

APPAREL INSIDERS[®]

A portrait of Brooke Jaffe, a woman with long, wavy, light brown hair, wearing a white sleeveless top with a black and white patterned skirt. She is looking slightly to the right of the camera with a neutral expression.

Brooke Jaffe
OVP and Fashion
Director of
RTW at Bloomingdale's

Market Makers

Who are today's apparel-industry players?



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Five to Watch

Soon-to-be standards

In a wardrobe built on old favorites and reliable standbys, there's nothing like adding a few new flavors to the mix. Take, for example, these five young brands. Running the gamut from sharp men's looks to simple, sophisticated womenswear, we are proud to offer up something fresh for Summer 2017 and beyond.



Deveaux

Launched: February 2016

Showing at: By appointment only

Design Philosophy: Deveaux looks to update classic pieces with a few interesting details, paying utmost attention to fabrics and construction. It creates clothing to last years and to stand the test of trends, time, and everyday wear.

Key Looks: Anything comfortable and refined such as the brand's signature robe coat styled with a dolman sweatshirt and elasticized pin-tuck trousers. Or, try the casual shirt, left untucked over a pair of flannel or cashmere pleated pants.

Retail Outlets: In the United States, Deveaux is carried at Totokaolo at both the New York and Seattle locations, Unionmade, and online at theensign.us. In Japan, it is available at Biotop, United Arrows, and Edifice.

Retail Price Points: Knits start at \$595, shirts at \$350, and pants at \$400. Outerwear starts at \$695 and reaches upwards of \$5,995 for shearling and special leather pieces.

Based in: TriBeCa area of New York City

You Should Know: The brand has a few footwear styles coming for F/W '17 in collaboration with Canadian footwear maker Viberg, a brand that's been around since 1931.



Oxford

Launched: January 2017

Showing at: MRket; the PGA Merchandise Show; and regional shows in Dallas, Chicago, and Charlotte, N.C.

Design Philosophy: Sophistication-meets-performance clothing driven by design that inspires men to "Make Today Lucky."

Key Looks: Ponce shawl-collar pullover layered over a Grant spread-collar woven sport shirt and Highland chino. Howell button-down performance sport shirt with Ottley full-zip quilted vest and Baker five-pocket stretch herringbone pant. Linden quilted ¼-zip pullover layered over a Bankhead slub polo and Highland chino.

Retail Outlets: Better men's specialty stores and prestigious country clubs and resorts

Retail Price Points: \$125 for woven sport shirts, \$89 for polos, \$115–\$135 for knit layering styles, \$149–\$225 for sweaters, \$125 for pants, and \$195–\$225 for footwear

Based in: Atlanta

You Should Know: Oxford uses the best in class of fabrics and performance fibers, utilizing Dri-Release in many of its polos. This fiber is fast drying, and no chemicals to wash out over time ensures eco-friendly and long-term performance.

L.Novum

Launched: For Spring 2017

Showing at: Outreaching to wholesale accounts for next season and likely doing trade shows for Spring 2018

Design Philosophy: The L.Novum design philosophy is mostly conceptual. It starts with a concept and builds individual pieces from there to create a cohesive collection. Once the concept is finalized, there's a focus on a strong, curated offering rather than a very large collection. The goal is to create designs that are minimal and bold at the same time, pieces that can easily be worn in everyday life but that also make a statement with a bit of an edge.

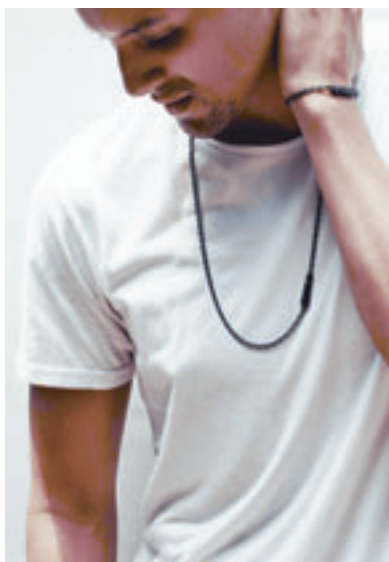
Key Looks: Each collection has some key styles. In the AUX collection, the focus is on creating musical gadget-inspired pieces like the Headphone necklaces as well as the Auxiliary-cord necklaces and bracelets. In the BLK collection, the standout pieces are the minimal BLK necklace and bracelet, which are minimal and bold at the same time due to their matte black color.

