

ADVERTISING

What's with the luxury brand executive switch-up?

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By RACHEL LAMB

Quite a few luxury brands including Givenchy, Tory Burch, Fisker, Yves Saint Laurent and Tod's are shifting around major executives, making experts wonder whether this bodes well or poorly for the industry.

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A change in executives can be refreshing – it gives a brand a fresh set of eyes and ideas and could yank out a toxic leader. However, the process of choosing new executives is crucial because the incoming leader must align himself or herself with a brand's values and personality to succeed.

“Executives have weathered through the recession and people are a little fatigued,” said Milton Pedraza, CEO of the [Luxury Institute](#), New York. “Brands are looking for new skills – international, customer experience, digital, but there are always lots of changes.

“After the recession, people are tired and they want a change of pace,” he said. “I think that most brands are becoming more customer-centric, which is a new thing for luxury brands, and very important.”

Switching it up

Luxury brand executive switch-ups have frequented fashion and finance news sites over

the past few months.

For example, former Chrysler chief executive Tom LaSorda was named CEO of Fisker Automotive.

Mr. LaSorda was named vice chairman of the company in December after he left Chrysler in 2009.

Meanwhile, former co-chair of Tory Burch, Chris Burch, also stepped down this past month, leaving ex-wife, creative director and brand namesake Tory Burch as the sole chair of the company.



Tory Burch

Mr. Burch is a shareholder, but he is allegedly looking to sell his remaining shares, according to the New York Post.

Additionally, Sebastian Suhl was tapped by LVMH Moët Hennessy Louis Vuitton's Givenchy as its new CEO.

This move could be considered shots fired, since Mr. Suhl left rival Prada Group for LVMH.



Givenchy

That said, LVMH frequently switches around executives in the family.

For example, there is talk of current Louis Vuitton creative director Marc Jacobs moving to sister brand Christian Dior.

However, Yves Saint Laurent announced yesterday that former Dior Homme executive Hedi Slimane is returning to PPR from LVMH.

“The luxury business is pretty incestuous,” said Pam Danziger, president of Unity Marketing, Stephens, PA. “People tend to cross paths, work with [and] then work against each other throughout their careers.

“It is no wonder that when one person starts to move that sets up a chain of people switching up [and] moving around,” she said.

“While the press on the luxury brands still remains very positive, the fact is the growth we are seeing is coming at a high price to other competitors.

“So brands are looking for any edge they can get, and sometimes they see getting an executive from the competitor’s ranks will do the trick.”

Follow the leader

Although stealing a high-powered leader from a competing brand could irk other leaders, the process of selecting an executive is crucial to maintaining the brand DNA and image.

“Good brand stewards will understand the brand DNA, but they will also realize that the

brand is bigger than they are,” Luxury Institute’s Mr. Pedraza said. “All of the changes and improvements need to be in alignment with the brand image.”

Some brand executives have severely embarrassed brands and collaborations.

For example, former Dior creative director Galliano was allegedly caught on tape spewing religious, racial and ethnic insults, according to various reports. In addition to losing his tenure position at Dior, he was also unable to continue working at the self-labeled brand John Galliano, which is also owned by Dior ([see story](#)).

However embarrassing its former employee was for Dior and LVMH, the brands still thrive today.

It is the board leaders’ job to make cuts and decisions about executives who could fatally hurt a brand’s image.

However, this does not just include axing creative directors who insult people on camera. There are a variety of other choices to make when creating a brand director.

“Leaders who are toxic or whose skills are obsolete should not be hired,” Mr. Pedraza said. “Also, leaders who are not adaptable do not have a place.

“I think that people want inspirational leaders now, not authoritative and selfish,” he said. “Leaders who have a bigger purpose in building brands and companies and are not just out there to get money are who we need to look out for.”

Final Take

Rachel Lamb, associate reporter on Luxury Daily, New York