



▲ Inside: A, Accessories Supplement

WWD MONDAY

Accessories/Outerwear/Legwear

Bright Ideas

It never hurts to be a little daring, as two new accessories collections prove, using vibrant hues along with a perfect dose of feminine flair. Here, AG Limited Editions' alligator and Swarovski crystal bag and Vouelle's silk satin and feather shoe. For more fresh accessories designers, see pages 6 and 7.



Crisis at Mervyns: Credit Concerns Mount Over Economic Woes

By Vicki M. Young

Lenders and credit analysts are jittery about the future of Mervyns, the \$2.5 billion moderate-price regional department store chain.

Industry speculation

focused on the possibility of a bankruptcy filing.

Mervyns, based in Hayward, Calif., has been hurt by the housing implosion in that state, and its core customers are being squeezed by rising gas and food

prices, job cuts and tight credit.

"We are currently advising all clients to hold orders," Bob Carbonell, chief credit officer for Bernard Sands, a credit-checking firm, said Friday.

See **Mervyns**, Page 14

NexCen Nears Waverly Sale

By Vicki M. Young and Matthew Lynch

NexCen Brands Inc. might be close to a deal for its home furnishings operation, Waverly Brands.

NexCen is believed to have signed an exclusivity agreement with Iconix Brand Group Inc., according to a source familiar with the sale activity. Both Iconix and NexCen declined comment.

The agreement would pave the way for intense negotiations over the terms of the final deal, which is expected to be in the range of between \$30 million and \$32 million, one source said. NexCen bought Waverly for \$36.8 million in May 2007.

For Iconix, Waverly would present synergies with its Pillowtop operation, which the licensing and brand management firm bought in 2007 for \$231 million in cash and contingent payments of up to an additional \$15 million in cash, dependent on surpassing certain revenue targets.

Sources said NexCen is working first on the sale of Waverly, so funds from the transaction can be used to stabilize the company before embarking on a sale of its Bill Blass brand, which NexCen acquired in December 2006 for \$54.6 million in cash and stock.

Earlier this month, the company bought the couture business of Blass, a move that ensures that whomever buys Blass will get complete control over the operation. While Iconix and Windsong Apparel Group are said to be eyeing Blass, along with Phillips-Van Heusen Corp., Arnold Simon's Designer Licensing Holdings, the jeanswear licensee for Blass and owner of 10 percent of the Blass trademark, is also keen on the brand.

In another development, NexCen has reached an agreement with lender BTMU Capital Corp. to lengthen the global brand management firm's payment extension period through Aug. 8. The forbearance had been set to end on Friday.

The cash-strapped company in May disclosed that \$30 million of the \$70 million it borrowed in the \$89 million acquisition of Great American Cookies had to be paid by Oct. 17. Since then, NexCen has been working to trim its workforce and operations.

NexCen said Friday it will continue to work with BTMU on a comprehensive restructuring of the loan, which it intends to complete by Aug. 8.

According to documents filed with the Securities and Exchange Commission, the extension also permits NexCen, owner of the Bill Blass and Waverly brands, as well as several franchised restaurant chains, to withdraw about \$8.7 million in funds from a lockbox account for working capital and to pay expenses.

Among the disbursements will be: \$1.1 million in management fees accrued since May 31; \$4.6 million for accrued accounts payable and expenses; \$2.6 million to BTMU for accrued interest on outstanding notes, and another \$418,000 to the lender for services rendered in the restructuring. An additional \$552,000 in the lockbox account will be set aside for the payment of fees to BTMU's advisers.

NexCen will also release \$152,000 from an unnamed subsidiary's bank account to use for accrued accounts payable, accrued expenses and working capital across the company's holdings, according to the regulatory filings.

Talbots Finalizes Credit Deal

Women's specialty retailer The Talbots Inc. on Friday said it completed the terms of its previously announced \$50 million credit facility with Aeon Inc. The new facility with Aeon, a wholly owned subsidiary of Talbots' majority shareholder, Aeon Co. Ltd., supplements the retailer's existing working capital lines of credit of \$165 million and brings its total working capital borrowing capacity to \$215 million. The facility matures on Jan. 28, 2012.

"While we believe we had sufficient liquidity to fund our turnaround, this facility represents added assurance and provides us with greater flexibility as we continue with the

implementation of our turnaround plan," chief financial officer and senior vice president Edward Larsen said on Friday at Oppenheimer & Co.'s Consumer Growth Conference in Boston.

Trudy Sullivan, president and chief executive officer, has been working to streamline the brand. "This year is a pivotal point in our turnaround as it represents the first year of a three-year plan to reinvigorate our heritage Talbot's brand and push J. Jill further," Sullivan said at the Oppenheimer conference.

In April, Talbot's stock price dropped when it disclosed that Bank of America and HSBC were pulling their letters of credit.

The retailer said producers

of roughly three-fourths of its purchases abroad had agreed to "open-account" terms, giving the store 45 days to make payments.

Earlier this month, Talbots said it would reduce its corporate head count by about 9 percent, producing roughly \$14 million in annual savings. The move eliminates a total of 129 positions.

Talbots posted a 69 percent decline in first-quarter earnings, hurt by its kids', men's and U.K. noncore businesses, as well as restructuring costs.

For the three months ended May 3, earnings fell to \$1.6 million, or 3 cents a diluted share, from \$5.2 million, or 10 cents, in the year-ago period.

— Alexandra Steigrad

Obituary

Former Liz Claiborne Exec Wendy Banks, 61

Wendy Banks, who shaped Liz Claiborne Inc.'s early marketing and philanthropic efforts, died last week of respiratory failure at Danbury Hospital in Connecticut. She was 61.

Banks spent nearly a decade at Liz Claiborne Inc. from 1986 to 1995. She joined the company as vice president of marketing for the launch of Liz Claiborne Cosmetics, and two years later was promoted to president of that division. In 1990 she took over as the corporation's senior vice president of marketing. Under Banks' leadership, Claiborne launched "Women's Work," a social issues marketing program focusing on domestic violence, an issue to which the company continues to be committed. She served as a board member of Safe Horizon, a charity for victims of violence.

"She was an incredibly talented marketing executive and left an indelible mark on the company, and in fact society, as the architect of our work against domestic violence,"

said Roberta S. Karp, senior vice president of business development, legal and corporate affairs at Claiborne. "She was an important member of the Liz Claiborne family for a long time and will be missed."

Banks began her career at Revlon Inc.'s Princess Marcella Borghese division. She then became vice president of marketing for Alexandra de Markoff, a division of the Charles of the Ritz Group.

"Wendy was a high energy, extremely creative, extremely intelligent, thoughtful marketing executive," said Rose Marie Bravo, former chief executive officer of Burberry Group. "Marketing in the old days was like advertising, and she was one of the few people who understood the important role of the marketing manager, the whole idea of the DNA of a brand. She was a protector of a trademark and a brand, and a pioneer."

Banks departed Claiborne as the management shifted and Paul Charron took over the top

job from Jerry Chazen.

She then formed BANKS, a marketing consulting firm in 1995, and in 2000 she was a founding partner of JUMP LLC, which stands for Just Making Product and focuses on the cosmetics and fragrance industry.

Banks, who lived in Roxbury, Conn., devoted time in recent years to her New Milford yarn store, The Village Sheep.

She was a member of the Academy of Women Achievers of the YWCA of the City of New York, the Fashion Group International and Cosmetic Executive Women.

Banks is survived by her mother, Estelle Banks, 93, and her sister, Roz Arkin.

Joe Cicio, a former Macy's veteran and ceo of I. Magnin, and former president of Penhaligon's, called her "a totally unique and dedicated executive."

A memorial service will be held on Sunday at 10 a.m. at the B'nai Israel Sanctuary in Southbury, Conn.

— Whitney Beckett

WWD MONDAY

Accessories/Innerwear/Legwear

FASHION

6 The latest group of accessories designers features women with a penchant for detail.

GENERAL

1 Lenders and credit analysts are jittery about the future of Mervyn's, the \$2.5 billion moderate-price regional department store chain.

2 NexCen is believed to have signed an exclusivity agreement with Iconix Brand Group to buy its home furnishings operation, Waverly Brands.

10 ACCESSORIES: The intrinsic value and emotional appeal of estate and vintage fine jewelry are providing shelter from the stormy U.S. economy.

EYE

4 City-bound for a variety of reasons, plenty of stars are pounding the pavement instead of white sand beaches this summer.

A, WWDAccessories and Mitchell's at 50 are included with this issue as supplements.

Classified Advertisements.....18-19

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COMING THIS WEEK

MONDAY: London Edge New York (through Tuesday). Project New York (through Wednesday).

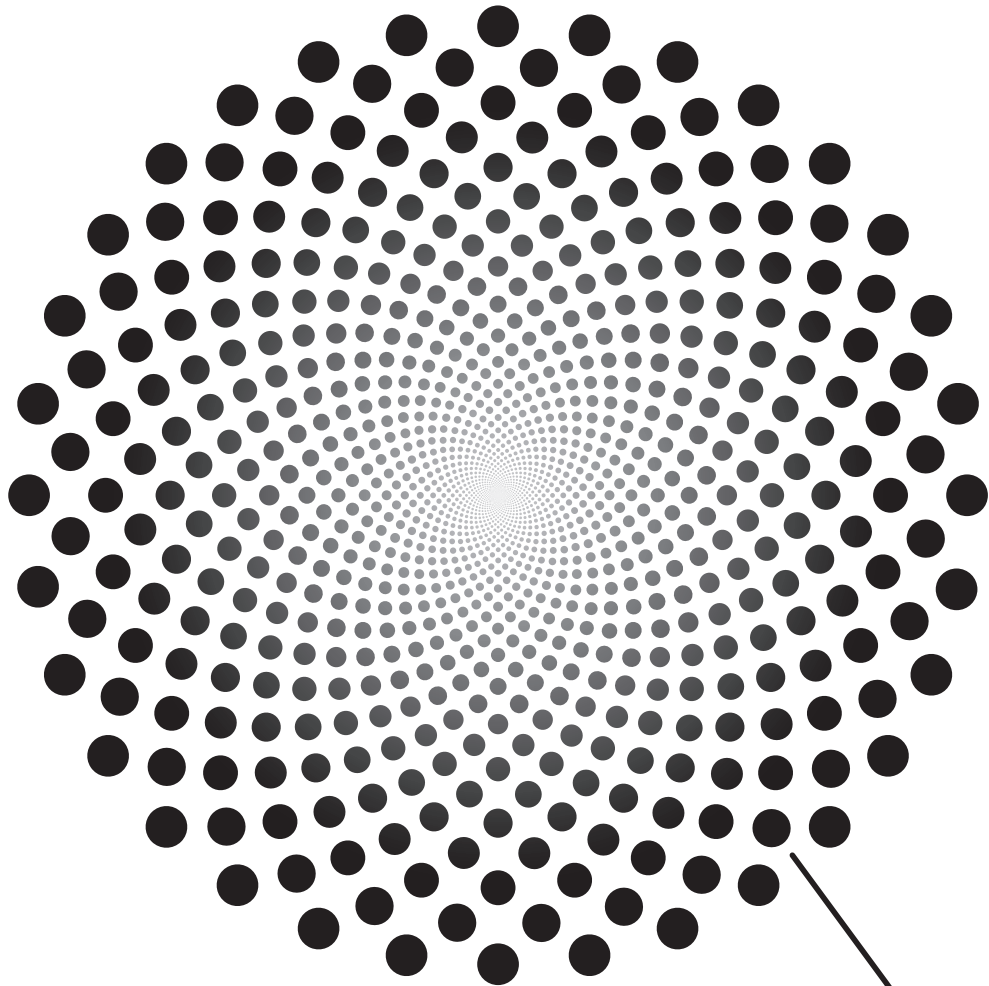
WEDNESDAY: The Federal Reserve Board releases the Beige Book economic report.

THURSDAY: Columbia Sportswear Co. reports second-quarter sales and earnings.

SUNDAY: JA New York Summer Show (through July 30). CPD, Düsseldorf (through July 29).

In Brief

● **PHOENIX, SIRIUS BUY STAKE IN LK BENNETT:** London-based private equity companies Phoenix Equity Partners and Sirius Equity have together taken a majority stake in LK Bennett, a London footwear and clothing brand that operates 90 stores and concessions throughout the U.K., and one store in Paris. As part of the transaction, Robert Bensoussan, co-founder of Sirius, has been named chairman of LK Bennett, Phoenix and Sirius said on Saturday. Linda Bennett, who founded the company in 1990, will remain a non-executive director with a 30 percent stake in the business. The brand is known for catering to a tony clientele. Bennett in 2005 designed the shoes that Camilla, Duchess of Cornwall, wore when she wed Prince Charles. A report in London's Financial Times over the weekend said that the company is set to achieve sales of 60 million pounds, or \$119.8 million, in the fiscal year ended July, and operating profits of 12 million pounds, or \$23.9 million. The FT report added that Phoenix and Sirius had paid between 80 million pounds and 100 million pounds, or \$159.8 million and \$199.8 million, for their stake in LK Bennett. The terms of the deal were not disclosed. LK Bennett plans to open new stores in the U.K. and establish a retail presence in Europe, the U.S., Asia and emerging markets. The companies said they also plan to develop LK Bennett's product range and explore licensing opportunities for the brand. Bensoussan called LK Bennett "an incredibly strong brand," adding, "We believe there is an exciting opportunity to develop the business and the brand further." Phoenix and Sirius have previously worked in partnership to develop the Jimmy Choo and Radley accessories brands.



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Jennifer Lopez in Dolce & Gabbana.



Jennifer Garner



Stella McCartney in her own design.



Kirsten Dunst



Mary-Kate Olsen totes a Fendi bag.

Concrete Jungle

eye Whether they're stuck in the city due to shooting schedules or a dearth of private yacht invitations, plenty of stars are pounding the pavement instead of white sand beaches this summer. And since it can be presumed these women dress for daytime sans stylists — one hopes — their muggy-weather wardrobes reveal their true fashion know-how.

Naturally, model Elle Macpherson needs little help putting together a preppy-chic mix of a green cardigan, purple shirtdress and flat thongs (her endless tan legs only make matters easier). Victoria Beckham lives up to her posh rep in a ruffle-trimmed Marc Jacobs shirtdress, hot pink Versace platforms and a Birkin. Others, like Kate Hudson and Mandy Moore, take a more relaxed approach to sweltering temps, relying on loose-fitting black-and-white ensembles. But trust Jennifer Lopez to add extra sizzle to an already steamy season: On a shopping spree in Spain, the new mom donned a siren red Dolce & Gabbana dress and chunky silver cuffs. Talk about heatstroke.



Kate Hudson in a Rag & Bone shirt with son Ryder.

Mandy Moore in a Rachel Pally dress.



Victoria Beckham in Marc Jacobs with son Cruz.



Nicky Hilton in Diane von Furstenberg.



Salma Hayek in a Gucci T-shirt.



Elle Macpherson

MACPHERSON AND DUNST PHOTOS BY BAUER-GRIFFIN; ALL OTHERS BY INFOTEC.COM

August 2008

InStyle

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* Retail Buyer Opinion Study: Measuring Magazines Impact at Retail 2008

** MRI Spring 2008

*** March-May 2008 comScore Media Metrix

**** ABC Rapid Report, July 7th 2008

Ladies First

The latest crop of accessories designers are women with a flair for detail.

— Fashion Editor: Shoshanna Fischhoff



▲ Sylvia Toledano's minaudière.



ANNE BEZAMAT

Backstory: Bezamat is definitely familiar with the fashion game. At 13, she was launched into the international modeling scene when a photographer snapped a few shots of the French beauty on the beach. "I traveled a lot," she says. "I did all the shows in Paris and Milan, and I worked for every magazine, every designer and photographer — Mr. Penn, Scavullo, Herb Ritts, Patrick



PHOTO BY GEORGE CHINSEE

Demarchelier." Her whirlwind modeling career lasted throughout the Eighties, and, when she left modeling, her family became her focus. She now has two sons, aged 14 and 16. So she kept her childhood passion for drawing on hold. Last year, however, a Brazilian jewelry designer asked her to do some sketches.

Ultimately, that collaboration didn't pan out, and Bezamat was left with a bounty of unrealized designs. "A friend of mine saw the drawings I had done for the jeweler and told me, 'She did you a favor. Just do it yourself,'" says Bezamat, who took her friend's advice and started producing the collection eight months ago.

Collection: "It's very French bohemian chic," says Bezamat of her brushed bronze and sterling silver necklaces and pendants, some engraved with French sayings about love ("Toi et moi," "Je t'aime moi non plus"), all clasped with small fleur-de-lis. "It reflects my roots and my travels." Bezamat uses semiprecious stones such as turquoise, carnelian, blue topaz and cognac diamonds, as well as crystals "for good energy." The collection consists mainly of necklaces, most of which come with a chain and a velvet cord for versatility, and the designer plans to add rings and bracelets.

Stats: Wholesale prices range from \$150 for an engraved, brushed bronze necklace, to \$400 for a carnelian fleur-de-lis in silver. Anne Bezamat is available at Scoop, New York and East Hampton, and annebezamat.com.

— Jessica Iredale

▲ Anne Bezamat's pendant necklace and ring.

VOUELLE

Who: Designer Michelle Boor and business partner Melissa Regan de Vogele.

Backstory: For Boor, a former senior designer for Theory, and Regan de Vogele, a former finance executive, exercise helped acquire not just a fit physique, but a nascent accessories empire. The American-born pair met several years ago while working out at a gym in Paris. "I had moved there to do something new, although I didn't have a job at the time," explains Boor, who attended the Fashion Institute of Technology and was, she says, looking for inspiration in the City of Light (Regan de Vogele was living there with her French husband). The pair bonded over a mutual love of fashion, especially shoes.

Collection: "I see our shoes paired with jeans and a sexy T-shirt, and also on the red carpet," Boor says of the line's versatility. To wit, mixed in with the va-va-voom stilettos are sweet slingback ballet flats.

Stats: After partnering with Galeries Lafayette and Printemps for their first collection, Boor and Regan de Vogele are selling Vouelle by private appointment out of their Paris showroom, as well as in boutiques in California, Switzerland and Italy. Wholesale prices range from \$230 to \$600.

— Sarah Haight



▲ Vouelle's high-heeled shoes.

Michelle Boor and Melissa Regan de Vogele



PHOTO BY THOMAS ANNIACCHONE

SYLVIA TOLEDANO

Backstory: A former painter who studied design at the Cours Bercot in Paris, Toledano began crafting crystal-crusted minaudières earlier this year, after her own search for an evening clutch ended fruitlessly. "I love to go out and dress up, and [since] I didn't find [a] minaudière I really loved, I made the first one for me, and then a second one, and a third," Toledano says. "All my girlfriends wanted some, and the collection started."

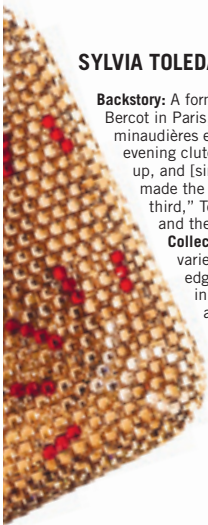
Collection: The limited edition minaudières feature varied whimsical motifs, from a cheery panda to an edgy skull, even the Indian god Ganesh, all studded in Austrian crystals. An added touch? "I think it's always convenient to have a little pen when you go out," says Toledano, "so I made [one] with matching crystals to go inside each bag."

Stats: Sold at Le Bon Marché Rive Gauche in Paris, the line will be available at vivre.com beginning in August. Bags wholesale for \$600.

— S.H.



PHOTO BY DOMINIQUE MARTE



Gucci Girl

WHILE SHE CHOSE not to use her famous surname on the label of her luxury handbag line, AG Limited Editions, there is no doubt that Alessandra Gucci is deeply influenced by her family's well-documented past. Gucci, 32, peppers her conversation with references to those relatives who shaped her the most while growing up: her late father, Maurizio, and her late grandfather Rodolfo, who built Gucci (founded by his father, Guccio) into a major luxury label. The designer has inherited their passion for leather goods, even naming her three handbag styles after the two men and herself.

