



Coach's

Chief Designer,

Reed Krakoff,



Breezes Past the Competition



speed REED

by Jill Johnson

A AMERICANS TODAY ARE SATURATED WITH images of the luxury lifestyle — and they like it. Even average Americans are acquiring above average tastes: Starbucks caffeine in fancy Frappuccinos and Machiattoes, Pottery Barn sofas in “Greenwich” and “Westport” styles, Ralph Lauren outfits suited for the Colorado mountains or the Nantucket seashore, signature-C emblazoned handbags and accessories.

That’s “C” for Coach, not “CC” for Chanel, for those who may be out of date on what labels are *in*. Many luxury goods — particularly the pricey European brands — aren’t attainable for even the most luxe-addicted average American, especially after last year’s stomach-churning ride on the stock market. Slashed bonuses have been reallocated from the good-life fund to the grocery fund, and Americans looking for a feasible frill fix have discovered — or rediscovered — Coach. Even the caviar and Dom crowd has taken note of Coach’s aptly timed image overhaul and approved the “C” as a veritable status symbol — and this spring the “Mini-C” debuts for those who prefer to inform the Joneses of their trendy tote with a whisper rather than a shout.

The recent success of the all-American luxury goods and accessories company runs deeper than the cool crowd’s affirmation. While competitors sputtered their way into a bleak holiday season, Coach sped along from one increased earnings report to the next, exceeding expectations, expanding product lines, introducing new categories, opening gargantuan stores overseas and garnering critical acclaim. With President and Executive Creative Director Reed Krakoff as its adept conductor, Coach has earned a reputation as the little American leather goods maker that could.

Founded in 1941 as a family-run, handcrafted leather workshop in Manhattan, Coach’s quality bags have been popular for decades with a certain mature, affluent customer. But it has only been in the last five years or so — during Krakoff’s tenure — that the company’s updated bags started hang-

ing from the same chic shoulders that carry Fendi or Prada products, and its hip accessories and shoes began to fill closets of consumers who used to consider Coach their mothers’ brand.

“Reed has done an amazing job turning Coach around,” says Fern Mallis, director of 7th on Sixth, the company that produces the biannual fashion shows in Bryant Park. “He looked at all of the elements that brand a company — the advertising, the image of the stores, redevelopment of the product, involvement in events — and he made Coach cool again; he gave it an edge.” Ms. Mallis was executive director of the Council of Fashion Designers of America (CFDA) in 2001 when Krakoff, at age thirty-seven, took home the coveted American Fashion Award for Accessories Designer of the Year. “While the goal is to promote U.S. designers, Europeans are always nominated in the accessories category,” she says, “so when Reed and Coach got on the ballot and won, it was a real breakthrough — an American stood up to the test! He took a company that wasn’t known for design and won the most prestigious award in the industry in this country.”

The award affirmed the immense respect fashion editors and journalists have for Krakoff, who was born in Greenwich and grew up here and in Weston and Westport. The launch of a furniture line at Coach and editorial coverage of Krakoff’s artsy apartment in Manhattan have brought him acclaim in the decorating world. “Reed is a true style leader and tastemaker today,” says Margaret Russell, editor-in-chief of *Elle Décor*. “He has a real grasp of contemporary culture.” And with Coach reporting net sales of over \$700 million for its last fiscal year and the stock continuing to soar, Krakoff is getting ink in the *Wall Street Journal*, *Fortune*, *Kiplinger’s* and *Crain’s* as well.

At the end of a week of endless appointments with the press last fall, Krakoff still wasn’t complaining about giving up hours of his time to intrigued journalists. “Well, I’m sitting at Barneys in the middle of the afternoon on a

Previous page: Coach products include the enamel flower key fobs, suede-laced duffle sacs, signature mini folding umbrella, Hudson drafting tote, Trista sandals, metallic beach hobo, dog bowl, Spectator heart paperweights, SoHo twill hobo, dog collar with bone charm, straw tote, sunglasses, Ergo pieced zip, woven rainhat, SoHo twill totes, and Hamptons weekend tote. **Opposite:** Reed Krakoff checking work on one of his designs at Coach’s Manhattan headquarters where the company’s samples are manufactured





weekday talking about myself — I don't feel that bad!" he said during a lunch interview at Fred's, the upscale retailer's restaurant. Though Krakoff's résumé is all-American — Anne Klein, Ralph Lauren, Tommy Hilfiger, Coach — he is dressed like a European: all in black.

