Lord & Taylor invades metro Detroit market

By FRED DeLANO

Expansion fostered by dynamic merchandising and sales promotion has become a way of life for Lord & Taylor in the 28 months since the New York chain lured Joseph E. Brooks into its fold as board chairman and chief executive officer.

As impressive a retailing first as it was when Lord & Taylor opened its three suburban Detroit stores simultaneously March 6, the 50-year-old Brooks hasn't come close to running out of ideas.

When he joined Lord & Taylor in 1975 at $250,000 a year, the chain had 20 outlets. Now there are 28 and Brooks expects to have more than 40 in operation before the end of 1981.

Adding to the penetration of the southeastern Michigan market will be a Lord & Taylor store in Briarwood Center at Ann Arbor, scheduled to open in the fall of 1979.

Eventually, there may be more outlets in metropolitan Detroit's future.

Adding three more stores to the present six in the Chicago area, plus openings in the Boston, Houston, Dallas and Palm Beach markets, are in the firm's immediate plans.

To that, the short, refined, imaginative Brooks adds that he wouldn't mind opening a store in London and another in Paris "on the same day."

AS REPORTED within the trade, sales figures for the first seven days' business in the trio of Detroit stores—at Twelve Oaks (Novi), Lakeside (Sterling Heights) and Fairlane (Dearborn)—testify that local customers took to the famed 152-year-old Fifth Avenue firm like ducks to water.

Opening day volume reportedly hit $275,000. For the seven-day period, the average was estimated at $200,000 per day, or $1.4 million for the week.

Brooks called it "our most successful opening to date, anywhere" and said it "exceeded expectations."

Brooks has set a gross sales goal for the first year here of $100 per square foot. Each of the three stores has an identical 123,000 square-foot format, 369,000 in all.

That means Brooks wants 12-month action of $36.9 million, an average of $709,615 per week. The first few strides from the starting gate roughly doubled that goal.

Each store was stocked with $3 million in merchandise. At the same time, entry into the Detroit market was backed with a total saturation multimedia advertising campaign. It included Lord & Taylor's first use of television commercials and heavy usage of newspaper space and radio spots.

"EVERYTHING INCLUDED, there's an investment of at least $10 million per store," Brooks told the Observer & Eccentric in a pre-opening interview.

He singled out developer Alfred Taubman and Henry Ford II as having been the two persons in addition to Lord & Taylor's own marketing analysts who were "very instrumental" in convincing him to place stores here.

"Detroit is a mature market, the fourth or fifth largest in the nation. Why ignore this?" he asked rhetorically.

Then Brooks added, "This was the first time in my life I ever made a $30 million decision in only 30 days. In fact, it took only 60 days to complete the entire deal from the time I began considering it until the papers were signed."

After that came months of what Brooks called "planning it like D-Day" as Lord & Taylor personnel from numerous departments worked out every minute detail, right down to the center pieces that graced the tables at the black-tie dinners at store sites on three consecutive evenings.

Characteristically, it seemed, Brooks made it a point to emphasize that all money for construction of Lord & Taylor facilities in the three shopping centers was "locally contracted."

HIS EMPLOYEE CONCERNS, and Brooks now has more than 300 persons on the payroll in each store, brought this expression of philosophy, founded on a lifetime in retailing:

"The goal is to put together the very best people you can and create an environment in which they can do their best and be what they think they can be.

"Most people are better than they think they are.

"Management should not be punitive. It's not how many mistakes that counts, but how many things employees do right that should be applauded. Sometimes management is too stifling.

"Lord & Taylor's success is due to a talented team having been assembled. I'm interested in results in a profitable, tasteful manner, with a style befitting Lord & Taylor.

"Profitability also includes human resources. You must create jobs and security. There is none if a person is not with a profitable company. The worst thing you can do is do yourself in. Then no one has a job.

"We have to be proud of American business taking a risk, putting more money into circulation. The American business community has been too apologetic about making a profit."