Of course, the Gucci family is well-known for more than just luxury goods. In 1998, her mother, Patrizia Reggiani, was convicted of hiring a hit man to kill Maurizio, and Guccio herself is understandably reluctant to discuss this difficult chapter. "I think people already know about my past, and my company is a new story," she says. "I didn't want to even call my company Guccio, because I wanted to create my own brand, and do the job by myself."

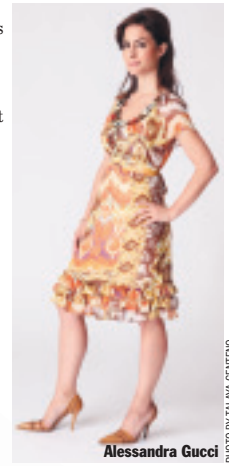
To that end, the alligator bags infuse classic chic with feminine fancy: Each style gets a small splash of colorful Swarovski crystals. Handmade by a Milan-based artisan with past ties to the Guccio company, the bags come in three colors, pink, blue and the multihued "jungle." Since alligator reacts to dye in "unexpected and extraordinary ways, each piece is unique," Guccio says. Wholesale prices range from \$6,665 to \$10,134 for the limited edition of 99 bags.

Guccio, who is based in Saint Moritz, Switzerland, launched the collection earlier this year after stints at Gilli handbags and Ungaro. She spent two years preparing her line. "I wanted to be sure [of the product]," she says. "This is a tribute to my family, which has passed on to me a deep love for quality, elegance and luxury." The bags are being sold through 10 Vendôme, the Paris-based consulting service. On the challenges of launching such a venture during a tough economy, she notes: "We must put ourselves to the test [and] differentiate ourselves."

Going forward, Guccio has her eye on other product categories, such as shoes and gloves, but expects to do only limited editions.

As for the company her family built, "Guccio is a giant now," she says. "I want to remain niche, and the images are entirely different. We can easily coexist."

— Luisa Zargani



Alessandra Guccio PHOTO BY TALAYA GENTENO

NUN

Who: Jennifer Nuñez de Villavicencio

Backstory: If it weren't for a cross-country trip to Tucson, Ariz., when she was still in college, Jennifer Nuñez de Villavicencio would be swimming with the fishes now — literally. She was a student at the University of Massachusetts Amherst studying marine fisheries when she dropped out to go west with her then-boyfriend.

"I started working with this woman there, who made Navajo jewelry," recalls Nuñez de Villavicencio, "and it just clicked." Since then, she has worked with a number of smaller jewelers and metalsmiths including Neal Rosenblum and Steve Sarnecki. Fall sees the launch of her first solo collection, Nuñ, done exclusively in 20-karat gold with the artisans at Gem Palace.

Collection: "I want to push the envelope with metalwork," says Nuñez de Villavicencio. To that end, her collection features 20-karat gold manipulated into intricate patterns — latticework bracelets and rings, for example — some of which include mobile features, like shifting panels. The core influence behind the line is architecture, especially from Cuba, where her grandfather managed the famous Fifties luxury department store El Encanto. In a nod to her Cuban heritage, she's mined everything from the country's Spanish tiles to its wrought-iron gates.

Stats: Wholesale prices for the collection range from \$1,000 for earrings to \$4,500 for the more complex bracelets. Store accounts are in the works.

— Venessa Lau



PHOTO BY JOHN AQUINO



▲ Nuñ's necklace, ring and earrings. ▶



◀ AG Limited Editions bag.

ACCESSORIES PHOTOS BY GEORGE CHIRISE AND THOMAS IANMACCONE

Miley Time

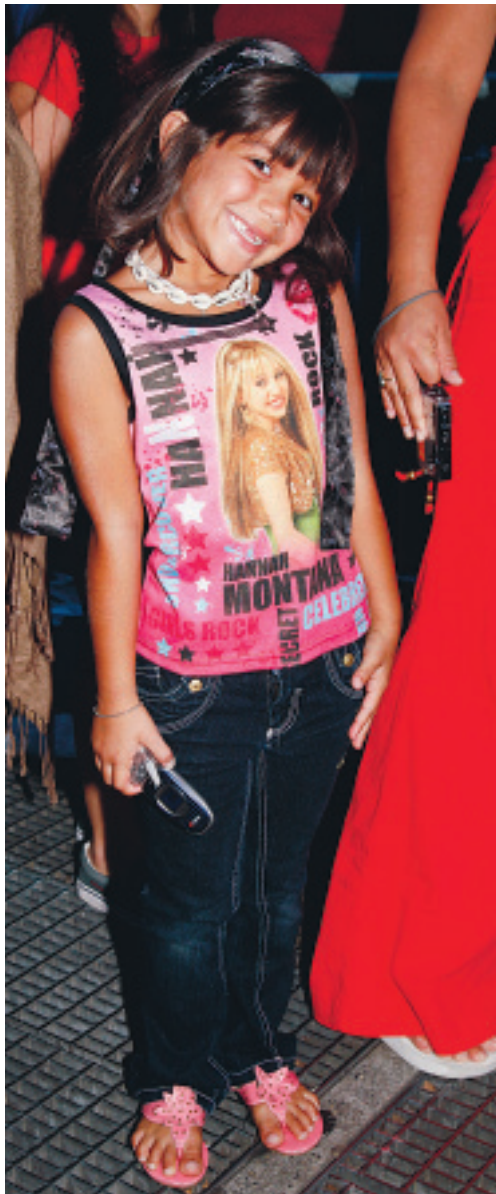
IF YOU WERE ANYWHERE NEAR BRYANT Park just after dawn on Friday, you probably saw them: herds of little girls, skipping down sidewalks in denim HotPants, clutching their mothers with one hand and a homemade sign with the other, glitter trailing in their wakes. The tweens — along with a number of their stroller-bound siblings and coffee-swilling parents — had descended on Midtown by the thousands, many having risen as early as 3:30 a.m. to see Miley Cyrus strut onstage for the “Good Morning America” summer concert series. As a line snaked around the park (“Just because you’re pregnant doesn’t mean you can cut!” shouted one police officer to a sneaky mom), Cyrus’ pint-size fans compared carefully selected duds and hummed tunes from their heroine’s new album, “Breakout,” due out on July 22. “She sings the best songs ever,” sighed Amanda Cristo, 12, who had trekked from the Bronx and had chosen a pair of black leggings and a white tunic with silver sequins (“Miley wears a lot of sequins,” she explained). “I just love her music, and she’s so real,” said Marlena Prast, 13, from Wallingford, Conn. Prast was wearing what appeared to be the uniform of the day: denim shorts (cut high on the thigh), a jersey tank top and bejeweled flip-flops, topping off the look with a pair of white plastic sunglasses. “She dresses like this all the time,” her father said, though Prast noted that, since she wears a uniform to Catholic school during the year, this particular outfit was special. “I picked it out two nights ago,” she said.

Elsewhere in the crowd, sisters and best friends nervously huddled together, comparing Miley-emblazoned shirts. “I got this from Limited Too,” explained Sarah Norris, nine, from Chester, N.J., of her Cyrus T-shirt, which she paired with a flowered miniskirt. “My mom took me shopping for it.” Five-year-old Naia McGinn, wearing a bright pink Miley T and ruffled pink miniskirt, quietly sang Cyrus’ hit song “The Best of Both Worlds” into the ear of her blonde Miley Cyrus doll; of her outfit she said, “My mom picked it out.” Clad in a white T heat-pressed with Cyrus’ smiling face and dusted with pink sparkles, Kaitlin Miller, eight, from Connecticut, said she takes inspiration from her bedroom wall when planning outfits: “I have two posters of Miley at home, and I like to look at her clothes,” Miller said. “They’re, like, springy and bright.”

If the preteen set was uncomfortable with Cyrus’ recent controversial photo shoot by Annie Leibovitz, you wouldn’t know it by talking to them (“Mommy, what’s Vanity Fair?” asked one nine-year-old, a purple boa tied around her neck). “She does the right thing at a young age, and she doesn’t have a big head,” said Kelsey Graham, 13, from Williamstown, N.J. “I like her because she’s a good person.” Kayla Vera, 10, from the Bronx, who wore a sequin-covered newsboy cap she bought at Claire’s, took Cyrus’ appeal a step further. “She, like, expresses herself by saying nobody’s perfect,” Vera said. “She’s saying that even she’s not perfect, so you don’t have to be, either.”

Being of driver’s-permit age didn’t stop a slew of teens from showing their Miley love (the singer herself, after all, turns 16 in November). “Her songs are different,” said Anna Blazejowskyj, 16, while Brianne Strnad, 15, adjusting her pearl necklace, said, “I really like her TV show.” As the line slowly inched forward and chatter turned to Cyrus’ own wardrobe (“Miley can wear, like, a yellow sock and a red sock,” Vera explained solemnly to the friend next to her, “but she still makes it look supergood”) a gaggle of just-arriving adolescents, their hair pulled into matching side ponytails, stopped, stared at the crowd before them, and began to wail. “Next time,” muttered a father as he tugged the girls along, “we’re getting here the night before.”

— Sarah Haight



They Are Wearing®





Legwear/Accessories Report

Estate Jewelry Keeps Giving

By Sophia Chabbott

The intrinsic value and emotional appeal of estate and vintage fine jewelry are providing shelter in the stormy U.S. economy.

As some clients pull out of the turbulent stock market, dealers across the industry report that business, especially the top end, is healthy and growing because of customers from China and Russia and fresh interest from young American connoisseurs.

Consumers aren't simply buying for posterity or for safekeeping in a vault, they are wearing the jewelry, said Stephen Feuerman, co-founder of estate and contemporary jeweler Stephen Russell, which opened a 1,400-square-foot store this spring at 970 Madison Avenue in Manhattan that is double the size of its former Madison Avenue boutique.

"When it's the right piece, money is no object," said Feuerman, adding that the new store has brought in more clients that are serious about spending millions of dollars on one or more pieces in the firm's rarefied collection.

Prices for items in Stephen Russell start at about \$4,000, but there are many pieces in the \$3 million to \$4 million bracket.

"We would consider opening another store if we could find the merchandise," added Feuerman.

Lee Siegelson, owner of Siegelson, which specializes in rare vintage jewelry, said, "There are areas in the jewelry world that are suffering. But there's still a lower supply of good vintage jewelry out there for people to choose from. Those pieces are still what collectors are selecting. Great design doesn't go out of style or demand."

Ellen Israel, co-owner of Kentshire, with three locations in New York, including a Madison Avenue flagship and a leased department in Bergdorf Goodman, is surprised that business has been so "perky."

"Obviously, we deal with people that are more insulated

from the general economy," she said. "But the good news is that the state of the estate jewelry business is extremely healthy. People realize the intrinsic value, the iconic styles, and they love to express their personality through these pieces. You don't see these things on everyone."

Even Van Cleef & Arpels' vintage business is burgeoning. Van Cleef has been actively acquiring its old designs through auctions and private sellers for a while in order to grow its Place Vendôme-based Museum Collection and to also sell the goods.

"It's a several-million dollar business for us, and its growing by double digits," said Emmanuel Perrin, the brand's president and chief executive officer in North America.

Auction houses including Christie's and Sotheby's have experienced record years of fine jewelry sales, as well.

In 2007, Bergdorf Goodman increased its vintage jewelry component by adding Leighton and Siegelson as vendors.

"It's another layer of the business, particularly right now," said Ed Burstall, the specialty store's senior vice president and general merchandise manager for nonapparel. "There aren't that many clearly defined trends in the market and that's part of the reason vintage jewelry is standing out right now. The [Leighton and Siegelson] customer wants an important piece that has stood the test of time."

Although the supply has shrunk, "the demand is ever larger," said Ralph Esmerian, a fourth-generation family jeweler and art collector. Esmerian, in addition to running his own firm, R Esmerian, acquired famed estate jeweler Fred Leighton in 2006 in cooperation with lending partner Global Asset Based Finance Group, a division of Merrill Lynch.

Esmerian has been in litigation since March when he tried to halt the auction of fine jewelry and gems he used as collateral on a loan from Merrill Lynch that soured. In doing so, he filed Chapter 11 bankruptcy protection for Fred Leighton Holdings in April. However, he said business is strong for both his namesake company and Leighton for signed pieces by the likes of the great jewelry artists such as Jean Fouquet, Rene Boivin and Suzanne Belperron.

"People that once held their noses up at this 'old stuff' are now taking an interest," Esmerian said. "Art, of course, is so big, and so important in terms of social recognition and climbing the ladder that there is a new and greater interest in estate jewelry in the past 10 years."

Esmerian said that clients from China and Russia, newly empowered by the fast-growing economies in those countries, are seeking signed vintage jewelry by well-known jewelers. In addition, he is "overwhelmed by the amount of Americans that are buying" and that many of his newer clients have pulled out of the stock market and are looking to invest in art and fine antique jewelry.



Siegelson's Art Deco necklace.



Stephen Russell's new Madison Avenue store.

Ippolita Toasts Rosé as Economic Tonic

Ippolita, which received a cash influx last year through an investment by private equity fund Castanea Partners, is taking steps to safeguard and diversify its business in the troubled economic climate.

Last year, the company launched Ippolita 925, its first silver line, joining its existing 18-karat gold line. The silver line features electroplated, hammered silver bangles and gemstone rings and retails for \$175 to \$1,800. The Ippolita 18-karat line sells for \$295 to \$25,000.

With the jewelry industry worried about how soaring metal prices will hurt business, the designer has introduced a bridge line called Ippolita Rosé, a pink hue sterling silver collection. The namesake jeweler isn't a trained metallurgist, but she created a "secret recipe" alloy of silver, with some rose gold, to produce the collection that retails from \$195 for a pair of hoop earrings to \$950 for an oversize rock crystal pendant.

Rose gold, which is essentially an alloy of yellow gold combined with copper for a pink effect, has been popular among jewelers in the last few years. They say its warm color complements most skin tones. This collection is a more pale pink than traditional rose gold.

"I really loved the color, but I didn't want to cannibalize my goal," said Ippolita, who goes by one name. "I'm espoused to the idea of keeping the gold in its own world without pitting it against other colors. [The Rosé] is a more fashion-forward, feminine look."

Ippolita Rosé hits Neiman Marcus stores exclusively in August. Next year, the brand has plans to open up to additional wholesale accounts. Industry sources estimated the Rosé collection could bring in \$2.5 million in sales this season. The silver line, which was launched in 15 Saks

Fifth Avenue doors, will have a wider distribution into 55 doors, including Neiman Marcus. The gold line is sold in more than 100 specialty and independent U.S. stores.

The Ippolita Rosé line will be merchandised in its own separate case in each store, alongside the gold and silver lines, which have their own respective cases.

"The amazing thing about this concept is that it's a slightly higher price point than sterling, but it also incorporates the gold," said Ippolita chief executive officer Lauren Sharfman. "It's a price point opportunity. It gives Ippolita the opportunity to use a lot more metal and not to limit herself."

— S.C.



Pieces from Ippolita's Rosé line.

Bracelets from the Restoration Rocks collection.



Building Blocks

As the old adage goes, one man's trash is another's treasure. Just check out the new jewelry collection from the Guggenheim Museum, called Restoration Rocks, being presented Wednesday at a media reception. It's made out of concrete salvaged from the institution's renovation — a three-year project ending next month — which has revamped everything from the exterior facade to the bathrooms and elevators. The line is the kickoff project to commemorate the Guggenheim's 50th anniversary next year.

Indeed, what better way to celebrate Frank Lloyd Wright's iconic spiraling structure than with a lineup of scaled-down sculptural shapes? The collection was designed in collaboration with California jeweler Cara Tilker, who was given 300 pounds of concrete from the building's exterior renovations for the project. Tilker, known for her C-linea line that encases flotsam in plastic, has applied the same technique here, embedding each fragment in a polyurethane resin mold and sanding it down to create a slightly Space Age-looking "gemstone." The resulting bauble is then set in sterling silver — or, by commission, in 14-karat gold — for an eight-piece lineup of bracelets, rings, cuffs and necklaces. Prices for Restoration Rocks, sold exclusively in the museum boutique and at its online store, start at \$175 and go up to \$4,350.

"I took inspiration from the space itself," said Tilker. "I walked through the museum, took notes and did drawings. My ring takes the shape of the skyward rotunda. I designed a bracelet around the fountain downstairs, which has an eye shape to it." It goes without saying that Tilker also made ample use of the building's spiral motifs.

This isn't the first time Tilker has been involved with Lloyd Wright's work. In 2002 she created similar pieces using concrete from the architect's famous Fallingwater home outside of Pittsburgh during its restoration. And the Guggenheim certainly isn't the last of her renovation trash-turned-treasure projects. She has already been contacted by a number of other organizations, including Boston's Trinity Church, looking for a little restoration memorabilia.

— Venessa Lau

FINDINGS

YURMAN'S GOT EYES:

David Yurman hosted an intimate gathering at his rooftop office in New York's TriBeCa

neighborhood last week to fete the launch of his eyewear collection, produced in collaboration with the Legacie division of B. Robinson Optical. As DJ Coleman spun Stevie Wonder hits, editors perused the collection along with Yurman, who marveled at the precision involved in crafting eyewear.

"The Japanese [eyewear makers] are perfectionists," Yurman said. "They're really machinists and engineers, measuring things to the 10th of a millimeter."

Featuring Yurman's signature silver and gold cables and buckles, as well as fine diamonds and semiprecious stones, eyewear styles such as the Waverly, Mosaic and Albion will hit Yurman boutiques, fine optical retailers and select department stores for fall. The collection will wholesale on average from \$150 to \$400, while some pieces that include fine diamonds will fetch up to \$5,000.

NEW CHIEF: Swiss luxury watch brand Jaeger-LeCoultre has appointed Gina Gates-Misrach to be its North American president, reporting to the brand's chief executive officer, Jerome Lambert. Gates-Misrach has almost two decades of experience in the luxury watch business. For the last nine years, she was director of sales and marketing in North America for Jaeger-LeCoultre. She succeeds Ronald Wolfgang, who will continue to advise Jaeger-LeCoultre.



Sunglasses from the David Yurman Eyewear collection.

September Falls Flat for Most Mags

September is the make-or-break month for fashion magazines. This year, there will be more broken than not. Write it off to a troubled economy, dramatic erosion in consumer confidence and unpredictability in the stock market. According to Publishers Information Bureau, ad pages declined 6.4 percent for magazines in the first quarter and 8.2 percent in the second quarter of this year compared with 2007. And by the looks of ad page performance through September, those declines are likely to continue. Some of this year's declines reflect hangovers from the giddiness of September 2007, when many titles, including W, Harper's Bazaar, Glamour and Vogue, touted the biggest issues in their histories. But this year, even with additional paging that some of the Hearst Magazines and Condé Nast titles receive from their corporate marketing programs, "30 Days of Fashion" and "Fashion Rocks," respectively, most publishers were not able to beat last year's ad page performance.

Based on publishers' estimates, the few magazines that will print fatter September issues this year include Elle, which added 26 pages to its September edition, its largest ever at 420 pages. Elle's year-to-date pages are 1,802, up 6.6 percent. Lucky, which welcomed new vice president and publisher Gina Sanders in January, increased pages 7.2 percent in September, to 299. However, pages year to date through September declined 8 percent, to 1,184. Marie Claire added eight pages to this year's September issue, which carries 178 ads. Year to date, Marie Claire's pages are down 3 percent, to 943. Harper's Bazaar managed to increase ad pages nearly 3 percent, to 373, and for the year has increased paging 7 percent, to 1,410. Bazaar's luxury and accessory advertising has remained steady, and the magazine has seen gains from travel. The fashion title also spun off "Runway Report," covering looks from the fall fashion shows in New York and Europe, and 10 of the magazine's 81 pages of advertising will count toward its September page count. The title joins a growing competitive list of runway-oriented spin-offs and will hit newsstands July 29 with 100,000 copies and an addi-

tional 100,000 to targeted subscribers.

