

WWWD



First Day

Olivier Lapidus talks about his new role as creative director at Lanvin.

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Smell Test

Burberry Mr. Burberry gets praise for being commercial, but is seen lacking in innovation.

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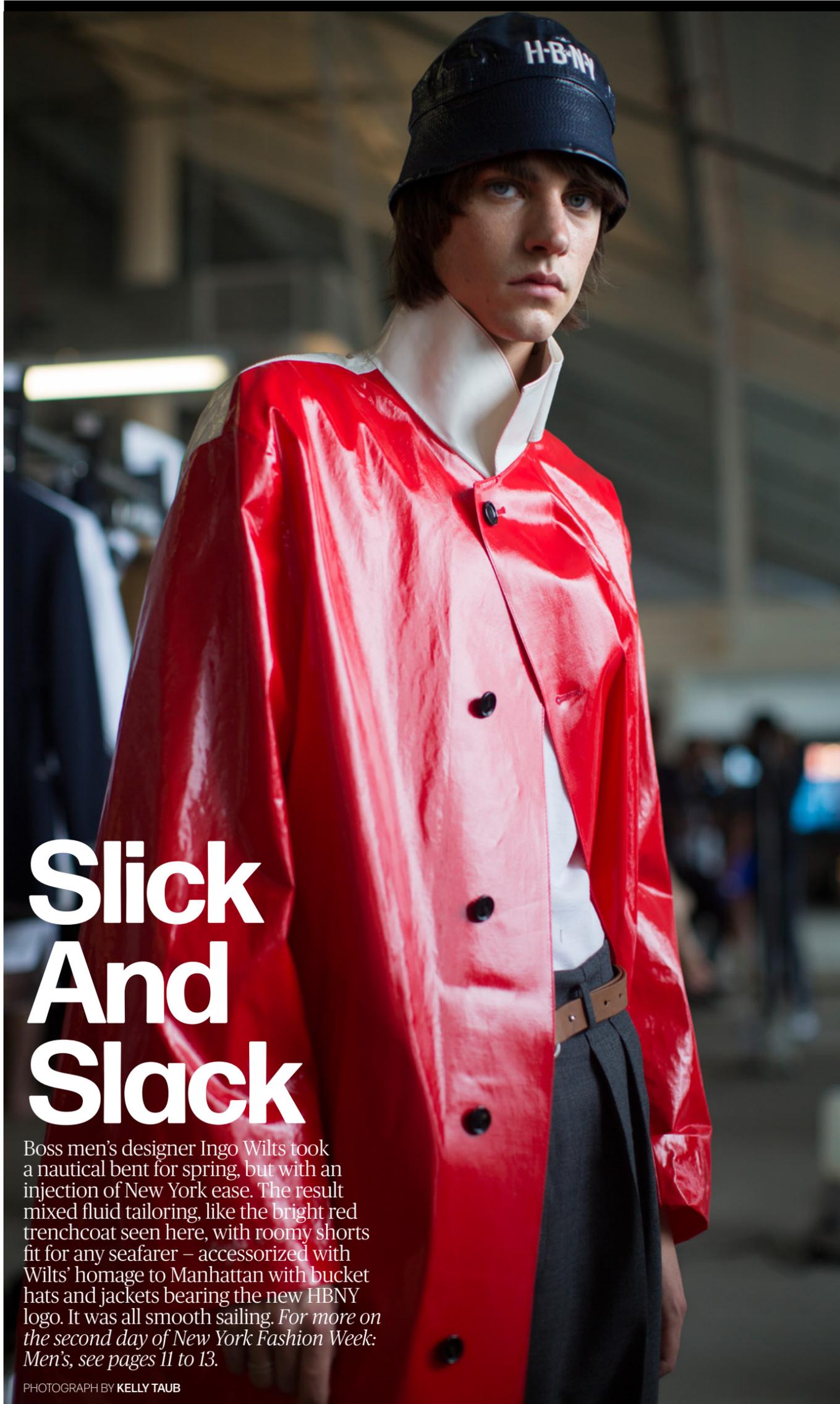


Growing Jeans

Levi Strauss & Co. reports a 5.6 percent rise in sales on the back of strong growth in the women's category.

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Fashion. Beauty. Business.



Slick And Slack

Boss men's designer Ingo Wilts took a nautical bent for spring, but with an injection of New York ease. The result mixed fluid tailoring, like the bright red trenchcoat seen here, with roomy shorts fit for any seafarer – accessorized with Wilts' homage to Manhattan with bucket hats and jackets bearing the new HBNY logo. It was all smooth sailing. *For more on the second day of New York Fashion Week: Men's, see pages 11 to 13.*

PHOTOGRAPH BY KELLY TAUB

BUSINESS

CFOs Feel The Heat As Retail Transforms

- There's been a string of chief financial officer comings and goings at various companies this season.

BY DAVID MOIN

The chief financial officer is in retail's hot seat.