While his leather jacket, jeans and cashmere sweater lack Coach labels, he does flash an emerald-green Coach wallet, black belt and a hand-burnished leather bag filled with outerwear (another new category)

sketches he did during a recent meeting. He points out the grain in the leather, which predominantly comes from the United States, and explains that it is a reintroduction of the leather Coach started with sixty years ago — which was inspired by the supple, worn leather of a baseball glove.

A longtime collector of art, Krakoff was hosting a party at the Cooper Hewitt Museum that night, so he came to Barneys to shop. "I always wear the same thing: a black or gray suit — usually Prada — a white shirt and no tie," he says, not hesitating to plug a competitor. His involvement with art and museums goes back to his childhood. "Since I was eight or nine, my mom got me interested in museums and painting and drawing," says Krakoff, whose mother is a decorator. He aspired to be a painter and studied fine arts at the School of the Museum of Fine Arts in Boston while earning a B.A. in art history and economics at Tufts. His talent must have been obvious, as his high school record would give any admissions director pause.

"I went to a lot of high schools," says Krakoff, chuckling. "I went to Taft, got kicked out. I went to Weston High School, briefly. I went to Green Farms Academy, twice actually." He says he wasn't a rebellious kid; it was his "curiosity and independence" that got him into

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trouble. Krakoff stayed grounded during his youth by playing ice hockey for twelve years — a hobby that he notes might surprise his colleagues as “there aren’t a lot of fashion designers that play ice hockey!”

Despite his free spirit, he concluded in college that pursuing a career as an artist would be too lonely and difficult. “I realized I wasn’t good enough and I didn’t want that life,” says Krakoff, who then almost applied to Harvard Business School. “Yes, believe it or not, my mom wanted me to go, like my father and brother (who is now an investment banker living in Westport), and I actually considered it.” Fortunately for the fashion industry, Krakoff opted for design school instead. “I found fashion was a great way to combine commerce and creativity” he remarks. Krakoff earned a B.F.A. from Parsons School of Design in New York

The Coach Edition of Leap office chairs at the “Living With Art” exhibit at the Ameringer/Howard/Yohe Fine Art gallery last year



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Leather chairs from Coach's Cooper collection displayed at the "Living With Art" show with the gallery's Color Field paintings

and landed an internship at Anne Klein while still a student.

"The head designer then was Narciso Rodriguez. I did pretty much whatever he wanted me to do: some sketching, picking up the dry cleaning, Xeroxing," says Krakoff, who was thrilled to have the experience of seeing how a design studio functions. His days of Xeroxing ended upon graduation, when he promptly landed a coveted design position at Ralph Lauren, "the place to work. It must have been a much less competitive time then," comments Krakoff.

"In my interview, it was funny because they asked me why I thought they should give me the job, and I said, 'Well, I was born in Greenwich. Does that help?' And they said, 'That's great. You're hired!' Seriously, they did! They were kind of joking, but I got the sense that they really weren't."

Krakoff cites Ralph Lauren as the first designer to incorporate a lifestyle into his brand, and the new hire felt right at home with

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the “aspirational imagery” used to promote Polo/Ralph Lauren. “I was really impacted by the amazing nostalgic American flavor of Greenwich — all those wonderful houses and properties. I have distinct memories of going to visit friends in Round Hill. They had a great English Tudor house and it was very much about the romantic, very *vintagy* feeling thirties lifestyle that always appealed to me for some reason. Ralph Lauren was very much in keeping with that.” Krakoff also credits Ralph Lauren as the trailblazer of American sportswear. “He built the brand that is the archetype for everyone else to follow. He developed licensing; it wasn’t done in a controlled way until Ralph did it. It was just amazing to be around someone like that, such a genius. And as a designer, there you got to do everything: the looks in the showroom, sketching, designing, technical work, fittings. It was just a really great education.”

