



Eileen Fisher Plans to Give Up CEO Role, Handle Design for the Near Future

Her plan is to eventually hand over the creative reins too.

By [Lisa Lockwood](#)

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Eileen Fisher is ready to let go. At least partially.

The 71-year-old designer, who also serves as chief executive officer of her company, is looking to hire a new CEO and focus all her attention on design. She tried this once before and it didn't exactly work out, and ended up taking up the reins again. This time she's more determined.

The 37-year-old company, which has been a standout brand in sustainability, has hired Kirk Palmer Associates, the New York-based executive search firm. They expect to have a new CEO in place by the beginning of 2022. Fisher said she will focus on design and get that department in shape so she can eventually move away from that role, too. Currently Fisher owns 60 percent of the firm, with the employees owning the remainder.

"I have tried before to let go and it's just that I'm ready now. It's the right time. It's clear to me," said Fisher, on a Zoom interview. "It's been an intense year with COVID and all, and it's been an opportunity to rethink and reorganize the business, and sort of simplify and bring it back to what I originally intended.

"I've been working on what is this body of work, what is this company, both the design philosophy and trying to set down a blueprint of what that work is, because I've watched it go in and out over the years and become less of what I've wanted. I'm still in the midst and finishing that work. We have seen a big transformation, and I feel more clear of what I'm preparing to hand over," she continued.

Asked what she's willing to hand over, Fisher said the day-to-day running of the business, which employs 772 employees throughout the company and its 58 retail stores (including Renew and Company stores).



“It always feels like the buck stops with me, it’s up to me, even though over the years there have been different leadership models and we’ve been very collaborative,” she said. In the past, there have been other CEOs — over the last two years she had a co-CEO, Jonci Cukier, who retired in December 2020.

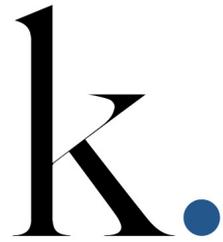
Fisher said she still plans to be very involved. “I plan to chair the board, which I’ve been doing. I’m also finishing this creative body of work, the blueprint of what this design philosophy is. We’ve already landed the cultural aspect of what our company is about, our sustainability work is pretty embedded in the organization, and we need to work on it. I think I’m right now finishing it, but it could take me another year. I’m sort of holding onto that for awhile, the creative lead piece, just as I let someone else take over the running of the business.”

Lisa Bougie, who is on Fisher’s board and is leading the CEO search, said she wanted to introduce a term that Fisher has used many times, which is one of “responsible transition.” She said the strategy is to usher in a new CEO and leader of the company, while also maintaining the lineage and gifts that Fisher brings to the company, the team and the business — that being design.

Personally, Fisher said, she wants someone who loves the brand and the company, sees its potential and has a strong business background but values the culture that has been built and the product. “I’m hoping this person will add on and figure out how to take the company forward to the next generation. I see there are so many possibilities, and I think it’s not my time to take us forward, it’s for a new person,” said Fisher.

Asked whether she envisions the company continuing to have as big an emphasis on retail stores, or is that not sustainable, Fisher said, “That’s interesting. We’re pretty committed to our stores and we’re watching them come back to life after COVID. It was a tough time, really tough. I’m a big believer in the physical presence of people working with customers, touching and feeling our product. You kind of have to understand it and try it on. Our best customers are the ones who do both. They come into our stores and also shop online. Our digital business has grown and it’s a really important component. We’re seeing our customer happily shopping online which we didn’t think she would do so much, but COVID has proven that for sure. And I do think the physical stores are still important.”

Fisher said they have a successful model for their Lab store, which rallied well through COVID-19. It features the current product as well as the Renew line, where they take the clothes back from their customers.



In discussing whether she expects the new CEO to come from the apparel industry or another sector, which might be more advanced when it comes to sustainability, Fisher said, “I picture the person coming out of apparel, I am not certain that it has to be. It could be open.”

Bougie added, “We are quite open to candidates that come from other sectors. One thing that Eileen often says is that she considers the company to be a design company, more than a fashion company. If we think about design broadly speaking, that really opens the aperture for leaders coming from quite a number of places.”

In terms of competencies, they’re looking for proven leadership, clear vision and strategic orientation and affinity toward building brands that work across multiple channels, e-commerce and even social channels, she said.

“What’s frankly more interesting and important about this search is finding a person with whom the ethos of this company is deeply resonant, a person whose affinity toward Eileen’s design concept is visceral,” said Bougie. “A person who is a change agent but does so with skill and care, maintaining all of the previous things of the Eileen Fisher culture while also identifying those things that are not serving the company anymore, and therefore extending the brand to the future for many generations to come. It’s quite a delicate balancing act, and yet we’re very excited about the possibilities of finding precisely the right individual.”

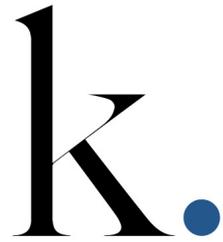
Fisher said it’s important that the new CEO continues the sustainability work that the company is known for. The Women’s Empowerment work is done through the foundation, and Fisher said she will stay involved in that.

When asked whether there’s anybody from inside the company who’s being considered for the role, Fisher said, “We are considering internal candidates in addition to external.”

Fisher continues to own 60 percent of the company, and the employees own 40 percent.

“We intend to continue the ESOP plan,” said Fisher. She said they tossed around the idea of going public several years ago “but it just seemed complicated. That kind of reporting doesn’t feel like it’s in the cards for us. I don’t think you can rule out anything. I’m really happy that we haven’t had to go public.”