Retail Outlets: Online at LNovum.com and expanding into select luxury retail stores worldwide for Spring 2018

Retail Price Points: \$150–\$450

Based in: Hometown of San Diego and second home in Bali

You Should Know: Each piece is crafted by hand in artisanal workshops to ensure each piece is absolutely perfect. The brand is excited to have its pieces debut on the runway for NYFW:Men's this season in the Palmiers du Mal show using some of its necklaces and bracelets from its F/W '17 show.



Bishop + Young

Launched: For Fall 2015

Showing at: Project, Coterie, and Stylemax

Design Philosophy: The Bishop + Young aesthetic reflects beauty, style, and quality, offering a fresh and unique approach to fashion for the modern woman. Capsule collections deliver new product to retailers each month inspired by the Southern California lifestyle.

Key Looks: Key looks include '70s glam with hanky-hem heritage prints paired with flare denim and faux-fur statement jackets, high-shine metallics, reinvented men's shirting for an updated spin on the military look, the new bomber jacket reinvented, and twinset dressing in tweed, faux suede, and novelty fabrics.

Retail Outlets: Zappos, Anthropologie, Revolve, South Moon Under

Retail Price Points: \$68–\$138

Based in: Los Angeles

You Should Know: The brand will be participating in the Zappos headquarters fashion show in Las Vegas Feb. 21, 2017.

VRY WRM

Launched: For Fall 2017

Showing at: Liberty Fair in Las Vegas

Design Philosophy: VRY WRM focuses on art-inspired hero pieces, offered at a disruptive margin, which results in accessible contemporary retail price points. It also offers a disruptive margin of 3.5.

Key Looks: The brand's collaboration with RIME produced a reversible bomber with a nylon-twill, water-resistant shell and soft, quilted nylon lining. The follow-up to this for F/W '17 was a similar reversible bomber (not nylon) incorporating artwork from graffiti artist Jasper Wong. The brand features the work of other artists throughout the collection in bombers, parkas, and other styles, some with camo patterns and metallic finishes.

Retail Outlets: Targeting better department and specialty stores along with online streetwear retailers. Some limited-edition styles from F/W '16 are on the brand's website, vrywr.com.

Retail Price Points: \$189–\$395

Based in: New York

You Should Know: Current collaborations with artists include Morgan Lappin, Caleb Troy, Trav, and Jasper Wong.



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Market Makers

Who are today's apparel-industry players?



By Rebecca Cringean

How we do business is constantly changing, so how does an industry already based on seasonal and trend-driven transformation even attempt to keep pace? The way we shop for clothing and the public's fickle, capricious attention span dictate new, omni-channel approaches for the apparel industry. Only the fittest survive, and the power players in our industry have to be tougher, wiser, and stronger than the rest of the pack. Here we explore the giants of retail, branding, and diversification. These three power players are defining the new way to do big-brand business in the 21st century.



Brooke Jaffe
OVP and Fashion Director of
RTW at Bloomingdale's

Brooke Jaffe started her career as the assistant accessories editor at *Vogue*. Two years later, she moved to *InStyle*, where she assumed the role of accessories editor. She has now been at Bloomingdale's for nine and a half years, starting there as the fashion director for accessories, shoes, handbags, and jewelry before moving into her current role as the Operating Vice President of Women's Ready-to-Wear a little over three years ago.

Apparel Insiders: What brought you to your current position at Bloomingdale's?

Brooke Jaffe: It was actually a funny set of circumstances. I was pulling together a jewelry story for *InStyle* in a showroom on Fifth Avenue and met a woman there who was the fashion director of accessories for Bloomingdale's at the time. We struck up a conversation and she told me all about her job. I told her to call me if she ever decided to leave, and a year later she did.

AI: What is your vision for your women's clothing at Bloomingdale's?

B.J.: We spend a lot of time editing the trends based on what we think our customer will love every season. At her core, the Bloomingdale's

girl is feminine and young at heart. I always keep these words at the forefront of my mind when making decisions about what direction we should go in. It's important to be as focused as possible. Not every trend makes sense to explore. I am most interested in the trends that feel like the must-haves of the season—trends that create the most compelling presentation.

AI: How does Bloomingdale's remain relevant in today's fast-paced digital marketplace?

B.J.: Bloomingdale's continues to be a dynamic, fun, playful, and trend-driven brand. As a one-stop shop for the woman on the go, we have an authentic brand DNA that makes us unique in the marketplace. Bloomingdale's is a fashion destination where you can find the most coveted designer pieces as well as accessible price points for the key trends of the season. Our home store and bridal registry set us apart from the competition, and we are a go-to for denim lovers. Bloomingdale's has history and experience, but we are also always evolving and looking for the new.