After five years at Ralph Lauren, Krakoff was wooed away by Tommy Hilfinger. “Because

people love it at Polo, there’s not a lot of movement,” explains Krakoff. “I was sort of looking around and I got a call from Tommy’s business partner. We met, hit it off, and I started two weeks later as head designer of sportswear. It was a teeny company then; I think it was an eighty-million-dollar business. Tommy was really supportive. Anything that I wanted to do — whether I wanted to go on a photo shoot or work on advertising or work on product — he said, ‘If you can do it, go ahead and do it.’ I’d never worked on advertising, store design or branding. I learned all of that from him.”

Krakoff was promoted to creative director several years later, but after five years at the

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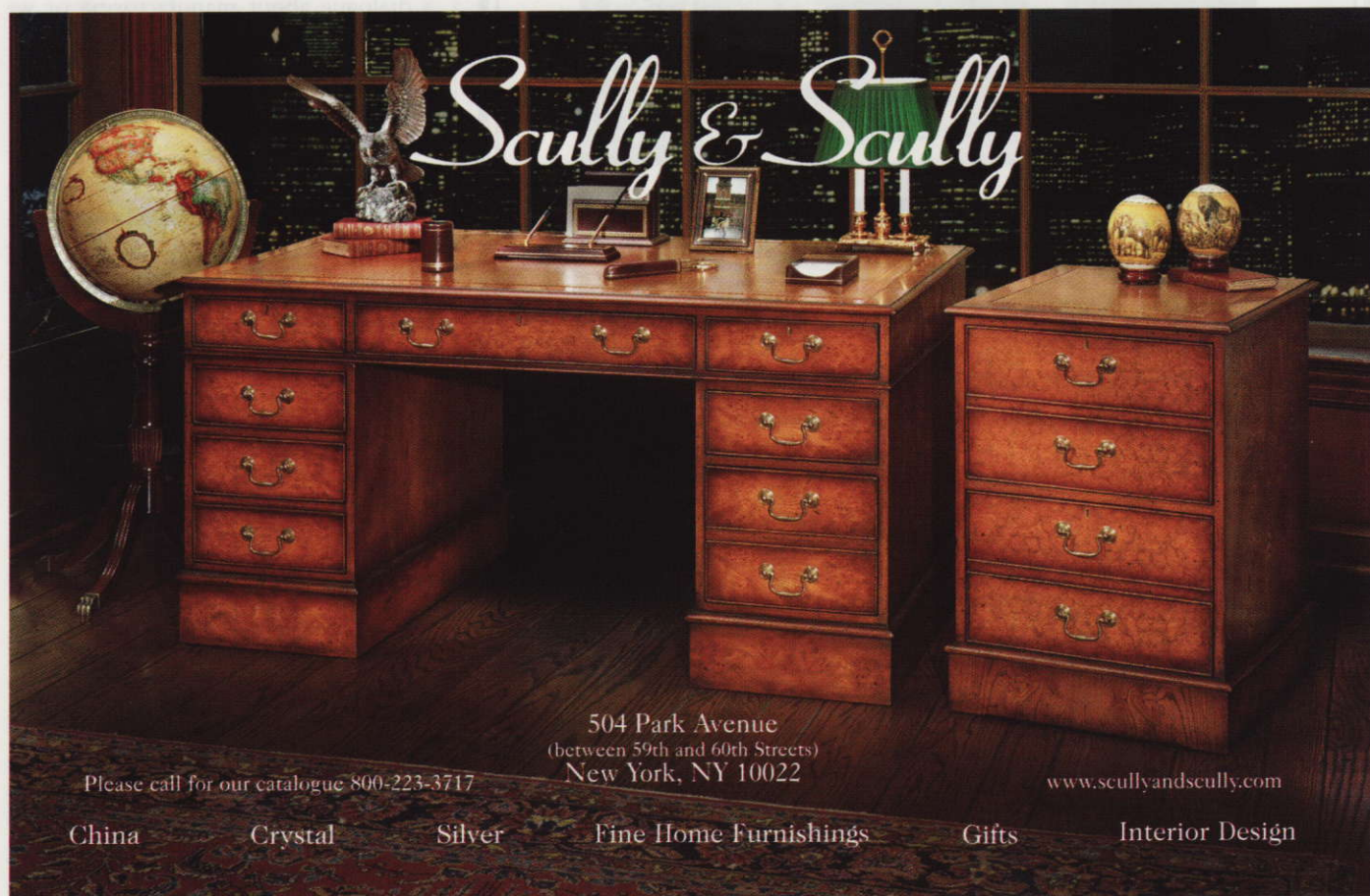
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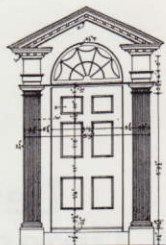
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company he started getting restless again. "I always wanted to work for a European brand, so I went to Milan for a week and interviewed with a few designers. I didn't expect anything but ended up getting offers from everyone I met. I took a job with Trussardi. I lived at his house, actually, an amazing palazzo outside of Milan, but after two weeks I realized it wasn't what I wanted to do." Krakoff went back to his American roots and interviewed with Lew Frankfort, the CEO of Coach.

