Retailing Leadership B8653 (preliminary)

Spring 2016

2:15PM-5:30 PM Thursdays

Room 142 Uris Hall

Mark A. Cohen

218B Uris Hall

mac2218@columbia.edu

212 854-0630

Office hours Tuesdays and Wednesdays by appointment

Teaching Assistants: TBA

Course Description:

Though focused upon dimensions of leadership at a CEO level using the retail industry as a backdrop, this course provides practical instruction in issues of leadership of large corporate enterprises. Specifically, this course will cover topics in merchandising, merchandise presentation, product development, marketing, organizational development, and strategic planning and positioning. This course should be very valuable to 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 are presented through exploration of a series of case studies coupled with presentations by accomplished guest speakers who are serving, or have served, at a CEO/COO level in retail and/or marketing and manufacturing organizations.

Class Organization:

This class begins promptly at 2:15 PM in Room 142 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.

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 is attached to this syllabus. (file: Glossary of Retailing Terms rev 9-07.doc) 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 3/24/16.

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, 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 include:

* Ira Neimark, former CEO, Bergdorf Goodman Inc.
* Robin Burns McNeill, former CEO, Estee Lauder Co.
* Peter Brown, Managing Director, Kurt Salmon Associates
* Edward Thomas, CEO, Wet Seal Inc.
* Maurice Reznik, CEO, Maidenform Inc.
* Arthur Martinez, former CEO, Sears Roebuck Inc.
* Stephen Cooper, Former CEO, Kroll Zolfo Cooper
* Michael Gould, CEO, Bloomingdales Inc.
* James Goldman, CEO, Godiva Inc.
* Maxine Clark, CEO, Build A Bear Workshops Inc.
* Mickey Drexler, CEO, J Crew Group Inc.
* Shelly Lazarus, CEO, Ogilvy & Mather Inc.
* Howard Socol, CEO, Barneys Inc.
* Robert Siegel, CEO, Lacoste USA Inc.
* Claudio Del Veechio, CEO, Brooks Brothers Inc.
* Karis Durmer, CEO, Altuzzara Ltd.
* Andrea Wasserman, CEO, Sole Society Inc.
* Gary Simmons, CEO, Gerber Childrenswear Inc.
* Jack Mitchell, Chairman, Mitchell’s Stores Inc.

 Case Write-ups:

You are required to write up three cases of the eight 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 2/4/16). The headhunter tells you that the base compensation is $1.0 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 4/14/16. 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 4/28/16. 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 3/24/16. 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: Thursday, January 28, 2016

Topic: Class organization, course goals, review of materials.

Session 2: Thursday, February 4, 2016

Topic: Fundamentals of Retail and Leadership (5 P’s and 3 A’s), Review of the Glossary of Retailing Terms.

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

Guest Speaker: TBA

Session 3: Thursday, February 11, 2016

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

Session 4: Thursday, February 18, 2016

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: Thursday, February 25, 2016

Reading: Brooks Brothers Case .pdf (or case book)

Assignment: Brooks Brothers Case

You are Claudio Del Veechio, the new owner and CEO of Brooks Brothers. You and your family have bought the company recently from Marks and Spencer. As the new CEO you realize that Brooks Brothers faces a daunting turnaround. Some of the challenges you face include: regaining brand equity, continuing declines in men’s suit sales over the last 10 years, and strategic issues surrounding the company’s support for women’s wear. The family would like to have your initial report. As always, first person singular, 3 pages, etc.

As a sidebar, note recent events surrounding Brooks Brother’s expansion efforts.

Guest Speaker: TBA

Session 6: Thursday, March 3, 2016

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: Thursday, March 24, 2016

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: Thursday, March 31, 2016

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

Assignment: Sear Roebuck Cases A and B

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: Thursday, April 7, 2016

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

Assignment: Nordstrom Cases

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.

Guest Speaker: TBA

Session 10: Thursday, April 14, 2016

Reading: Bech’s Case.pdf (or case book)

Assignment: Bech’s Case

You are Soren Bech, CEO of Bech’s, a fictitious but representative regional department store company. Following a contentious and disturbing board meeting, you have been asked to report back to the board with a definitive view as to how your company will be managed and positioned on a forward basis. You have also just received a pivotal call concerning the possible purchase of the company. What is your response to this call? Remember to use the 3 A’s and 5 P’s in your report, as appropriate. As always, first person singular, 3 pages, etc.

Guest Speaker: TBA

Project: Retailing Leadership Project is due today.

Session 11: Thursday, April 21, 2016

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: Thursday, April 28, 2016

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.