AI: Where is the industry going, and what part will Bloomingdale's play in it?

B.J.: Bloomingdale's continues to set itself

apart with our 100 percent Bloomingdale's merchandise, which is a collection of pieces from hundreds of designers created exclusively for us. We also have exclusive brands such as our ready-to-wear line Aqua that are on trend and set us apart in the industry. We will continue to be a destination for fun in-store events, activations, and innovation. Creating enjoyable and memorable in-store experiences will always be a priority for us. We will continue to focus on the young mindset.

AI: What will the role become—what is it becoming—for the traditional department store?

B.J.: The traditional department store is a place where you can look forward to spending the day. You can accomplish your shopping goals and find aspects of surprise, delight, entertainment, and discovery.

AI: What women's segment at Bloomingdale's is growing the fastest?

B.J.: We see a great deal of opportunity with our millennials and are constantly launching new concepts and engaging in-store events to attract this shopper.

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Marty Staff
Interim CEO of BCBGMaxAzria

Marty Staff graduated from Dartmouth College and moved to Los Angeles to attend graduate school. Needing money, he went to work at Bloomingdale's as a salesperson. "My only reason for choosing Bloomingdale's was that I bought my clothes there growing up," says Staff. It was a wise choice, in both regards, as Bloomingdale's made Staff an executive trainee and from there he says he was hooked. For eight years, Staff gained experience in menswear, womenswear, kids', accessories, and home while working for such industry giants as Marvin Traub, Mickey Drexler, Julian Geiger, and others.

Bloomingdale's trusted Staff and asked him to help Ralph Lauren launch a children's line. This resulted in Ralph Lauren and his partner at the time, Peter Strom, asking Staff to join them as VP of Sales, where Staff stayed for seven years, managing sales, licensing, retail, finance, IT, and distribution. The high point of Staff's time with Ralph Lauren was opening the Rhineland Mansion. Staff calls it "Ralph's vision, and I executed to that vision."

Calvin Klein soon poached Staff. "I loved Calvin's vision and aesthetic, and he and I were inseparable for 10 years. I was President of Menswear—some owned, some licensed—for almost six of the 10 years."

Staff was soon asked by Hugo Boss to become CEO of America. "The brand was very Germanic, cold, not really liked by retailers, and had all kinds of fit, marketing, and pricing issues. We fixed it and made it hot. There was no Hugo Boss, the man, so I became the face of the brand." Staff remained there for five years and calls it "a magical time of significant growth."

Soon, Staff had a revelation. "I decided I'd rather be an owner than an employee, so I found a sponsor in the private-equity world. Frankly, I was ahead of my time," Staff says. "In 2004 we bought Joseph Abboud from an Italian publishing company and we were off to the races. Joseph Abboud was sold to Men's Wearhouse a few years ago at a reasonable multiple, and I began to work with private-equity funds to assist them. Lion Capital put me onto American Apparel. Sycamore Partners and I tried to do a few things together, and currently I am Interim CEO at BCBG at the request of Guggenheim Partners, with more to come."

Apparel Insiders: What brought you to BCBG?

Marty Staff: Guggenheim Partners asked me to join BCBG, a great brand with a long history of success, so I saw it as a huge opportunity.

AI: What's it like to take the reins of such an iconic label? What does its history mean or instill in you?

M.S.: I am honored to be part of a brand with such longevity and that has such a significant global footprint. The founder was a genius, so I simply saw it as an opportunity to take it to the next level.

AI: What sort of online role should big brands take?

M.S.: In my opinion, e-com and digital marketing are the future. If I were to make a big hire for any company today it would probably be a senior analyst with omni-channel expertise. The analysis of data in business is critical in today's world. It should inform every decision. Furthermore, there is simply more money

to be made online. If a supplier sells a product to a department store, that supplier will make 10 percent or less EBITDA margins. Online, EBITDA margins should be north of 30 percent. The real question is why a supplier even plays in the wholesale arena anymore.

AI: Where will sales be strongest? Department stores? Namesake bricks-and-mortar retail? Online?

M.S.: Easy. Online and owned stores. Direct-to-consumer is the only way to go.

AI: What have you learned along the way?