Most of the larger fashion and lifestyle titles saw September issues shrink. At Vogue, senior vice president and publishing director Tom Florio and his team attempted to top last year's record-breaking 725 ad pages. Instead, this year's September carried 50 fewer pages. Year to date, Vogue's pages have declined 4 percent. At Glamour, pages for its September issue fell 10.6 percent from last year, while year-to-date pages have fallen 10.5 percent. "For us, 2007 was a 20-year high, so to be down 10 percent from the best issue in the last 20 years, we're OK," said senior vice president and publishing director Bill Wackermann. In Style is down 13.7 percent in September, to 341 pages, and off 11 percent, to 1,969, year to date. W is down 17.7 percent in September, to 396 pages, and year to date is off 7.1 percent.

Vanity Fair reported a 5 percent drop in pages for its September issue, to 335, and a 12 percent drop in ad pages this year compared with 2007, when Vanity Fair produced its July Africa issue. It featured guest editor Bono and 20 separate celebrity covers, an event that advertisers clamored to be a part of. "The Africa issue picked up 55 pages of business that we didn't normally carry," said Edward Menichesi, the magazine's vice president and publisher.

Among the teen titles, Teen Vogue reported a 19 percent drop in ad pages. Nevertheless, said publisher Laura McEwen, who succeeded Sanders when she moved to Lucky, the magazine has broken new ads from Nike, Burberry and Shiseido. Year to date, pages are off 5 percent through September, to 814.

For the men, Men's Health reported a 14 percent decline in September's ad pages, after last year's largest September in the magazine's history, while Details posted a 8 percent loss in pages, as it received fewer pages from Condé Nast's "Fashion Rocks" supplement than it acquired last year. Maxim, who did not provide numbers to WWD by deadline, could be down as much as 15 percent in ad pages contracted for its September issue, according to a magazine insider.

— Stephanie D. Smith

AD PAGES, AS OF SEPTEMBER

	SEPT. 2008	% CHANGE	YEAR TO DATE	% CHANGE
Allure*	215.0	0.8	1,159.0	-5.7
Cosmopolitan**	183.0	-3.2	1,182.0	-13.2
Elle	420.0	6.6	1,802.0	6.0
Essence	126.1	-11.9	949.6	-5.3
Glamour*	256.8	-10.6	1,295.0	-10.5
Harper's Bazaar**	373.0	2.7	1,410.0	6.9
In Style	341.0	-13.7	1,969.0	-11.4
Lucky*	299.0	7.2	1,183.8	-8.2
Marie Claire**	178.0	4.7	943.0	-3.4
Self*	162.0	5.3	974.7	0.3
Shape	133.3	-10.0	1,102.9	-5.8
Town & Country**	197.7	-4.3	1,080.5	-1.1
Vanity Fair*	334.6	-5.4	1,294.9	-11.9
Vogue*	673.8	-7.1	2,204.1	-3.9
W*	396.0	-17.7	1,434.0	-7.1
Women's Health	83.8	0.5	537.0	18.1
Seventeen**1	123.0	2.9	608.3	-5.1
Cosmogirl**	96.0	-11.4	457.4	-14.6
Teen Vogue*	198.4	-19.3	813.6	-5.0
Best Life	79.8	-14.9	391.9	6.1
Details*	238.0	-8.1	845.0	-1.5
Esquire**	—	—	—	—
GQ*	259.3	-5.5	1,074.4	-3.5
Maxim	—	—	—	—
Men's Health	132.8	-14.3	687.7	-13.1
Men's Journal	129.4	9.7	921.9	11.0
Men's Vogue*	151.8	-17.2	451.6	-4.3

SOURCE: PUBLISHERS' ESTIMATES. NOTE: ESQUIRE AND MAXIM DID NOT PROVIDE FIGURES TO WWD BY DEADLINE
 *INCLUDES PAGING FROM "FASHION ROCKS"
 **INCLUDES PAGING FROM "30 DAYS OF FASHION"
 1 ELIMINATED JANUARY ISSUE IN 2008; 2007 FIGURE DOES NOT INCLUDE JANUARY

MEMO PAD

TRIEFUS TO GUCCI: Gucci has tapped Robert Triefus for the newly created position of worldwide marketing and communications director, effective today.

Triefus, 46, spent the past nine years as executive vice president of worldwide communications at Giorgio Armani SpA, and at Calvin Klein prior to that. He reports to Mark Lee, Gucci's chief executive officer. Triefus' appointment confirms a WWD report on July 3.

"I'm delighted to welcome Robert Triefus to our worldwide senior management team," Lee said. "His credentials speak for themselves and underline his reputation as one of the most experienced and well-respected executives in our industry, and someone who brings with him a broad and important perspective on the management and enhancement of brands." — Alessandra Ilari

L.A. DODGING: The steady marches out the door of The Los Angeles Times — of editors, publishers and literally hundreds of laid-off employees from the newsroom and beyond — lately have been contrasted with a small but purposeful number of arrivals. They're going to the soon-to-be-relaunched and already controversial monthly magazine, which has been quietly staffing up under Annie Gilbar, who a spokeswoman for the Times confirmed will serve as editor. The editorial team so far includes familiar names in the glossy magazine world, among others: Celebrity stylist Lori Goldstein began as fashion director on July 1 (though she is not working in the office full-time), and several former House & Garden staffers are either on staff or contributing part-time, including former Tasty Tastemaker columnist Mayer Rus, contributing food editor Lora Zarubin and contributing senior editor Paul Fortune, according to several sources. The launch date is September.

The caliber of the hires so far indicates a bid for legitimacy in the luxury space, and presumably the investment that goes along with it. But the magazine will compete for ad pages with a similar, long-planned effort the Wall Street Journal is launching at the same time (also with ex-House & Garden staff), and The New York Times' T magazines, the latter of which have

already brought in significant revenue in a grim newspaper landscape. It also comes at a time when even the most established glossies are twisting arms to meet their numbers.

The staff is working out of former Recyclers Classifieds space — vacated after the Times sold its classified circulars last year — geographically separate from the newsroom and without its input, sources said. In June, The New York Times reported that executives were planning to put the newspaper's struggling monthly magazine under the publisher's editorial oversight, and a mild outcry about journalistic ethics, tempered by the long-grave state of affairs, ensued. Last week, the newspaper's publisher, David Hiller, left under apparent pressure from the new chairman of parent company Tribune Co., Sam Zell. Hiller had been associated with the plans for the magazine, but the spokeswoman said Gilbar would answer to the newspaper's president, Jack Klunder, and that the magazine would be under the Los Angeles Times Media Group. Like Hoy and Metromix, she said, it would be separate from the domain of Los Angeles Times editor Russ Stanton.

Klunder and Stanton did not return calls, nor did the magazine's publisher, Valerie Anderson, who had been director of fashion advertising and associate publisher of an earlier incarnation of the newspaper's Sunday magazine. The spokeswoman also said, "Annie Gilbar has been contracted by Los Angeles Times Media Group to undertake a new approach to the Sunday magazine business. She's assembling a team from fashion, interior design, culture, food and more to produce exciting issues for the latter part of the year. Stay tuned."

The spokeswoman initially claimed to be unaware of the hires; several switchboard operators at the Times said there was no Annie Gilbar working there, and late last week, staffers were instructed in a sternly worded memo not to speak with the press during an announcement.

The New York Times also had reported that Stanton requested that the name of the magazine be changed from The Los Angeles Times Magazine, arguing that it would "lend the newsroom's credibility to a product it did not control." Sources at the magazine said the name is still being determined, but at least one staffer is using The Los Angeles Times Magazine in an e-mail signature. — Ivin Carmion

FACING THE MAINLAND: Hong Kong-based luxury retailer Lane Crawford is pitching consumers in Mainland China, both through a Beijing flagship it opened last year and a new advertising campaign. Lane Crawford is featuring Chinese celebrities in its ads for the second consecutive season — a concept it calls a "continuous exploration of individual style and the transforming power of fashion."

For the new fall-winter campaign, called "the iNNOVATORS," China Chow, fellow actress Zhang Jing Chu, model Emma Pei and actor Song Ning are taking to the studio. Pop music producer Zhang Yadong, photographer Victoria Tang and contemporary artist Terence Koh round out the eclectic cast. Inez van Lamsweerde and Vinoodh Matadin shot the ads while Joe McKenna styled. The campaign breaks in September in several titles including Vogue China, the Hong Kong and Chinese editions of Elle and Harper's Bazaar as well as W in the U.S. — Amanda Kaiser

CORRECTION: Domino magazine's Web site is dominomag.com. This was incorrect in an item on page 13, Friday.



Victoria Tang behind the scenes of the new Lane Crawford campaign.

Emma Pei behind the scenes of the Lane Crawford campaign.

Innerwear Report

Curve's 2nd Pitch Set for August

By Karyn Monget

The second edition of the CurveNY lingerie trade fair in New York next month will take place in a new venue and as U.S. economic weakness creates challenges for the 220 exhibitors and more than 1,500 retailers looking to sell and buy spring lingerie.

CurveNY edition, along with its up-and-coming designer component, Lingerie Boutique, is scheduled for Aug. 3 to 5 at the Jacob K. Javits Convention Center, where two other trade shows, Accessories Circuit, an upscale accessories fair, and Intermezzo, a contemporary women's apparel venue, also will be held. The two fairs are operated by ENK International.

Laurence Teinturier, executive vice president of the show's organizer, CurveExpo Inc., predicted the cross-traffic generated by the Circuit and Intermezzo shows will stimulate business at the lingerie show.

"Whether visitors have ENK badges or Curve badges, they can enter all three shows," she said. A total of 1,576 buyers had preregistered and Teinturier said she was pleased by the turnout.

"We also launched a new system on our Web site two weeks ago in which buyers can make appointments online with exhibitors," she said. "But there is a level of privacy because we don't know which stores are making the appointments. It's important to know how many stores are coming and it's a way for us to push the retailers to the brands."

She added, "In spite of the current [difficult] market conditions, the companies are moving forward with immediate deliveries, replenishment programs, attractive pricing and, foremost, fashion."

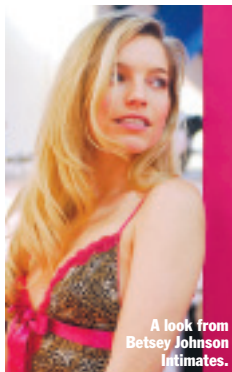
Teinturier said buyers will have access to travel amenities, including preferred hotel rates through the ENK travel Web site, enktravel.com, and retailers will have access to ENK shuttles from the Javits center to Penn Station, Grand Central Terminal and all major hotels in Manhattan. She added that a Curve shuttle will drive lingerie buyers to and from the Javits center and intimate apparel showrooms.

Many events have been planned for the three-day lingerie show: CCB, the Curve Catwalk Breakfast that will showcase 80 brands at 10 a.m. on Aug. 4., and a seminar by Wacoal America titled "411 Fit Solution." Hosted by Wacoal's national spokeswoman, Liz Smith, the seminar will take place at 3 p.m. on the same day and will focus on wardrobe solutions.

"This will be our first catwalk show and it will be followed by others in the future," Teinturier said. "It will give buyers an overview before they go to their appointments. More than 170 stores have already RSVP'd. What will make the seminar entertaining is actors have been hired to play the part of consumers who need solutions for their foundations and wardrobes."



The Commando stand.



A look from Betsey Johnson Intimates.



Here and above: Lace bras from Lejaby.

Delta Galil Adds Tra La La

D2 Brands, the U.S. division of Israel-based Delta Galil Industries, has acquired Tra La La, an upscale foundations brand in Los Angeles.

Zack Salino, president of D2 Brands, said the company had been on the hunt for a new fashion label during the past year, and discovered the four-year-old Tra La La line of bras, undies and daywear in Los Angeles. Tra La La has had a compact business of 50 specialty stores, but Salino said he believes the name can be spun into a lifestyle franchise, including accessories, fragrance and even Champagne.

"We have big plans for this brand," said Salino, noting the spring line will be shown at the D2 showrooms at 6 East 32nd Street in Manhattan during the August innerwear market in New York, as well as at two trade shows: CurveNY in New York, which runs Aug. 3 to 5, and CurveNV in Las Vegas, scheduled for Aug. 25 to 27.

The spring collection of 100 styles of retro Hollywood-inspired bras with coordinating undies and lounge separates by Tra La La were designed with the image of the "It" girls of the Forties and Fifties such as Rita Hayworth, Marlene Dietrich, Marilyn Monroe and Ingrid Bergman, said Kristine Hardig, creative director and founder of the whimsical yet fashion-forward brand.

First-year wholesale sales are projected at \$8 million to \$10 million, Salino said. He noted that distribution initially will be aimed at more than 200 specialty boutiques in the U.S. and the U.K. in 2009, and will be expanded to Canada, Mexico, South America and Asia over the following 18 months.

"The brand positioning is unique because Kristine ran and owned the company, and lived and breathed the brand," Salino said. "There's a real person behind the brand and the vision of Kristine is razor-sharp."

Hardig said, "This is a collection that caters to the lighthearted and adventurous side of all-America sensuality. I would travel to France often and noticed there was a certain sensuality to French lingerie, something companies in the U.S. didn't have. So, I decided to do fashion-forward, body-conscious lingerie for younger women."

In addition to garters, thongs and baby dolls, the collection will "take a flirty wink at vintage French design," she said, and will feature flocked dots and European laces such as delicate eyelash lace trim. Hardig noted that the line will be anchored in satin that will include luxurious all-satin loungewear. Colors include fuchsia, purple, coral, teal, black, nude and pale pink. Bras will be sized 32B to 36C and will retail from \$74 to \$98; panties will be sized XS to L and will be priced \$40 to \$60, and loungewear will sell for \$88 to \$148 in sizes XS to L.

— K.M.



Eyelash lace and satin chemise.





A retro flecked-dot slip.



Tra La La's satin baby doll.

TRALA.LA PHOTOS BY THOMAS IANNAICONE

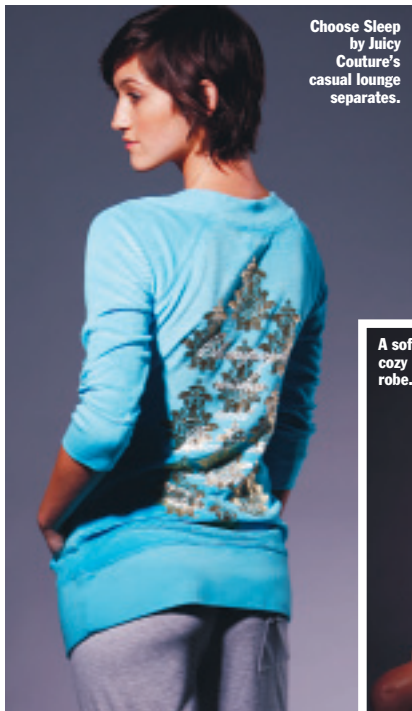



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Juicy Couture Breaks Into the Bedroom



Choose Sleep by Juicy Couture's casual lounge separates.

The first collection of loungewear and sleepwear by Choose Sleep by Juicy Couture Intimate Apparel was introduced this month at 150 better department store doors and 260 specialty stores worldwide.

The retail locations include Nordstrom, Saks Fifth Avenue and Neiman Marcus, as well as freestanding Juicy Couture boutiques in the U.S., which will total 60 at the end of this year.

The collection of nighties, robes, pajama bottoms, sleep tops and undies are rendered in whimsical graphic prints and luxe fabrics, including cotton pointelle Modal and soft woven cottons.

"Like everything else we do with Juicy Couture, these are things that we want to own ourselves," said Gela Nash-Taylor, co-founder and creative director of Juicy Couture, which was established in 1996. "We wanted to design a collection of buttery-soft, cozy, amazing things

to sleep in and hang out in — totally Juicy."

Co-founder Pamela Skaist-Levy, who also serves as creative director of the young contemporary division at Liz Claiborne Inc., said getting into the innerwear business was a no-brainer.

"This category is a natural extension for the Juicy Couture brand, as it's based on casual luxury true to the brand's identity," said Skaist-Levy. "We would like to add bras to the collection in the future. However, timing is indefinite."

Neither Nash-Taylor nor Skaist-Levy would give a first-year wholesale sales projection, but the line of sleepwear and lounge separates should generate \$15 million to \$20 million, according to industry estimates. The line was said to be achieving "double-digit" sell-through during this month's launch.

Asked about their favorite items, the duo singled out cotton poplin pants, feather-light jersey tanks and signature cotton and spandex boyshorts.

The retail price range will start at \$14 for panties and go to \$125 for robes. Sizes will range from XS to XL.

In addition to creating a multimillion-dollar lifestyle brand, the creative directors are constantly expanding its brand franchise with different product categories.

Originally known for the tracksuit, Juicy Couture also does women's and girls' ready-to-wear, shoes, swimwear, timepieces, handbags, sunglasses, jewelry, optic eyewear, small leather goods and women's fragrances. Juicy offers baby gear and an array of doggie accessories. Juicy Couture for Men made its debut in 2003 and includes denim, rtw, accessories, fragrance and sunglasses.

Its luxury collection, Couture Couture, launched last year and is manufactured with premier Italian fabrics designed exclusively for the brand. The focus of the collection is novel design and fine materials, including cashmere, silk and Italian wools.

Internationally, Juicy Couture retail locations can be found in Italy, Japan, Hong Kong, China, Malaysia and Dubai, and it will expand in Asia with 18 to 21 stores by the end of this year, totaling 83 retail locations worldwide.

— Karyn Monget



A soft, cozy robe.



An ingenue cotton baby doll.



featuring boutique lingerie

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Mervyns Future Uncertain as Economy Takes Toll

Continued from page one

A Mervyns spokesman declined to comment.

Credit sources said the factoring arm of GMAC Commercial Finance has stopped approving orders of goods to the chain, which has 177 stores in seven Western states. An executive at GMAC declined comment.

In May, the factoring division of CIT stopped its approval of orders for Mervyns. That left a few factoring firms, which provide finance and credit to apparel manufacturers and take on the risk of payment for client accounts, still checking credit terms. GMAC was among them, as were Wells Fargo and Millberg Factors on a few or-

works sooner rather than later.

Buyers are said to be having a difficult time getting some goods to the stores since the factors stopped approving orders. Some vendors are still waiting to get paid for orders shipped, having undertaken the risk themselves after the factors withdrew, credit sources said. The impact on Mervyns of factors withholding approval is unclear. Since May, many vendors have chosen to ship anyway. However, with others still waiting to get paid, it's uncertain how many orders they will continue to ship.

The expectation since May has been that the retailer could get some much-needed breathing room soon from the sale of

September 2004. The chain said the units reflected "its commitment to maintaining a dominant real estate position in California and the Southwest."

That geographic region appears to be the essential cause of Mervyns' ills. California, in particular, has presented challenges to most retailers, credit analysts said.

The Mervyns stores that are up for sale are in desirable, high-end sites that are rapidly becoming upscale and more affluent than the retailer's typical customer profile, credit and real estate sources said.

Mervyns said in May that it hired DJM Realty LLC to sell those stores, and that the transactions were expected to generate "\$25 million to \$50 million in cash to fund operations and new growth initiatives."

Although the financial sources said additional funding from the sale of the stores should buy the cash-strapped retailer more time, they cautioned that Mervyns would likely continue to be dogged by rumblings of distress because the bulk of its store base is where consumers are feeling the worst pinch.

The 59-year-old chain, which takes pride in being a family friendly department store, named former Levi Strauss & Co. executive John Goodman as president and chief executive officer in March. Goodman



had been president and general manager of the Dockers brand. He replaced Rick Leto, who resigned in December after three years as ceo.

Among the original consortium that bought the chain, Sun Capital is said to have agreed to buy the Lubert-Adler/Klaff stake in Mervyns, although financial sources believe the transaction has not taken place. Spokesmen for Cerberus and Sun Capital did not respond to requests for comment.

Some financial sources said the consortium recouped a good portion of its investment shortly after the purchase through the sale of stores.

One of the bigger deals was in August 2005 when Developers

Diversified Realty and Macquarie DDR Trust formed a joint venture for the \$396.2 million purchase of 36 Mervyns units. After the sale, the venture leased the assets back to Mervyns for 15 years at an annual rent of \$30.5 million.

Of the 36 sites sold, 25 are in California, five in Arizona, five in Nevada and one in Texas. Of the California stores, 12 are in Los Angeles and seven are in San Francisco.

