

FASHION

The Hunt's on at Burberry

● With Christopher Bailey soon exiting the British house, will ceo Marco Gobbetti stick to his word of experimenting to “create a new energy and positivity?”

BY **SAMANTHA CONTI** WITH CONTRIBUTIONS FROM **KATYA FOREMAN, LUISA ZARGANI** AND **NATALIE THEODOSI**

LONDON — The heat is on to find Christopher Bailey's successor at Burberry, and the question remains, will Marco Gobbetti be true to his word?

Burberry's new chief executive officer, a fashion management star who helped steer Givenchy and Céline to success, declared during his first annual general meeting in July that Burberry needed to take more risks.

The company, he said, “must evolve and try new things. We have to experiment, to create. We have to ask ourselves tough questions, and be bold in all areas of the business in order to create a new energy and positivity.”

Gobbetti was expected to do all that alongside Bailey, Burberry's president and chief creative officer, but that was not to be: On Tuesday, Bailey said he plans to step down in 2018 after 17 years on the job.

And now Bailey's exit could trigger another big shuffle in fashion's merry-go-round.

Many would argue that Gobbetti's new creative chief is right under his nose: Phoebe Philo, whose future at Céline has been the subject of speculation, and who's said to be getting itchy feet after nine years at the LVMH-owned fashion house.

If Philo does take up the role next year, she'll need replacing at Céline, creating more uncertainty in the designer market. It's still unclear when, if and in what capacity Kim Jones might land at Versace, while ex-Givenchy couturier Riccardo Tisci remains on the sidelines — but still working with Nike — after his Versace gig fell through. Alber Elbaz has been keeping a low profile after leaving Lanvin, although he's said to be working on a project in London, unrelated to Burberry.

Bailey, one of fashion's longest-serving creative directors along with Marc Jacobs at Louis Vuitton, Elbaz at Lanvin, Tomas Maier at Bottega Veneta — and Karl Lagerfeld at Chanel and Fendi — had long talked about forging a strong partnership with Gobbetti, much like the ones he enjoyed with former ceo's Rose Marie Bravo and Angela Ahrendts.

While Bailey was never expected to stay at Burberry forever, his quick exit — a few months after passing the ceo torch to Gobbetti — took many by surprise inside and outside the company. On Tuesday, Burberry shares closed down 1 percent at 19.02 pounds on the London Stock Exchange.

Bailey's decision marks the end of an era and of the Burberry he fashioned, with its ruffled edges and polished Mario Testino campaigns, its military details, sweeps of classic tailoring, and nods to his beloved worlds of pop music, 20th-century British art and retro-romance with many a pleat and ruffle.

Next February will likely be the last time that Bailey runs out at the end of the show, and if a replacement isn't found in time, his design studio will take care of the September 2018 collection.

Bailey has been busy reinforcing his



Christopher Bailey

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— MARCO GOBBETTI, BURBERRY



Phoebe Philo

creative team of late with the hire earlier this year of Sabrina Bonesi, who had previously worked for Prada and Dior, as design director for leather goods and shoes, a new role. He has also promoted a designer from within the company to work on women's wear and is understood to be in the process of hiring a men's wear one.

Gobbetti said that while he's sad to see Bailey leave, “We have a clear vision for the next chapter to accelerate the growth and success of the Burberry brand. I am excited about the opportunity ahead for our teams, our partners and our shareholders.”

It's up to Gobbetti now to make his own mark on Burberry — something that would have been difficult with Bailey still around. And while his inbox may already be brimming with tasks, his top priority now is finding a new designer who'll help him pen a new chapter for the 161-year-old brand.

It's unlikely that person will have the title of chief creative officer — which was created for Bailey when Ahrendts was ceo — and he or she will answer to Gobbetti, rather than the chairman of the board. It's also unlikely that Burberry will promote talent from within its ranks.

