

## Ken Ohashi Transcript

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**Matt Britton:** I do think one thing that you really have to respect and that I do slow down for is the creative process. You can't really rush that. That doesn't mean that you can't fast-track things and can't move faster on certain things, but for the most part, that quality does take time. To thrive in a rapidly-evolving landscape, brands must move in an ever-increasing pace. I'm Matt Britton, founder and CEO of Suzy.

Join me and key industry leaders as we dive deep into the shifting consumer trends within their industry, why it matters now and how you can keep up. Welcome to Speed of Culture. Hi, everyone. Welcome back to today's edition of our Speed of Culture podcast. I'm here today with a dear friend and a special guest, CEO of Brooks Brothers, Ken Ohashi. Ken, how are you?

**Ken Ohashi:** I'm great.

**Matt:** Thank you so much for doing this. We're here at your shiny, new Brooks Brothers headquarters. I was just saying as we were walking in here, it feels like 2019 again, walking through here and seeing all the employees, the energy, and the vibe. It's good to see people back. I know you guys actually worked throughout the entire pandemic at the office.

**Ken:** Yes. It's interesting, and you know this, but we actually purchased Brooks Brothers right in the middle of pandemic.

**Matt:** When you say we, who is we?

**Ken:** It was a partnership between Authentic Brands Group and Simon Property, so Jamie Salter and David Simon. What was awesome about that was we literally bought a shirt and suit brand in the middle of the pandemic.

**Matt:** We'll get into that. [crosstalk]

**Ken:** Yes, that was joyous.

**Matt:** Well, let's rewind a little bit. Let's start by getting to know a little bit about you and your story. Tell us all the roads that led to you becoming CEO of Brooks Brothers, one of the most iconic brands in apparel and fashion.

**Ken:** For a number of years, worked in the Consumer Products Group, covered a bunch of retail, pharmaceutical advertising, and really fell in love with retail. I joined Aéropostale, a company you guys probably know.

**Matt:** Sure.

**Ken:** I joined the company pre-IPO, really helped get the company to become public. I did a number of roles, including the head of IR, which I learned a lot there, went onto a

strategy role, and then went on to run and develop and run the international business. In Aéropostale, we opened 300 stores in less than 5 years, which was a lot of travel.

**Matt:** Globally?

**Ken:** Yes, but that was a super-fun period. When Aéropostale started to run into some trouble, Jamie and Authentic Brands Group purchased the company. I then went on to work for Jamie to run the international business at Authentic Brands Group. That was so much fun. I did that for four years, built the China office, built the Mexico office, built the Europe business. What was awesome about that was, in many ways, I had had a retail background, but Authentic Brands Group has a pretty big celebrity and entertainment portfolio. Really got to understand more of the media side of the business, not just vertical retail, but other channels of distribution, whether it's events.

That was a lot of fun. I learned a lot. Then during the pandemic, we made another number of acquisitions at Authentic Brands Group, including Brooks Brothers. I've been wanting to go back to the operating side of the business for a while. As I was working on the due diligence for Brooks Brothers, I fell in love with the brand. It's just such an iconic brand. You may not know this, but Brooks Brothers is just tons and tons of innovation in its history, invented the navy blazer, actually invented the shirt with the collar and the button on it, and really invented men's ready-to-wear as we know it.

Back call it 200 years ago, people had everything custom-made for them, and you didn't really have an off-the-rack product, and Brooks Brothers really invented that. I just love the company in the sense that it was really curious in its history. Brought a lot of fashion from overseas into America, including maharajas from India, invented seersucker. It did the first collab with Lacoste, which was unheard of in the day for you to take a French tennis brand and mash it up with Brooks Brothers. It was really, really innovative in the way that it was thinking about the business.

It also was one of the first American brands to go international. The Japan business has been around for over 40 years, but it was one of the first American companies to go overseas. A lot, a lot of great history there that I felt was a huge unlock for the consumer.

**Matt:** What an amazing story. Now here you are a CEO of Brooks Brothers, how would you describe your job on a day-to-day basis? What does the CEO of Brooks Brothers actually do every day?