Sources said when DJM Realty sells the five to 10 stores that are targeted, Mervyns' ownership of most of its units will be minimal.

Mervyns stores are located primarily in regional malls, community shopping centers and freestanding sites.

“We are currently advising all clients to hold orders.”

— Bob Carbonell, Bernard Sands

ders. Slowly, however, the factors have chosen to advise clients not to ship.

Credit sources said the department store had consistently returned telephone calls to vendors, factors and credit-checking firms until about a week ago, when all communication ceased. That has left credit analysts and executives at factoring firms nervous, with some wondering if a bankruptcy filing might be in the

five to 10 high-end store sites, or at least enough cushion to get through the important back-to-school selling season and into the fall.

In May, the retailer said 17 new Mervyns stores had opened since a consortium that included Sun Capital Partners Inc., Cerberus Capital Management LP and Lubert-Adler/Klaff acquired the company from Target Corp. for \$1.65 billion in

Fashion Scoops

THE RIGHT MIX: Donatella Versace will have plenty of designer company at the 25th annual Fashion Group International's Night of Stars honoring "The Alchemists." While Versace will pick up the Superstar Award, Christopher Bailey, Francisco Costa, Carla and Franca Sozzani and Christian Louboutin will be the fashion award honorees. Bobbi Brown will take home the beauty prize, Philippe Starck will pocket the one for architecture and Harvey Weinstein will receive the entertainment award. Simon Doonan will host the festivities at Cipriani 55 Wall Street. The corporate leadership award will go to Net-a-porter's Natalie Massenot, while Paul Mitchell's John Paul DeJoria will accept the sustainability award and Bill McComb will do the honors for the humanitarian award on behalf of the Liz Claiborne Foundation.

IN MODEL FASHION: Ben Grimes is the latest model making the transition from mannequin to designer. Grimes, a former face of Burberry's Brit fragrance, has teamed up with her designer friend Lily Parker to launch a capsule collection called LPBG. The collection will focus on silk dresses and separates, and is set to make its debut during London Fashion Week in September.

An image Parker and Grimes use as inspiration for the line.

"We have strived to bring old-school detailing to modern pieces," said Grimes. "There are no full-length dresses in the collection. We wanted the clothes to be more about kicking up your heels and dancing." Grimes and Parker — who has stints at Richard Nicoll's design studio under her belt — also have produced cropped jackets and shorts as part

of their line. Grimes added that the two have taken their inspiration from fashion editorials in Seventies editions of Vogue and the idea of the perfect dress. Prices for the line are yet to be confirmed.

PINAULT, HAYEK SPLIT: PPR chief executive officer François-Henri Pinault and actress Salma Hayek have called off their engagement, which was announced in March 2007. Their daughter, Valentina Paloma Pinault, was born in September. In a statement, Hayek's representative said: "We are sad to announce the engagement of Salma Hayek and François-Henri Pinault has been canceled. There will be no further comment." PPR declined to comment.

BUTTON UP: A year after apparel executives, seamstresses, jobbers and other tradesmen first pooled together to try to save the garment center by wearing pins that said as much, the New York district is still in peril. As a reminder to Mayor Michael Bloomberg and others, activists have advised supporters to dig out their pins as a sign of solidarity. Just last week the CFDA's Steven Kolb, Yeohlee Teng and GIDC's Fatiah Hosein sent letters to CFDA members urging them to e-mail Jed Howbert in the Mayor's Office.

CLIMB EVERY MOUNTAIN: Jim Whittaker, the first American to climb Mount Everest, had some succinct wisdom to impart during a luncheon Thursday at — where else? — the Explorers' Club in Manhattan. What's a mountain climber's first thought after scaling the world's highest peak? "How to get down," said Whittaker, 79, of his 1963 trek. The event was the first of what Eddie Bauer president and chief executive officer Neil Fiske promised would be many more partnerships with renowned outdoorsmen as he seeks to return the brand to its roots. Whittaker will consult with Eddie Bauer on marketing and product development, including a performance expedition line, to launch in April.

CRYSTAL PALACE: Baccarat, the French crystal maker, is getting into the luxury hotel business. The company, which is controlled by Starwood Capital, has announced that it has agreed to build a Baccarat resort in the new Dubai Pearl complex in Dubai. Baccarat artistic director Chasik Gasmir will oversee the project.

Bond No. 9 Revisits Warhol

Niche fragrance marketer Bond No. 9 is going back to Andy Warhol's pre-Pop years in New York with Andy Warhol Lexington Avenue, the third scent in the brand's Warhol-inspired fragrance collection.

The scent is named for the location of one of Warhol's first apartments — at 242 Lexington Avenue in Manhattan's Murray Hill neighborhood — and its bottle features a collage of colorful, high-heeled shoes, graphics that were inspired by the shoe ads he sketched early in his career.

The fragrance will be launched next month, when the artist would have turned 80 years old.

"We wanted to go back to Warhol's beginnings for his birthday, so we looked at the sketches he did when he first got started," said Bond

No. 9 founder and chief executive officer Lauriee Rahme. "It made sense to link shoes and fragrance together, since both are two accessories women care most about. Shoes are like fragrance. It's very personal yet feminine and fun."

Andy Warhol Lexington Avenue will be launched in the U.S. at Bond No. 9 boutiques, Saks Fifth Avenue and museum gift shops. The fragrance will be rolled out a month later to 20 markets, including the U.K., where it will be carried by such retailers as Harrods, Harvey Nichols and Selfridges.

The scent, an eau de parfum, is described as a floral-woody cypre. It was blended by Claude Dir de Givaudan and is composed of top notes of blue cypress, fennel

and cardamom; middle notes of pink peony, Florentine orris, crème brûlée and pimento berry, and base notes of patchouli and sandalwood.

The fragrance will be available in two sizes, a 100-ml. bottle for \$195, and a 50-ml. size for \$135.

For holiday, Bond No. 9 will introduce an Andy Warhol Lexington Avenue limited edition set in a fiberglass shoe, which will feature three 50-ml. pure perfumes in white, fuchsia and lavender bottles. The shoe set will be introduced in November and will retail for \$1,100.

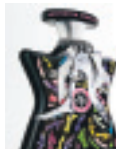
As it did for its second Andy Warhol fragrance, called Union Square, Bond No. 9 will again partner with Warhol jewelry licensee Robert Lee Morris, who will create 400 limited edition sterling silver necklaces fea-

turing four shoe pendants, also inspired by Warhol's shoe sketches. Pendants will feature an engraving of a Warhol quote that reads: "Beauty is shoe, shoe beauty," as well as the Bond No. 9 logo. Andy Warhol Lexington Avenue bottles that come with the necklace will retail for \$575.

According to industry sources, Lexington Avenue could generate up to \$3 million in first-year wholesale sales volume.

A print ad campaign for the scent is scheduled to appear in September issues of W, Interview and The New York Times. The visual was photographed by Duane Michals in 1958 at Warhol's 242 Lexington Avenue home.

— Michelle Edgar



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Financial



The battle for the molded footwear market leapt from store shelves to the courthouse this month when **Crocs Inc.** brought a patent and trade dress lawsuit against **Skechers USA Inc.** According to documents filed in the U.S. District Court for Colorado in Denver on July 10, Skechers footwear using "Nano Lite" foam construction mimics Crocs' designs and logos. The suit alleges that Skechers' Low Tide, Gypsies and Woolly Bully models, among others, infringe on Crocs' designs, as does a cartoon bear used on the rivet of Skechers' foam footwear. Boulder, Colo.-based Crocs' shoes make use of a cartoon crocodile in a similar fashion. Skechers responded to the allegations in

a statement issued by Philip Paccione, executive vice president and general counsel for the Manhattan Beach, Calif.-based company. "We believe that this lawsuit is completely without merit and will vigorously defend ourselves against such baseless accusations," Paccione said.

Costco Wholesale Corp. has been accused of breach of contract by **Clues Fashions Inc.** According to documents filed on July 3 in U.S. District Court in Manhattan, the big-box retailer failed to honor an agreement to ship back 160,000 pairs of ladies' stretch gauchos it bought from the vendor in October 2005. Costco alleged that the goods were damaged by a tape used to package the original shipments and entered an agreement with Clues to return all the garments for repair and reshipment. In its complaint, Clues, based in New York, said that not all of the pants were returned, but that Costco took deductions from the com-

pany as if they had been. Clues is seeking more than \$207,700 for the cost of the goods, interest and other unspecified damages. According to court documents, attorneys for Costco have filed a motion to dismiss the case or move it to the U.S. District Court for the state of Washington, where the company has its headquarters in Issaquah. The company did not return a call seeking comment.

Perfume World Center LLC has been accused of trademark infringement and trafficking in counterfeit goods by **Parfums Grès SA.** According to documents filed July 2 in U.S. District Court in Manhattan, Perfume World Center, a New York-based fragrance store, has sold forged versions of the Swiss perfumer's Cabotine de Grès. Parfums Grès is seeking an injunction to halt further sale of the goods, the disclosure of names and addresses of the parties from whom Perfume World obtained the counterfeit goods, the destruction of all counterfeit

product, legal fees and other unspecified damages. Perfume World Center could not be reached for comment.

Burberry Ltd. sued **Euro Moda Inc., Moda Oggi Inc.** and **John Fanning**, a principal of both firms, in U.S. District Court in Manhattan on June 26. The case alleges, among other items, trademark counterfeiting and breach of a 2005 contract in which Euro Moda and Fanning agreed not to infringe on the firm's intellectual property. "The defendants have continued to sell counterfeit merchandise, including scarves, shirts and hats, that display Burberry trademarks or substantially similar reproductions," the suit said. Burberry is asking the court to enjoin the defendants from reproducing its trademarks, for destruction of all unauthorized products and for damages and profits gained from use of the trademarks. Fanning could not be reached for comment.

— Matthew Lynch

52-WEEK		COMPANIES	P/E	VOLUME	AMT	CHANGE	52-WEEK		COMPANIES	P/E	VOLUME	AMT	CHANGE
HIGH	LOW						HIGH	LOW					
85.77	51.45	Abercrombie & Fitch (ANF)	11.5	21087669	59.30	0.69	27.52	12.10	Jones Apparel (JNY)	0.0	8892536	14.98	2.10
29.00	14.04	Acadia (AKR)	26.6	2089898	22.58	-0.31	39.85	18.11	Jos. A. Bank (JOSB)	9.0	9952539	24.27	1.34
36.02	18.29	Aéropostale (ARO)	17.7	19317355	32.11	1.86	24.61	12.11	Kenneth Cole (KCP)	66.5	535866	14.65	1.82
28.42	20.92	Alberto Culver (ACT)	21.3	3423570	25.36	0.73	71.16	50.42	Kimberly Clark (KMB)	13.4	26583284	54.99	-4.33
2.67	0.90	Alpha Pro Tech (APT)	12.6	112739	1.01	-0.02	47.69	29.00	Kimco Realty (KIM)	25.1	2502491	34.99	1.62
27.96	11.87	American Eagle (AEO)	8.6	36666388	14.44	2.31	67.32	36.81	Kohl's (KSS)	13.2	42084349	42.94	3.83
36.81	18.70	Ann Taylor (ANN)	16.2	13724715	23.82	2.82	28.22	13.89	K-Swiss (KSWSS)	21.0	1215538	16.23	1.40
7.44	2.47	Ashworth (ASHW)	0.0	41808	3.09	0.02	22.99	13.00	LaCrosse Footwear (BOOT)	13.1	2600	15.97	0.75
42.51	31.95	Avon (AVP)	28.0	18289920	36.21	0.97	14.65	9.51	Lakeland Inds (LAKE)	19.4	83477	12.77	0.52
6.96	0.86	Bakers (BKRS)	0.0	53330	1.38	-0.24	27.49	14.41	Limited Brands (LTD)	8.1	27145434	16.38	1.39
15.85	8.81	Bebe (BEBE)	14.2	4829099	10.05	0.81	18.86	7.33	Liquidity Services (LQDT)	29.5	1633924	11.37	0.87
185.97	20.30	Benetton (BNGPY)	0.0	0	22.45	0.18	37.57	11.08	Liz Claiborne (LIZ)	0.0	18286374	12.75	1.31
16.06	3.19	Big Dog (WALK)	0.0	21573	3.98	-1.19	9.95	1.80	LJ Intl. (JADE)	6.2	1149843	2.02	-0.13
7.50	2.45	Birks & Mayors (BMJ)	6.0	22400	2.60	-0.05	60.70	21.25	Lululemon (LULU)	54.2	5171927	28.65	4.90
43.08	26.36	Bj's (BJ)	21.7	14153258	41.08	1.47	39.00	21.22	Luottola (LUX)	16.5	1082052	24.69	2.70
1.50	0.10	Blue (BLUE)	0.0	183765	0.38	0.05	93.45	51.94	Macerich (MAC)	25.3	7092747	56.62	-0.87
9.90	2.05	Bluefly (BFly)	0.0	28031	3.17	-0.30	42.76	14.33	Macy's Inc. (M)	10.5	60788049	18.09	2.51
33.24	4.01	Bon-Ton (BONT)	12.5	1217509	4.99	0.07	20.62	11.01	Maidenform (MFB)	12.6	571634	15.58	2.68
24.91	11.89	Brown Shoe (BWS)	11.2	4133222	14.96	2.20	55.66	15.43	Men's Wearhouse (MW)	8.9	6108108	19.17	2.60
51.70	30.05	Buckle (BUCK)	19.1	2783096	48.52	2.41	23.03	9.12	Marcus (MCS)	22.3	553089	15.11	0.77
19.04	8.00	Caché (CACH)	56.0	863634	13.16	2.54	25.95	8.97	Mothers Work (MWRK)	0.0	48526	11.79	0.87
23.55	7.56	CapitolSource (CSE)	22.2	21681130	11.35	0.83	34.99	17.16	Movado (MOV)	9.6	581319	20.57	1.21
26.24	11.94	Carter (CRI)	0.0	6090866	13.93	0.26	4.25	1.06	Movie Star (FPH)	0.0	56416	1.10	-0.15
13.44	2.95	Casual Male (CMRG)	0.0	956969	4.05	0.25	26.15	19.28	National Retail Pro. (NRP)	9.3	9536134	20.65	-0.22
24.95	12.48	Cato (CTR)	18.6	1631447	18.45	1.21	11.78	3.65	New York & Co. (NWCY)	483.5	4233523	9.70	1.01
37.21	18.69	CBL (CBL)	28.3	8693554	20.81	-0.08	70.60	51.50	Nike (NKE)	15.7	26349652	58.20	1.94
10.60	6.61	CCA (CAW)	10.0	19928	7.02	0.02	3.88	0.50	Nitches (NICH)	0.0	39724	1.20	0.50
5.27	0.75	Charles & Colvard (CTHR)	0.0	170857	0.78	-0.11	53.47	25.67	Nordstrom (JWN)	10.6	29711753	30.03	2.65
24.21	12.27	Charlotte Russe (CHRS)	11.9	2037842	16.89	1.05	6.76	3.20	Orange 21 (ORNG)	0.0	7100	3.31	-0.39
11.08	4.01	Charming Shoppes (CHRS)	0.0	10980795	4.92	0.48	10.35	5.68	Orchids Paper (TIS)	14.2	6005	7.49	-0.02
82.17	55.68	Chattm (CHTT)	17.7	2465941	59.84	-0.40	43.75	17.40	Oxford (OXM)	7.0	1039933	20.36	1.78
43.24	19.63	Cherokee (CHKE)	12.2	278249	21.23	0.35	21.71	7.00	Pacific Sunwear (PSUN)	0.0	13183284	8.26	0.74
21.70	4.26	Chico's (CHS)	18.8	25667294	5.64	0.77	5.56	2.63	Parlux Fragrances (PARL)	22.2	1215145	5.55	0.36
43.92	14.92	Children's Place (PLCE)	0.0	6359083	39.47	4.07	8.66	5.65	Pajules Shirts (SPS)	30.0	11973797	14.0	1.14
17.48	6.60	Christopher & Banks (CBK)	16.7	2042391	7.49	0.60	32.82	12.83	Perry Ellis (PERY)	12.2	1101332	21.57	0.79
40.52	25.15	Cintas (CTAS)	12.7	10361949	27.85	2.12	58.57	30.50	Phillips-Van Heusen (PVH)	11.6	5724254	36.48	3.54
39.25	10.76	Citi Trends (CTRN)	22.5	2028042	21.15	1.27	3.80	1.10	Phoenix Footwear (PXG)	1.4	18668	1.26	-0.14
50.95	23.22	Coach (COH)	14.3	43403487	28.03	3.27	101.83	50.55	Polo Ralph Lauren (RL)	15.7	11471985	62.22	4.56
22.20	3.40	Coldwater Creek (CWTR)	0.0	19666704	6.59	1.73	33.67	17.12	PriceSmart (PSMT)	29.5	636506	23.01	1.28
81.98	63.75	Colgate Palmolive (CL)	22.1	22271115	68.84	-0.35	15.51	5.69	Quiksilver (ZQK)	0.0	10454331	8.74	-0.02
69.59	33.90	Connoisseur (COLM)	10.1	2088720	38.50	4.31	11.32	6.52	R.G. Barry (DFZ)	11.4	22245	7.74	0.04
30.37	11.50	Conns (CONN)	10.7	1175925	17.47	3.12	38.15	18.50	Ramco-Gershenson (RPT)	14.9	949766	19.48	-0.56
75.23	56.09	Costco (COST)	26.2	346401154	72.23	2.40	81.04	51.67	Regency Centers (REG)	25.5	5666534	57.46	1.01
75.21	6.75	Cross (CROX)	5.4	18300063	9.11	1.32	16.37	3.29	Retail Ventures (RVI)	1.0	367394	3.60	-0.01
12.30	6.12	Culp (CFI)	15.8	59772	6.62	-0.19	1.29	0.67	Revlon (REV)	19.7	5711638	0.74	-0.01
1.72	0.11	Cygné Designs (CYDS)	0.0	35732	0.18	-0.04	17.08	3.76	Rocky Brands (RCKY)	0.0	100889	4.08	-0.05
166.50	83.51	Deckers Outdoor (DECK)	23.2	4054837	113.90	1.05	40.00	21.23	Ross Stores (ROST)	19.6	14233823	38.92	1.15
7.40	1.50	Dellia's (DLIA)	0.0	267502	1.83	-0.16	23.05	9.15	Saks (SKS)	29.1	25981957	10.56	0.89
19.99	2.09	Delta Apparel (DLA)	0.0	30319	4.55	-0.24	154.84	67.36	Sears (SHLD)	20.0	19608380	75.04	4.13
4.80	0.30	Delta Galil (DELT)	0.0	0	0.0	0.52	26.44	10.54	Shoe Carnival (SCVL)	17.6	400217	13.51	0.15
59.27	27.74	Developers Diversified (DDR)	19.3	15872146	33.19	2.71	3.14	0.05	Shoe Pavilion (SHOE)	0.0	2307535	0.15	0.00
37.96	7.61	Dillard's (DDS)	56.6	16181913	9.89	1.23	109.00	74.80	Simon Properties (SPG)	47.4	17825254	90.51	4.17
21.26	9.35	Dress Barn (DBRN)	10.9	4140232	14.09	1.01	30.44	16.05	Skechers (SKX)	12.2	3484514	21.98	2.70
38.40	10.10	DSW (DSW)	13.5	1980659	12.03	1.23	3.06	1.80	Sport-Haley (SPOR)	0.0	3600	2.02	0.03
40.88	8.50	Duckwall-Alco (DUCK)	0.0	11913	10.44	-0.26	11.75	3.29	Stein Mart (SMRT)	0.0	1077263	4.17	0.35
14.21	2.91	Eddie Bauer (EBH)	0.0	2474192	4.39	0.28	4.22	2.45	Stephan (TSC)	12.1	5000	3.02	0.23
28.05	12.81	Elizabeth Arden (RDEN)	11.5	999829	15.40	0.58	33.04	14.61	Steve Madden (SHOO)	16.3	1409608	22.64	3.99
49.43	37.03	Estée Lauder (EL)	19.6	12012079	43.41	0.52	13.60	8.13	Superior Uniform (SGC)	18.5	9279	8.95	-0.02
35.41	14.62	Family Dollar (FDO)	15.7	24339173	23.81	1.24	17.86	10.38	Syms (SYMS)	419.2	46897	16.31	-0.24
10.01	1.48	Finish Line (FINL)	0.0	5500589	9.95	0.68	26.10	6.48	Talbots (TLB)	0.0	6954768	11.02	0.36
25.39	20.05	Forest City (FCY)	0.0	11200	21.52	0.01	12.85	3.82	Tandy Brands (TBAC)	0.0	4651	5.50	0.45
46.25	22.26	Fossil (FOSL)	14.7	7632226	27.79	4.74	7.55	2.22	Tandy Leather Factory (TLF)	12.4	3700	2.79	-0.21
13.57	7.71	Freds (FRED)	47.7	2120901	12.83	0.38	44.43	32.32	Tanger Factory Outlet (SKT)	43.4	4173720	36.77	0.37
44.46	28.08	G&K (GKSR)	14.9	529341	34.22	1.33	69.52	42.32	Targi (TGT)	14.2	62275862	45.87	2.13
30.73	10.51	Gaiaim (GAIA)	31.9	936263	11.85	0.02	1.38	0.40	Tarrant Apparel (TAGS)	7.3	47260	0.58	0.00
22.02	14.77	Gap (GPS)	14.0	46041761	16.60	1.35	61.52	41.30	Taubman (TCO)	59.7	5094833	47.68	1.48
57.84	26.73	General Growth (GGP)	15.0	40972676	30.10	0.10	4.39	1.82	Tefron (TFR)	0.0	132113	2.18	0.25
53.22	18.76	Genesis (GCO)	5.9	3674996	29.95	0.83	7.75	1.82	Tiffany & Co. (TIF)	17.4	12985161	39.64	2.61
21.00	10.73	G-II Apparel (GIII)	14.7	491505	15.10	1.57	57.34	32.84	Timberland (TBL)	19.3	3173		

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MITCHELLS AT 50

The first family of specialty retailing celebrates a half-century of excellence

How Mitchells Became a Retail Legend

The country's leading specialty store retailer celebrates its journey from \$65 suits to Armani and Zegna

BY JEAN E. PALMIERI

The watercoolers in Westport, Conn., must dispense Kool-Aid laced with Red Bull. That seems like the only logical explanation for the boundless energy and unbridled enthusiasm that permeate every fiber of every person who works at Mitchells.