“It's a huge position and they need a strong creative head — what happened with Alessandro Michele at Gucci is pretty rare,” said Riccardo Tortato, fashion director of e-commerce, and men's fashion director at Tsum.

Philo and Gobbetti are a proven team, and there are those who say it's high time for a woman — and an English one in particular — to take the Burberry helm.

“Phoebe has the vision,” said Laura Vernier, partner at the Paris-based headhunter Jouve & Associés. “She is truly one of a kind, a highly intelligent artistic director — and English.”

Agnès Barret, principal of the Paris-based creative search firm Agent Secret, called Burberry “the most British of British brands” and said Philo, has a “real knack” for reviving heritage labels. “She has a perfect understanding of clothing and would be capable of injecting modernity into the brand, while staying true to its patrimony and DNA.”

Katie Grand, stylist and editor of Love magazine, said it's the right moment for Burberry to hire a woman: “Phoebe is hugely talented and has proven that she works well within big corporations.”

Grand also pointed out there were “a lot of beige macs” in Philo's latest Céline collection in what might have been a stealth audition for the big role. In retrospect, that navy trench dress and the white leather poncho that closed Céline's spring show might have also been a wink at Philo's former boss.

Rachel Saywell-Burr, founder and managing director of Talent Atelier, a creative headhunting agency, said while Philo would bring a very different aesthetic to Burberry, the move would be a good one. “The next step for her really is to take on something enormous, like Burberry, or step out on her own, which is an incredibly overwhelming proposition.”

Saywell-Burr added there's also the risk that Burberry goes too commercial with its next creative leader. “The move of getting Marco on board from Céline shows that the owners of the business want to keep that element of luxury there — and when we think of luxury, we naturally

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Who Could Take Christopher Bailey's Role at Burberry?

While Phoebe Philo may be the first name on many lips, WWD takes a look at some of the other candidates for the Burberry job.



Phoebe Philo

PROS: Phoebe Philo, the British designer known for her sleek and sophisticated aesthetic, has been creative director at Céline since 2008, and before that logged a seven-year stint at the creative helm of Chloé. At Céline she worked closely with Burberry's current chief executive officer Marco Gobbetti, ramping up sales to nearly a billion euros, and there are those who suspect that her spring 2018 show, with its trenches and rugged outerwear, was a test run for the Burberry job.

CONS: About every six months, rumors surface that Philo is ready to exit Céline, and LVMH has said she is not leaving just yet. While Philo is considered one of the biggest stars of her generation and while she has an affinity for men's wear design, her focus remains on women's wear. That said, her masculine creations for Céline, including trousers, boxy jackets and button-down shirts, suggest otherwise.



Stuart Vevers

PROS: In 2013, the British designer joined Coach, the New

York-based handbag and accessories maker, from Loewe, where he had been creative director. Prior to that, Stuart Vevers was the creative director of Mulberry from 2005 to 2008. Vevers has also worked at Calvin Klein, Bottega Veneta, Givenchy and Louis Vuitton. He is recognized as one of the top accessories designers in the business, which would be a boon for Burberry.

CONS: Would Vevers want to leave a label that he's successfully reshaped? Would he want to leave New York and return to cloudy London?



Riccardo Tisci

PROS: Riccardo Tisci is a major Italian talent and he's no longer headed to Versace to work with Donatella. Recruited for Givenchy by Marco Gobbetti when Tisci was an unknown, the designer notched 12 successful years at the French house and has currently been working with Nike, most recently on a basketball range, which

launched earlier this month. He designs men's wear and women's wear.

CONS: Would Tisci's fierce and edgy image work for the British heritage label, and would he be able to capture the English aesthetic? Could he handle a big machine like Burberry?



Tomas Maier

PROS: German-born Tomas Maier has been the creative director of Bottega Veneta since 2001, and founded his namesake men's wear and women's wear brands in 1997, which, thanks to a partnership with Kering, has expanded into a full lifestyle proposition. He has also worked at Guy Laroche, Sonia Rykiel and Revillon, where he was creative director. Maier spent nine years working at Hermès, where he designed women's rtw and some leather goods and accessories. An all-rounder.

