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Jim Seuss: Putting Cool in Cole Haan

By Sophia Chabbott

Jim Seuss has had one objective since being named Cole Haan's chief executive officer two years ago — redefining the company.

He plans an aggressive retail rollout, updated product assortment and has even launched an initiative to collaborate with avant-garde designers. Industry sources estimated the Nike Inc.-owned brand's volume in the U.S. at \$450 million, with the retail segment comprising \$200 million in sales.

For a while, Cole Haan was trying to be all things to all people — comfort shoe brand for men with proprietary Nike Air technology, a fashion player and a luxury house. Last May, Cole Haan's dynamic creative director and executive vice president, Gordon Thompson, left the company, making way for a fresh design team and updated vision.

Seuss promoted Tracy Smith to the new post of chief merchandising officer, and tapped Paul Overfield, who had stints at Gucci, Calvin Klein and Oscar de la Renta, as design director.

Seuss, a former president of Harry Winston and ceo of Stella McCartney, succeeded Matthew Rubel, who became ceo of Payless ShoeSource. He defined the Yarmouth, Maine-based brand as a "kept secret." And now, in tandem with Cole Haan's 80th anniversary, he is prepared to compete with the likes of Coach Inc., the \$2.9 billion industry leader.

"We didn't want to be conservative and classic," he said. "But we do want to be classic, and classic can be witty, cool and relevant."

Cole Haan has 65 U.S. stores and the goal is to expand to 150 to 175 within five years. The stores will average 3,200 square feet to 3,500 square feet. The strategy is to open flagships and regular stores in locations throughout the U.S. The company has flagships in Beverly Hills, New York, Chicago and San Francisco.

The look is modern, with a wood, chrome and glass facade. Designed by architectural firm Bonetti/Kozerski Studio, the interior is divided into two sections. Women's is at the front of the store and the men's area in the rear has a lounge-like atmosphere replete with couches. The firm's ancillary categories, including outerwear and belts, are spread throughout the space.

There are plans to renovate the 65 existing stores by 2011. Cole Haan also has distribution in Bloomingdale's, Neiman Marcus, Saks Fifth Avenue and Nordstrom.

"We're trying to create a premium experience for customers," said Seuss, who predicted double-digit sales growth. "The brand is a dual gender one. [A woman] can shop for herself and for her husband."

A new advertising campaign by Weiden and Kennedy takes a lifestyle approach and will bow in the fall.

The biggest hurdle Cole Haan faces is getting consumers to know the brand and stores as a fashion destination in addition to a resource for basics, said Suzanne Hader, principal of 400twin Luxury Brand Consulting.

"They haven't had a problem projecting quality or craftsmanship, but honing their message so they resonate with the market as sophisticated-preppy instead of dowdy-preppy has been a while in the making," Hader said. "With Kate

Spade and Coach as close competitors for a similar space, it's also been tough for them to clarify why they're different in the mind of the consumer."

The brand's sales are two-thirds footwear and one-third accessories and outerwear. Seuss is aiming for the split to be 50-50, and the stores are merchandised accordingly.

Internationally, Seuss named Japan, which comprises 10 percent of sales, as a primary market. China is another country with growth potential, he said. The brand recently launched locations in Dubai, Singapore, Hong Kong and Macau.

In addition, Cole Haan is working to bolster the product mix. In Cole Haan Collection, the product got a touch of luxury with the new Optical Weave leather collection for spring and high-heeled sandals with snakeskin trim. The Dress Air collection of high-heel shoes with Nike Air technology has been expanded — after Oprah Winfrey lauded the line on her show in 2006, the company received thousands of orders. Eyewear and hosiery categories also were added through licenses with B. Robinson and Mallory & Church, respectively.

Handbags are a significant push for the firm, which is launching numerous satchels, hobos and totes this year. The spring collection of bags range from a nylon and leather hobo at \$325, to a python triangle tote that sells for \$2,950. Prices for the core collection are from \$300 to \$550.

The company is also ridding itself of its G Series subbrand, a sport-inspired shoe line for men and women.

This fall, Cole Haan is pushing heritage styles such as the wingtip for men and the "reimagined penny loafer," with a line of shoes and bags with the keepsake pocket motif. The firm is mixing up the classics as in the wingtip shoe for women, which is morphed into a high-heel ankle boot.

The bags for fall also play up on the penny loafer theme with keepsake pockets on the gussets of the satchels.

In the spirit of its penny loafer push, Seuss has tapped publishing impresario Prosper Assouline to create a book in tribute to the wishing well, referencing the tradition of placing pennies heads up into a pair of loafers. The brand's Manhattan showroom is also bedecked in pennies — 3,000 to be exact — upon which the bags and shoes are presented. Seuss has taken the penny fixation even farther by buying up 1928 pennies on eBay.

Seuss plans to tap tastemakers from various fields, such as architects, industrial designers, jewelers and sculptors to do collections. "Collaborations are key to our brand," he said.

First up in Cole Haan's designer-collaboration strategy is Anna Sheffield, the edgy designer of accessories and jewelry brand Bing Bang, to infuse a dose of cool into its contemporary-classic assortment. Sheffield has designed jewelry fobs for the penny loafer-inspired bags that can be transitioned into bracelets.

"Since Cole Haan has been doing leather shoes and bags for 80 years, it was interesting to do hard goods and jewelry," said Sheffield, whose aesthetic is modern Victorian. "I developed hardware and specialty pieces that go back to that idea, the penny, the keepsake and good luck."

Her signature fine jewelry line and the Bing Bang accessories and fashion jewelry line is sold at stores such as Barneys New York.