AND HOW DOES Joe Brooks see his role as compared to founders Samuel Lord, who had an aptitude for buying and selling, and George Taylor, who had a clear head for figures, when they had a single store in lower Manhattan and depended on stage coaches and sailing vessels as the only modes of transporting freight?

Mentioning that Lord & Taylor now owns and operates its own national fleet of trucks, Brooks answered:

"My contribution to Lord & Taylor is as someone who has brought together the best of what Lord & Taylor has, and as a catalyst for an accelerated pace in expansion."

JOSEPH E. BROOKS

Referring directly to the new stores planned during his reign, Brooks said, "This was part of my fanchise in deciding to leave Federated Department Stores after 25 years.

"A community of this size has enough business for everyone.

"We know who we are, we know what we want, we know what our customers want. We have pride. We sell style, fashion and good taste, not price. We're very much a quality store where customers will find clothes they want at a price they want.

"It's those customers who are the jury, and there's no better. They'll let us know within two months whether coming into Detroit was a good decision."

BROOKS' LAST ROLE with Federated was running the Filene's chain in Boston. Earlier he had been top man at such other Federated properties as Burdine's in Florida and Rike's in Dayton.

A native New Yorker, he now finds himself at the helm of the flagship store of Associated Dry Goods Corp. whose subsidiaries also include such prominent retail names as J. W. Robinson of Los Angeles, Joseph Horne of Pittsburgh, L. S. Ayres of Indianapolis; Stix, Baer & Fuller of St. Louis and Goldwaters in Arizona.

In addition to being chairman and chief executive officer of Lord & Taylor, Brooks is on ADG's board of directors. Last September he was elected its senior executive vice-president.

Associated's 16 totally-owned chains, of which Lord & Taylor is the largest, include 149 stores. By 1980 that figure is scheduled to reach 180.

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> *–Lord & Taylor Board Chairman Joseph Brooks*

A Standard & Poor's report on ADG issued Dec. 5 included the comment:

"Earnings have been erratic in recent years despite steadily rising sales, but an acceleration of the expansion program, the tightening of inventory and cost-control programs, and a strengthening of the management ranks should enhance profits in 1978 and the years to follow."

IN A PROFILE on Brooks in its March 6 edition, Forbes Magazine pointed out that under his direction Lord & Taylor has helped ADG increase its return on equity from a shade over 10 per cent to a figure that now exceeds 14 per cent.

The same edition included ADG in a list of 96 companies that have raised dividends at least three times in the past five years. ADG's current indicated dividend is $1.50. Dividends have been paid regularly since 1942. Latest 12-month earnings per share stood at $3.11.

Perhaps as a favorable omen, on the very day that Lord & Taylor opened its three Detroit stores, ADG rose three-eighths of a point on the New York Stock Exchange.

BROOKS EMPHASIZES his belief in community involvement by declaring, "As we become part of the area, it is important that we become visible."

It was such thinking as this that led to Lord & Taylor's tie-in with Children's Hospital, the Oakland County unit of the American Cancer Society and the Detroit Institute of Arts as the financial beneficiaries of the gala black-tie previews.

It also is evident in the appointment of two former J. L. Hudson employees among the four principals here. They are Edward J. Hill, managing director at Twelve Oaks, and Mrs. Joan E. Sankovic, managing director at Lakeside. Both live in Birmingham.

"They know the area," Brooks said succintly.

Another Birminghamite, Bill R. Lee, already a Lord & Taylor divisional vice-president, is managing director of the Fairlane store.

Named regional vice-president, and also possessing a prior Lord & Taylor background, is James J. Caniglia, who has moved with his family to Plymouth. He will supervise development of the Ann Arbor store in addition to his role over the three Detroit units.

What diversions does Brooks have from the multi-million-dollar pressures of business? He mentions jogging, swimming and tennis. He's also an avid reader, but only non-fiction.

Brooks calls himself "a history buff."

Then he adds, "But before business or anything else, my wife and three children come first."