CONS: Maier — who lives between New York and Florida

— told WWD that he can't be in the same place all the time, so adding London to the mix might be tricky. He refers to himself an "intense worker," and said he has to remove himself from time to time, otherwise people who work with him will go crazy. Also, it's unlikely that Kering would agree to a Burberry tie-up.



Alber Elbaz

PROS: Last month, when WWD asked Alber Elbaz about his future projects he said, "silence is a beautiful thing." That said, he'll be speaking at the Vogue Fashion Festival next month in Paris. The Moroccan-Israeli fashion designer rejuvenated Lanvin with his delicate draping and ultra feminine aesthetic. His striking use of jewelry and his soft touch could be a boon for Burberry.

CONS: While Elbaz certainly has the design talent, he is a sensitive soul and an emotional man. Does he have the strength — or patience — to

handle corporate personalities? Can he handle working for a FTSE 100 behemoth like Burberry?



Kim Jones

PROS: Currently men's artistic director at Louis Vuitton, Kim Jones is known for his sporty, street style and cool-kid vibe. The English designer joined Vuitton from Dunhill where he was creative director from 2008 to 2011, and he's also worked at Uniqlo, Topman, Umbro, Mulberry, McQ by Alexander McQueen, Hugo Boss and Iceberg. He also has an intrinsic understanding of what kids today want to wear.

CONS: While the designer has made his mark creating men's wear, Jones has no design experience in women's wear, although that hasn't stopped him from pursuing a job at Versace. He's still contracted to Vuitton, although sources say he wants to move to Milan. Talking to Burberry would only complicate things further. — LORELEI MARFIL

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migrate over to Phoebe."

She said Céline is "the number-one brand when you think true luxury, what she's done is so new, innovative and different to what we had seen. Look at the brand beforehand when Michael Kors was at the helm. She has already worked with Marco, they have that synergy, he trusts her opinion."

As much as a Gobbetti-Philo encore might work, it's not a given. While sources have told WWD that Philo has slowly been preparing her exit, a spokesman for LVMH "categorically" denied "any imminent departure" of Philo from Céline.

Even if she does leave Céline, there's no guarantee Philo will want to take on as big a machine as Burberry, with its 2.77 billion pounds in revenue and a market capitalization of 8.14 billion pounds.

Céline's turnover is now in the ballpark of 800 million euros, having more than quadrupled in size since Philo arrived — and the French brand doesn't have to live in the blinding glare of financial markets such as Burberry.

"The signs are pointing in Phoebe Philo's direction for a number of reasons, including the fact she has worked with Marco before," said Caroline Pill, vice president, global executive search Kirk Palmer Associates.

"Her appointment would make beautiful sense. That said, we've been surprised by many things this year, so it's hard to say what will happen."

Industry sources have also floated Elbaz, Jones, Tisci, Maier and Stuart Vevers as possibilities — but only if they

can handle the Burberry heat.

"I put my hands together and pray that they don't do a Dior and make havoc with the brand," said Emma Davidson, managing director of London-based Denza, which specializes in design and non-design recruitment for the fashion industry.

"I think Phoebe Philo would be a great choice — British, strong character but a little bit softer. There were great people internally at Burberry who would have been good to 'do a Gucci,' but they left. I would like to see a couple doing it. Like at Jil Sander. Not just a single person. It would make a nice image. Whoever it is, the brand could do with softening up," she said.

Mathias Ohrel, founder of m-O, a Paris-based luxury recruitment firm, sees Bailey's successor as someone experienced in accessories and leather goods, "where you need to be marketing and business savvy as much as creative."

He pointed to former Bally design director Pablo Coppola. "But will Burberry take the risk?" he asked. He also named "the uber-talented" Johnny Coca, who has already worked with Gobbetti at Céline." Coca is already taken, though, having joined Mulberry as creative director in 2015.