In the past two-and-a-half months, cfos have come or gone at Neiman Marcus Group, J.C. Penney Co., Nordstrom Inc., Kohl's Corp., Hudson's Bay Co., Kirkland's Inc. and Christopher & Banks, setting an unusual and disturbing trend. In one or two cases, it was just a matter of retirement. But industry experts believe the turnover also reflects angst in the industry and new and weightier responsibilities attached to the job.

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BEAUTY

Nail-Care Market Shows Promise

- Innovation is becoming a key differentiator in a sector vying for precious, limited consumer dollars.

BY RACHEL STRUGATZ AND ALLISON COLLINS

Can the nail category make a comeback?

With a dissipating nail art craze and the shift toward gel manicures, brands from the luxury to mass sectors are vying for limited consumer wallet share in a number of ways. A vast color assortment – and one that mirrors fashion and social media trends – has become table stakes, with players turning to over-the-top packaging (hello, 8-inch Louboutin spike) and even the inclusion of superfoods in formulas to stand out. Beyond that, more companies are focusing on the booming nail-care category rather than polish.

While the financial figures are far from rosy, the nail market so far this year is at least declining at a slower rate than in 2016. Overall, the U.S. prestige nail

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CFOs Feel the Heat As Retail Transforms

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"It's a pressure cooker," said Elaine Hughes, founder and chief executive officer of E.A. Hughes & Co. executive search. "The cfo is no longer a bean counter. The cfo is the financial 'consigliere' and strategist to the ceo as well as to the board. The job requires a new level of sophistication."

"It's an exhausting job and a lot of good talent is being enticed away to other industries where there is more room to play and innovate and have more fun," said Adelle Kirk, senior vice president at Kirk Palmer Associates, another executive search firm. "Fashion retail is incredibly challenging right now. Margins are declining. Costs are getting squeezed out of the system and that's taking a toll on the cfo."

"In some cases, people are leaving just for better opportunities, but the bigger message is that being a cfo in a retail or apparel company is just less attractive for the individual than it used to be," observed William Susman, founder of Threadstone Partners. "Company performance is tougher. Stock market performance is tougher. Equity options and equity packages are worth less. Private equity used to buy heavily into retail and apparel. Now we are seeing more evidence of transactions not getting done than getting done and private equity reluctance to invest in the sector. That's another financial deterrent for a corporate executive."

"Unlike a merchant or head of stores, a cfo can more easily change industries and find new opportunities," Susman added, citing the case of Adam Holland, who resigned as cfo at the Kirkland's Inc. home decor specialty chain in May to assume a similar post in the health care sector, at Tivity Health.

Historically there were two major reasons why a cfo left a company — a better opportunity was discovered at another firm, or the cfo saw the writing on the wall where they worked and wanted to get out before the walls tumbled. There's no one more in touch with the numbers and the prospects for financial success or failure than the cfo.

But the role has fundamentally transformed and grown over the last decade. The retail cfo must be more operationally savvy and equipped with qualities and skills that used to fall under the chief operating officer. They've got to know supply chain, planning and allocation and all facets of getting the product to market in



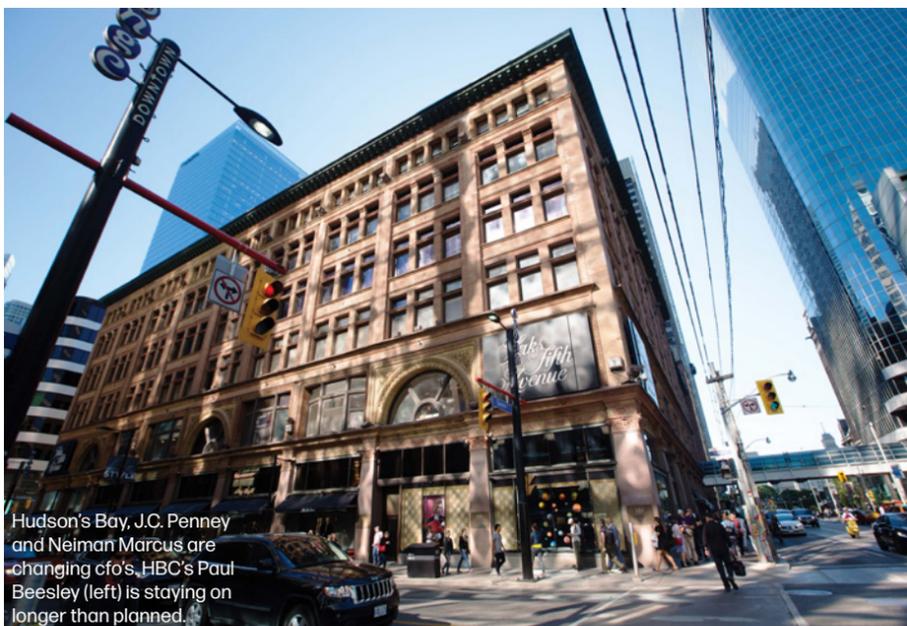
ways that weren't around years ago. They also have to deal with Wall Street, advise on mergers and acquisitions, restructurings and other financial aspects.

