Even though millions of people know us by name, we feel little is known about who we really are.

So, if you’d like to listen, we’d love to tell you a bit more about IKEA. From how it all started in the 1940s, right up to the present.

It’s the story of a brand that has enabled millions of people to create a better everyday life. And intends to keep on doing so for a long time.

This is IKEA.
An idea formed by the landscape of southern Sweden.

We’ve come a long way since Ingvar Kamprad founded IKEA in 1943. From being a tiny Swedish business, selling through a mail-order catalogue, we have become one of the most well-known home furnishing brands in the world.

The landscape where Ingvar grew up, Småland, is stony and rugged. Back then, many of the inhabitants were poor and had to get by with small means. Because of this, Smålanders are often said to be thrifty and innovative, with a no-nonsense approach to everyday problem solving and business challenges. This heritage forms the backbone of who we are and lives on in our shared IKEA culture and values.

In the fast-moving world of today, our culture and our values are among our most valued, and useful, assets. They keep us grounded and encourage us to tackle complicated dilemmas with a mix of creativity and common sense. Our heritage is also one of the main reasons why our vision is “to create a better everyday life for the many people”.

Around 200,000 people work for IKEA*. If we include the many thousands employed by our suppliers, we are talking about around one million people. Together with our customers, we want to be a positive movement in the world. A good example of how much you can achieve by working together and trying to be a force for good.

* IKEA co-workers are employed by many different IKEA companies, with different owners. Read more on pages 11-12.
Our vision
To create a better everyday life for the many people.

Our business idea
To offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

Our value chain
Our value chain is tailor-made to provide the many people with home furnishing products, in the most sustainable and cost-efficient way.

Many, many people
We are powered by people who share and embrace our culture and our values. By customers, co-workers and the people who work at our suppliers.

IKEA Facts & Figures
Visit IKEA Highlights to find annually updated total IKEA sales, co-worker and store numbers, among others: https://highlights.IKEA.com
Our vision

Our vision is "to create a better everyday life for the many people."

That vision influences everything we do. The products we develop, the ideas we share, the raw materials we use, yes, every little thing. That’s why our vision is so powerful, and so delicate at the same time.

Our vision is the compass that leads all of us in the same direction.

It keeps us grounded and focused on being accessible and inclusive and doing what’s best for the many.

We’re proud of our vision for a lot of reasons. But most of all because it supports us in our daily work. It’s a helpful tool and not just a phrase.

Our vision lives in the everyday efforts of all co-workers, all over the world.
While our vision tells us why we exist, our business idea tells us what we want to achieve.

Our business idea is “to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them”. We love those words because they capture the essence of IKEA.

The way we go about this job is led by what we call Democratic Design. That is our view on how to create products that are worthy of the IKEA Brand and worthy of the many people.

Democratic Design helps us to develop only products that have a beautiful design, good function, are sustainable, of good quality and are available at a low price.

Democratic Design might sound a bit pompous, but we think that’s fine, because it allows us to fulfil our business idea and bring the IKEA vision to life.

That’s huge to us, and hopefully to many others too!
Our brand

We like to do things differently. It’s in our DNA to try new ways and to look for solutions in places we haven’t looked before. But we do it for a reason, we do it because we think it’s the best way to stay creative, surprising and close to people. We do it because it keeps our brand fresh and exciting.

Our brand represents the sum of everything that we say and do – and have said and done.

Our relation to co-workers, suppliers and partners is also reflected in the image of our brand.

It’s the symbol of what we represent and it links all IKEA retailers and other IKEA businesses together. It’s something to protect with pride.

IKEA unites thousands of co-workers and hundreds of companies with different owners all over the world. It’s one brand but it reaches millions of hearts and homes.
Many, many people

We side with the many people, but who do we refer to when we say “the many people”?

For us, the many people are our customers, potential customers, co-workers, suppliers and beyond. We can make the biggest difference for people with big dreams and thin wallets. It can be you, or me, or anyone who dreams of a better everyday life at home.

Our big dream is to reach even more of the many people. To get there we have to become more open and accessible where everyone, especially people that we have a hard time reaching today, has a place and a voice. We embrace the many different realities around us and allow for more of the many people to influence and improve IKEA for tomorrow.

Becoming more accessible will require new collaborations, new mindsets and a lot of hard work. It will require a true team effort, where we invite our customers and our suppliers to join us in the search for the best ideas.
Our value chain

The word value chain might have a technical ring to it, but the IKEA value chain is all about people.

To begin with, it’s people who design and develop our products. Most of that work is carried out in our home town of Älmhult in Sweden, in close collaboration with our suppliers. We share each other’s expertise, which strengthens our common knowledge about design, materials development, sustainability and distribution. This allows us to produce better products at lower prices.

It’s our goal to only design products that we think many people will have a need for. To understand what those products might be, we have to reach out to people and make them part of our value chain. Great products that appeal to many people also open up large production volumes and low retail prices. And by asking our customers to do some of the assembly work, we can reduce our prices even further.

At the end of the day, it’s people that keep our value chain moving. Without the interaction with our customers and the collaboration with our suppliers, we wouldn’t get far.