Saywell-Burr of Talent Atelier said Elbaz is someone who "certainly still has a lot left to do, but with something as large as Burberry and with such a huge focus on digital and retail, it may not suit the level of company that he would work with."

One Italian headhunter suggested Tisci as a potential candidate, calling him an "innovator" who would bring added value to the brand. Other industry insiders argued that while Tisci may be a creative genius, he's not an easy personality and might have trouble coping with a company the size and scale of Burberry.

The headhunter added that Burberry

could also take an unexpected turn:

"We've seen other luxury brands look outside the traditional circuits, opting for unusual and disruptive choices — think of Demna Gvasalia at Balenciaga. Maybe that is another way to go."

Anita Barr, group fashion buying director at Harvey Nichols, said her money is on Tisci. "I think both Riccardo and Phoebe Philo would bring something new to Burberry and I'm excited to see who it will be," she said.

Asked about possible successors to Bailey, Giovanna Brambilla, partner at Milan-based executive search firm Value Search, said Gobbetti will have to make a choice depending on whether he wants Burberry "to embrace accessible or affordable luxury, or pure luxury. Only by knowing Burberry's strategic positioning could we guess the designer — and it's up to the ceo and the board to define that."

Mary Gallagher, European associate for the New York-based search firm Martens & Heads, which counts Burberry among its clients, said the new designer would have to respect the very British DNA of the brand that Bailey helped to craft.

"If Clare Waight Keller hadn't gone to Givenchy, I would have felt her a shoo-in. And someone like Kim Jones would be another strong contender for Burberry," Gallagher said.

"Had some of the people not already been sewn up by other groups or brands, like a Christopher Kane or a Nicholas Kirkwood or a Stella McCartney, those designers could also be very strong for Burberry because I think you need someone who can steer a very big ship."

Whomever the new designer is, they will be walking into a very different company than the one Bailey knew for most of his career at Burberry.

In 2016, on Bailey's watch as ceo, Burberry laid out a restructuring and cost-savings plan aimed at reshaping the company for a future of slower growth in fashion and luxury goods and a digitally engaged, want-it-now customer base.

As part of that plan, Burberry is aiming to deliver at least 100 million pounds in

annualized savings by fiscal 2018-19.

Against the new, more austere backdrop, Bailey waived his bonus in fiscal 2016-17 for the second year running, although he was still able to collect about 10.5 million pounds when part of a 1 million chunk of shares he was awarded in 2013 vested last July.

Bailey's salary last year was 1.1 million pounds, flat on the previous year. He received benefits and allowances of 469,000 pounds; 330,000 pounds in pension contributions, and 240,000 pounds, in a share plan.

In addition, he scooped an exceptional share award of 1.4 million pounds, as part of a performance-linked bonus agreed in 2014 when he took on the added role of ceo. That 1.4 million pounds payout represents a fraction of the share tranche that he received.

Going forward, new management hires at Burberry will see their perks slashed and the company also plans to trim pension contributions for new, external executive director appointments. Burberry will also remove "sign on" bonus or share awards, other than buyouts on recruitment.

In line with the more straightened times, Burberry confirmed on Tuesday that Bailey waived some of the future share awards he would have been entitled to as part of the brand's incentive plans. Based on yesterday's share price, those awards are worth 16 million pounds.

The company also pointed out that Bailey won't receive any cash bonus for the period after March 2018, when he steps down from the board of directors.

That said, Bailey doesn't have to worry on the fiscal front. When he leaves the company in December 2018, Bailey will walk away with a payout of up to 12 million pounds, from his salary, benefits, pension payments and share awards.

He said Tuesday he plans to pursue new creative projects, and sources have said Bailey won't be bouncing to another brand any time soon. Both Bailey and Gobbetti declined to comment following the announcement Tuesday morning.

"I am excited about the opportunity ahead for our teams, our partners and our shareholders."

— MARCO GOBBETTI, BURBERRY