Retailing Leadership B8653 (preliminary)

Fall 2017

2:15PM-5:30 PM Wednesdays

Room 301 Uris Hall

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Office hours by appointment

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Course Description:

Primarily focused on dimensions of leadership at a CEO level using the retail industry as a backdrop, this course provides practical instruction in issues of senior level management of large retail enterprises. In addition, this course will address topics in merchandising, merchandise presentation, product development, marketing, organizational development, and strategic planning and positioning. The course should be very valuable for students who aspire to run a major retail or other corporate entity, and/or, who have a leadership interest in consumer marketing organizations and manufacturers who supply the retail industry. The majority of topics in this course are presented through a series of case studies and other readings coupled with presentations by accomplished guest speakers who are serving, or who have served, at a CEO/COO level in retail and/or marketing and manufacturing organizations.

We will explore traditional “brick and mortar” retailing, as well as internet and omni-channel based retailing. Though our principal focus will be North America, we will discuss the industry from a global perspective as well.

Class Organization:

This class begins promptly at 2:15 PM in Room 301 Uris Hall. We will break at

3:45 -4:00 PM then resume at 4:00 – 5:30 PM for guest speaker presentations.

If you must be late or absent for any class, consistent with the policy of the school, you must email or call me in advance. In deference to our guest speakers, you must not be late for a guest presentation or leave early. Attendance will be taken at each class. You are expected to attend each class in its entirety.

Attendance at guest presentations is limited to students enrolled in this course. Exceptions to this can only be made by me personally.

Cell phones, PDA’s, laptops, cameras, and recorders must not be on and in use during either class or guest presentations. Please refrain from bringing food to either class or guest presentations.

Required Reading and Class Preparation:

We will discuss each case on its scheduled date. Please come prepared, having not only read the case, but having reviewed any recent information pertaining to the company, if available and relevant, on the internet.

A Glossary of Retailing Terms as well a Retailing Primer are attached to this syllabus. We will review this and other Retail Fundamentals material in detail during our second class and third classes. This material will be included in the exam given in class #7 on 10/25/17.

Be prepared each week to briefly discuss the retail events of the day, as you note them, from The New York Times, The Wall Street Journal, Woman’s Wear Daily, NRF@smartbrief.com, retaildive.com, etc. we will also briefly review your observations of the prior week’s guest presentation.

Guest Speakers’ Presentations:

In advance of each speakers’ appearance do some basic research about them. Be prepared to ask questions with respect to their company, their competition, the nature of their business sector, and themselves personally. Our speakers are all highly accomplished individuals who expect to be challenged by the class. They will typically speak for 20-40 minutes with the balance of their 90 minutes appearance devoted to Q & A. They are here by invitation. Please acknowledge them warmly at the beginning and end of their appearance.

Guest Speaker Schedule:

This semester’s guest speaker schedule will be announced at a later date. Guest speakers who have participated in this class during past semesters include:

* Ira Neimark, former CEO, Bergdorf Goodman Inc.
* Robin Burns McNeill, Founder, Chairman, Batallure Intl.
* Edward Thomas, CEO, Wet Seal Inc.
* Maurice Reznik, CEO, Delta Galil USA Inc.
* Arthur Martinez, former CEO, Sears Roebuck Inc.
* Stephen Cooper, Former CEO, Kroll Zolfo Cooper
* Michael Gould, Former CEO, Bloomingdales Inc.
* Maxine Clark, Founder, Former CEO, Build A Bear Workshops Inc.
* Mickey Drexler, CEO, J Crew Group Inc.
* Shelly Lazarus, Former CEO, Chairman, Ogilvy & Mather Inc.
* Claudio Del Veechio, CEO, Brooks Brothers Inc.
* Karis Durmer, CEO, Altuzzara Ltd.
* Gary Simmons, CEO, Gerber Childrenswear Inc.
* Jack Mitchell, Chairman, Mitchell’s Stores Inc.
* Ken Walker, Founder, CEO, Walker Group
* Greg Petro, Founder, CEO, First Insight Inc.

 Case Write-ups:

You are required to write up three cases of the seven that we will discuss in class.

Each case that you select must be submitted, on the day that the case is reviewed, at the outset of the class. Case write-ups are each 10% of your grade. Case write-ups are to be 3 pages, double spaced, and printed using normal WORD margins and 12 point fonts.