**Ken:** It's an honor to be CEO of this incredibly iconic brand. I feel like I have a lot of responsibility in the menswear space to make sure that we're the leader in front and center around innovation and fashion. I think a lot of customers rely on Brooks Brothers for quality and craftsmanship at an accessible value, so, I feel a lot of responsibility around that. I would say my biggest thing is it's like a push and pull. I spend a lot of my time trying to move the brand forward in a lot of ways, and I feel like I spend a lot of my time— Actually, a meeting before this, I was on a vendor call.

Everybody knows that the industry is having supply chain issues right now, so, I find like I'm blocking and tackling a lot of the time. Spending a lot of time making sure that we

build contingencies, how do we get the product here faster, do it here, or do we work with the vendors? [crosstalk]

**Matt:** Logistics. A lot of logistics.

**Ken:** A lot of logistics, but at the same time working on a lot of fun stuff about what is the brand narrative, and I know we're going to get to it later, but also, how do we think about marketing, and how do we think about branding, and how do we think about talking to the consumer? Historically, the company has had consumer on the older demographic, and how do we make sure that we're talking to the next generation of Brooks Brothers customers on a continuous basis, but then how do we not alienate our customer that has always been with us for a number of years?

**Matt:** You're coming out of the global pandemic, all the changes, and office and workwear, and there's so many different, I think, variables that you have to weigh when trying the future of business, I would imagine.

**Ken:** Right.

**Matt:** Awesome. Well, that was, I think, hugely helpful and really inspiring in terms of your journey and where you are right now. I've no doubt that Brooks Brothers will continue to thrive under your leadership. We're going to go into the next section, which we call culture watch. Basically, we're all about the speed of culture at Suzy; allowing our customers to put the finger on the pulse of the consumer.

We want to delve deeper into understanding what brands, technologies, and consumer trends are driving growth from your perspective. I'm going to ask you four questions, and you have 30 seconds to answer each of them, really trying to get inside your mind. Let's start with the first one. What is the most important business decision that you had to make quickly?

**Ken:** There's probably two. One is just, it always starts with talent. I brought on a creative director, Michael Bashan, who was a very, very important talent, because I think that he sets the tone for the organization, what we do creatively. I would say, in connection with that, historically, all the design and product decisions were made in Europe. I brought everything back to the US. The lens of the business is through the US, but still having a global perspective. I know that it doesn't sound like a big shift, but it actually is because it's a clear aesthetic shift in the business, which, thank God, it's working.

**Matt:** Absolutely.

**Ken:** That's good, and then it's resonating with the customer, and that's the most important thing, but we did close the Italy office, and we moved everything back to New York. That was a big one.

**Matt:** Let's talk about the fastest growing industry or business that you see coming out in the next couple years.

**Ken:** There are a few. Look, I think everything that's happening with energy, and I'm seeing it across everywhere. I'm seeing it because obviously, we have a pretty big e-commerce business that's almost \$200 million. We ship every day, we ship products to our stores. Energy, I think, and how we get smarter and faster and more efficient, I think, is a hot topic. I think from a consumer perspective, which I think we're going to get into in a bit, I think electric cars are definitely something that we're talking about. I think the secondary thing, just to shift gears a little bit, is anyone that can create content is going to win.

**Matt:** I agree.

**Ken:** It's really about what we're doing right now. Live content, things that feel authentic and real, not just static, is going to be really, really important.

**Matt:** Great. Number three, what do you think the fastest growing product will be in the next two years?

**Ken:** I think Tesla is going to take—

**Matt:** Are you a Tesla owner?

**Ken:** I'm a Tesla owner. I think they were very, very smart. First of all, the product from a design perspective is fluid. I think they built the network to support the cars, especially in New York, and I would say they're made in USA. It's a made-in-USA, made-in-America business. All those things are, I think, incredibly important. I think making sure they have long range on their cars. I'm not an advertisement for Tesla [crosstalk] by the way.

**Matt:** A lot of Tesla owners talk the way that you talk, and that's the definition of advocacy, right? Brand awareness is getting people to talk about it like they are being paid to do it. Then lastly, what do you think the fastest-growing consumer trend will be this year and heading into the future?

**Ken:** I think there are two, getting back to my point earlier. One is, let's just talk about content creation. I'm my head of marketing, and I talk a lot about the way we approach marketing is very different. I think historically, companies did these beautiful campaigns that were meant for billboard, or they were made for catalog or they were meant for in-store signage. The way we spend money right now on marketing is all through digital marketing, digital media. Social media is the new billboard, if you think about it, and so live content is very important.