In describing how the company weathered the pandemic, Fisher said, “We landed on our feet. It was tough though. We had a really hard time. We had several rounds of layoffs, we had to scale back our business. Our stores were closed for three months. We had supply chain issues, financial issues. We took big losses last year. By spring, we were bouncing back, we had scaled back the business, and we’re doing much better now. Of course, we have supply



chain issues, like every one else is dealing with. In the midst, we're doing pretty well. I'm quite happy with where we are now."

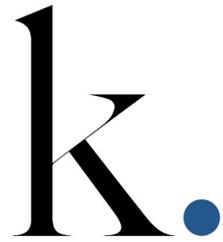
As for whether the pandemic sped up her desire to give up the CEO role, or was it something she's been thinking about for awhile, Fisher said, "It was interesting because it pushed me back in deeper in a certain way. And that made me feel that now it's safer to give up and I understand what I'm trying to pass over, and just kind of reorganize things. We have this company that's sort of grown very organically, a very collective, creative process and leadership, and it's been an attempt over the last period of time to put more structure and more clarity about the design itself and the process and people. It feels easier to hand off responsibly."

Asked what she'll do with her spare time, she said, "I'm looking forward to not knowing what I have to do every day. I do yoga, I love to walk in nature. I don't have to do anything. That's kind of exciting. Once I find myself with more free time, I will want to do things that are really meaningful and important to me. Like, I want to have more ways to have more impact, with the women's [empowerment] work, and I want to lean into that."

Fisher hasn't figured out whether she'll keep the same percentage of the business. "I am looking at a program to share a little bit of that with some leaders, so I'm in the midst of thinking about that. The plan is to have at least 51 percent for the foreseeable future. I'm not sure, depends on how things feel. I was really glad that I had the 60 percent during COVID, that I could really get back in and make the decisions that were needed to hold on and move us through this time and bring us back to our roots."

She plans to have some overlap time with the new CEO and will be available to help them learn and understand who they are and what she values, and what everyone else values. "At the same time, they are going to have new ideas and I want to find a way that they have freedom, too. It's going to be a delicate balance for a number of months. Hopefully if they love the product and love what we're doing, they'll appreciate the teams and the values and all those kind of things. I hope they don't want to change so much, that they just want to add on and move it forward in the right ways."

Turning to whether the business is now 100 percent Eco-preferred, Fisher said, "We're not 100 percent Eco-preferred. We work on it all the time. Our 2030 goals actually have more positive impact, like regenerative agriculture, and we can draw down carbon through regenerative agriculture, for producing sweaters or cotton in different ways. There's an opportunity to not just get our materials to 100 percent, which we're not at, but we can actually do better than that. With closed loop technology, you can clean the water as you go."



There can be significant turnover in the CEO role — Fisher noted that statistics show that 50 percent don't work out. However, Bougie stressed, "I think it's worth saying that our success criteria will continue to be different than other apparel companies. Oftentimes things didn't work out because the person didn't hit their revenue goals. While certainly there are opportunities to continue to grow Eileen Fisher as a company, including financially, that is one of many objectives of the CEO criteria for success. Growth, in and of itself, is something we think about very carefully. While the ability to connect with consumers to be able to extend the impact of the brand remains an awesome opportunity, we're not doing it solely for the sake of growing revenue. That's really different than most searches."

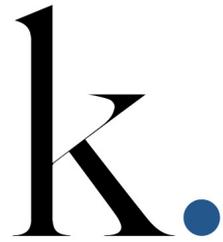
"We want to grow but don't want to increase our carbon footprint," added Fisher. "That's almost a symbolic way to talk about it. The process that Lisa is holding is a deep and thoughtful process. We have matured, too, myself included, in being able to hire the right people. We have a generally low turnover rate. Over the years, people come and are dedicated to the purpose of what we're trying to do. They feel it's meaningful. It's not just a job." Eileen Fisher is also a B Corp company. The B Corp status, along with being a founder-led business and offering stock-ownership opportunities, has attracted many people to work for the company over the years.

Fisher said her son and her daughter, who just graduated from Yale University with a master's degree in architecture, aren't looking to take over the business.

She feels there are still many opportunities for the brand to expand, such as men's wear, underwear, or home products, nor has the brand done many licenses. "Coming out of interior design, I have a passion about furniture and interior design. But I don't think I could do that. We did try to dabble in men's wear and couldn't get it off the ground. If someone had a vision about it, we could do that." She said international is an area they're ready to crack. The brand sells to Canada and the U.K., but its international business is only 4 percent of revenues.

"We haven't figured out how to do it. The right person with the right connections, that would be a great opportunity, as long as they don't grow the carbon footprint while they're at it," said Fisher.

Selling the company isn't a possibility. Fisher said during COVID-19, there were a few overtures. "During that time we also thought about outside funding. It was a hard time. Some people expressed interest in not loaning us money, but buying us or part of the company, which we weren't really entertaining at that point. We've never fully entertained that even though there were many offers over the years."



The business is now generating about \$250 million in sales, having peaked at around \$475 million. The volume also has declined in its wholesale business, Fisher said. “We pulled back as we were struggling with creating profitable business with department stores. It was too much competing with each other, competing with us, too many markdowns, it just got too hard to manage. We were putting out too much product. Our sell-throughs are much higher [now]. I think we’re more profitable. I always say I’ve been profitable at every size, except for, of course, last year. This year we will be.”

Looking forward, how does she get the next generation excited about Eileen Fisher?

“What we already see is they are really interested in our sustainability work. Actually, we’ve come back to much more simplicity. They’re interested in the simple clothes. They’re interested in our Renew program and the whole take-back. I think the design itself is becoming more right for the next generation.”

“It’s fair to say the ethos of the company has never been more resonant with younger generations than it is today,” said Bougie. “The zeitgeist of care for the world and care for the planet is so intact right now. The belief system Eileen established 37 years ago was ahead of its time and right now is connecting to what younger consumers care about.”