Approach the problems and issues posed by each case as if you are the company’s CEO rather than as a student or consultant. Use first person singular language in your thinking and in the manner in which you participate in class and write-up your 3 selected cases.

Needless to say, you must read each case carefully prior to its review in class.

Develop your thinking about each case using the underlying tenets of retailing and leadership that this course represents.

They are:

Retailing:

Price

Product

Presentation

Productivity

People

Leadership:

Acknowledgement

Assessment

Action

These characteristics of retailing and leadership will be discussed in detail during our first three classes and re-visited throughout the semester.

The Project:

The project in this class is an exercise in role-playing. You are an Executive Vice President of a national retail corporation and you receive a call from an executive search firm seeking to consider you for a CEO position at another major national retailer (to be assigned during our second class on 9/13/17). The headhunter tells you that the base compensation is $1.5 million with significant performance based bonus and equity available to the right candidate. You will be interviewed by the Search Committee of the Board of Directors. Your interviewers will include the COO of a large multinational corporation, a senior managing partner of a private equity firm, and a professor from a well-known business school with a long career in retailing.

As part of your due diligence for this potential career transforming interview and assignment, you will visit store(s) of the company which has been assigned to you, and research its current and past performance, strategy, competitive positioning, etc. You will use annual reports, SEC filings, analyst comments and any other sources of information that you can gather about the company.

Your interviewers have served on the company’s board for many years and therefore know the company well. They will be uninterested in a mere recitation of company facts. Rather, they seek your view of the company’s condition, current issues, and future opportunities as a basis of determining your suitability as a new CEO. They will want to know how you will lead the company to greater success.

You will develop your view in the form of a first person singular narrative. This report should be 9 pages in length, along with a 1 page executive summary, totaling 10 pages. The executive summary will succinctly state your views in outline form. As per case write-ups, this report must be printed using 12 point fonts, and double spaced with normal WORD margins. Attachments and exhibits are not appropriate for this report. This report is not to be produced as a power point deck as it intends to closely mirror the dialogue that would take place in an actual interview.

You will use, as appropriate, the 3 leadership dimensions: acknowledgement, assessment and action, and, the 5 retail dimensions: price, product, presentation, productivity and people, which form the basis of this course, in your report.

The project will be due at our 10th class on 11/15/17. A handful of best submissions for each assigned company will be selected for recognition. The authors or “candidates” will then have the opportunity to present themselves to the class in our last session on 12/6/17. The class will take over from the search committee at this time and select each company’s new CEO.

The project is 30% of your grade, with extra credit given to the selected potential CEO’s who present themselves to the class.

The Exam:

The exam will be given at our 7th class, on 10/25/17. It will be a multiple-choice exercise focusing on the glossary of retailing terms, retail fundamentals, salient case issues and guest speakers’ comments to that date. The exam is 20% of your grade.

Class Participation:

Effective verbal engagement is a vital component of successful leadership. Participation in this class is more than just attendance. Please be prepared each week to discuss, in class, the case, current events in the retail industry, and comments made during the prior speaker’s appearance. Please be prepared to engage each week’s speaker with questions. Class participation is 20% of your grade.

Course Requirements Note:

To satisfy the requirements of this course, all work must be submitted on time. In addition, please note, all submissions (case and project write ups) are to be done as individual assignments.

Session 1: Wednesday, September 6, 2017

Topic: Class organization, course goals, review of materials. Retail Fundamentals 1

Session 2: Wednesday, September 13, 2017

Topic: Retail Fundamentals 2

Reading: Retailing Primer, Glossary of Retailing Terms rev 9-07.doc

Assignment: To be assigned during our first class

Guest Speaker: TBA

Session 3: Wednesday, September 20, 2017

Topic: Retail Fundamentals 3

Assignment: To be assigned during our second class

Guest Speaker: TBA

Session 4: Wednesday, September 27, 2017

Reading: CompUSA the Computer Superstore.pdf (or case book)

Assignment: COMP USA Case

You are Jim Halpin, CEO of COMP USA. You have been at the helm of the company for five years and are now facing an increasingly tough business environment while you work through the recent acquisition of your largest direct competitor, Computer City. Your board has asked that you apprise them at their next meeting of your sense of the company’s current issues, such as company culture in the face of your acquisition, current company performance and future growth. As always: use the 3 A’s and 5 P’s as appropriate, first person singular, 3 pages, 12 point fonts, normal Word margins.

