



## **EXECUTIVE CHANGES STIR RETAIL INDUSTRY**

*By David Moin*

**FEBRUARY 21, 2012**

A rash of executive changes at high rungs has stirred the retail industry over the past month.

Most notably Glen Senk leaving Urban Outfitters Inc. to join David Yurman and Brendan Hoffman leaving Lord & Taylor to join The Bon-Ton Stores Inc. underscore how anxious boards and managements are to redirect their businesses and that executives are ready to step out into something new, after a prevailing cautiousness through the recession.

While change is good, the same faces keep popping up on different jobs, like a game of “musical chairs.” There’s been little, if any, interest in pulling people from other industries to fill top posts, or to take a chance on someone who may be a rising star yet hasn’t been a chief executive officer before.

“Retailing is a very difficult business. Boards feel more comfortable hiring someone with a track record rather than taking a chance with a brand new person,” said one ceo of a publicly owned retail company. “And let’s face it. There isn’t a lot of talent out there, anyway. It’s all the same people. But I’m amazed on how much shuffling has been going on, and a lot of it is at big companies.”

With retailers spending less time and money on training and mentoring, “Folks aren’t being brought up the way they were before. It’s difficult to find, nurture and create the next generation of talent,” said Kirk Palmer of Kirk Palmer & Associates executive search firm.

Personnel shifts tend to occur in January or February because retailers don’t want to disturb their ranks during the busy Christmas season, and by the end of the year, they’ve pretty much digested the data on the year’s performance, enough to evaluate their managers and initiate change. However, 2012 so far has been marked by a rate of high-level management change at department stores, discounters, dot-coms and specialty chains that industry experts say far exceeds the pace of recent years.

“Is it unusual? Yes,” observed Palmer. “It’s also cyclical. If we look over a 15-year period, maybe once every five years, you’ll get a higher percentage of these changes. There is more of a comfort

level now. Candidates are more willing to consider opportunities and boards are more willing to consider changes in their senior management. With the financial crisis, no one wanted to let their people go, but I don't think you can put your finger on any one particular reason for what's happened so far this year."

The biggest reason for change, retailers would agree, is poor business. At Ann Inc., it appeared Christine Beauchamp was asked to leave her post as president of the Ann Taylor division due to slumping sales and margins.

At Old Navy, on the other hand, Tom Wyatt resigned as president to become ceo of Knowledge Universe in Portland, Ore. Nevertheless, it was a blow to Gap Inc. because Old Navy was making some turnaround progress.

Hoffman surprised the industry by disclosing he was leaving Lord & Taylor, where things were going well, to join the much-lower-profile and struggling Bon-Ton. Hoffman cited his growing discontent at L&T, where the parent Hudson's Bay Co. had been consolidating positions and stripping him of authorities.

Senk, say sources, voluntarily left his job as ceo of Urban Outfitters to become ceo of David Yurman. Urban has been struggling, but Senk opted out to fulfill Yurman's potential for growth and brand extensions.

Meanwhile, Urban Outfitters' founder, Richard Hayne, took Senk's place as ceo and brought back Ted Marlow, a veteran of the company, as ceo of the Urban Outfitters brand. "There are no new names. This is a problem. Nothing has changed," said one human resources executive.

According to Hal Reiter, chairman and ceo of executive search firm Herbert Mines, "You don't see people from other industries coming into the retail industry." While that may mean talent is being overlooked, Reiter and others noted there's now enough evidence to show that going out of the industry to fill a ceo post has not proven to be successful. They cite Paul Pressler who came from Disney to run Gap Inc.; Brad Martin, who left a career in politics and real estate to take over Saks Inc. in the Nineties, and investor Edward Lampert, who took over Sears Holdings Corp. by combining the struggling Sears and Kmart chains. The message coming out of retail boards, at least for now — stick with your own kind.

---

## A SEASON OF CHANGE

- Glen Senk leaves Urban Outfitters Inc. to become David Yurman ceo. Ted Marlow returns to run Urban Outfitters brand.
- Christine Beauchamp out at Ann Inc. and replaced as president of Ann Taylor division by insider Brian Lync
- Brendan Hoffman leaves Lord & Taylor to become ceo of The Bon-Ton Stores Inc., which doesn't renew chief merchant Anthony Buccina's contract.
- Hudson's Bay Co. consolidates, giving Bonnie Brooks and Don Watros extended powers over Lord & Taylor and The Bay.
- Joseph Park promoted to ceo of the money-losing Bluefly Inc., succeeding Melissa Payner.
- Macy's Inc. reorganizes top management in the wake of chief stores officer Ron Klein's retirement
- Georges Plassat, ceo of Vivarte SA, becomes chairman and ceo of Carrefour, succeeding Lars Olofsson.
- Rosalind Brewer becomes president, ceo of Sam's Club, succeeding Brian Cornell. She's the first woman and first African-American to run a Wal-Mart division.
- Greg Foran, senior vice president for Wal-Mart International, named president and ceo, Wal-Mart China, after a food labeling scandal sparks resignations.
- Sears Holdings Corp. names former Brookstone ceo Ron Boire chief merchandising officer and president, Sears and Kmart formats.
- Old Navy president Tom Wyatt resigns to become ceo of Knowledge Universe, parent of KinderCare and other educational programs.
- Tracy Gardner goes back to Gap Inc. as a consultant.
- Loretta Soffe, Nordstrom Inc.'s executive vice president and general merchandise manager for women's apparel, leaves suddenly.
- Apple Inc. picks John Browett, the ceo of Dixons in the U.K., to become its new head of retail, succeeding Ron Johnson.
- Gene Kahn exits Claire's Stores Inc. He was ceo.