M.S.: When I started many years ago, I thought I'd be the smartest, funniest, most stylish person in the business. The reality is, everyone was smarter, funnier, and more stylish than I was. We are in a magical, wonderful industry. The danger is that once one has a measure of success, that person may believe they have the formula and they stop evolving. Fashion is not a static business, and, unless you're moving forward, you are sinking. As successful as Ralph Lauren and Calvin Klein are, they each came to work every day wondering what they needed to do to get better. That is probably the key lesson I have learned. We also need to realize that spending on apparel has been in decline for two decades and that spending on entertainment—travel, gambling, restaurants, etc.—has been gaining its share of our wallets, so we need to make buying clothes as entertaining as possible in order to make our target customers want to play with us. This is the wrong business to be in unless you love it more than anything.

Market Makers

Michael Buckley has worked in the retail industry for more than 30 years, helping to successfully grow and manage a number of premium apparel brands. His first senior management role was with Diesel USA, where he served as VP from 1996 to 2001 and was responsible for overseeing all U.S.-based retail and financial operations for the Diesel Jeans division. Buckley then served as president and chief executive of North America operations for the Ben Sherman Group, followed, from 2006 to 2011, by a stint as president of True Religion Apparel Inc. There, he helped to expand the retail platform and increase sales from \$100 million to more than \$300 million. Buckley went on to Robert Graham as CEO, focusing on operational excellence and taking an ROI-driven management approach. Following Robert Graham's merger with Differential Brands Group, Buckley was appointed CEO. Differential's holdings include SWIMS, Hudson, and Robert Graham.

Apparel Insiders: What brought you to your position at Differential?

Michael Buckley: I've always had a passion for retail and an interest in the art of building brands. I grew up watching my grandfather expand his wealth through various investments, and I learned the building blocks of business management at a young age. I began my own career in the retail industry working with private-label divisions, and, as I gained experience, I ultimately found I had greater interest in the branded segment of the market. I've had great management opportunities and learnings through my various leadership roles at Diesel, Ben Sherman, True Religion, and Robert Graham, which ultimately led me to my current role as chief executive officer of Differential Brands Group.

AI: How do you envision Differential Brands Group evolving in the near and distant future?

M.B.: Differential's mission is to own, operate, and manage a diversified portfolio of complementary brands that consumers are passionate about. We are working to organically grow our portfolio of brands through a global, omni-channel distribution strategy while continuing to seek opportunities to acquire accretive and complementary premium brands. In the near term, we are working to drive mid- to high single-digit organic growth annually and to support our portfolio of brands' growth through premium wholesale channels, direct-to-consumer retail, e-commerce and catalogs, licensing of new categories, and international expansion. We are also actively pursuing an acquisitive strategy across the premium apparel, footwear, and accessories categories. In the long term, we aim to acquire three to four brands within the next five years and to double or triple the size of our acquired brands over the next four to five years. We also aim to achieve \$700 million in revenues within the next five years.

AI: Tell us a bit about your current stable of brands and what they mean to Differential.

M.B.: Differential is focused on filling a void in the U.S. public market by concentrating on brands that offer high-end products for consumers shopping at premium retailers. Our portfolio of premium brands is complementary from a distribution, product, and end-customer standpoint. The company's current brands are Hudson, a designer and marketer of women's and men's premium, branded denim and apparel; Robert Graham, a sophisticated, eclectic apparel and accessories brand seeking to inspire a global movement; and SWIMS, a global lifestyle brand best known for its range

of fashion-forward, water-friendly footwear, apparel, and accessories.

AI: What is the role of the holding company in the ever-evolving, now fairly digital apparel retail industry?

M.B.: As a holding company, we provide the support our brands need and focus on organic growth through an omni-channel distribution strategy. Our seasoned, best-in-class leadership team is committed to facilitating the growth of our brands, leveraging Differential's platform to fuel growth and create efficiencies to drive expanded operating margins. We operate with a lean and efficient corporate back office with the expertise needed to support the omni-channel growth and creative marketing and digital efforts for each of our brands in order to be successful in the increasingly digital apparel retail space.

AI: What does this mean for the brands within the holding company?

M.B.: Each of our high-end brands caters to different consumer interests in the premium retail space. The diverse product offerings of our current brands together create a one-stop resource for our customers and their diverse in-store brand needs. At Differential, we're passionate about our brands, committed to our consumers, and always looking to stay on top of market trends. To ensure we cater to consumers' interests and continue to generate excitement around our brands, we are focused on evolving our product offerings and delivering innovative products and new silhouettes that our customers respond to. Our job is to continue to deliver innovative, premium products that delight each of our brands' customers and to position our brands for long-term growth. We're confident in our ability to do so.



Michael Buckley
CEO of Differential Brands Group

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