That same *joie de business* has transferred over to the other two stores in the company stable—Richards of Greenwich and Marshs of Huntington, N.Y.—and led to the company's unparalleled success, something along the lines of \$100 million in annual sales.

Mitchells' enviable position at the forefront of specialty retailing in the U.S. is a far cry from its humble beginnings 50 years ago. It was in 1958 that a case of ulcers prompted patriarch Ed Mitchell to ditch the corporate rat race and open a men's apparel store. The original idea was to relocate to Florida, since it was less hectic than Connecticut and would make for better quality of life.

However, just before the family packed up and made the big drive down south on I-95, Ed's wife, Norma, suggested he consider opening the store in Westport, where the family had deep roots and which lacked any true men's wear retailer.

Ed acquiesced and soon signed a lease for an 800-square-foot space in what had been the display area of the Dickson Plumbing & Heating building on Post Road and North Compo. And so with little fanfare, Ed Mitchell opened its doors.

"When the store opened, there were a few dozen shirts, some socks, a couple of sweaters and a few ties," Ed's son Jack, chairman and CEO, wrote in his book, *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results*. "Plus exactly three Doncaster suits, the brand Dad created for the store, priced

at \$65 a piece. A size 40 banker's stripe, a 43 navy blue and a 42 charcoal gray."

That may be hard to believe given the Armani, Zegna and Brioni suits and Valentino gowns that now don the marble floors of the tony retailer. But while the assortment may have changed dramatically, the hallmarks of the business remain the same: superior customer service and a family entrepreneurial spirit that connect as well with customers today as they did a half-century ago.

"Nothing has changed but the scale of the business," says co-president Russ Mitchell, Ed's grandson, Jack's son and the third generation to helm the store. "We win or lose on whether the local people like shopping here. We provide the same experience as my grandfather did—people liked and trusted him. They come here, by and large, because they like the experience."

"We're honored by the legacy," adds his brother Bob Mitchell, the other co-president and another of Jack's sons. "The foundation of a business is the hardest part to build. But that's what gave us the platform to grow as much as we have. We recognize, acknowledge and appreciate that legacy from a business, community and family perspective, but we also realize the energy and ideas that have been enhanced by the addition of the third generation."

In the beginning, Norma handled the books and Ed served as salesman, buyer and janitor; Ed's mother, Gertrude, was the tailor and seamstress. Calling his father the "original hugger," Jack wrote: "The coffee pot was always on—still is. I guess the place was about as homey as you could get." It did \$50,000 in volume its first year.

Ed's son and Jack's brother Bill, currently vice-chairman, was the first family member to join the business in 1965, followed by Jack in 1969, the same year the store expanded into women's wear. In 1979,

after a series of expansions, Ed Mitchell moved to its current space at 670 Post Road East, which today is 33,000 square feet.

To reflect its growth, the company changed its corporate name in 1993 to Mitchells. Two years later it expanded its

Ed's coffee tradition continues to this day.



The current captains: Bob and Russ Mitchell



naut for at least five years before becoming part of the team. "They weren't entitled to a job just because their name was Mitchell," Jack has said.

The first to join was Russ in 1990. After spending five years in sales at IBM, he came into the business as CFO to handle the financial end. Bob joined the next year as vice-president of merchandising after working at Malouf's in Lubbock, Texas; Norton Ditto in Houston; J. Schoeneman; and *Sports Illustrated*.

In 1994, Jack's son Todd joined the firm from Apple to help Russ with the administrative duties at the new store. Scott, Bill's son, came on board in 1998 after stints with Abercrombie & Fitch, Eddie Bauer and Ann Taylor to manage the women's business in Greenwich.

Andrew, Todd's twin, joined in 1999 after working in marketing for Godiva Chocolatier to take over the marketing and advertising for the stores. Bill's son Chris joined in 2003 and now manages Marshs.

"It's the great natural cycle of the business," says Bob.

In the years since Bob and Russ have been with the company, the growth has

PHOTOS BY DAND BERRICO

MITCHELLS MOMENTS

1958

Ed Mitchell is founded in Westport, Conn., by Edwin and Norma Mitchell with three men's suits, a coffee pot and big dreams.



Mitchells moves to new property at 240 Post Road East, in Westport.

1963

Son William E. (Bill) Mitchell joins the business.

1965

Son John R. (Jack) Mitchell joins; women's apparel added.

1969

Ed passes the torch, and equity, to Bill and Jack.

1972



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been substantial. "Mitchells has grown tenfold since we joined," Russ says. "We've experienced rapid growth while we've been here. The company that exists today has been enormously influenced by this generation."

Although the growth has been exponential, he stresses that it has also been "very measured. We've never had a down revenue year since we joined."

On the merchandising end, the "new set of eyes on the merchandising" has been instrumental in the growth of the luxury end of the business. Significantly expanding women's wear at Mitchells in 1993 also changed the complexion of the store, as did the addition of Richards. "These were all calculated moves," Russ said.

It also helps that the Mitchells have been blessed by calling Westport home.

passed men's in terms of sales at the stores, about 55 percent to 45 percent—as well as jewelry and "a broadening of price points" that will involve more opening-price-point merchandise.

Until the economy improves, Mitchells will invest in renovating its existing units and enhancing its partnerships with its vendors "to position us to grow when the economy starts humming again," according to Bob.

"And we've got to perfect the experience," Russ says. "We want to be around for the next 50 years. The retail environment is littered with people who expanded too fast. We believe in growth through better execution."

Bob agrees: "That's our competitive advantage—being close to the customer." Russ said that because the company owns

"We've got to perfect the experience. We want to be around for the next 50 years. The retail environment is littered with people who expanded too fast. We believe in growth through better execution." —Russ Mitchell



Richards' sweeping staircase at the Greenwich store

According to Westportct.gov, it has a total population of just under 26,000 with a median household income of nearly \$120,000 and a median family income (defined as two or more people living together) of nearly \$153,000 a year.

"In the nearly 20 years we've been here," says Russ, "Westport has about the same number of people. There's been no net population gain, so we have to do more business with the same people."

In the early days, Mitchells' business centered on the sale of primarily dark suits. "It was the traditional body covering for men," says Russ. "Now our scope is much wider."

Bob adds: "We're getting more of their closet share by selling women's, jewelry, shoes, etc. If you look at the number of suits we sell today, it's probably less than it was 20 years ago, but we're doing a better job selling other things."

In fact, those words are indicative of the growth strategy employed at the company. "We're not immune to competition," says Russ, pointing to Barneys, Saks, Neiman Marcus and other luxury retailers who operate stores within their trading areas. But that hasn't pushed the Mitchell family to make any rash decisions on the expansion front.

"The national first reaction of retailers is to add more units and more growth," says Bob. "But we think our best opportunity is to grow in our existing stores."

Russ adds: "There are still a lot of potential customers in our communities. We're not getting the complete share of closet."

Beyond that, the primary opportunities, they say, are the continued expansion of the women's business—which recently sur-



Jack and Bill Mitchell were stewards for 30 years.

its own real estate, which is "also an enormous competitive advantage."

That's not to say the Mitchells are not always looking for other potential additions to the stable. "If you project 10 years out," Bob says, "there will be more units, but it'll be measured."

In fact, with the environment as tough as it has been lately, retail competitors approach the family all the time about selling to the Mitchells, the co-presidents

acknowledge. "But we have to make sure the potential of the market is big enough to throw our brainpower and resources at it," Bob says. "It has to have the potential for at least \$10 million in sales."

In addition to its three stores, Mitchells has a deal with Vineyard Vines, another family-owned Connecticut company, to operate several units around the country, including one up the block from Richards on Greenwich Avenue. The Mitchells

operate four more Vineyard Vines stores: Westport; Ocean Reef in Key Largo, Fla.; Edgartown, Mass.; and Georgetown, Washington, D.C.

"We want to grow and not set ceilings," Bob says. "We have to figure out how to do more and do better. We know we'll never get comfortable and coast. In fact, this is the time to take market share from people. Because of Russell's organizational and financial skills, we're better positioned for the future."

Russ shrugs off the compliment, pointing to his brother's skills in merchandising as key to the company's recent success.

This yin and yang between the two stems from a lifetime of brotherhood. Born two years apart, they went to the same high school and college, played sports together and were in the same fraternity. "We both respect and acknowledge each other's strengths," Bob says. "With us, one plus one equals five."

Russ notes: "It's very rare that we don't know how the other one will answer a question. We normally agree, which is good, because if you have two people running a company who don't agree, it wouldn't work."

One of the amazing things about the Mitchells operation, however, is that even when they're not family members, the people who work there are of the same mindset. A visitor can talk to anyone from top sales associates, such as Richards' Frank Gallagi or John Hickey, to Mitchells' 49-year-veteran and oldest employee, tai-

<p>Mitchells celebrates its 15th anniversary.</p> <p>1973</p>	<p>The company installs IBM AS/400 technology. Grandson Russ Mitchell joins as CFO, and Jack's wife, Linda, joins as women's buyer and merchandise manager.</p> <p>1979</p> <p>Mitchells moves to its present location at 670 Post Road East.</p> <p>1990</p>	<p>Grandson Bob Mitchell joins as vice-president of men's merchandising.</p> <p>1993</p>	<p>Mitchells expands its present location by 8,300 square feet to enlarge the men's and women's departments. Total store size is now 33,000 square feet. The name also changes from Ed Mitchell to Mitchells.</p> <p>1991</p>
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lor Dominick Condoleo, and the message is the same.

"They're the people who touch the customer," Russ says of the staff, a group that is at the center of Jack's latest book, *Hug Your People*. "We believe the interaction with the customer is the essence of what we're about. It's all based on us empowering them."

Bob adds: "The really important thing in our culture is that we're a principles-based company. We have only one rule: If you steal, you're fired and prosecuted. But beyond that, we believe in the flexibility of scheduling and treating everybody like family. We try to create a flat organization so that people feel included. There's no bureaucracy here."

Russ notes: "There's no pre-set model, but if you're not passionate and enthusiastic about the business, you won't last." "Positive energy produces positive results," his brother says.

John Hickey, now the store's top men's wear salesman, has been with Richards since 1978; in fact, his father had worked for former owner Ed Schachter. It was at Richards that he learned "how to treat the customers and make them feel like they're in our home. We've been hugging our customers forever. So many clients are really good friends. When they come in, they say they're going to see John. [That closeness] is the one thing that separates us from everybody else."

When the Mitchells bought the business, Hickey said he was apprehensive, but "they were smart enough to embellish it, not change it. All of them are so respectful and appreciative of what we do. They coach us and it keeps us going. It's been such a home run."

Frank Gallagi, another super-salesman at Richards, feels the same way. A 43-year Richards veteran, Gallagi says the acquisition "worked out to be the best thing. They're phenomenal, wonderful people. We work 'with' them, not 'for' them. They're very family-oriented and they want you to take time to be with your family. It's not all business."

Dominick Condoleo, who manages Mitchells' tailor shop, says: "They have a very unique formula that makes people want to do things. Nobody forces you, but they empower you, and with empowerment comes responsibility."

With employees like these, it's no wonder Mitchells has managed to survive and prosper. It was also the reason the business was chosen as one of the featured companies in a one-hour documentary that will be aired on PBS in New York this fall. Based on a book titled *Leading With Kindness* by Bill Baker, the film profiles five firms deemed great to work for because of their culture, explains Gino Del Guercio, producer. In addition to Mitchells, by far the smallest, the others are Pitney Bowes, Google, the Juilliard School of Music and Eileen Fisher.

The Mitchells segment tells the company's story from the perspective of its



"We're honored by the legacy. The foundation of a business is the hardest part to build. But that's what gave us the platform to grow as much as we have." —Bob Mitchell

owners and employees. "They're going to be one of the best profiles," Del Guercio says, "because of the passion you find in the people who work there. They really care about everyone. They're so warm and welcoming. It's so easy to be jaded, but what they're doing makes sense—business sense."

But maintaining a family business through a number of generations also takes a certain skill set. In the case of the Mitchells, it was Ed who set the precedent

by transferring equity to Jack and Bill in 1972. Although Ed remained a part of the business until his death, it was his sons who ran it. Jack and Bill did the same thing after their children came into the fold.

According to a case study by Amy Edmondson and John Davis of the Harvard Business School, "In 1991, Bill and Jack gifted 75 percent of the business to their seven sons. In 2006, they would pass the remainder of their ownership to their sons. Jack's four sons would then each

own 12.5 percent (up from the 9.4 percent they owned previously) of the business and Bill's three sons will each own 16.7 percent (up from the 12.5 percent they owned previously)."

Although Bill and Jack no longer have a stake in the business, they're both still active. In fact, Jack is a fixture on the sales floor on Saturdays with his tape measure draped around his neck, while Bill is a familiar sight on the charity circuit, cementing the company's standing within the community.

The Maitre d': 'What Worked...Still Works'

Bill Mitchell aims to give customers "a sensational experience" when they walk in the door

Known internally as "Mr. Westport," Bill Mitchell, vice-chairman, may have recently passed ownership to the next generation but he still acts as one of the store's primary ambassadors, both on its sales floor and within the community.

"I used to have a drinking problem," he says in his distinct, gravely toned voice. "Eighteen years ago I went to AA and I haven't had a drink since. And I speak this way because I had a perforated esophagus. Because of those two experiences I try to give back to those less fortunate."

Bill says it's not uncommon for him to be out three to four times a week at charity-related events. Some of these are private, or "under the radar," as he puts it, but others are bigger and more visible, such as the company's annual fundraiser for Near & Far Aid, a nonprofit organization that raises funds for programs that address the causes and effects of poverty.

Beyond that, Bill also serves as the self-described "maitre d'" of the flagship Westport store.

"It sounds simple, but I love people," he says. "I like coming in early. I run a few seminars in the store about keeping the Mitchells experience [consistent]. I've been doing this [job] 43 years with kindness and niceness. What worked in 1958 still works."

Calling this his "major contribution to the business," Bill is passionate about giving customers a "sensational experience" when they walk in the door. "Our customers are at the top of their game, so we've got to go beyond just giving great service. If we do that, they're going to come back."

And if a visitor leaves the store without buying, Bill isn't shy

about inquiring as to the reason. "I do the exit interviews," he says. "I ask them what we did right and what we did badly. It's not the mistake—it's what you do with the mistake that matters. You only have one shot with a first-time customer."

Bill says that although the merchandise has evolved over the years, "the culture of our family business is what's made the difference in our good fortune and our luck."

Noting that "92 percent of all third-generation family businesses go into the tank," Bill is determined that his company not become one of the statistics. "Family harmony is at the top of the list. What can break a business is if our family breaks apart."

But by the same token, any Mitchell seeking to come into the business is held to a certain standard, and must prove him or herself before being allowed to enter the ranks. "I'm worried about our business and our country," he says. "There's such a sense of entitlement out there today. In my opinion, nobody is entitled to anything. We're lucky and blessed to have what we have, and we need to remember that." —J.E.P.



Bill Mitchell

1994	Mitchells acquires Richards of Greenwich.			
1995	Grandson Todd Mitchell joins the business. He is now vice-president of women's sales in Westport, and oversees jewelry.		1998	Grandson Andrew Mitchell joins as vice-president of marketing.
			1999	Grand opening of newly renovated Richards of Greenwich, a 27,000-square-foot building with more than 200 complimentary parking spaces; women's added.



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Bill notes: "Jack and I turned over the reins to the kids and we feel good about it. But the kids don't want us to go away. They still ask our advice and that feels great."

Jack adds: "What I've picked up over the years is that [sometimes in a family business] the older ones meddle. I look at it as checking in, not checking up. We desire the business to go forward, so we're responsible for passing on the principles. Dad was a great role model. He passed the mantle and we kept him informed. [Bill and I] may not own any of the business anymore, but we still feel like owners."

His brother jokes: "My kids say: 'You own no stock and no real estate. So it's just day-to-day.'"

Bob and Russ say they welcome the continued involvement of the two older men. "We want them to be active and play a role," Bob says. "They don't meddle or second-guess."

That's key to the seamless transfer of power and is one reason the Mitchells have managed to avoid the pitfalls that often demolish other long-standing family businesses.

To help it negotiate any potential problems, the company belongs to two industry organizations: The Forum Group and the International Menswear Group.

The Forum Group, which includes about a dozen of the country's top specialty retailers, started in 1940 when a group of men's wear retailers got together on the train from Chicago to the New York market to sip bourbon, play cards and indulge in a little shoptalk. Although the store names have changed, the group still meets for several days twice a year to discuss tough issues and lay bare the most intimate information about their retail operations—everything from gross margins and occupancy costs to personnel and personal salaries. For this elite fraternity, only one subject is off-limits: the deals they negotiate with their vendors.

The makeup of the IMG is very similar. Also about a dozen stores strong, this group boasts the finest family-owned men's and women's apparel stores in the world. It was founded in 1958 by legendary European retailer JBWA Giesbers of the Netherlands, who established a small core of the top men's wear retailers in Europe that has expanded to a dozen countries around the world, including Australia, Canada and the U.S.

"In addition to merchandising ideas, we share financial information, cash flow and profitability figures," Jack explains. "The only thing we don't share is the relationships we have with our vendors. And although we sign a confidentiality agreement, there is a spirit of openness and not one of competitiveness. That's why there's only one retailer per country in the group."

It also helps that the Mitchells employ an outside consultant to head off any potential problems.

According to the Harvard case study: "[Bill and Jack] engaged a family business

consultant [in 1985] to help them create forums for family discussions and maintain effective communication among family members. Bob reflected on the complications of family communication in business: 'Feedback is not something you're used to getting and giving as a family, but constructive feedback, when you get used to it, enhances the business and the family. The two keys [to healthy family companies] are communication and empowering the next generation. We have to continue to do that.'"

Add to that the guidelines that Jack and Bill set into place to "safeguard the professional management standards of the business," according to the case study, and it becomes clearer how this unique situation works. Those guidelines include the rule that each family member must work somewhere else for at least five years in a job that matches his "skill set, expertise and experience."