As a sidebar, note events surrounding the company’s litigation with outside partners, the purchase of the company by Carlos Slim, and recent events surrounding COMP USA’s performance, strategy and subsequent liquidation.

Guest Speaker: TBA

Session 5: Wednesday, October 4, 2017

Reading: The Mitchell Family and Mitchells/Richards Case pdf (or case book)

Assignment:

You are Bob Mitchell and one Saturday while working in your Mitchell’s Westport store alongside your brother Russell, your Dad Jack and your uncle Bill, a well-known private equity principal walks over to you, introduces himself, and asks if he can invest in your company. He says he’s willing to pay an aggressive premium for a stake in the business that would enable it to grow more rapidly than it has to date. He also would want an option to buy the company outright at some point.

Using the 3A’s: Acknowledgment, Assessment, and Action, what is your reaction and what is your response? Your write up, written in the first person singular, if you select this case as one of your three, must be 3 pages, double spaced, and printed using normal WORD margins and 12 point fonts.

Guest Speaker: TBA

Session 6: Wednesday, October 11, 2017

Reading: Best Buy Inc.; Competing on the Edge Case .pdf (or case book)

Assignment: Consistent with our ongoing point of view in evaluating this course’s cases, consider yourself the CEO about to address the company’s board as to your views of the company’s future.

Use acknowledgement, assessment, and proposed action in context with the 5 P’s, as appropriate, to express your point of view.

Guest Speaker: TBA

Session 7: Wednesday, October 25, 2017

Exam: Multiple choice exam focusing on The Glossary of Retailing Terms, Retail Fundamentals topics, salient case issues and speakers comments, to date.

Guest Speaker: TBA

Session 8: Wednesday, November 1, 2017

Reading: Sears Roebuck and Company A .pdf (or case book)

Assignment: Sear Roebuck Case A

You are Arthur Martinez, CEO of Sears Roebuck & Co. It is early 1998 and you have presided over enormous improvements in Sear’s performance over the last 6 years, but are now confronted with reversals in the trends of many of your company’s businesses. Your board has asked you to report back to them as to how you will manage this turn of events. Use the 3 A’s and 5 P’s as appropriate in your first person singular report. As always, 3 pages, etc.

To expand upon our discussion of this company, consider, in addition to the case material, the following five dimensions in preparing for this class:

* Sear’s emergence as a leading retail enterprise in the second half of the 20th century.
* Sear’s stagnation and decline during the 1980’s.
* Sear’s turnaround during the 1990’s.
* Sear’s performance during the “post Martinez” period.
* Sear’s prognosis as a company that has been combined with K-Mart and that is controlled by a hedge fund operator.

Guest Speaker: TBA

Session 9: Wednesday, November 8, 2017

Reading: Nordstrom Dissension in the Ranks (A) .pdf (or case book)

Assignment: Nordstrom Case

You are a Co-Chairman and Co- CEO of Nordstrom’s and a member of the family whose name appears over the door of each of your stores. Your company is embroiled in a challenging round of labor strife and litigation. Your board, which views these issues as critical to the company’s future, has asked you to prepare a report outlining solutions to these issues. Using the 3 A’s of leadership and 5 P’s of retail, as appropriate, lay out your roadmap for the company. As always, first person singular, 3 pages, etc.

Note: If you have not yet submitted any of the three cases required, you must write up this case and the two that remain.

Guest Speaker: TBA

Session 10: Wednesday, November 15, 2017

Reading: 7-Eleven Case pdf (or case book)

Assignment: 7 Eleven Case

You are Jim Keyes, CEO of 7 Eleven. Having come up through the company from its gasoline business, you have devoted your career to rebuilding 7 Eleven’s retailing model and re-inventing key elements of convenience store retailing in the process.

Your board has asked that you present to them a view of your current and forward strategy. Using the 3 A’s and 5 P’s, as appropriate, prepare your report. As always, first person singular, 3 pages, 12-point font, normal WORD margins only.

Guest Speaker: TBA

Project: Retailing Leadership Project is due today.

Session 11: Wednesday, November 29, 2017

Reading LL Bean: A Search for Growth .pdf (or case book)

Assignment:

Using the 3 A’s and 5 P’s, take the place of L.L. Bean’s CEO in addressing their strategic direction for the future.

Guest Speaker: TBA

Session 12: Wednesday, December 6, 2017

Best of Class Project Presentations: Students with the most complete and compelling project submissions will present their work to the class. The class will then decide which students will be offered the CEO position.