
The Business of Fashion

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What Makes a Great Fashion CEO?

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NEW YORK, United States — It's a good time for the headhunting business. With no shortage of market turbulence, the game of designer musical chairs never seems to stop. But there has been plenty of change on the industry's business side as well.

Just in the last year, the following luxury brands have welcomed new leaders: Séverine Merle at Céline, Alessandro Bogliolo at Tiffany & Co., Marco Agnolin at Diesel, Nicolas Druz at Lanvin, Eric Marechalle at Marc Jacobs, Lisa Gersh at Alexander Wang, Patrice Louvet at Ralph Lauren, Emilie Rubinfeld at Carolina Herrera and Pietro Beccari at Christian Dior — a move that saw the brand's longtime executive Sidney Toledano transitioning to become chairman of the LVMH Fashion Group while Pierre-Yves Roussel became a special advisor to LVMH chairman and chief executive Bernard Arnault.

"We're living in a very interesting period in the industry in which there are big losers and big winners," incoming Dior chief executive Pietro Beccari told BoF back in December. "What is true today is not true the day after tomorrow. It's a very challenging moment in a way; you have to be better than the others and get market share from the others in order to survive. I think innovation and speed are exceptionally important in the market today."

Chief executives must certainly understand and react quickly to changing times. They must have razor sharp visions and strong convictions. They need to be flexible and nimble and have the right intuitions. They need to understand their own strengths and weaknesses and attract talent accordingly. They need to give their creative leads enough space to flourish, but keep enough control to reach performance benchmarks.

Fundamentally, however, effective chief executives must understand today's consumers. "Getting as close to the consumer as you possibly can is one of the holy grails of luxury and fashion goods," says John Guy, analyst at MainFirst Bank AG. These days, this means understanding the evolution of culture and storytelling. Beccari, the former chief marketing officer at Louis Vuitton, is one of several CMOs who have assumed the top jobs in fashion following an era dominated by product-focused "Merchant Kings" — of which J.Crew's Mickey Drexler is the classic example.

"CEOs who helm any creatively-led fashion brand must be obsessed by three things: tomorrow's world, today's culture and talent — and last but not least by impeccable execution," says Floriane de Saint Pierre, founder of a namesake Paris-based search firm. "C-level leaders will need to come from content, product and audience, but this is not enough. What will make the difference is their empathy with tomorrow's world, the way people live and think."

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Understanding consumers also means understanding data. Karen Harvey, chief executive of New York-based executive search firm Karen Harvey Consulting and founder of Fashion Tech Forum, points to how rapidly

growing digital upstarts such as Everlane and Stitch Fix were using consumer data to drive product development and communication at least five years ago, when many merchants led the industry. “The data was always used as a report card or a way to judge the effectiveness of these brands,” she says. “I began to see we had a dearth of marketing leaders who are quantitative and data-driven, but also that were storytellers... You can’t get [customers] by just having great product.”

Great CEOs also surround themselves with great teams. “The greatest leaders have known where their holes are and have filled around them with the absolute best and brightest and most capable and most willing to voice their points of view,” adds Harvey. At Gucci, for example, Marco Bizzarri’s continued support of Alessandro Michele’s distinct approach and his ability to lead a new internal brand culture has led the brand’s commercial resurgence. But chief merchandising Jacopo Venturini is also a lynchpin to those efforts. “The acclaim that Gucci has had in the marketplace is not just down to one man: it’s at least a three-part success factor that’s going on there,” says Guy. “You don’t have to be an expert in everything, so the merchant is a very important partner,” added Harvey.

The best CEOs must also take risks. “Playing safe is going to get you nowhere,” says Guy. “You have to be a risk-taker, you have to make a difference, but you can’t suddenly shut down part of the business and cut off the logo. It’s about executing in the right areas and having the conviction to pull that off.” Harvey added: “At the end of the day, the CEO has to be somebody who will take people and their teams into uncharted territory.”

Sometimes a leader who trained outside fashion and luxury can also be a very effective voice of change. “Luxury means very different things now,” says Harvey. “If you look at some of the most successful [consumer packaged goods] companies and their leaders, they are the hub in the centre of the wheel and they are raised as brand managers.”

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Levi’s chief executive Chip Bergh spent almost 30 years at Procter & Gamble before taking over Levi Strauss & Co. and orchestrating a tricky turnaround. Ralph Lauren is also banking its future on a P&G veteran, the newly appointed Patrice Louvet.

Future leaders may come from more unexpected parts of the consumer products market, especially media companies that are leveraging their scale to expand their products businesses. Names to watch include the former president of Disney Stores Worldwide and former chief executive of Claire’s, Jim Fielding, who is now the president of consumer products and innovation at Fox Television Group, as well as NBC Universal Cable Entertainment’s president of strategy and commercial growth, David Howe.

The tech world has already seen some high-profile executive exchanges with fashion (Apple’s Angela Ahrendts and LVMH’s Ian Rogers are the foremost examples). But further names to watch include Christine Beauchamp, current head of Amazon Fashion and former president of Ann Taylor, as well as Jeff Jones, former CMO of Target and former president of Uber who now runs H&R Block.

But a strong taste level and love of fashion are still key: CEOs must live the lifestyle of their consumers to understand how else they spend their time and money. “You can’t just ignore that what makes fashion amazing is the story, is the product, is that whole something that you can’t express,” says Caroline Pill, vice president of global executive search at Kirk Palmer Associates. “You need to be able to navigate creatives and other types of personalities which makes fashion and luxury magic — as opposed to shampoo. It’s part of selling the dream.”

Harvey says her clients are now seeking more chief digital officers that will run both e-commerce and marketing together — much in the way LVMH’s chief digital officer Ian Rogers has spearheaded the conglomerate’s new e-

commerce platform 24 Sèvres — and she expects these leaders will be the chief executives of tomorrow. But the search is a challenge. “Leaders are in short supply,” she says. “Particularly in times of tremendous change.”