Even when team they're shooting our campaigns, we're making sure that all that content is being captured. That really is the money that we're spending around that live content less so around the static **[unintelligible 00:09:55]**.

**Matt:** That's a huge shift, especially in the world of fashion and apparel, which was so image-based for so long. You looked at the September Vogue and the different ads or the big billboards you've seen. Now, I do think a lot of marketers in your industry, rightly so, have to become more creative, much more dynamic in the storytelling.

**Ken:** If we launch a collab, it's more interesting for the customer to see how that colab is being launched in a store with the customers coming up, grabbing the product. That journey is more important than just showing the collab on a photography perspective on a static image. I think that's going to be important. I would say the second thing, which I'm seeing a big, big increase in is just customization. Customization is so broad, but it's really the micro customization that you're seeing. When you go to Chipotle, you can see the number of variations, or Starbucks, the number of options that you can build in the product that you want.

I think that is going to only increase both within our industry and other industries.

**Matt:** All right, so let's get into it. A lot of topics. We're going to double-click on a couple of these things so we can go forward because I think you brought up so much. It's good. This was a great way to see what's going inside your mind every day and the things that you're thinking about. The first thing you brought up was talent. You talked about how you've had to hire so many executives in such a short period of time. What do you look for in talent, and what are the big drivers of you saying, "I need to hire him or her to come to my executive team?"

**Ken:** I think the few things that I really look for is someone that really understands the aesthetic of the brand and where we're really trying to take it. A shared vision for the business is incredibly important. For me, someone that can really work in a team environment is important and someone that can really deliver what they say. [crosstalk]

**Matt:** How do you know someone can work in a team environment from an interview? I've been fooled before.

**Ken:** It's really, really difficult. I think it's little cues about whether they take credit for things fully on their own, or whether they really feel like the team's helped them. It's how much you catch them talking about cross-functional partners versus themselves.

**Matt:** It's true. I read that in a book.

**Ken:** Yes, and I think that's right. We can't turn this business with just one function. Brooks Brothers. All of the function, all 11 of my executives have to be humming all in the same direction. I think that's reflected in conversation with people. I think you catch that very, very quickly. I think that that's a telltale sign for me.

**Matt:** Yes, I can't remember the book I read it in, but it was like, you ask somebody what's the best thing they accomplished, and when they're telling the story of what they accomplished, if they use the word I more than we, and they don't talk about their team at all, then you know they probably won't be a team player.

**Ken:** I think what's important also is typically the person that I'm talking to they're usually had a function within a company. You may be talking to somebody from planning or somebody from IT or finance. You want to make sure that they can talk broader versus just their one function. Then you can get a really feel for like, did they really understand the business, did they really understand all the nuances—

**Matt:** Versus working in a silo.

**Ken:** Exactly.

**Matt:** Absolutely. The other thing you talked about was how you had to pivot to this uncharted sportswear territory. I remember talking with you- [crosstalk]

**Ken:** I sent you some stuff.

**Matt:** Yes, you did. You sent me some stuff. When we were talking when the pandemic hit, and you were running Brooks Brothers, and all the offices closed in all the major cities, and all of a sudden, you had to figure it out. I can't imagine a bigger challenge in business. Talk us through the decision to pivot to sportswear, how it's worked out, what are the different variables that somebody like yourself takes into account before making this massive decision to really change the tides of your future?

**Ken:** When we purchased the company, less than 25% of the business was sportswear. Just clear definition for sportswear, it's basically what Matt and I are wearing right now.

**Matt:** For those of you who are listening, Ken's wearing a lovely Brooks Brothers cardigan.

**Ken:** Brooks Brothers.

**Matt:** Yes, and I'm wearing just a long-sleeve gray t-shirt, so that's sportswear.

**Ken:** [unintelligible 00:14:02]

**Matt:** Yes, I think Ken might need to dazzle me up a little bit.

**Ken:** Brooks Brothers is historically known for suits and dress shirts, and we're in the middle of a pandemic, so we had to make a shift pretty quickly. I think the biggest thing is just getting the aesthetic right. How do you take the DNA of Brooks Brothers and translate it to sportswear? I think, Michael, my merchandising team, marketing, everybody rallied together to say, we're going to move the business in this way. We got the business close to almost 50% sportswear for mens in the month of December. That was a huge shift.

