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Les Berglass: Hiring in the Age of Change

By THE ASSOCIATED PRESS

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NEW YORK — Hiring top retail executives has long involved a game of musical chairs. But with consumer spending behavior turned upside down in the era of web shopping, retailers need to look beyond the seasoned industry execs with the long resumes, says veteran executive recruiter Les Berglass. Since founding his firm in 1990, he has been placing top executives for Fortune 500 retail and consumer products companies including Neiman Marcus and Francesca's.

Berglass and his team are constantly in stores to get a pulse on shoppers and he recently hired an Apple recruiter to help him find future leaders.

Here's what Berglass had to say in an interview:

Q. How has retail recruiting changed?

A. When we started Berglass, we placed retail executives based on a linear skillset. CEOs had to excel mostly as merchants, and business departments operated in individual silos. Today, the C-Suite is all about collaboration. With technology driving change at an incredible speed, and sophisticated consumers increasing their demands, new executive positions like "chief customers officer" are taking a seat at the table, and it's critical that the C-suite all work together.

Q. What sets your firm apart?

A. With the retail world changing so drastically, it's not enough to know everybody who is in retail. You have to discover the folks who are the next generation of retail.

Q. What's the biggest trend in retailing now?

A. A renewed focus on brick-and-mortar. While e-commerce remains extremely important to the consumer, it is the physical store that brings a brand to life. So it's important to find the right talent — whether it's marketing, store leadership or merchandising — that can turn the store into the Disney World of retailing.

Q. Who do you think runs the best stores?

A. Victoria's Secret. It stayed forever young. Trader Joe's makes it fun to buy groceries through its "eat while you shop" experience. Restoration Hardware has also brought new life to its brand by renovating stores and creating new home products that fall outside of its traditional offering. Apple — you walk out spending \$500 to \$700, and you don't think you're in the luxury space.

Q. How do you define your company's success?

A. We celebrate our placements twice. First, when a candidate says "yes" to an offer. And, second, when their efforts increase shareholder value. Watching Francesca's share price steadily increase after we



placed Mike Barnes as their CEO is the true measure of our success.

Q. Where's the new top talent coming from?

A. From a variety of industries — not just retail. Many are coming from quick serve restaurants for their customer service expertise, technology companies because of their fast pace and global businesses for their perspective. We're also finding we're at a crossroads of the media and entertainment industry, as retailers look to bring excitement back to the store.

- Anne D'Innocenzio