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**Guest Name and Title: Kathy Ireland / CEO**

**Guest Company: Kathy Ireland Worldwide**

**Ethan:** Welcome to the Brand Show. I'm Ethan Whitehill.

Lou: I'm Lou Thurman.

**Ethan:** Today we get to talk to Kathy Ireland of Kathy Ireland Worldwide.

Lou: I'm very excited about the show. Most people know Kathy Ireland from her introduction into the professional world as a swimsuit model for Sports Illustrated.

**Ethan:** It wasn't being a supermodel that made her a success; it's her business model today.

Lou: That's right. It started with a pair of socks, and now she has built her brand to a \$1.4 billion business.

**Ethan:** She was able to grow her brand by really focusing on her target market, and they're committed at Kathy Ireland Worldwide to finding solutions for families especially busy moms.

Lou: That's right. You'll hear in this interview how busy moms or Kathy Ireland and all of her team members boss.

**Ethan:** Kathy welcome to The Brand Show.

**Kathy: Thank you, it's great to be with you.**

**Ethan:** Well Kathy your brand has received some really tremendous recognition lately in addition to being so successful. Global License Magazine has rated you number 28 of the top license brands. Can you tell us about that?

**Kathy: Oh we're humbled by that and it's really been such a journey, such an adventure. I really thank our customers for turning down the noise at stereotyping. We began our brand back in '93 with a pair of socks from my kitchen table when I was pregnant with our first child. The average life cycle of a brand is five years and brands succeed because they simplify**

the selection process; they build upon an existing relationship. Will a brand succeed if the product is inferior? Absolutely not. The quickest way to destroy any brand is poor quality merchandise or poor price devalue ratio. I do believe – this is a generalization, generally speaking, men buy products and women join brands. There's that loyalty, there's that relationship. We've got to get it right for her. I help people, I have the toughest boss in the world and I love her. She's demanding, she's savvy, she's smart. She doesn't buy a product simply for my name, no big deal. She doesn't want an autograph from me, none of that. I mean she's got lots of places to go for that. With me she wants her solutions and she wants them now. I believe the key to our success is that relationship that we share with our customer hearing, really listening to her, and then working with our team to implement the direction she gives me.

Lou: You know, Kathy, you had mentioned earlier the quality of products and your solutions and to kind of set this up for our listeners, Kathy Ireland Worldwide you have over 15,000 products, 50,000 retail venues, 29 countries, 25 manufacturers, that's huge. How does Kathy Ireland Worldwide maintain the consistency of its brand across such a wide range of products, retailers, the distribution footprints, how do you really keep a hold of all of that?

Kathy: That's a great question and it's one that is asked frequently. We do design and market over 15,000 skews sold in over 50,000 doors in 29 countries, and to keep focused on that, it's back to our customer and it's back to our mission. Our mission is finding solutions for families especially busy moms. We've got it in English, in Spanish, in bold letters in our headquarters, reminding our chain that when anyone has an idea for a new product – we're always working on innovation – but we go back to that mission: Okay that's a great idea but where is the solution? How does it make her day better, easier? We have four promises for everything that our team designs and markets, and that is fashion, quality, value, and safety, and those must be addressed. Our team has developed style guides that span the globe. Every one of our over 15,000 new products lives in our style guides. There's a solution there. It saves mom time when she's putting her home together; when she's putting herself together. It's all solution oriented thinking about what she goes through in her day.

When I became a mom for the first time, my life changed instantly, dramatically, wonderfully, yet suddenly things like taking a shower became a huge luxury. It's heroic for a busy mom to make it to the store. Car seats, diapers, all of it, so who we partner with at the retail level, that is also critical. If some people would prefer that I go back to my old job description of shut up and pose, that doesn't work for me. I'm too much of a...

Lou: Good for you.

Kathy: Well thanks. I'm too much of a control freak; that was never interesting. Our customer's too savvy for that. It's never been of interest, and it was never an option. I was okay as a model, but not super. Nobody was offering me endorsements which is really a blessing, because it caused us to really build our brand with a solid foundation. We got a lot of slack for starting with socks, "What are you crazy? You can't start a brand with a pair of socks." Why? Nobody had a good reason why. The reason why was because it hasn't been done. It hasn't been done does not mean that it can't be done and that's just noise. In order to succeed in life and in business, we have to turn down the noise so we can move forward with the plans for our dreams, and I work with an amazing team. While other people were spending money on clothes and cars, I was investing in people and infrastructure. I know my strengths and I'm painfully aware of my weakness which are many. I was investing in an art director, a creative director, a vision strategist, expert at marketing. Today we have an infrastructure of 37 people. Never had a family business but today we truly have a business that's a family. When you treat the people you work with the way you would want your family members to be treated, I really believe there's no limit to what you can accomplish together.