"We hit it off instantly," Krakoff recalls. "He cancelled everything on his calendar and we spent the whole day together." Krakoff signed on as creative director and an officer of the company. "They never had one person overseeing all the creative areas and who was also a part of the business side, and it gave me the opportunity to apply both my economics and fine arts background. It's hard to do both well. That's why Lew and I get along so well — we can have a dialogue about manufacturing or we can have a dialogue about design."

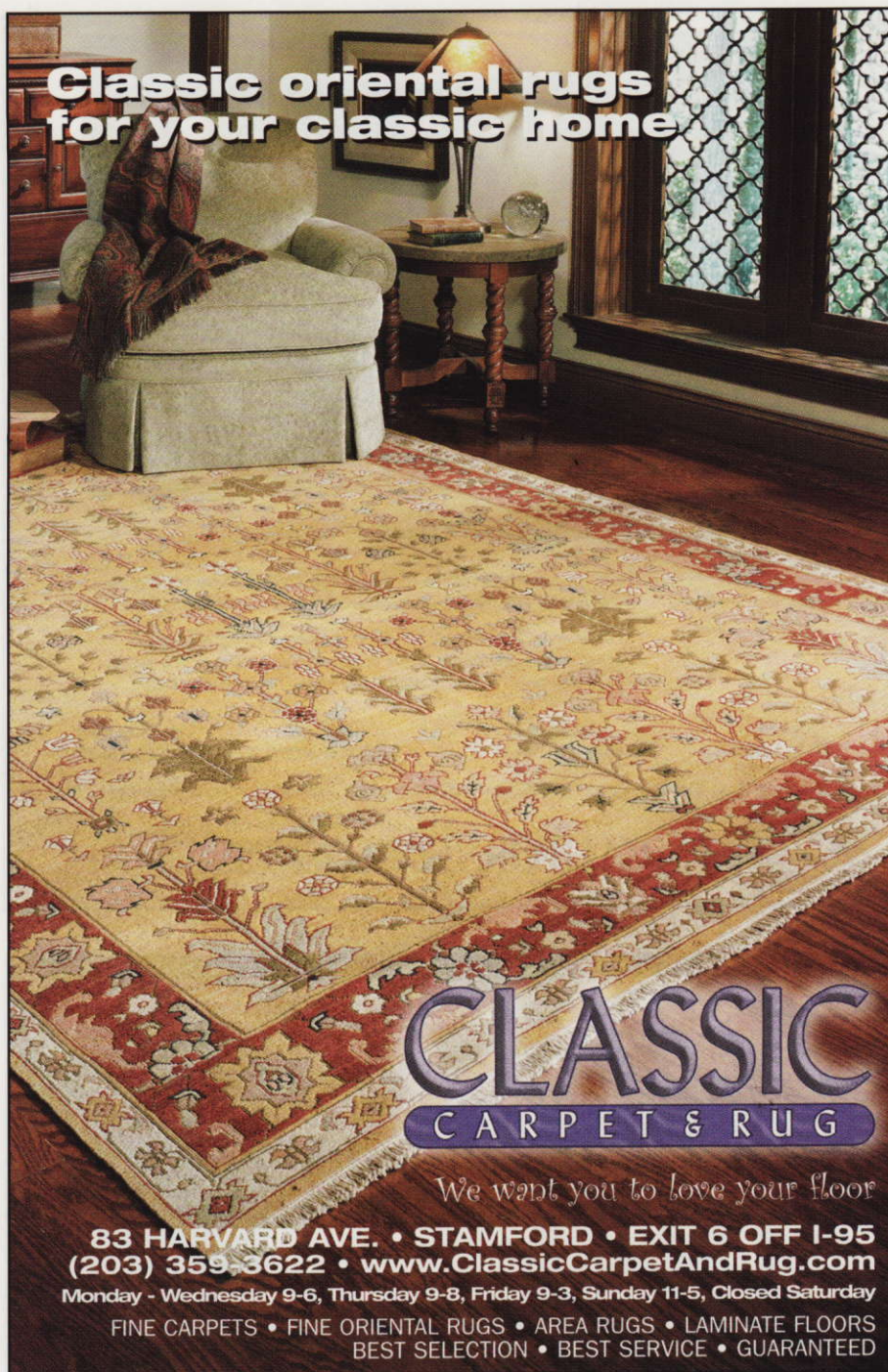
Krakoff immediately got to work overhauling Coach's staid image. He launched an advertising campaign featuring stars like Sela Ward, Marisa Tomei and Julianne Moore. He relaunched every single product and introduced an array of new categories: watches, shoes, scarves, hats, luggage, jewelry, outerwear, home furnishings. He broadened existing categories to give the consumer more choices. "Within handbags we had a pretty narrow assortment, one or two looks basically; now there's everything from an evening bag to a weekend bag, from tailored to oversized and slouchy. We introduced new materials. Coach had never made anything other than a leather bag. You go into the store today and you'll see leathers, suedes, fabrics, exotics." You'll also see a lifestyle being projected. Piles of photography books, Art Deco furnishings, images of Coach-clad