Listen, it's not as easy as like, oh, you get the design right.

You have to make sure that you have the right vendors, that they can produce it. You look at fabric qualities to make sure that— Do we use the Pima cotton? What's the right cashmere blend? All those things have to happen, and they all have to align. I'm not saying it was perfect out the gate, but I couldn't have been happier. It really, really helped us and saved us during the pandemic. It was funny because we launched a Brooks Brothers athleisure program like a sweats program. How do you do a sweats program for Brooks Brothers and how do you do it in our handwriting? We use a beautiful PK fabric, and we did little things like you can get your sweat pants monograms,-

**Matt:** Wow.

**Ken:** -which 25% of the sweatpants that we sold are actually monogram. How do we still make it feel like Brooks Brothers, but it's meeting the needs of our customers? That was something that was definitely— We all got behind, we all rallied, but it was a bit strategic.

**Matt:** Amazing, and it goes to the second point you talked about in terms of fastest-growing trends. You talked about real-time content creators. You talked about storytelling in the journey. I would imagine you have to do a lot of that when you're pivoting your brand because you need to make sure that the brand has a right to play in that space. You can't just switch up the inventory one day and say, "Hey, guys, we do this now." What was that about in terms of how you went to market, telling a story about, or not just about your formal workwear anymore, we're about sportswear?

**Ken:** I think it's really about creating these micro-stories. The teams did a great job creating this micro-story around athleisure and making sure that we feed that top of funnel and making sure that we feed that and making sure that we can get new customers. It's like playing with a lot of—

**Matt:** What's a micro-story? Give me an example.

**Ken:** Like a micro shoot. Instead of doing these huge campaigns, be okay with shooting half a day, taking some influencers, making sure that you seed it, making sure that you take this content that feels dynamic and feels authentic and just blowing that out. We used a lot of influencers as part of our content play, not just relying on ourselves. That was a huge success. The other thing with sportswear was we did a collab with FILA where we learned a lot. With that collab, we really tried different channels and media to say where would things work and where didn't it work and why.

I think that was really interesting. I think one of the things that we don't get it perfect out the gate, obviously, and we don't ever get it perfect, but I think the one change with the company since we purchased is there's a level of curiosity around what will work, how far can we take the brand, wow, this channel really worked, what does that mean? I think digital media allows you to really do that. That's something that you can't really do in brick-and-mortar. It's like, you get one shot at your **[unintelligible 00:17:20]** window.

**Matt:** Static.

**Ken:** Right. Digital media allows you to say, where is their interest versus where is the customer not responding, and then how do you dig deeper? That's been both a big learning for us. Then it's also been just fun. I think it's fun for everyone to learn.

**Matt:** Absolutely. Just to wrap this section up. You talked about two other things that I think may be, in some ways, contradictory of one another. I'm curious to hear how you see it playing out. First, you talked about personalization and in terms of what the consumer wants, but then you talked about the important thing about Tesla is the energy efficiency. To me, I'm thinking, "Well, how does that fit into a broader story of sustainability in fashion if someone is getting sweat pants monogram versus maybe a Rent the Runway model, when they're taking clothing, you're giving back. How are those two things going to play out?"

**Ken:** I think you bring up a really interesting point. I think for Brooks Brothers, we're about quality and craftsmanship. I'm constantly hearing stories about, "I have this Brooks Brothers jacket from my grandfather from 56 years ago." When we first bought the business to celebrate the longevity of the product, we actually launched a vintage shop where we took vintage products on our website and we sold it. We do believe in that quality and craftsmanship. I think the sustainability piece is real. We were constantly looking at fabrics that we think are sustainable fabrics.

We also believe in Supima cotton, which is the top 1% cotton that's grown in the US, so it's a more energy-efficient. It uses less water overall. We're constantly looking at things through that filter and through that lens to say, "How do we make our product last longer?" Even if you think your average suit, your average suit it could last a guy a decade easily.

We do believe in these, what I want to call, these long-life products and continue to build those long-life products.

**Matt:** That's awesome. Curiously, just on the side, what do you think about these clothing rental businesses like Rent the Runway? What do you think the future is of businesses like that?

