

HERMÈS ON TRACK ORGANIZATIONS

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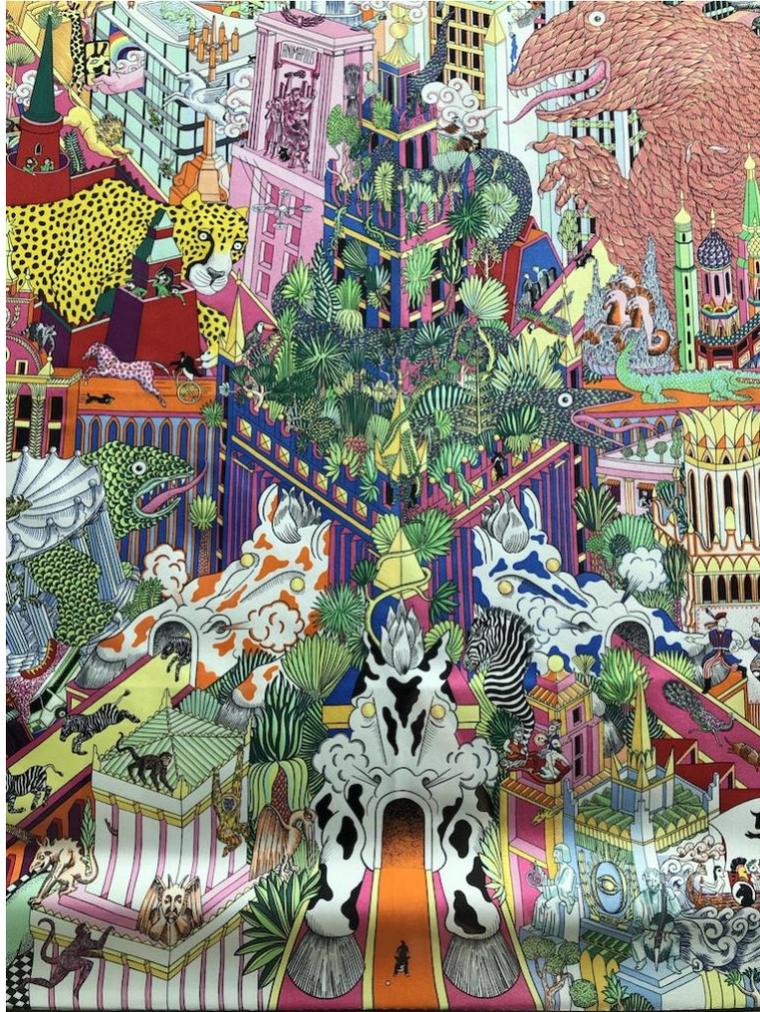
For luxury brands it has been an exciting, evolving, and challenging transition period. The current business environment requires organizations to take “cross-discipline inventory” on their strengths and opportunities to improve given the broad range of conditions in play at this time. Some well-reported trends indicate that customers have more choices to shop than ever, online sales are expected to double by 2025, global competition has accelerated, and the shopping behaviors of younger consumers are highly variable, just to name a few.

So, with this environment in mind for 2019, there are several important internal priorities for brands whether they are emerging or over one hundred years old. There is a need to develop a clear set of objectives and corresponding strategy as well as a dedicated commitment to achieving results. Strengthening the culture throughout the organization and dedicating resources for the teams at HQ and in the field to provide an outstanding customer experience is critical.

In addition, ensuring the creative vision is clear, uncompromising, and provides a basis for a story distinctly well expressed through the product/services offered must be in place. This includes executing an effective omnichannel investment and development plan to engage customers and foster growth across all platforms to remain competitive. All must achieve the right balance of retail store locations, wholesale distribution (if applicable) and online presence, and return on investment in key categories, i.e., sales, customer experience, marketing, etc.



As an executive with considerable experience in the luxury fashion mono- and multibrand arenas, I have a unique perspective and understanding of what is required in the core business disciplines for success. There are a broad range of international fine luxury brands out there, many doing an exceptional job. One brand that stands out on my A-list is Hermès.



Thierry Hermès came to Paris in 1837 and founded the artisan house that has remained true to their exceptional craftsmanship ever since. With a beginning in equestrian leather, their work grew to include fine workmanship in multiple categories, including silk scarves, accessories, men's/women's apparel, jewelry, perfumes, and home furnishings. Throughout their journey, they remained true to who they were yet clear on their path to growth (\$6.8 billion in sales). A third of the Hermès team are artisans, close to 4,500 people. Led by CEO Axel Dumas, a sixth-generation family member, the brand operates over 300 store locations, a rich online presence/website, and carefully curated wholesale distribution.



Hermès was described in a recent *New York Times Style Magazine* article as “politely contemptuous of glitz,” and in this way they stand apart from their contemporaries in the fast-paced world of fashion. It is an important aspect of how they speak about design to the next generation of customers, underlining their distinct identity. In the effort to build these new relationships, the brand has embarked on a careful, creative approach to their presence in a variety of formats. Carefully staged events, exhibitions, and socially responsible missions have all been met with success. “The digital world, says Dumas, ‘creates the illusion that everything is closer when in fact the important things are getting farther away.’” Each year Hermès creates a theme for its artisans in which to create. Last year it was “Let’s Play!”; this year, “In the Pursuit of Hermès Dreams.” (“Hermès’s Refusal to Change Is Its Most Radical Gesture Yet,” *The New York Times Style Magazine*, 2/15/19.)

“Hermes (Roman name: Mercury) was the ancient Greek god of trade, wealth, luck, fertility, animal husbandry, sleep, language, thieves, and travel. One of the cleverest and most mischievous of the Olympian gods, he was also their herald and messenger.” (“Hermes,” *Ancient History Encyclopedia*, 6/24/12.) Many of these characteristics of the ancient god ring true for the brand today. Hermès is well positioned to continue to remain authentic to who they are, nurture their artisans, create beautiful works, and share their story as they grow relationships in the global community.



<https://www.nytimes.com/2019/02/15/t-magazine/hermes.html>

<https://www.hermes.com/us/en/>

<https://www.ancient.eu/Hermes/>