all-American models in crisp pinks, cozy plaids and inviting creams. Walking into a Coach store now is like being whisked off to an artist's pied-à-terre in Paris or a chic socialite's backcountry hideaway; it's definitely not like walking into your mother's, or grandmother's, closet.

The feel of the stores carries over into Krakoff's Manhattan office and apartment — or vice versa. Evidence of the aesthetic high life he leads permeates his surroundings. His office features stacks of books, twenty volumes high, of art, photography, graphic design, interior decorating, architecture and fashion; the towers of tomes overwhelm his coffee table and sprout up across the floor, next to his Coach Cooper Collection couch, under his desk, beside his chair. The walls are adorned with Valentino, Mizrahi and (former Coach designer) Bonnie Cashin sketches, as well as a creative board which ties in the color palette from the stores and features images — sculpture, modern and antique pieces of furniture, a Giacometti drawing — from the same arenas that fuel his home decorating. His apartment, which was recently showcased in *Art & Auction*, displays retro French furniture, antique treasures and modern art — items that this passionate collector carefully researches and uses as inspiration for decorating the Coach stores or coming up with colors for the next season's collection.

Designer and TV host Isaac Mizrahi, who recently had Krakoff as a guest on his show, is impressed with what his peer has done for Coach. "He's done a great job broadening Coach, keeping it basic but making it very beautiful," says Mizrahi.

"What sets Coach apart is that the collection as a whole has a vision," says Michelle Sanders, accessories director at *Vogue*. "They know who they are. The ad campaign, the stores, the products — everything is very cohesive."



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Mrs. Sanders picked up on one of Krakoff's goals in giving the company a makeover: lightening it up a bit. "Reed has been able to take some of the seriousness out of modern American chic dressing and accessorizing. He's made it fun and accessible. The collection has something for everyone, and the price point helps," she adds. "We'll always love YSL, Gucci and Prada, but not everyone can buy them, and if they can, they may only be able to afford one bag. Most people want a few bags a season and Coach makes that possible." Coach's "affordable luxury" prices — handbags run around \$300 — are about one-third less than those of the top-tier European luxury brands.