Lou: I have to agree with you on that. We have a very similar philosophy here, so I just have to commend you on that investment into people. It really pays off with your brand.

Kathy: Well thank you. That's ultimately what it's all about. Businesses are made up of people, and it takes time. You've got to invest the time to get to know one another. I encourage people when they're considering working with our team, whether at a retail or manufacturing level, whatever it is, kick

**the tires. Ask the tough questions, get to know us, let's find out if this is going to be a lasting relationship. It's not interesting and there's no time, then I don't think it's healthy to just enter into these short term relationships. We want to build something that's lasting and that will grow.**

Lou: Sure. You know Kathy speaking of investing time, in an article just this January actually in Ink Magazine, you were talking about your role as CEO and chief designer, but you really spoke about what you prefer doing. You talked about you'd rather be meeting with the sales team and retail venues to explain the design and the inspiration behind your collections to really share the story; so they know what they're selling so they can make that connection with the consumer. Can you share with us a little bit about how you formed that philosophy and how you instill that philosophy inside Kathy Ireland Worldwide?

**Kathy: Sure. There's nothing wrong with a celebrity endorsement if you're a celebrity and as I touched on earlier it's not me and it's not our brand. It's interesting - and I think we're all guilty of it: putting people in boxes. There are some people because of my former career back in the last century, people will ask me, "Oh will you come to this store and cut a ribbon for a grand opening and sign some autographs" and we've really learned - and I never say never. We're open to creative ways of working with people really understanding them, but what we've come to learn is that doesn't really help anybody, it makes us more angry. If she's had a full day of life and as busy as that is, she's made the heroic effort to shop, to go to the store and there I am, and I'm all done up and I'm sitting there signing autographs and the store is typically cluttered not with shoppers, people who are not necessarily there to shop, they're in her way. So there's a disconnect. She's angry and that's not the relationship we share, but what's much more - a much more efficient use of everyone's time and resources is when I can meet with the sales team. Sales are the lifeblood of every business. Sales are what will turn this economy around. They're on the frontlines with our customer every day, there's so much to learn from these people, and yes we are in communication with our customer everyday whether it's in person, through life, whether it's social media, whether she is helping me out, or I've got it like a quick decision on a finish for a furniture collection. Should I go with ebony or the cherry, what do you think, and she talks to**

me, she tells me. Focus groups are a huge part of what we do, and at the same time hearing directly from our sales team. Then when I can share with, there is a story behind every product that we design and market. With over 15,000, no not every single piece comes from a personal sketch of my own yet I do many of the sketches, and our team is constantly – and photographs – we travel the globe, we sketch and we photograph everything from color, architecture, lifestyle, design. We collect raw material, we want to see it translated into product working with our focus groups. The team members will give a sketch, they'll give a photograph, I'll get an inspiration from our customer, and I will put my hand on it. It goes back and forth, it's a collaborative effort, and even if it doesn't begin in my head, my fingerprints are on all of it and it's a huge collaborative effort. I do not have a formal degree in design, I barely finished high school, but work with incredibly talented people who do have Master's degrees in fine arts, and they're able to take and refine whether it's in my head or I've put it on a piece of paper and just go back and forth, and so we get it just right what we believe the customer will respond to. So in answer to your question, when I can share a design story, when I can share where did this inspiration come from. Well this headboard came from a photograph I took of this gorgeous old rustic date on a trip to England, and the beauty of it lives in our European country style guide sharing the inspiration behind everything that we design and market. In jewelry, the laurel leaf on our wedding bands which symbolizes lasting love. Why and where and how, and really sharing that with the sales team. They're able to then communicate it with our customer to have more of an understanding. How does this address safety - what's the safety issues with this particular product, the fashion, the quality, the value, and the safety? It's truly a team effort and working closely with sales is truly important.

**Ethan:** Kathy, listening to you talk it's clear that the products that you produce really come from a place of integrity, and I've heard you say something to that effect in the past and it comes through loud and clear and very authentic as you speak to it. I'm wondering with so many lifestyle brands, it's a slippery slope to produce things that you know just will sell but maybe don't necessarily contribute to the brand. How do you avoid those traps? You're in so many areas, how do you

ensure that what you're building and what you're selling continues to support the brand?