Weekly meetings are also held every Tuesday morning and there's a family council that includes everyone over the age of 14. This group, which includes spouses and children, gathers three to four times a year to discuss the "state of the store" and encourage bonding. "So many family stores come apart when the

family comes apart," Bob says.

Additionally, an advisory board was created in lieu of a board of directors, of the case study notes, and it has met quarterly since 1989. Its outside members, which include executives from various industries, "sound out strategic business decisions and impart a sense of business discipline to the organization," the study says.

"It includes all active Mitchells and four outside people," Bob says. "It forces some discipline. We have over 300 people working here, so we take it very seriously. We're not just doing this because it's fun to sell clothes."

In an interview, John Davis, faculty chair of the Families in Business program at Harvard Business School, says he chose the Mitchells to use in his course materials because they are a "very good illustration of the things a family can do right to keep their business going."

So many family businesses can "manage through the first two generations very well," but after that, it can get a bit dicey. "In any



business, long-term success depends on having a culture and employees who buy into the principles and practices, and hold themselves to very high standards," Davis says. "The seed is implanted by the family, but as they get bigger, you hope that the values and principles can be maintained."

However, he raises the question of whether the Mitchells can continue to maintain the momentum as more and more family members come on board and the corporation grows. "The interesting question is: How long can it be sustained?" Davis says. "What is the trajectory of the business? Do they look into different markets or keep the business sized just for the family? That's for them to decide as is what the ownership should be in the future. Should everyone stay involved? Those are the questions the family has to answer." ■

The Author: Passing On the Principles

Jack Mitchell's second career is a natural extension of his first

Five years ago Jack Mitchell, CEO, put down his tape measure for a while and picked up a pen. The result was a business book called *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results*, which chronicles the growth of the Mitchell chain and lays out the primary reason for its success: hugging the customers, or Mitchell's metaphor for "showering them with attention." From literally giving a customer the Hickey Freeman blue cashmere coat off his back, to the phone that rings after-hours in a Mitchell family member's home when a customer has a crisis, the Mitchell clan will do anything it can to please its shoppers.

Jack took it one step further earlier this year with the publication of the sequel: *Hug Your People: The Proven Way to Hire, Inspire and Recognize Your Employees and Achieve Remarkable Results*, an ode to the company's sales associates. That book provides the tools that companies need to create engaged and enthusiastic employees. For Jack, this boils down to five key doctrines: "My guiding principles are to be nice to them, trust them, instill pride in them, include them and generously recognize them," he writes. "People spend more time at the office than at home and want to feel personal and professional satisfaction. They want the opportunity to grow to improve themselves. They want to be recognized and to feel they have a sense of purpose at work."

Saying that the books have "re-ener-

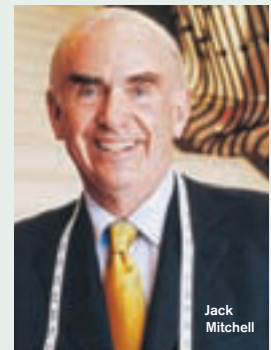
gized me," Jack still feels like an "important piece" of what makes Mitchells tick.

"I really see a link between the books and the business," he says. When he's not on TV or traveling to promote the books, Jack can still be found on the sales floor. "My brother Bill is Mr. Westport, so I'm more at Richards. I'm the team captain of the sales team there. I have the best job in the world. Mondays I'm at Mitchells, Tuesday through Friday I write or give speeches, but Saturday is sacrosanct. I want to be on the floor."

Although ownership of the stores was recently transferred to the third generation, Jack doesn't feel out of the loop. "With today's technology, I'm able to stay informed."

The older Mitchells don't regret for a moment passing their stake in the business to their sons. "I was 30 or so when my father transferred control to us," Jack says. "We desire the business to go forward, so we're responsible for passing on the principles. Dad was a great role model. He passed the mantle and we kept him informed. I may not own any of the business anymore, but I still feel like an owner."

Looking ahead, Jack says he plans to continue selling and writing. "I'm definitely going to write the family business book, 'Hugging for Life.' I think it could be commercially good." —J.E.P.



Jack Mitchell



<p>Russ Mitchell and Bob Mitchell become co-presidents of Mitchells/Richards. 2003</p>		<p>Mitchells/Richards acquires Marshs men's store in Huntington, Long Island. Chris Mitchell moves to Huntington to co-manage the store with Ron Marsh. 2006</p>	<p>Grandson Tyler Mitchell joins the business as VP and men's furnishings buyer. 2008</p>	
<p>2002 Major interior and exterior renovation is completed for Mitchells, adding Hermès and Giorgio Armani Black Label shops. Significant expansion into fine and designer jewelry. Chris Mitchell joins as men's VP team leader in Westport.</p>	<p>2005 Marshs completes interior and exterior renovation, adding women's. Forms partnership with Vineyard Vines to operate freestanding retail locations.</p>	<p>2007 Mitchells celebrates its 50th year in business.</p>		

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Partners in Prime

Mitchells' strategy involves luxury, loyalty and lots of "hugging"

BY BRENNER THOMAS

Want to sell to Mitchells? Get in line.

The family didn't become sultans of luxury retail by writing paper for every cashmere-wielding start-up. The stores' buyers are careful about whom they bring into their space, in part because they have high standards for quality and originality, and are committed to avoiding redundancies in their mix.

They're also fiercely loyal to their vendors. In a retail environment that often feels adversarial (chargebacks, anyone?),

Canali's top accounts. "They are well known for this approach to their customers, but it applies to their vendors as well."

For instance, the company supported Canali as the brand extended beyond tailored clothing, absorbing new categories—including sportswear, accessories and furnishings—into their assortment as the Italian label grew.

With Zegna, the three stores' best performer, the merchandising team has worked closely with the brand to develop product. Mitchells helped develop the label's outerwear line, Elements, and also



Zegna is the company's largest men's vendor.



Other key vendors include Prada (left) and Loro Piana.



Dan Farrington

the Mitchells approach their vendors with the same open arms that have made their customer service famous. Call it hugging your Giorgio Armanis.

"On top of our requirements for exclusive product and margin opportunity, a new line cannot be a duplication of something we already have," says Dan Farrington, the stores' GMM of men's. "It's not fair to our current vendors. We are not about having one line one season and throwing it out the next."

What they are about is building long-term partnerships with the makers of high-end suits and sportswear that supply their store. Ermenegildo Zegna—Mitchells was among its first customers in the U.S.—has sold to the stores for nearly 20 years; Canali, distributed in the U.S. since the early '80s, has been with the Mitchells stores for 25 years.

"They have a human touch," says Giorgio Canali, president of the brand's U.S. operations, adding that the stores rank among

had significant input on its range of luxury "upper casual" sportswear. "They have a great understanding of their customers' needs," says Robert Ackerman, Zegna's North American chief. "They have been instrumental in making suggestions to us."

The retailer also programs a full calendar of in-store events with its vendors and hosts an annual golf tournament for its partners. This year vendors will instead be fêted at a dinner that will kick off its 50th anniversary celebration.

The retailer's co-president, Bob Mitchell, explains: "The number-one thing for us is to try to drive as much revenue with our partners as possible. We're not looking to make major changes in our vendor mix. We want to work with partners who are responsible and good listeners; that's how we try to drive those businesses to be dominant."

No surprise, then, that the bulk of the stores' top 10 suppliers have partnered with the company for more than a decade, or that Mitchells' top 15 labels account for

Mitchells' Top 10 Men's Wear Vendors

(Ranked by volume)

- Ermenegildo Zegna
- Canali
- Broni
- Giorgio Armani
- Kiton
- Loro Piana
- Hickey Freeman
- Hamilton Shirts
- Brunello Cucinelli
- Polo Ralph Lauren

75 percent of its men's business.

But establishing long-term relationships doesn't mean the merchandise mix is stale. Vendors interviewed for this story all cited Bob Mitchell's relentless drive for

innovation and newness. He heavily edits the stores' lines, wins exclusives from vendors, and adapts the merchandising matrix and floor space as the market evolves.

Cumulatively, those changes have been considerable. Back in the '80s, when Mitchells was just one location, the store was a higher-volume, moderate-price retailer that specialized in lines like J. Schoeneman and a raft of private labels. Suits retailed between \$295 and \$495.

The ascent of the luxury market and Italian clothing brands in particular

Continued on page 12

PHOTOS BY DAN D'ERRICO



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Continued from page 10

prompted the store to trade up over time. Today, the bulk of suits in the stores sell for more than \$1,000 with some reaching into the tens of thousands for the most exclusive cloths.

Classic Italian tailored clothing labels continue to be the stores' best performers (see sidebar), but shifts in men's dress opened the door for luxury sportswear brands like Brunello Cucinelli and Loro Piana. "They [Mitchells] represent our full collection now and do very well with the top of our offering," says Loro Piana's U.S. head, Pier Guerci.

Tailored clothing is still the anchor, comprising 50 percent of sales, and bolstered recently by a surge in made-to-measure orders.

But premium denim and contemporary sportswear, while still representing less than 10 percent of the volume, is growing as their customers' weekend dress evolves. Furnishings and accessories, including watches and weekend bags, are also driving growth. "As men's wear has become more segmented by lifestyle, guys are finally being educated about dressing for

particular occasions," says Mitchell.

The merchandise at the family's three doors also bears subtle differences. Richards' Greenwich location is driven by top-end merchandise and is more classic. More than one-third of the store's sales stem from luxury items.

"That's our Ferragamo tie guy," says Farrington. "Our Long Island store, [Marshs], has a faster sensibility. Etro is hotter out there than in the other three stores."

The family's eponymous Westport store tends to be more casual, he adds; Agave and weekend lifestyle brands sell well there.

Across all stores both Mitchell and Farrington agree that a revolution in fit is the next big push for their merchandise offering as the classic customer begins to test more contemporary models. "I see so many men in suits that are too big and baggy and too long," Mitchell explains. "Our push is getting the customer into new silhouettes and downsizing overall."

Always the savvy businessman, Mitchell notes there's opportunity in the trend too: "It looks great on them and provides a big opportunity to buy new clothes." ■



Hickey Freeman is Mitchells' top-selling American label.

Family Ties

Natural collaborators, the founders of Mitchells and Vineyard Vines share similar backgrounds

BY GILLIAN KOENIG

NEW YORK — When Vineyard Vines cofounders and chief executives Shep and Ian Murray left their corporate jobs in Manhattan to start a small neckwear company on Martha's Vineyard 10 years ago, they had no idea that their little line of colorful, offbeat ties would grow into a \$60 million lifestyle brand, complete with a network of retail stores.

"We left the daily commute to New York City and our corporate jobs to pursue the things we love, and spread the island state of mind by making ties that represent the finer things that life has to offer," says Shep.

In 1998, with their day jobs behind them, the two brothers turned what had been a weekend-only concept of making neckties inspired by Martha's Vineyard into reality. They peddled their silk ties on Martha's Vineyard, sometimes off their boat and other times selling their product door-to-door.

One of the first accounts the duo landed off-island was none other than Richards, the renowned Greenwich, Conn., men's specialty store run by the Mitchell family. Ed Mitchell created his own success story when, like Shep and Ian Murray, he abandoned his advertising career in Manhattan to open a small men's specialty store in Westport, Conn.

Shortly after Richards began carrying Vineyard Vines, the Murray brothers, both Greenwich natives, began spending a lot of time at the store, learning the retail environment and observ-

ing firsthand the Mitchell family's superior form of customer service. "We started to feel like we were employees of the store," says Ian. "We learned about their work ethic and customer service, and we started having great trunk shows and really enjoying our friendship with the family."

Over the next few years Vineyard Vines expanded exponentially beyond its initial tie offering to include a full range of sportswear for men, women and children. The need for a larger space to properly represent the brand's complete collection quickly became apparent to Shep and Ian, who got on the phone with Bob Mitchell, the co-president of his family's company.



The Georgetown store opened in April.

"We said, 'We want to open a store in Greenwich, but we don't want to compete with you,' and they immediately said it was great idea and would help us any way they could," Ian recalls. "They had become emo-

tionally invested in the brand, in what we do, and both parties realized the need for a Vineyard Vines store—how and if we were going to partner was secondary." The strategy was simple: Diversify the Mitchells business a little bit, while Shep and Ian gained expertise and knowledge in the retail arena.

In September 2006 the partnership became a reality when Ian and Shep celebrated the debut of a 5,500-square-foot Vineyard Vines flagship store at 145 Greenwich Avenue with the Mitchell family. "There's a whole segment of people who wanted to buy this brand, but Richards was just not their shopping environment," Bob Mitchell told DNR at the time of the store's opening.

Fittingly adorned with lobster traps, fishing rods and a cash-wrap replica of Shep and Ian's boat, the store embodied the lively Vineyard Vines spirit and served as a template for future stores. "You get the same hospitality when you walk into a Richards or Mitchells, but the difference is you have Jimmy Buffett playing on the

Continued on page 24



The Westport store

Oxford Clothes

HAND MADE IN CHICAGO SINCE 1916



**CONGRATULATES
THE MITCHELL FAMILY
ON THEIR 50TH ANNIVERSARY**

The Mitchells Scorecard

A concise guide to which Mitchell does what



1ST GENERATION

Ed and Norma Mitchell
founded the business in 1958.

JACK AND LINDA MITCHELL FAMILY

BILL AND SUE MITCHELL FAMILY

2ND GENERATION



John (Jack) Mitchell, CEO and chairman. Married to **Linda Mitchell**, GMM of women's merchandising. They reside in Wilton, Conn. Jack is responsible for overall strategy. Linda shares women's GMM responsibility with Ellen Finlayson and helps add a women's perspective to a male-dominated group. Jack is now a successful author and embraces people around the country during his book tours for *Hug Your Customers* and *Hug Your People*.

William (Bill) Mitchell, vice-chairman. Married to Sue Mitchell; resides in Westport. Responsible for keeping the customer number one. He is also active in civic and philanthropic endeavors for the company.



3RD GENERATION



Russ Mitchell, co-president. Married to Kathryn Mitchell; resides in Fairfield, Conn. Two children, Robert and Lauren. Shares responsibility of running company with brother Bob with a personal emphasis on finance, technology and store development.

Scott Mitchell, VP of sales for Richards. Married to Tara Mitchell; resides in Greenwich, Conn. Three children, Eleanor (Ellie), William (Will) and Lilly. The resident "ladies man" who has become the darling of the Greenwich scene by heading up the women's sales team there.



Bob Mitchell, co-president. Married to Karen Mitchell; resides in Weston, Conn. Three children, Lyle, Dana and Elizabeth. Shares responsibility of running company with brother Russ with a personal emphasis on sales and merchandising.

Christopher Mitchell, VP of sales for Marshs. Married to Allison Mitchell; resides in Huntington, N.Y. Two children, Hayley and Connor. Heads the effort to bring the Mitchells customer experience to the residents of Long Island.



Todd Mitchell, VP of sales for Mitchells and jewelry; resides in Wilton, Conn. Two children, Kathleen and Ryan. Company-wide driver of the growing jewelry business and heads the women's sales force in Westport.

Matthew (Tyler) Mitchell, VP of men's buying, furnishings; resides in Westport. Part of the men's buying team specializing in all the items for the well-dressed gentleman.



Andrew Mitchell, VP of marketing. Partnered with Isaac Namdar; resides in Stamford, Conn. In charge of carefully crafting the overall marketing strategy for the stores. He also throws great parties.



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KWIAT JOINS IN CELEBRATING MITCHELLS/RICHARDS ON THEIR 50TH ANNIVERSARY.

The Family Counselor

Since 1970, consultant David Bork has guided retailers through the inevitable pitfalls of a family-owned business

BY ANDREW HARMON

Ever wonder on why so many fictional dramas center the machinations and personal conflicts of a family business?

Probably not. Even the most casual newspaper reader has scanned front-page headlines of spats among the powers that be in family-run companies—squabbles that have surely inspired dramatic gold for Hollywood screenwriters on shows from 1980s classics like *Dynasty* to prime-time hits du jour like *Dirty Sexy Money*. For more than a year, Viacom chairman Sumner M. Redstone's acrimony with daughter (and once clear-successor) Shari has been consistent fodder for the business journalists. Even the world of sweets is not immune: Observers say the \$23 billion proposed sale of candy maker Wm. Wrigley Junior Co. to rival Mars Inc. may be the only way to ease long-held tensions between majority shareholder and former CEO William Wrigley Jr. and other family members angered by his autocratic control of the company.

"By the time family issues hit the press, it's usually too polarized, unless you have people who are willing to come to the table," says family business consultant David Bork. "If you don't have fundamental, mutual respect, you're finished."

For family companies that haven't quite reached such impasses, Bork has long been a go-to mediator, from apparel retailers like Mitchells to multibillion-dollar conglomerates like Koç Holding, the Turkish company with subsidiaries in automobiles, appliances and other industries. These days Bork can more often be found on the seat of a titanium-frame bicycle than a boardroom chair, though the 71-year-old Colorado resident has racked up more than 400 businesses

Bork's Family Business Rules

- Commit oral agreements on company-governance, hiring policies and compensation to written policies.
- Establish clear rules for promotions, as well as conditions for termination.
- Mandate that children prove their competence by working outside the company first before they are offered a position.
- Create a family forum to educate shareholders, spouses and children on the direction of the business.
- Build a board of directors composed of both family and non-family members.

as clients since 1970—largely before there was any literature on the psychology of family-as-business entrepreneurs. "There were very few people who consulted in family practice. David was really it," says Leslie Dashew, a partner in the Aspen Family Business Group that Bork founded in 1990. "He's perceived by our clients as our most trusted adviser, whether he is working for one of the top 10 family businesses or a small [client]. He's comfortable in any setting."

Whether it's a luxury retailer or a real estate group, family businesses inevitably encounter similar challenges. A father's unfounded favoritism for a particular child, a daughter's habit of delegating hot-button issues to her parents, even if she is supposed to be running the business herself: Bork asserts that these problems cannot be solved until the dynamics of family relationships are first addressed. Where some turn to lawyers, he turns to psychology.

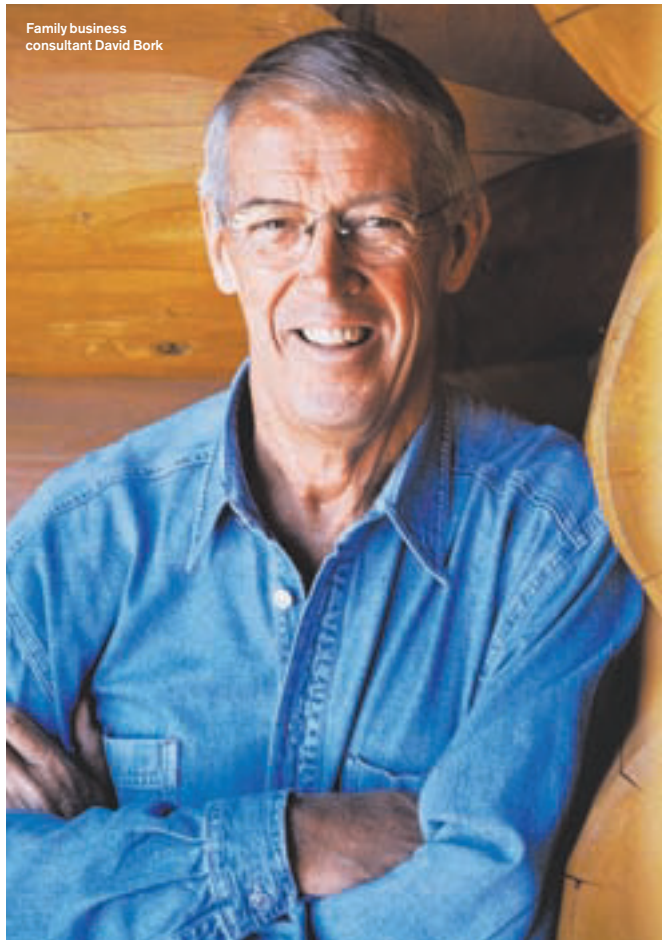
Jack, Mitchells' CEO, and Bill, its vice-chairman, who first hired Bork back in 1985, approached their business with different skill sets and contrasting personalities. "There's a reason why people refer to Bill as Mr. Westport," Bork says. "He's gregarious. He's the glad-hand guy. Jack is the details guy, the inveterate consensus builder within the family. The dynamics of your relationships will play themselves out in business ... and you can imply that's what happened to Jack and Bill."

