



COLLABORATION AND COLLECTIVE SOLUTIONS HELPING FASHION RETAILERS TACKLE TOUGH CHALLENGES

BY D'ARCY JENISH

As Philip Nyren, Owner of Victoria, B.C.-based Philip Nyren Menswear & Womenswear, tells the story, it all began when a group of like-minded clothiers from across Canada kept turning up at the same trade shows, became acquainted with each other and realized that collectively they faced similar challenges as retailers. The trouble was that, as independents, they usually had to face these challenges and issues on their own. That changed one day in 1996 when Nyren and five others met for coffee while attending a show at a Radisson Hotel in Montreal. "I said: I've got a problem and I can't figure it out. You guys look like smart operators. Maybe you can help," Nyren recalls. "We've been meeting ever since."

The number of retailers involved in the group has grown from five to eleven, all of them high-end clothiers who specialize in menswear, although four of them carry women's fashions as well.

Collectively their stores total 70,000 square feet with yearly sales amounting to \$40 million. They call themselves the Fashion Senate Group, meeting twice a year, each time in a different city—most recently on May 2 and 3 at Le Germain Hotel in downtown Toronto. The agenda for the group is set in advance and they rely on a facilitator at the meetings to keep the discussions moving. "The objective is to improve the way we operate," Nyren adds. "Our motto is: Better through the wisdom of the group."

At the most recent meeting in Toronto, several participants spoke of the benefits they derive from the group. "Half the guys

have expanded or moved since we started getting together," says Dave Pace, Owner of PACE Men's Collection, located in Brookfield Place in the city's financial district. "A lot of guys get a really good feeling out of sharing their experiences."

Power of knowledge and support

"It's very important that independent retailers look at peer groups," adds Paul Simmonds, owner of Robert Simmonds in Fredericton, N.B., "These meetings are held in a non-competitive, open forum. There's an exchange of ideas. The common thread is bettering your business. You build friendships and develop camaraderie with others, and you learn from them."

The members of the group have also developed an unusual level of trust, such that they feel comfortable openly discussing every aspect of their businesses with each other, including financial data. In fact, when they get together, practically everything is on the table, including personnel issues, marketing strategies, tax matters and merchandising practices.

"You have to share and participate to belong," says Paul DiFelice, Owner of Gary Waters in St. Catharines. "Attendance is mandatory."

Keeping a finger on the pulse... together

In a fast changing, competitive environment like retail, new issues and challenges are always surfacing. For instance, the rise in the Canadian dollar has made cross-border shopping an attractive option for many consumers and has made life particularly difficult for businesses located in communities close to the U.S. "We're 20 minutes from the border," says DiFelice. "It's a big problem for us."

Internet shopping is another growing concern. Members of the group say that many U.S.-based distributors, who supply them with merchandise, have also begun to sell directly to consumers through online channels. Ross McNeil, Owner of Dugger's in Halifax, says that distributors paying \$3 a square foot for warehouse space can afford to attract buyers with low sticker prices. But shoppers may not be getting such a good deal when shipping and duties are included. McNeil adds that most consumers also do not factor in the service they get from locally-owned, independents retailers or the problems that can occur if merchandise has to be returned to distributors.

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Another challenge for many retailers today is the next generation of employees, according to the member retailers. “They have high expectations,” says Nyren. “They’re looking for higher wages. They’re looking to start at the top. Many of them get their egos bent out of shape if they’re not tied for top spot. They don’t seem to understand that there are winners and losers.”

It has also become much more difficult to reach young consumers with advertising and other promotional messages. For one thing, as research and statistics prove, very few of them read newspapers. In addition, local retailers could once rely on local television stations to reach potential customers, but TV audiences are far more fragmented and much smaller in a world with hundreds of channels. The advent of the Internet has also added exponentially to the challenges independents face when trying to connect with the shopper.

Members of the Fashion Senate Group have gotten partly around these problems by pooling their resources and contracting with a U.S.-based custom publisher to produce their own promotional fashion-lifestyle magazine. Each store orders 2,500 to 8,000 copies per issue with those copies displaying

the name of each individual store on the cover. They mail the magazine to loyal customers and also place copies with local companies, like car dealerships, that advertise in it. “It’s a high-end product and we can put it out at a reasonable cost because of our numbers,” says McNeil.

One way or another, though, the group provides benefits for its members each and every time they meet. “When I got the opportunity to get involved I jumped on it,” says Simmonds. “I find it remarkably refreshing. We’re here for each other – for our collective growth as businesses and retail owners and to help each other tackle the tough issues that come our way. It’s nice to know that there’s someone else going through the same things as you, and even better to know that they’re going to work with you to help you remain successful.”

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If you feel that collaboration with fellow retailers would help you address issues and challenges affecting you and your business but don't know where to start, contact Retail Council of Canada's Membership Team at 1-888-373-8245.