The IKEA value chain is a chain of amazing people carrying out amazing work.
The IKEA® value chain

Listen and learn

To enable the many people to create a better everyday life, we have to understand their needs and dreams. This is the first, and the last, step in our value chain. By listening and working together with our customers, we can improve our offer and create even better products that will make a difference in people’s everyday life.

Inspire and sell

We try to make it easy and inspiring for everyone to shop for IKEA products. Every interaction, physical or online, is an opportunity for us to exceed people’s expectations and offer a rewarding and simple shopping experience. Being relevant in an inspiring and surprising way – providing solutions to people’s real life needs – is super important to us.

Design and create

The product range is our identity and Democratic Design is how we design better products at lower cost. It’s our way of safeguarding form, function, sustainability, quality and low price. Simply, creating products that we love.

Manufacture and improve

We like to form long-term partnerships with our suppliers and we strive to always develop our products on the factory floor. We’re always striving to do things in a better way, such as more responsible sourcing, using resources smartly and sustainably, with higher quality at lower costs as the end result.

Package and distribute

We are known to be smart and save resources while we transport and handle products and materials. We find ways to automate for efficiency and design and use flat packs to save more.

To create a better everyday life for the many people
As the IKEA business was expanding in the early 1980s, Ingvar Kamprad realised that he needed to protect the IKEA Concept.

After a long search, Ingvar decided that a franchise system would be the best choice for IKEA. It would allow for international expansion, while protecting the underlying concept and stimulating the entrepreneurial spirit.

Inter IKEA Systems B.V. is the IKEA franchisor who continuously develops the IKEA Concept and ensures its implementation in all markets.

The franchisees run the day-to-day retail business and pay a franchise fee.

Our franchise system is people-oriented and encourages everyone to contribute. It forms an interdependent framework and lays a solid foundation for the IKEA Brand. It enables a scalable and dynamic value chain. Last, but not least, it answers Ingvar Kamprad’s three desired intentions:

- It allows and encourages IKEA to remain entrepreneurial.
- It enables international growth.
- It keeps the IKEA Concept strong and consistent.
The IKEA® franchise system
da simplified overview

Inter IKEA Systems B.V. is the owner of the IKEA Concept and worldwide IKEA franchisor.

The IKEA franchisees are authorised to market and sell the IKEA product range and operate IKEA stores and other sales channels around the world. In their everyday business and through specific assignments, franchisees contribute to the development of the IKEA Concept. Together, we improve and develop IKEA to be more relevant and inspiring.

As the simplified description below shows, Inter IKEA Systems B.V. has assigned other IKEA companies to develop range, supply and communication.

IKEA of Sweden AB sets and develops the IKEA home furnishing product range, IKEA Food Services AB sets and develops the IKEA Food & Beverage product range, IKEA Supply AG manages purchasing and distribution and IKEA Communications AB produces IKEA communication.

INGKA* has been assigned by Inter IKEA Systems B.V. to carry out certain assignments for the IKEA franchise system, such as development of ecommerce, IT development, IT operations, etc.

This structure helps to build a strong and vital IKEA Concept that the franchisees use to market and sell the IKEA range around the world.

*INGKA refers to INGKA Holding B.V. and its controlled entities.
IKEA® franchisees around the world

Through the franchisees, we are represented in many parts of the world. But as the map shows, there is plenty of room for growth. Glorious future!

- **INGKA**
  Australia, Austria, Belgium, Canada, China, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, South Korea, Spain, Sweden, Switzerland, United Kingdom, United States.

- **Al-Sulaiman**
  Saudi Arabia

- **Al-Futtaim**
  Egypt, Qatar, United Arab Emirates

- **Ikano**
  Malaysia, Singapore, Thailand

- **Dairy Farm**
  China (Hong Kong), Indonesia, Taiwan

- **MAPA**
  Turkey

- **House Market**
  Bulgaria, Cyprus, Greece

- **Northern Birch**
  Israel

- **Sarton**
  Dominican Republic, Spanish Islands

- **Al-Homaizi**
  Jordan, Kuwait, Morocco

- **Miklatorg**
  Iceland, Lithuania

The IKEA Delft store in the Netherlands is the only store directly owned and operated by Inter IKEA Systems B.V.

The list above refers, in a simplified way, to companies/groups of companies operating IKEA retail businesses in one or more markets. The listed names do not represent the legal company name of the franchisee companies that have entered into franchise agreements with Inter IKEA Systems B.V.

*INGKA refers to INGKA Holding B.V. and its controlled entities.*
Our next steps

The IKEA story is, and always will be, one of constant change.

Our vision – to create a better everyday life for the many people – encourages us to be innovative, persistent and brave.

Our culture is built upon enthusiasm, togetherness and "get-it-done" attitude. We’re optimists, constantly looking for opportunities, always willing to lend a hand.

Whether it's cutting down assembly time and making our product joints stronger with the innovative wedge dowel, engaging in new design collaborations, or contributing to better shelters for refugees, we're always looking for new and better ways.

Sometimes, our eagerness and our curiosity lead us in the wrong direction. That's part of being an entrepreneur and perfectly fine as long as we learn from our mistakes.

IKEA was founded by a very special man and will forever live through very special people.

We don't know exactly what the future has in store for us. But we will continue to side with the many people. Those with big dreams and thin wallets. We've got big dreams as well and we know that if we keep innovating and collaborating, tomorrow will be a great day!