Both, however, were committed to equal opportunity for their children. The Mitchells first had to address the interpersonal dynamics of their working relationship. To do this, Bork took Jack and Bill out of the store setting and off to a golf resort in Florida (they did not play golf, however). "It was the first of several critical 'off-store' meetings that helped Bill and I learn more about each other and develop a new level of mutual respect and trust with David's insights," Jack Mitchell says.

Working with the Mitchells over the years, Bork has implemented many of his core principles. To an outsider, some may seem like no-brainers: Two family members struggling with a conflict should resolve their problem directly rather than roping in a third party to gossip and vent. Oral decisions on employment policy should always be put in legally binding writing. Once you forge an agreement, stick to your plan.

Other principles can be harder to swallow. For instance, no family member is automatically entitled to a position. Bork recommends that all prospective employees work outside of the company for three to five years in order to prove themselves. In some family situations, he also advises that sons or daughters should have been promoted at least twice in their outside jobs in order to be considered for positions within the family business.

Family business consultant David Bork



As a result, children in a family business know they have earned the job through their own merits. Otherwise, younger generations often struggle to have their input recognized by family elders. "The top three things that motivate individuals are that they are recognized, that they can give input, and that the work is intrinsically interesting," Bork says, citing the work of the psychologist Frederick Herzberg. "If you employ a competent person who isn't recognized and not asked for their opinion, you have an employee and a family member who's unhappy and bored."

In addition to a firm's executive structure, Bork recommends a "Family Business Forum," where members are educated about the company, children are groomed to become effective managers and the issues of family life are addressed separate from the business.

Not all who seek Bork's expertise are a match. Bork interviews prospective clients,

looking for cases that may be chaotic but portend at least a "neutral or a favorable climate" for change. Before diving in, he schedules a preliminary seminar in which he gives family members a collection of exercises. Bork then studies the interactions and identifies who in the family dominates, who clarifies statements of others and who initiates discussion. If utter dysfunction rules, he is blunt with the family—even an unnamed, high-powered one who once sought his services, Bork says. "When I told the father that I didn't want to work with them, he asked why. I said, 'I've been watching you all day. You don't listen to anyone. Your wife, your children, even me. It would be a waste of your money and a waste of my time.'"

But when the fit is right, the money spent for consulting is hardly a waste, Bork asserts. "If you grow to feel good about your dad, and you get the chance to work with your dad, what could be better?" ■

A close-up photograph of a man with short, dark hair and a light beard, wearing dark aviator sunglasses. He is looking down and to the right. He is wearing a light blue and white vertically striped short-sleeved button-down shirt, which is unbuttoned at the collar. The background is a bright, out-of-focus teal color. The overall mood is relaxed and stylish.

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The Extended Family

Many Mitchells' employees have spent a lifetime with the company. Meet a few of the most powerful.

BY JEAN E. PALMIERI

DOMINICK CONDOLEO, MASTER TAILOR, MITCHELLS



The store's oldest employee, Condoleo started working for Ed Mitchell 49 years ago. Although he had entertained ideas of opening his own tailor shop after emigrating from Italy, he opted to join a fledgling retail store in Westport, Conn., instead. His long career at Mitchells almost came to end just after it started, however. "I was not happy with the person in charge [of the shop when I joined]," he recalls. "I didn't like him. We had an argument and I decided to leave. But I went to Ed Mitchell and he said, 'Wait until tomorrow.' The next day he told me I wasn't going anywhere and he put me in charge of the shop."

In the early days Condoleo oversaw three people; today there are 24. "I've been lucky," he says. "Many of my tailors have been here 10 to 30 years. Tailoring is not an easy job. It takes a long time to learn the trade. You really have to like it."

Among his favorite parts of the job is working with customers. "It's very satisfying. They've become my friends. It's a lot of fun."

So is working for the Mitchell family. "They have a very unique formula that makes people want to do things for them. Nobody is forced. They empower you and with empowerment comes responsibility."

Although he has reached an age where he could easily retire, Condoleo has no intentions of stepping aside. "In January I had two knee replacements and was out of work for seven weeks. It reinforced that retirement is not for me. As long as I'm still productive and healthy, I'll be here."

FRANK GALLAGI, SALES ASSOCIATE, RICHARDS

When the Mitchells bought Richards in 1995 they also inherited Gallagi, the store's super-salesman. Now a 43-year veteran of the Greenwich store, Gallagi admits he was apprehensive when he initially heard about the sale. "At first I didn't know what could happen, but it worked out to be the best thing," he says. "The Mitchells are wonderful people and they give so much to the community."

Although Mitchells and Richards were competitors, the relationship was always friendly, he recalls. "We shared some merchandise, and when I had a heart attack 25 years ago they sent me flowers."

One of the best things about joining forces with the Mitchells, he says, is their sense of family. "It's not all business," Gallagi says. "They expect you to spend time with your family."

The other thing that keeps him hanging around is the relationship he's established with his customers. "I could retire, but I'm still having a lot of fun," he says. "I'm getting referrals of young people, which is a big compliment at this stage in my life."

It's also a compliment that some of his long-standing customers think of him as family. "I get invited to their weddings—I've found myself on a 60-foot catamaran in St. Martin," he says. "You're really a part of their lives."

Maybe it's because Gallagi still goes above and beyond to please them. For example, on the morning of this interview he was scurrying around Richards well before opening because a customer just had to have an outfit for a trip that day. "I always try to do my best," he says, pointing out that the Mitchells allow him and his colleagues to make whatever decisions are necessary to complete the sale. "From the receiving people to your peers," he says. "We all work together to make it perfect."



JOHN HICKEY, SALES ASSOCIATE, RICHARDS



Growing up, Hickey saw himself on the Great White Way, not on a retail sales floor. But the 30-year Richards veteran doesn't regret his decision. Now the store's top men's wear salesman, Hickey grew up in the business. "My father ran the store for [Richards former owner] Ed Schachter," he recalls. "I worked here a little through high school, but I swore I'd never come into this business full time."

Instead, he spent his time off working in summer stock in hopes of launching a career as an actor. But after college he migrated to Richards and has been there ever since.

In Hickey's mind there's not much difference between retail and acting. "What we do is entertain," he says.

Hickey credits his father and Frank Gallagi for teaching him the tricks of the retail trade. "Frank is gold. He's on all the time," Hickey says. "I've learned so much from him that it's made me a better person and a top seller. He taught me how to treat the customers and make them feel like they're in our home. We built our business one customer at a time. And we've been hugging the customer forever."

He too admits to having been a little uncertain about how the Mitchells would change the store after they purchased it. "When they came in, it was scary," he says, "but they were smart enough to embellish the business."

On a personal basis, "they give me a lot of rope," he says, "and are so appreciative of what we do. They act as coaches to keep us going. They believe in positive reinforcement."

Hickey notes: "I entertained [the idea of] leaving a few years ago, but it would be too hard to walk away. Retail is not easy, but I guess I have the gift. When I walk in the door, I realize it's showtime."

TULLIO GIANNITTI, MASTER TAILOR, RICHARDS

Ironically, Giannitti had actually worked for the Mitchell family in Westport for a short time before moving on to its competitor, Richards, in the early '70s. When he took the job at the Greenwich store, there were only three people in the tailor shop. Today, he oversees a staff of 18 and serves as its head fitter for men.

"I worked for Ed Schachter for 25 years and then went back to the Mitchells [after they bought the business]," he recalls. "I like the Mitchell family. I do the best I can for them."

Describing himself as "a gentle man" who "never calls in sick," he has a work ethic that was honed in Italy from the age of nine. "I can make a suit from scratch," he says, but he realizes that his is a dying art. "Today, everybody wants to be a lawyer or a doctor. But I look at my job like a doctor. I'm a professional too."

Giannitti says that all the tailors used to be from Europe, but over the past 15 or so years the majority are from Colombia, Ecuador, Chile or Peru. "And we have two beautiful ladies from Portugal," he says.

When the Mitchells bought Richards he wasn't sure how it would turn out, but, "now I say 'Why didn't they buy the business sooner?' Mr. Schachter was a good man but the Mitchells are more professional. They've made a lot of good changes. I would like to be here a long time."

RITA M. ROMAN, SALES ASSOCIATE, MITCHELLS

Don't tell Roman that a woman can't sell men's wear. The Mitchells veteran was one of the few female salespeople when she joined the company 22 years ago. "Bill and Jack had great faith in me," she recalls. "I



was one of the few women in this store. But it's been great. The men loved it and their spouses were appreciative."

Roman credited the Mitchells with "making me feel like part of the family. Their sales associates are as important to them as their customers. The key for them is to promote a healthy, happy environment. They've let me do what I want and they trust me to make my own decisions. I basically run my own business within their business."

Calling the family "visionaries" and "incredible businesspeople," Roman sees her career with the store continuing far into the future. "I don't have a crystal ball, but they give me the confidence that I could be here another 22 years."



RAY CERRITELLI, SALES ASSOCIATE, MITCHELLS



As a Connecticut native, Cerritelli remembers shopping at Mitchells as a kid. "My dad would shop here for himself and me," he recalls. And although he had worked for other retail stores, he eventually came back to Westport and took a job as a salesman at Mitchells. That was 23 years ago. "They give you a lot of freedom," he says of the family. "It's not a corporate structure and you don't have to constantly be looking over your shoulder. They've allowed me to flourish."

Of course, it doesn't hurt that Cerritelli will do almost anything to

seal a sale. "I'll come in early, I've made a delivery to Sarasota for a customer—whatever it takes. It's a pretty basic concept, but if you always err on the side of the customer, you can't make a mistake. It becomes very easy and second nature."

ANGELA GUITARD, SALES ASSOCIATE, RICHARDS

With a resumé that includes an eight-year stint at Nordstrom in Paramus, N.J., where she was the top women's salesperson and managed the designer department, Guitard could have written her own ticket. But after a divorce the Connecticut native quit her job and moved back home to Greenwich. Soon after, she was ready to remarry and found the perfect Donna Karan dress. The designer suggested she go to Mitchells to try it on, so up the road she went. Scott Mitchell, the women's manager there at the time, helped her figure out how to get the "very intricate" dress on and they started chatting.



"I was standing there half naked and he told me they were building a store in Greenwich [that would include women's]. I told him that I only wanted to work part-time. Then I met Bill and 4 1/2 hours later I was hired."

Although building a business from scratch wasn't easy, Guitard says she "likes to be challenged."

She also goes above and beyond to please her customers. "I had a client in Boston and we were supposed to overnight her a top to go under a suit I'd sold her. But they sent it regular mail," she recalls. "So we bought the same top at Saks in Boston, I sent my daughter there to pick it up and we sent her in a taxi to the client's house. We were sweating—this was around 4:30 and she needed to be dressed by 5:30. But we made it."

This is a microcosm of what it's like to work at Richards. "The relationships we have with our clients go far beyond anything else," she says. "It's very personal and intimate. I love the one-on-one."

DAN FARRINGTON, GMM OF MEN'S, MITCHELLS/RICHARDS/MARSHS

Farrington knows his last name isn't Mitchell, and in the 15 years he's worked for the company he's wondered if he could ever really hope to

advance in an organization chock-full of family members. "That was a big concern for me," he admits. "So Bob, Russ and I had the conversation. They said there would be opportunities for me. They told me they intended to have more than one store and that there would be plenty here to keep me challenged."

That has turned out to be the case. "With all these stores, the job has exceeded my expectations," he says.

Although he reports to chief merchant Bob Mitchell, Farrington has the freedom to make his own buying decisions. "They empower people," he says. "They don't just give you a title and make the decisions themselves. They have the confidence to hand over that decision-making to their people."

He adds: "They're good managers and very committed to having non-family members play key roles."

Since he started working at Mitchells in high school Farrington has seen a dramatic shift in the merchandising mix. "We made a conscious decision to go upscale. We were much more moderate 15 years ago." And so, Zegna, Armani and other luxury brands took space away from lower-priced labels. "We realized Westport had become a mega-wealthy community, so it's been a continual trade-up."

TOM MALERI, MANAGER, MITCHELLS



As a non-family member, Maleri wondered just how far he could rise in the Mitchells organization. "I remember saying to my wife: 'This is a family business, where am I going to go?'" But it was determination to spend quality time with his family that kept him from moving on. "I've seen my twin boys grow up," says the 16-year Mitchells veteran who had worked at NBO before joining Mitchells. "I've had a balance between business and family life. We work hard but if I need time off

to see my boys do something, it's no problem. It's really gratifying."

It's also been gratifying to see the business grow. "When I first came here, it was just Jack and Bill," he says. "It's great to see the third generation come in and feel so passionate about taking the reins. It's interesting to see the dynamics of the family."

It's also interesting to watch the Mitchells fan the fires of creativity among the staff. "It's different strokes for different folks," he says. "We maximize people and they feel good about what they do. We like win-win, not lose-lose."

When he started, Mitchells was just another store, but now it's the "barometer. It's amazing that this little store in Westport could be thought of as one of the best retailers in the world."

JEFF KOZAK, MANAGER, RICHARDS

Kozak admits to having had major "anxiety" when the Mitchells bought Richards. "I thought it would destroy the confidence of our world," says the 25-year Richards veteran. "But it's been a blessing for everyone. People feel much more involved as they've grown the business."

Calling it a "testament to the Mitchell family," he says their love of the business has rubbed off on everybody who works there. "They're all very passionate," he says of the owners. "They have strong views about where the stores are going and they put out one common message." Despite the tough economy, Kozak reports that the store is "thriving. It's all about the relationships with our clients and the people we work with. It's all about the people."

Kozak says the "ability to grow is in our hands. We're given the tools and if we achieve that growth, we're rewarded." In the past, Richards management had tried to change the sellers' styles to meet certain criteria, but under the Mitchells "we now have standards that build on people's strengths. Scolding doesn't work with anyone." ■



“ I had a client in Boston and we were supposed to overnight her a top to go under a suit I'd sold her. But they sent it regular mail, so we bought the same top at Saks in Boston, I sent my daughter there to pick it up and we sent her in a taxi to the client's house. We were sweating—this was around 4:30 and she needed to be dressed by 5:30. But we made it. ”

—Angela Guitard

Turning Point: Women's

The faster-turning category accounted for nearly \$60 million in sales at Mitchells last year—for the first time, more than men's wear

BY DAVID MOIN

As the Mitchells celebrate 50 years in business this fall, Connecticut's first family of fashion retailing has another milestone to contemplate: Women's volume surpassed men's wear for the first time last year.

The implications are wide, particularly since the Mitchells have roots and a long reputation in men's wear. The staff has grown, along with a sense of urgency to purvey the latest designers and most relevant trends to an upscale audience. Compared with men's, the faster-paced world of women's fashion carries greater risks, but also the potential for higher volume and profits.

In addition, there's been a scramble for square footage on the selling floor to accommodate the evolving ready-to-wear, jewelry, shoes and accessories categories, with little elbow room in the Mitchells of Westport and Richards of Greenwich stores. Those two luxury emporiums have expanded to the limits set by zoning regulations, though additions are possible at Marshs in Huntington, Long Island, which also carries a designer assortment.

"We are tight for space," admits Linda Mitchell, co-GMM for women's, and the wife of CEO Jack Mitchell. "We keep turning it [the merchandise] faster and better. We've already encroached a little on the men's territory."

Last year, women's accounted for 55 percent of the retailer's total business. "That really is a milestone, when you consider we bought two men's stores and added women's onto them," Linda Mitchell adds, referring to the acquisitions of Marshs in 2005 and Richards in 1995.

The women's business is estimated at \$55 million to \$60 million in sales last year, according to market sources, with the designer portion accounting for about 65 percent; contemporary, 20 percent; and coats, sweaters and other items, 15 percent. Men's and women's together is just over \$100 million, sources say.

Mitchell, along with her co-GMM, Ellen Finlayson, and her son Bob Mitchell, co-president, sat down over club sandwiches and coffee at the Mitchells store to discuss the progress of the women's business. Marshs and Richards, they explained, were strictly men's wear businesses until the Mitchell family determined they were ripe for women's as well, particularly since plenty of women shopped the stores already, either for, or with, their husbands or boyfriends. When Mitchells bought Marshs, for example, the family surveyed 750 women who shopped the specialty store and learned that 85 percent would frequent a Marshs women's department if the service and selection were comparable to the men's operation.

As far as enlarging Marshs, it's something to consider for the future, not immediately. "Right now, we feel we have enough space to grow that business," says Bob. "We have only been there for two years. It's still relatively new for us."

The women's offering at Mitchells/Richards/Marshs is primarily built on high-end designer offerings that are tailored, career and evening-related, and targeted to 35- to 65-year-old, upscale professional women, or young, affluent mothers.

Lately, dresses, as well as outfits and items with a casual, relaxed yet still luxurious bent, have been driving the business. So have accessories, jewelry and shoes. With a preponderance of high-ticket products, sales average about \$3,000 a square foot, with the average rtw ticket a few hundred dollars lower than \$3,000, while jewelry runs higher on average.

The three top-selling labels are Giorgio Armani, Hermès and Michael Kors, followed by Loro Piana, Brunello Cucinelli, Dolce &



Ellen Finlayson

Gabbana, Ralph Lauren, Escada, Akris, Etro and Valentino. Such items as the Armani Collezioni fuchsia mandarin-collar jacket, priced \$1,195; Kors' cap-sleeve tweed suit, \$2,970; Loro Piana's chocolate cashmere vests, \$1,735; and "hurricane" raincoats for \$3,450 typify what's been selling best.

In handbags, accessories and shoes, Hermès, Prada, Gucci, Tod's, Manolo Blahnik, Loro Piana, Stuart Weitzman and Cole Haan are key brands, with Hermès' Lindy Bag, priced at \$5,550, and Blahnik's bronze metallic "Farinelli" open-toe pump with stones, \$765, among the best sellers.

In jewelry, important labels include Michael Beaudry, Kwiat, Temple St. Clair, Cartier, Pommelato, Gurhan, Diamond in the Rough and Renne Lewis.

Three years ago a contemporary business, including Tory Burch, Theory, M Missoni and Phillip Lim, was layered in for a younger attitude and a more price-point-conscious customer, with Burch's tie-dyed tunic, priced at \$395, a strong seller.

The store is also bringing back Moschino after a five-year hiatus, and adding Charles Chang Lima and Ginny H for fall as well, creating a niche between contemporary and designer. "We buy these brands because they're a little quirky and not as traditional as some of our main lines," Linda explains.

"Casual luxury is our next foray," says Finlayson, a former executive at Bloomingdale's, Bergdorf Goodman, Ann Taylor and the Redcats USA catalog, who



joined Mitchells three years ago to further the women's business. She says the plan is to develop an area at Richards to house a grouping of designer labels adjacent to the Michael Kors shop, such as Loro Piana, Luciano Barbera, Akris, Agnona and Brunello Cucinelli, to project a relaxed yet still dressed-up appeal. A space, not quite as formalized as in Richards, will also be carved out at Mitchells.

However, the biggest growth opportunity is in jewelry, accessories and shoes, where Judith Ripka was brought in to replace David Yurman, and in the last six months Giuseppe Zanotti and Jimmy Choo shoes were added, as were Miu Miu shoes and handbags. "Accessories is the fastest-growing part of our business," says Finlayson.

Mitchells' growth in women's and men's fashions has been methodical and organic. That's different from most other retailers, which build volume primarily by increasing their store count. Still, the Mitchells are open to making another acquisition.

"First and foremost, our growth is going to continue to come from within our three stores," says Bob. However, "an acquisition, whether it's a men's or a women's store in the tristate area, would make sense. It's something we are always looking at. But there is nothing hot on the burner. We like to take measured steps."

