

WANTED: E-Commerce Masterminds - Should Retailers Recruit from Bloomingdale's or Amazon?

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By Les Berglass

I have often marveled at how small the retail industry can feel. As an executive recruiter who specializes in placing top level talent at apparel, beauty, and other consumer-oriented companies, I have typically known close to 70% of the candidates I've interviewed. That is until the digital revolution burst this cozy world wide open.

As people have begun to shop through more channels, retailers have broadened how they define – and where they discover—talent. Among the top 25 e-commerce sites at brick and mortar companies the average percentage of total sales from digital channels was roughly 14%. That's amazing growth considering that catalogues –the web's predecessor in the direct sales channel— would typically only generate 5% or 6% of total sales in years past. Perhaps even more impressive, every dollar spent online impacts 100% of a retailer's business. When consumers want to learn more about a brand, they 'Google' it, making a company's website a more potent marketing tool than a flagship store on Fifth Avenue. As digital strategies become tantamount to a retailer's success, finding innovative digital talent is a must.

Where can one find these retail masterminds? Historically, recruiters went to department stores, like Bloomingdale's or Macy's, where budding executives learned the essentials of merchandising, and Gap produced another generation of talent. Yet, in light of the digital era, Amazon or Zappos sound more appropriate. These pure digital retailers engineer sophisticated distribution models that swiftly and affordably deliver the hottest products. Surely, that appears to be the place to look for talent.

It's not quite so simple. According to our recent study of today's digital talent at brick & mortar retailers, Berglass + Associates discovered that none of the top leaders were trained exclusively at pure e-commerce sites. With Amazon generating more than 70% of volume of the top 25 online retailers, there are not a lot other significant companies from which to recruit.

Interestingly enough, digital retail talent hails from companies as diverse as Ralph Lauren and CBS. Rather than a common professional background, they share a set of vital skills and management experiences. This brings us to the conclusion that it doesn't matter where you've been, but what you can do. To help you identify the best person to implement your digital commerce strategy, we've laid out some of the most important leadership traits for the job.

VIEWS CREATING GREAT BRANDS AS THE ULTIMATE GOAL

Whether a consumer shops at the store or via her iPhone, retail is still about selling stuff. And if a consumer has a negative interaction with your brand, they won't buy anymore of your product.



That's why executives who've spent time building powerful brands –such as Ralph Lauren or Victoria's Secret—tend to thrive in e-commerce. A brand-oriented leader understands that an easy, enjoyable shopping experience is the Internet's appeal. Technology is just a means to delivering the ideal experience; it's not the end target.

More importantly, an e-commerce leader must ensure that a brand's presence remains consistent no matter where it is sold. The experience should be so seamless that consumers cannot remember whether their latest purchase came from their iPad or local mall.

WORKS COLLABORATIVELY WITH BRICK & MORTAR TEAMS

The only way to deliver a seamless brand experience is for all departments –digital and traditional alike—to work together in an equally seamless manner. After all, if web designers don't communicate their vision with store merchandisers (and vice versa), there's a pretty good chance the results will be completely different.

To avoid such schism, an e-commerce leader must create a corporate culture that views all channels as one and the same. "It's so easy to let people off the hook by saying, I have my sales plan, I've got my store renovation or my various physical experiences to deal with, and this is a bigger part of the business," said Paul Blum, CEO of Kenneth Cole Productions, during a recent WWD panel discussion on 'Recruiting in the Digital Age.' "As a discipline, you cannot look at digital as a separate theme."

Look for executives who have a history of flattening corporate hierarchy. When employees are not saddled with a strict chain of command, they often allow ideas to flow more freely between groups and are open to collaborating on projects.

UNDERSTANDS THAT "TODAY'S MODEL" IS ONLY A STOP ALONG THE ROAD TO DEVELOPMENT

When Kodak recently shuttered its doors, the company had logged 100 years as one of the world's most influential film and camera makers. By contrast, Flip Video was conceived, became popular enough to sell to Cisco Systems for \$590 million, and –less than two years after the acquisition—was shut down. Its entire lifespan lasted four years, proving that digital companies age in dog years.

Today's consumers become easily bored, enticed only by the promise of "What's Next." That's why digital commerce leaders cannot become too attached to what they sell or how they sell it. Think about how Apple creates a buzz for its next version before lines have even formed to buy its newest iPad. Steve Jobs was always looking ahead.

One way to find someone with Jobs' gift for adaptation: Look for people who've made significant impact on a number of highly varied projects. For instance, perhaps a candidate spearheaded a successful campaign for new handbags, and then switched to branding furniture.

FLUENT IN TWEETS, STATUS UPDATES AND ENGLISH

Social media adds another layer to the branding equation. Not only do social networks –i.e. Twitter, Facebook or blogs— require retailers to maintain a constant flow of communication with their customers, but they also splice the consumer base into highly-segmented audiences. For example, an Old Navy customer who spends his life on Twitter is probably younger than the one who watches the commercial aired during CSI. How do you relay the same message to different groups who essentially speak different languages? Focus on hiring people with a handle on the nuance of language. That's what Walmart had in mind when it tapped President of CBS Interactive Neil Ashe as head of global e-commerce.

DOESN'T GET TOO HUNG UP ON METRICS

Retailers have always lived and died by the monthly sales numbers. An e-commerce leader doesn't have such a luxury. The moment a digital transaction transpires, the information has been recorded, analyzed and forgotten.

Technology moves at the speed of light, rendering yesterday's statistics useless. An e-commerce leader must accept that she works under a set of metrics that focuses on immediacy. "People who are too metric-oriented can be a liability because they don't move where the changes are happening," says Blum. Seek leaders who don't spend too much time methodically breaking down the data, but possess the courage to take risks.

Courage may be the operative word in the hunt for digital talent. After all, what's taking place in retail today is nothing short of a revolution. And for that, bravery is always required.

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