Krakoff doesn't like to put a big emphasis on price tags — "I think people would choose our product regardless of the price," he says. But he understands the expectations in a public company. "Coach is a company that makes an amazing product for a great price," says Krakoff. "It's not about making bags that end up in magazines — if they do, that's great, but we're in business to make money first. There has to be a balance." Considering the CFDA award sitting on his desk, coupled with his ability to make a bag that sells to 100,000 people, Reed Krakoff has done an incredible job striking that balance. "People used to come to Coach because they needed a bag, and now they're coming because they're excited to see what we have. Even if they have five bags, they might want to buy another one. That's a big change," says the designer.

Krakoff credits his Connecticut background with helping him to understand his customer. "Coach is really rooted in this East Coast American mentality and the style people associate with that, this kind of sporty, casual chic. It's stylish but not fussy," he says. When he's in Connecticut, Krakoff shops and people-watches in Greenwich. "It's an area

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where there are a lot of stylish people. People tend to care about how they look, so it's always interesting to me to see what people are wearing, what bags they're carrying — it gives me a really good, immediate sense of what's happening." Westport has had a Coach store for eight years, and Krakoff hopes to open one in Greenwich. "So many people love Coach in that part of the world," he says.

Another part of the world filled with Coach devotees is Japan. The recent opening of a 5,400-square-foot store in Ginza took the total number of retail stores in Japan to eighty-nine (there are 226 retail and factory stores in the United States and over 200 locations internationally). "Fashion is so important in Japan," says Krakoff. "The fact that we have so much more in the collection that's appealing to that consumer is directly related to the fact that we've become much more stylish." Japanese consumers challenge designers to stay ahead of fast-changing trends, according to Krakoff, and tend to have a bigger fashion budget than Americans. The company plans to open ten more stores in Japan during this fiscal year, and Krakoff goes there twice a year to do press events, such as a book signing of the recently released *Coach* by Assouline Publishing.

In Manhattan, Krakoff is making plans to showcase Coach's new furniture collection among oversized sculptures in a contemporary gallery at an event called "Living with Sculpture." Last year he drew celebrities, art enthusiasts and furniture aficionados to a "Living with Art" exhibition at Ameringer/Howard/Yohe Fine Art, where he recreated a lavish living room, office and bedroom with Coach's line of furniture and decorated the gallery walls with mid-century Color Field canvases. "He's a brilliant marketer," says *Elle Décor's* Margaret Russell. "Instead of just having a furniture showroom, he

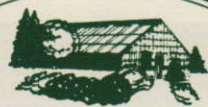
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showed the art (which he is so passionate about) and furniture to their best advantage. Our readers might not think of going to a museum to get decorating ideas. This type of event encourages you to think outside the box."

"I'm always exposing myself to popular culture, whether it's movies or TV, galleries or auctions," says Krakoff. "My inspiration comes from a mix of all that stuff, which makes for a real blending between my work and my life. I don't feel like I need a hobby because I love what I do." His interests also meld nicely with his girlfriend's. She's an interior designer and helped decorate their Upper East Side townhouse. "She and I share a passion for design and interiors, and she also has worked in fashion, for Christian Dior and Louis Vuitton, so we're a really good mix. I love her style. I can always look to her for an honest opinion of my work."

With everyone from college kids to business executives shopping at Coach — not to mention celebrities like Julianne Moore, Sarah Jessica Parker, Halle Berry, Angie Harmon and Debbi Mazar — Krakoff isn't particularly worried about the slump in the economy or the competition affecting Coach's growth. "It absolutely can be one of the great global brands," he predicts. He plans to keep the company speeding ahead with "fashionable, wearable products that don't go out of style, at great prices."

"It starts with the product," Krakoff says. People will only buy something if they really love it — whether times are good or bad. So we work hard to bring them products they will love and enjoy for years."

"Reed has done amazing things for Coach," states his former employer, Tommy Hilfiger. "His acute sense of style and his creative drive have transformed Coach into one of the truly iconic American brands." **G**