The Richards and Marshs acquisitions, he notes, were far apart, and both not very far from the Westport home base. There is an 80 percent overlap in merchandise from store to store, but they each draw from different geographies and have very few customers in common. The stores are less

promotional than the competition; they never run a "friends and family" event, and they don't break price before other designer stores. The Mitchells say their merchandise is on sale about a third of the year through two events, and more than 70 percent of the women's goods are sold at full price.

The trunk show schedule is relentless, with at least 40 each season. There are free alterations on all women's merchandise provided it's not marked down more than 40 percent.

The buy, say the Mitchells, reflects a "steady dialogue" between the buyers and the sales associates on what customers want. Customer profiles, with computerized data on purchases and preferences and personal info, such as birthdays, hobbies and sizes, help buyers shop the markets with specific customers in mind. Typically, sales associates work with at least 100 customers and maintain customer books, either the old-fashioned handwritten kind or computerized versions. Then sales associates let the customers know when the goods are due to arrive, contacting them through e-mail, direct mail or by phone.

The connection with customers is unusual in retailing, where too often store staffs are disconnected from the client base. The Mitchells like to say they're in the relationship business more so than the apparel business.

"Our greatest strength is the people we have on our selling floor," says Bob. "They're highly productive, and we give them the behind-the-scenes systems" to support them with data on shoppers. Buyers attend the trunk shows, and they spend about 48 of the

Elbows Past Men's

52 Saturdays in a year on the selling floors, so they learn what customers want and can effect educated buys.

"The major lines that drive our women's business are available in other stores. The challenge is to edit them for our customers," adds Linda.

For 38 of its 50 years Mitchells has sold women's. It started when Jack Mitchell joined the store and decided to bring in women's lines. Among the early labels sold were Liz Claiborne, Jones New York, Bleye, Gordon of Philadelphia, Adrienne Vittadini, Dana Buchman and Barry Bricken.

Nineteen years ago the company gave a sign it was getting serious about selling women's by changing the name on the storefront, from Ed Mitchell to simply Mitchells, to be less gender-biased. In 2003 the store's old suburban wood facade was replaced by brick and stone, and one central entrance direct to women's accessories, handbags, shoes and jewelry was constructed, leaving no doubt where Mitchells saw the most growth potential. Before, there were separate women's and men's wear entrances, reducing the chances of cross-traffic. Women's increased about 15 percent in space, to 14,000 square feet, and the space was furnished with granite tables with brushed-nickel frames, new floors, skylights and overall an environment befitting women's designer collections, comparable to the fanciest designer stores in Manhattan. Meanwhile, men's wear was downsized to 11,000 square feet, leaving the store at a constant 25,000 square feet.

"We tiptoed into women's, and then three

years ago Ellen and Linda exploded it," says Bob. "There's an excitement to the business, more options, more energy. Women are more interested in fashion. There is always an opportunity to grow women's by changing your strategies or the execution. There is more risk involved, though we think there is still a lot of growth."

That belief is partly based on the knowledge that the percentage of women's to men's at Mitchells and the sister stores is still well below that of Neiman Marcus and Saks Fifth Avenue, where it's more like three-quarters or 80 percent women's to men's.

Perhaps an even bigger reason to cater harder to women: "They outspend their husbands by two to three times," says Bob.

Mitchells' customers, he says with certainty, are most affected by the vagaries of Wall Street, and less so by declining housing values, the subprime mortgage crisis, or rising gas and food prices. At least 25 percent of the women's customers are executives on Wall Street and work in the financial industry, he says.

He also says the company is well positioned with inventory this season, and didn't overbuy as did many other retailers.

Overall, the company has never been stronger financially, and has always been able to self-finance growth, according to Bob. While he did say the women's business last spring was flat, there's optimism. "We have been amazed at how resilient the customer has been," he says.

"The early read on fall has been excellent," adds Linda. "Every trunk show has been ahead." ■



Women's accounts for more than 50 percent of the company's business today.

Where Sales Sparkle

By upgrading the jewelry category, the retailer has created a multimillion-dollar business at its three stores

BY LAURA KLEPACKI

One Thursday morning in June, Todd Mitchell sent a personal e-mail to a busy corporate executive, a man with little time to shop. It was an acknowledgment that his wife's birthday was coming up. Todd, vice-president of jewelry for Mitchells, had something she might really like. Within five hours the customer wrote back. He would be in on Saturday to see it.

Paying attention to the personal preferences of shoppers, keeping data files and then following up with e-mail messages and postcards have helped Mitchells' jewelry department blossom. It is now a multimillion-dollar business representing 30 percent of its women's sales, or around \$16.5 million.

The magnitude of the department "is the best-kept secret," agrees Todd, who holds a master's degree in gemology from Gemological Institute of America, where he was educated on the fine points of diamonds and colored stones. With stores in Westport and Greenwich, Mitchells is now the largest jewelry retailer in Connecticut, he notes.

It wasn't always so. Jewelry was a late addition to the family's business, with sporadic offerings beginning some 15 years ago. The initial focus was on pieces with fashion stones to match outfits. For a couple of years an entry-level diamond line was presented



Jewelry is a growing area for Mitchells' three stores.



at a trunk show at Christmas. "We started selling bigger pieces in the \$2,000, \$3,000 and \$4,000 range," recalls Todd.

Then the diamond line was brought in year-round and put in a case. "It did phenomenally well," says Todd, who is the son of Jack Mitchell. Because customers trusted Mitchells in other areas, they started making special jewelry requests. "That was the number-one factor in our growth—the trust."

Continued on page 25

PHOTOS BY DAN DERRICO

The Mitchells Message

Through 50 years of growth, Mitchells' marketing campaigns have remained faithful to the family name

BY RICHARD BRAVO

"Half the money I spend on advertising is wasted; the trouble is, I don't know which half."

This famous axiom was attributed to a pioneering retailer in the 19th century, but that uncertainty resonates just as clearly today. So at the Mitchells stores, when it comes to advertising, they stick with what they know: family.

With the Mitchells, marketing campaigns frequently go beyond the conventional, and in the early years of the company they even eschewed traditional advertising techniques. With an aim to create bonds with their customers, many of these efforts were directed at making shoppers feel as though they were part of the family itself.

Andrew Mitchell, vice-president of marketing, recalls how his brother, Russ, was frustrated trying to find penny stamps after the price of postage increased. This frustration was the genesis of a novel marketing campaign: The company bought packets of penny stamps and mailed them to all their top customers, courtesy of Mitchells.

"These little things have always frustrated me," says Andrew. "The idea is that we treat our customers as family."

Andrew also recounts the irritation he confronts when trying to find lost collar stays, which became the source for yet another marketing campaign. The company sent all their male clients sets of five collar stays.

Even in Mitchells' early years, advertising was handled in a unique way.

"The very early days when they started the store, the first database was my grandmother's Christmas card list," recalls Andrew. "That was how she started. She was an incredible note writer. That was 50 years ago."

In the '60s and '70s, Mitchells concentrated on advertising in local newspapers and reinforced its commitment to family values. Most of these print advertisements included images of sales associates, local politicians and the family members themselves.

"In the early days the ads were always about the story," says Andrew. "There would be a father and son shopping with my grandfather, with the father saying, 'I got my first bar mitzvah suit here, now I take my son.' Very storytelling-driven."

Twenty-five years after the inception of the company, Ed Mitchell, Andrew's grandfather, advertised on the radio for the first time. Ed hired Wynn Elliot, a famous network sportscaster who was

also a close friend, to do the spots. This was the first time the company used its tagline: Once a customer, always a friend.

In the '90s, as the company shifted its business to the designer market and looked to reap the benefits of the growing affluence in Connecticut, Mitchells



started to refocus its marketing philosophy. The company wanted to become a local alternative to New York City and to be seen as a multibrand store. During this period, advertisements still used pictures of the family, but there were many more product-driven looks as well.

The store's new image book, called *50 Years of Hugs*, will encapsulate five centuries of advertising tradition. When the book is released the Sunday after Labor Day, customers will see images that underscore the tradition of relationships at Mitchells. As well as product shots, there will be portraits of family members, customers, vendors, associates and designers (Giorgio Armani will be pictured with Bob Mitchell). "As you are flipping through this book, it will hit all the senses of all the relationships that we have," says Andrew.

"Family is a competitive point of difference for us," he adds. "We're family-owned and community-driven. Having that feeling is very important." ■



Far left: Two holiday brochures that ran in the 1970s. Above: Images from Mitchells/Richards' upcoming "50 Years of Hugs," featuring family members, sales associates, business luminaries and celebrities, such as Giorgio Armani, Kean Etro and former Richards employee Matt Lauer.



Hugs to the
Mitchell family
in celebration of
50 glorious years!



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Vineyard Vines

Continued from page 12

speaker and cocktail parties taking place in the back at night,” says Cameron Gammill, the manager of retail sales for Vineyard Vines stores, who oversees the units with Anne Danielson.

The partnership worked so well—with the Mitchells responsible for the hands-on store operation and the Vineyard Vines team designing, producing and marketing the product—that the two families opened three more stores together. In November 2007 a small Vineyard Vines outpost at The Ocean Reef Club in Key Largo, Fla., opened, followed by a 3,500-square-foot space in Westport, Conn., and a 6,000-square-foot store in the nation’s capital, both this past April. The Mitchells also help operate the brand’s Edgartown flagship.

(Vineyard Vines also maintains partnerships with Massachusetts specialty shops Murray’s Toggery and Puritan Clothing Co. to operate freestanding stores on Nantucket and Cape Cod, respectively, and they joined forces with the Levy family, owners of renowned Memphis, Tenn., specialty store Oak Hall, to open a Vineyard Vines store in Memphis this past January.)

“The Mitchell family runs a class act,” says Shep. “They have so many moving parts and family members—the product they deliver is incredible, and they are passionate about continually evolving.”

While each store has its own merchandise plan, the retail formula remains the



The Greenwich Avenue flagship



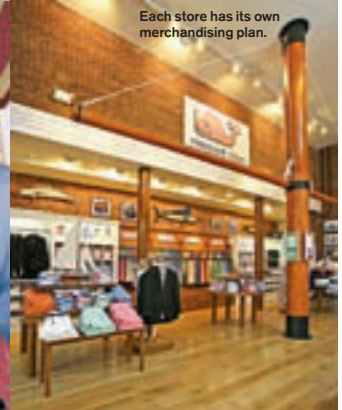
The outpost in Key Largo

same. Both organizations have strong and identical theories on customer service, and all employees get training at the store as well as Vineyard Vines headquarters. “The attention that the Mitchell family gives each customer is a philosophy we preached as a brand before going into retail,” says Gammill. Hiring mostly comes via word of mouth or internal connections. And while both sides are mum about what the retail stores are generating, Shep told DNR that they are doing better than was ever expected and that more are likely on the way.

“The Mitchells took a chance on us,” says Shep. “If someone had asked them two years ago what their strategy was, they would not have said us—they are continually willing to think outside the box and keep taking it to the next level.” ■



Shep and Ian Murray



Each store has its own merchandising plan.

Congratulations to Mitchells on your 50th Anniversary



HICKEY FREEMAN



suit yourself

Jewelry

Continued from page 21

"They don't want to get hoodwinked. If the suit didn't fit, we took it back. We were a local, loyal community-based retailer," says Todd. "The jewelry business is different from suits. But we were fair in our pricing and slowly built the business."

Jewelry remains in a growth mode, with annual sales increases projected in the 12 to 15 percent range. "In our own customer database, we [jewelry sales] have only penetrated 20 percent," says Todd.

Today, Mitchells is full-service and prides itself on special requests. The Westport flagship has 32 cases and four jewelry specialists; its Greenwich store has 16 cases and three jewelry specialists; and its third and newest store, Marshs in Huntington, N.Y., has nine jewelry cases and a jewelry specialist on staff.

"If someone needs clocks engraved for a business event this evening, I can get that for you. If someone says, 'My wife needs diamond stud earrings' at whatever price, I can get something in two hours," says Todd.

Although selections vary from store to store, Mitchells currently offers nearly 30 jewelry lines, including: Bedat, Cartier, Judith Ripka, Michael Beaudry, Renee Lewis and Temple St. Clair.

Prices inched up over the years, too. From semiprecious stones, there are now pieces with precious stones at prices from \$100,000 to \$500,000. Upstairs even from that, its biggest one-time purchase came two years ago: a diamond and sapphire bracelet priced \$750,000. "It was gorgeous," says Todd, who finds the jewelry sector appealing partly because of its feel-good, emotional aspect, whether it be a gift or self-purchase.

To keep the departments exciting, Mitchells holds several in-store events a year. Mother's Day, Father's Day and Valentine's Day are key holidays, and from Thanksgiving to Christmas there are typically four or five vendor presentations a day.

Mitchells also pairs jewelry lines with fashion trunk shows, says Todd, citing as an example women's Armani shown with Pomellato jewelry.

Vendors and customers acknowledge the attention to detail as well.

"The level of customer service is the best I have ever seen in my life," states Anjanette Clisura, president of Diamonds in the Rough, a jewelry collection featuring uncut diamonds carried by Mitchells since last September.

Mitchells staff is so accessible, she points out. "If you call the store after hours, they give you an option to reach every person at home. They are giving people. They always try to please the customer. Because they are like that, that makes me want to be like that."

She recalls one male customer who never wore a wedding band. But he liked the Diamonds in the Rough collection and requested to have something custom-made. "We worked with Mitchells on getting him exactly what he wanted. It took two to three months. We even reworked the thickness of the band several times until it felt just right," says Clisura.

Longtime customer Wendy Doyle of Fairfield, Conn., says that while it sounds like hype, "it really is true. You do become part of the family. Yes, they are in a business to sell things. But at least in my case, I do consider a lot of them my friends now, which is nice." Recently the company donated to a charity founded by Doyle's twin teenagers that benefits refugees throughout the world. "They were willing and more than happy to do it," she says. ■



Jewelry now includes semiprecious stones from \$100,000 to \$500,000.

A black and white advertisement for Strenesse jewelry. The central image is a photograph of a woman with long dark hair, wearing a black sleeveless dress, posing with her hands on her hips. The background is a plain, light color. On the left side of the image, there is a vertical URL: www.strenesse.com 212.485.1755. In the bottom right corner, the name "Gabriele Strehle" is written in a large, elegant cursive script. Below that, the brand name "STRENESSE" is printed in a bold, sans-serif font, with "GABRIELE STREHLE" in a smaller, all-caps sans-serif font underneath. To the right of the woman's head, there is text about the Spring/Summer 2009 selling period: "Spring/Summer 2009 Selling Period: August 4 through August 21. By appointment only." Below this, it says "Available at Angela, Gretta Luxe, Nordstrom, Mitchell's and Richard's."

Spring/Summer 2009 Selling Period:
August 4 through August 21
By appointment only

Available at Angela, Gretta Luxe,
Nordstrom, Mitchell's and Richard's.

Gabriele Strehle
STRENESSE
GABRIELE STREHLE

Class Action at Hugging U

Mitchells' new "university" gives employees the skills to improve their lives, both personal and professional

BY BRENDA LLOYD

Other companies could learn a lesson or two from Mitchells' Hugging University.

Inspired by Jack Mitchell's books, *Hug Your Customer* and, more recently, *Hug Your People*, Mitchells started The Hugging University in April 2007 and then brought in Robert Greenfield, who has a 32-year luxury retail background, about a year ago to facilitate and organize it for the three retail organizations within the Mitchells family: Mitchells, Marshs and Richards. The university was up and running last fall, but it's still a work in progress as Jack Mitchell, the visionary behind it, his son Andrew and Greenfield continue to come up with new ideas.

The classes—yes, there are classes—focus on five categories: culture, or a presentation of Mitchells history, mission, vision and guiding principles; team development; client development; personal development; and outside interest development. There are specific courses for team-building and interdepartmental and inter-store communications, as well as cultural training for customer service and experience. Courses outside of the business include yoga as well as caring for aging parents and estate planning.

The tagline for the university is listen, learn, grow. "All the courses have to be about that," says Andrew Mitchell, vice-president of marketing.

Mitchells has a 'board of education' made up of sales team leaders, some sales associates and a buyer who meet monthly to assess how people liked courses and explore new ideas, how to improve the classes and how to get everything done. The classes get some outside help from specialists in various areas, but Mitchells more often calls upon its own employees to provide the training.

"We have so much expertise in the organization that we can grow with each other as a team," says Greenfield. "Part of it is that the more we learn about each other and that each department is essential to the company, the more we can bring that front and center to make it resonate not only with the customer experience but with each other. And we link the stores and take it on the road to bring the entire organization together. This is why I connected with Jack's vision. At the end of the day, people make the difference, especially in such a competitive environment."

Part of the goal is to give associates an understanding of what other people in other departments do. "One department will present to another what their day looks like, which builds trust between the departments ... and helps them understand and respect [each other's] jobs," Mitchell says.

Greenfield adds that each department (or individuals in the department) will create a vignette every month to present to the entire store that showcases what they do, how they bring value to the organization and who they feel positively impacts their ability to deliver value. The intention of the program is to improve communication and teamwork by creating empathy, enhancing relationships, fostering acknowledgement and deepening pride across the entire company. The presentation ends with everyone in the audience sharing one reason why they appreciate the presenter.

Associates share their expertise with each other in the classes. As Mitchell explains, the classes aren't structured as a regular teacher/student classroom. "They're taught

by peers," he says. One associate who particularly excels at profiling customers, making outbound phone calls or picking up new clients, for example, will share that knowledge. The subject of one class, he notes, was how to build "super clients," who typically spend more than \$25,000 per year. "It was on how they're able to do that, what's different between serving super and usual clients and how to turn the usual client into a super client," Mitchell says.

John Hickey, who is the top men's seller at Richards, says he has found the classes to be "very exciting." Hickey has been at Richards for 30 years but says he's learning new things. For example, he took part in a course a few weeks ago on how to blast e-mails and still keep them personal for his clients. The associates at his store in Greenwich, Conn., meet in a building across the street from the store about once a month from around 8:30 to 10 in the morning. "I find that we share a lot with each other," he says. Because the space is quieter and less harried than the store, and because the meetings are held in the morning, "people are more willing to share ideas and open up. The key is to keep it fresh, and they [the Mitchells and Greenfield] have been keeping it fresh."

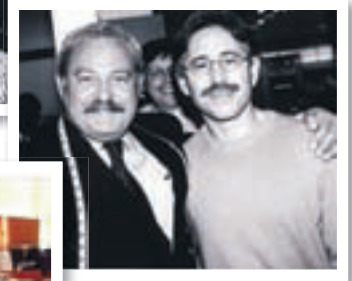
Says Mitchell, "No course is the same. We have to keep them exciting and keep people coming to them. And we mix it up with outside specialists, as well as our associates from different stores, which has been a big bonus." For example, an associate called on to share his knowledge of a task he does well "feels like a million bucks afterwards" because of the recognition, Mitchell says.

For the class on caring for aging parents and estate planning, Mitchells brought in an attorney who special-



John Hickey

Andrew Mitchell



Hugging is a hallmark of the Mitchells culture.

izes in elder care and financial ramifications, a geriatric care provider and a person from the Employee Assistance Program. "It gave people the opportunity to learn the critical things to know before they're in a crisis," Greenfield says. "We invited whole families for this one. It went really well."

Hugging University goes beyond the classes, though. To help celebrate Mitchells' 50th anniversary, the company developed The 50th Anniversary Big Give, which provides associates the opportunity to thank the people who help them the most, or, as Greenfield puts it, "help make you shine." Mitchells has issued each person five recognition coins to give to each of five special people. The five associates who receive the most coins, or who are the "five top huggers," Mitchell says, were acknowledged at the family picnic/barbecue in early July.

Mitchell says the company is also discussing taking everyone bowling and throwing a picnic next spring.

Greenfield says his own background—which includes Bloomingdale's; Charles Jourdan, where he built a men's shoe business; and his own companies—paired with his own personal interest and education on team-building and communication with customers, fit beautifully with Jack Mitchell's hugging customers and people philosophy. "It seemed a perfect match," he says. "Mitchells is at the top of their game, and this is a way to create new possibilities and enhance their level of expertise. We have so much expertise in the organization that we can grow with each other as a team." ■



Hugs to the Mitchells family

on 50 years of hugging

all those around you.

The **GURHAN** family

looks forward to

50 more years of hugs!



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