**Kathy: Well thank you, and great question. A lot of brands come and go, and when I think of true iconic brands I mean its Disney, its Starbuck's, Nike, Coca Cola. These are brands that are known as much for what they symbolize, what they mean to people as for what they do. Iconic brands trade in the realm of in a level of emotion where measurements simply cannot apply, and it's that consistency that you're speaking of. Some people criticize us for growing the brand too slowly. Well you don't have this and you don't have that, why don't you have this? It's important that we grow it at such a pace. We are a baby brand and we've got a long way to go, but it's more important to me that we do it correctly for so many reasons. As the brand grows the responsibility grows. We've worked very hard to earn our customer's trust and today when she purchases our product because of my name, it's not simply because I used to model in the last century, she care less about that. What it means to her is the trust that we've worked very hard to earn, we've got to work even harder to maintain that. You can never sit back on yesterday's success. We've always got to innovate and every one of us on our team starting with me, we audition for our jobs every single day. We don't take our customer for granted at all, and it's really being focused on what her needs are and taking that wherever we go whether we're thinking about a manufacturing partner. Okay this is someone who - yes they can really knock out a lot of stuff very quickly. How are they doing it? What's going on in the factories? What's going on with the QC issues? Really getting to know them, that slows us down a bit and that's okay with me. If we damage the brand at any level by partnering with the wrong people, whether it's retail, whether it's manufacturing, we damage our trust with our customer, and we put jobs at risk if our brand is hurt. It's not just our little infrastructure at KIWW, but it's thousands of jobs. It's the executives, at so many different levels. It's the people in the factories. It's the people driving the trucks. It's the sales teams. There's a lot at stake, so it really causes us all to be on our toes, to be sharp, to be focused, and to make sure that everything we do we do it with integrity and everybody's on the same page.**

**Ethan:** Just thinking about that customer, I read recently about how you use Twitter to listen in to your customers and carry on a conversation. I'm wondering if you could share with us, because so many brands want to know how to best leverage social media. How are you using social media for the virtual focus group?

**Kathy:** I was late to the party on social media and Twitter. Our president Stephen Roseberry was encouraging me for so long "You got to get on board with this" and I just thought another ceiling, I'm over communicating already. I went to it just over a year ago really as a busy mom seeking to connect with other moms to learn from them, and I was truly stunned by what I learned that – and I don't have followers. I have friends who walk with me. It's a neighborhood. It's an opportunity to meet people from all over the world, fascinating people, to learn what's on their heart. What are their challenges in their daily life? What are they doing and it's just truly been amazing, and I'm so grateful to the people who do walk with me, who allow me to learn from them and share stories, and in particular our non-profit support who's been amazing.

**Ethan:** You referenced Kathy Ireland Worldwide as a baby brand [laughter] and at the same time Forbes has called you a design empire. Maybe the truth is somewhere in between I don't know, but I would love to know the way you see it if you are a baby brand that implies that there's so much more you want to do, and I wonder if you could share with us where you see that going.

**Kathy:** We do have a long way to go and with our mission which is all about solutions, there's always solutions we're going to need to find and as our needs change we've got to find solutions for them. I'll continue to listen to my boss and take my marching orders from her. Our company is continuing to expand and grow. We have small satellite offices, and that really helps us to connect on a global level. We have offices in Santa Barbara, Rancho Mirage, Los Angeles, the East Coast, Hawaii, and Israel. We're looking at opening one hopefully in India. We continue to listen to what her needs are. A lot of people are out of work right now. We have a business that addresses that at [kathyirelandgreetings.com](http://kathyirelandgreetings.com) where people can work from home, and they can learn about opportunities there according to their time frame and what that's all about. It's a greeting card business and it's really quite interesting. Our company has also produced hundreds of weddings this year.

**We have an event business with resort locations. I got married almost 22 years ago, it's a beautiful home that we rented, we rented the yard. We were on a budget and as the bride wasn't able to go in the house, so to even use the bathroom we had to bring outhouses out. So it's always been a dream to give a bride truly the wedding of her dreams, the fairytale wedding, and that's been a lot of fun.**

Lou: Kathy you've shared with us a lot today of personal mantras, how you keep your mission and your vision at the center of your business and before you go today, we're hoping that you'd share either some predictions or advice that you have for consumer design brands and retailers for the future. What can you share with them to ensure success among this industry?

**Kathy: I do think things will get better. Something Warren Buffet says is "You only find out who is swimming naked when the tide goes out." Necessarily, work harder, there's only 24 hours in a day but we've got to work smarter. We've got to be more effective and efficient with those hours. Brands stay strong because they innovate. So it's just keeping our eyes open, our eyes on the horizon, and our ear to the ground. Anticipating what the needs are going to be, and addressing them in a way that brings integrity, and in a way that honors our customer.**

Lou: Kathy, thank you so much for your time today and Kathy Ireland Worldwide brand integrity for my book.

**Ethan:** Absolutely. Thank you so much Kathy.

**Kathy:** Thank you so much, it's been great talking with you.

**Ethan:** Bye-bye.

**Kathy:** Bye-bye.