**Ken:** We are testing it, but I'm apprehensive- [crosstalk]

**Matt:** We'll find out later. If we need to cut that out, we'll cut it out, or are we doing breaking news now? We'll find out afterwards.

**Ken:** The truth is, is that we think there's an opportunity there, especially for a brand like Brooks Brothers. We really believe at the end of the day that everyone has a chance to look and feel their best through all of life's milestones. That's really the reason why we do what we do.

**Matt:** That's awesome.

**Ken:** Renting products to people, whether it's for their wedding or it's a prom or it's their first job interview, all those moments are milestones and celebrations are important for Brooks Brothers and part of our brand DNA. More access to more people make sense for us.

**Matt:** Awesome. Great. To close everything out, we talked a lot about speed, and we're in a very fast-paced world. What did you feel is worth slowing down for? What slows down Ken Ohashi in his world?

**Ken:** Very little.

**Matt:** [inaudible 00:20:18] professionally.

**Ken:** I do meditate every morning, which I find to be incredibly important. I do 10 minutes of yoga.

**Matt:** How long have you been doing that for meditating?

**Ken:** Consistently, I would say it's been a year or so probably consistently.

**Matt:** How has it helped you in business?

**Ken:** I walk through the door with a little more space, I would say, versus jumping right in there. I do think one thing that you really have to respect and that I do slow down for is the creative process. You can't really rush that. I've learned to have great respect for the design and development process. Design needs to be inspired by someone, they need to edit, they need to go through color, they need to talk things out.

I think really building the collection, Michael and the rest of the team along with the merchants. I mean, to give them the proper time to make sure what we bring to market is the right product is incredibly important. That doesn't mean that you can't fast-track things and you can't move faster on certain things, but for the most part, that quality does take time, and you can't rush it. I think that's something that I definitely slow down for and make sure that the organization slows down for.

**Matt:** That's awesome. Well, thank you for that. Part of our Speed of Culture podcast is obviously doing research. At the end of each podcast episode, we actually ask the prior guest to give a question that they want us to ask the Suzy platform. In our last episode it was with Sophia Hernandez, Global Head of Business Marketing at TikTok. I actually would think you'd enjoy that episode given your guys going into the world of real-time content. We talked about how brands can best support community.

We actually asked 500 consumers through our Suzy platform about this and learned that over half of people want brands to help connect people within the community and 40% of people want brands that provide educational content. Community is obviously a huge thing. It's something we talked about a lot with Sofia, in terms of brands fostering community between consumers, and how coming out of the pandemic, consumers really have a need to connect with one another.

Coming out of our conversation, hey, Ken, is there something that you'd like to know from our Suzy audience in terms of how they're looking at the world?

**Ken:** That's a good one. Well, I think what is interesting is I think one of the things that's happened is, while the pandemic was happening, I'm fascinated with this overswing effect. In fashion, we talk about it a lot. One year you buy too much inventory, the next year you don't buy enough. We overswing everything. Remember the whole thing— You and I talked about this. New York City is dead. Everybody is like **[unintelligible 00:22:48]** [crosstalk]

People are selling their homes on the Upper West Side. Real estate is crashing. I think, in our business, the biggest thing is what happened was everybody was like, "No one's going to wear a suit ever again. No one's going back to the offices. No one's ever going to throw on a dress shirt ever again." We are definitely not seeing that in our business. Our business and dress shirts and suits, I don't have enough right now.

I think my question, and that's a long-winded way to get my question, is what areas do you think, and whether it's consumer products, or whether it's consumer behaviors or

behaviors around work that we have overswung that are going to return to a level of normalcy post-COVID?

**Matt:** That's a great question. Great. We will ask that and we will cover that on our next episode of Speed of Culture. Ken, it's been amazing as always. We'll have to have you back in a couple months and see how everything's working out. Obviously, I know you're big seasons, the holiday season. I remember we talked last summer about the things that you were thinking about, many of your predictions that actually happened to be right about what's happening with e-commerce, people going back into stores, and I'm sure there's a lot you're juggling right now with everything going on in the world.

Thanks for taking time out of your busy calendar to join us. It was a tremendous talk. I can't wait for our audience to hear it. On behalf of myself, Matt Britton, and Ken Ohashi, CEO of Brooks Brothers, thanks so much for joining, and we'll see you next time.

**Ken:** Thank you, guys.

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