Underscoring the growing importance of the cfo, the financial machinations led by Michael J. Nicholson, president, chief operating officer and cfo of J. Crew Group, have enabled the retailer to push forward with its turnaround strategy. In early 2016, after Stuart Haselden stepped down as J. Crew's cfo to join Lululemon, Nicholson was recruited from Ann Taylor, which has since shown a deteriorating performance.

The job description has changed because of how retailing is transforming. There's margin compression due to price transparency enabled by the Internet, new ways to market and distribute products, widespread infrastructure erosion and, these days, every corner in the company is eyed for cost-cutting. "Pretty soon they'll be counting the pencils," Hughes noted. "To make money in the new model, you need individuals with a higher level of experiential complexity."

At the end of June, Neiman's cfo and chief operating officer Michael Fung left and longtime Neiman's executive Dale Stapleton assumed the post on an interim basis. Fung worked at the company since November 2016 and came out of retirement to fill the cfo and chief operating officer roles on a temporary basis. He led the finance, accounting and overall operations and was "instrumental" in stabilizing the NMG One omnichannel merchandise system for the retailer, which was riddled with glitches and impeded business for months. Neiman's is continuing to search for a permanent replacement.

Also in June, Anne Bramman became cfo of Nordstrom, succeeding Mike Koppel, who retired after 16 years at the



Hudson's Bay, J.C. Penney and Neiman Marcus are changing cfo's. HBC's Paul Beesley (left) is staying on longer than planned.



Seattle-based company. Bramman came from Avery Dennison Corp., where she served as senior vice president and cfo. Earlier, she was cfo at Carnival Cruise Line and before that, cfo of Henri Bendel.

On Monday, Bruce Besanko joined Kohl's Corp. as cfo, from Supervalu Inc., a food retailer and wholesaler. Besanko succeeded Wesley McDonald, who held the cfo post at Kohl's for 14 years.

At Christopher & Banks Corp., Pete Michielutti, executive vice president, cfo and chief operating officer, will leave the company on Friday. A successor is being sought. Michielutti is joining Bluestem Group Inc., a holding company serving consumers 50 and older with a portfolio including Applesed's, Bedford Fair, Blair, Draper's & Damon's, Fingerhut, Gettington, Gold Violin, Haband, LinenSource, Norm Thompson, Old Pueblo Traders, Sahalie, Tog Shop and Wintersilks.

On Monday, J.C. Penney Co.'s cfo Edward Record disclosed that he decided to leave the company "to pursue other interests." Record, who also held the title of executive vice president, will remain with the company in an advisory capacity until Aug. 7 to assist with the transition while a search for his successor is conducted. Andrew Drexler, Penney's senior vice president, chief accounting officer and controller, will become interim cfo along with his current duties.

And in a most unusual announcement, Hudson's Bay Co. said its cfo Paul Beesley would stay with the company longer than he planned. Last May, HBC said Beesley would resign July 7 to return home to Canada to be closer to his family. But last week, the company said Beesley will remain in his current role while HBC continues its cfo search. An executive search firm has had the assignment for some time.

FASHION

Jordyn Woods Collaborates With Addition Elle

- The curvy model will introduce an apparel collection with the brand.

BY ARIA HUGHES

Jordyn Woods is teaming with Addition Elle.

The curvy model, who is also Kylie Jenner's best friend, will partner with the Canadian plus-size retailer on a line of apparel. While Woods has modeled for the company before, which is best known for its lingerie collaborations with Ashley Graham, this is the first time she's produced a collection with them.

"They embody everything I stand for," said Woods when asked why she decided to deepen her relationship with Addition Elle. "I've been working and modeling with them for years and it was amazing to bring

our relationship full circle. They are a style destination for women who embrace their figures so it's exciting to create something."

Like many women her age, Woods, who is 19, frequently mixes streetwear with ath-leisure, and Roslyn Griner, Addition Elle's vice president of marketing and visual display, said Woods has incorporated that into her collection.

"It's a very on-trend assortment," said Griner, who added that Woods is signed on to release a second capsule with the brand. "Jordyn loves streetwear and we wanted to make that a part of her collection."

The line, which will retail from \$42 to \$178, will be available on Sept. 11. Woods will show the collection during New York Fashion Week in September at Addition Elle's runway show, which will be followed by a pop-up shop where consumers can purchase pieces from the assortment.

Although Woods believes there has been



Campaign images from Wilhelmina model Jordyn Wood's plus-size collection for Addition Elle.

a great deal of progress within the plus-size category, she said there is a long way to go and that starts with more size inclusivity overall.

"I'm on the fence about the word plus sized," Woods said. "Why do we need to categorize people by their size? There should be one section that has all size ranges."

The world will see a lot more of Woods this August when she appears in "Life of Kylie," Jenner's own reality TV show that will air on E! In the trailer, Woods has a moment with Jenner where she expresses her frustrations with the friendship, which she called draining.

"We are so close so it was inevitable that I was going to be on the show," Woods said. "But I'm very curious to see what direction my life is going to go after the show comes out. But I love to make everything positive, so I believe it's going to be exciting to see a side of our lives that is this personal."