookseller."

As far as B&N.com is concerned, Daunt implied he was aware there were problems. "I think we are getting better at [online bookselling]," he said, and suggested the company was going to put more effort into communicating to customers that the online store was a viable alternative to shopping at Amazon.

Looking ahead, Daunt emphasized that a key to B&N's success will be ensuring that its staff sees bookselling as a true vocation and the employees get the support they need to grow. That will ultimately be what will help a conscientious consumer choose shopping at B&N over Amazon.

"As a chain bookseller, we are now allowing genuine autonomy to individual booksellers to curate books and create really dynamic bookstores. You should have in those stores a passionate team of dedicated professionals. We as booksellers, within the context of the large chain, ply our passion with genuine commitment and with genuine purpose. In that sense, we are a million miles away from Amazon."

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