



The View From  
the C-Suite.

*Interview by Mark Leung*

#### **How does Harry Rosen Inc. continue to be so successful?**

We've been in business for 60 years now, and businesses that last that long have to keep reinventing themselves, so that they are relevant again for new generations. I've watched so many businesses die out, because they simply aged with their current clients and didn't do anything differently. We plan to be around when we're 100 — and even 150; and to do that, change and innovation must be part of our DNA.

#### **What leadership skills are required to leverage change?**

One is the ability to think strategically, versus tactically. If you ask me who I think is going to go farthest on our senior management team, it's the forward-looking people, because they are able to look at the bigger picture and see a strategic vision of where to take the company. It's not the people who say, "I've got this big problem here in front of me, and I've got to solve it." Forward-looking people have a clear picture — a 10,000-mile-high view — of where they're going, and how they are going to get there.

Another aspect is allowing people to challenge you and make you feel a bit uncomfortable, but remaining on target with your strategy. Great leaders get teams to produce great things by not hogging the limelight. It's about allowing everybody to take centre stage and be recognized. As far as I'm concerned, it doesn't have to be my idea; in fact, it's better if it isn't my idea. The best solutions are collaborative, and when people see that happening around them, it's a really positive thing. As a leader, you have to create a culture where everybody's contribution is appreciated. In my mind, that is a distinguishing feature of great leadership.

**We all know creativity is important in business – and yet, many leaders struggle with it. How do you approach it?**

My father founded our company in 1954. In the early 1960s, a lot of the guys — young and old — from the advertising agencies shopped with him, because he brought a very cool look to Toronto. A couple of advertising executives became close to him, and they said: “Harry, you should really start advertising, and we want to help. Book a page in *The Globe and Mail*, and for each ad we create, you give us a suit. You can tell us if each ad works or if it doesn’t, and we’ll amend it; but let’s be clear, your job is not to change the message or re-invent the ads.”

That was a very powerful lesson about managing creativity, and my father and I live by it. As a business person, you sometimes get these delusions that you might also be creative; but your form of creativity lies in business — not in design, marketing or writing. Your job is to structure the environment so that people — including the creatives you hire — can do their best work.

**Tell me more.**

Basically, the leader’s job is to tell the team what the company’s objectives are, and then let them do their jobs. You have to allow talented, young creative people do the work, but you do have to make sure that they understand the business objectives, because it’s not just about creativity, it’s about business. Sure, challenge people to surprise you with new, innovative directions that you wouldn’t expect; but don’t go nuts! You still have a business to run.

Having said that, when an idea comes back that you’re not entirely comfortable with, sometimes you just have to take a deep breath, let it go and try something new and interesting. I’m a 58-year-old guy, managing a company that buys fashion for men as young as their 20s. Sometimes I (jokingly) say that with the younger fashion, if I like it, it’s probably wrong!

**While you argue that creativity isn’t your strong suit (pardon the pun), I would say that you are actually very creative, but your canvas is business.**

That’s a nice way of expressing it. I do think of business as a place for creativity, but managed creativity. My father was not an educated businessman, but he intuitively and in-

stinctively understood strategy — what his key competitive strengths were, what differentiated him in the marketplace, and why customers chose him. He was the entrepreneur who created this organization, and then I brought strategy, structure, systems and discipline to the table, such that we didn’t lose the entrepreneurial spirit.

We have an annual discipline of taking our top senior people and going through a process of evolving and reconfirming our strategic direction — the key priorities, and how we’re going to achieve them. What makes us so strong, in my view, is that we are so clearly focused on what the most important things are for our business, and we understand that the customer experience is our key competitive advantage. Simply put, we are the menswear experts, and our strategy reflects that. Any activity that we undertake must reinforce this.

We are so focused on this strategy that we can be creative about it. For example, this year we introduced our Sartorial Loyalty Program. Where our competitors’ membership programs are about points and gifts, ours is about experiences within the store and spontaneous recognition. As a result, our customers are absolutely delighted and inspired. This builds on our brand, the experience, the business and the strategy.

**You have a Law background and an MBA, yet you work in this creative business. How do you balance these aspects of yourself?**

I’m a big believer in analytics, but the problem with analytics is that they can show you ‘what was’ and ‘what is’, but they can’t show you ‘what will be’ or even ‘what might be’. As a result, I believe in using analytics to support decisions, but I also recognize the value of intuition. You need to understand what happened in the past and what is happening today, then use your intuition to extend it to ‘what will be’ in the future.

The best retailers are really a combination of analytics- and intuition-driven. Really weak retailing is based solely on analytics, and undisciplined, sloppy retailing is just pure intuition. The key is to find that middle ground where you use fact-based information — what your systems tell you about customer behaviour—but you also take steps to extend your boundaries and create an experience that hasn’t

yet been imagined. As they say: “If you always do what you always did, you will always get what you always got.”

### How do you bring other people along with you as a leader?

You’ve got to paint a big-level picture as to *where you are and where you want to go*, and get people to buy into that picture. You have to indicate, ‘This is the vision of where we need to be in the next 2-3 years’, and let your people figure out how to get there. I think my biggest job is ‘painting pictures’ of where we need to get to, and empowering and encouraging people to work out the ways of getting there. Sometimes the pictures are fact-based; in e-commerce, you can look at your visits, your conversion rates, how often people interact and enter various parts of the site. Other times it is more intuitive, like creating a rich customer experience, which is a whole different area.

You can know that your conversion rate has to go up, and that you have to increase the number of visits to your site; but for me, the real magic is figuring out what is going to make it a rich customer experience. That’s something that is very hard to research. Intuition plays a valuable role, as does really knowing your customers.

### How do you do that?

I like to go through reports and see things that way, but I also travel across the country to all of our stores. I usually spend Saturdays, going around the stores, talking to customers and our associates, watching what people are buying, asking questions and introducing myself. It’s really a process of osmosis. I call it my ‘laboratory’, and I learn so much by doing that.

The other thing that keeps me connected is that I deal with customer concerns and queries. We have an ‘Ask Harry’ button on the website, and I have my personal e-mail on there as well. When people have a problem, I want to step in and resolve it. The recovery is what makes a customer. I would say that 95% of the time, we turn a customer concern into an advantage, so that at the end of the day, they’re saying, “What a great organization. I’m going to be loyal to you forever.” This is because we are very, very proactive.

Globally, there are five really great retail cities: New York, London, Milan, Paris and L.A. I visit those cities



once or twice a year and look at what is happening there. Creativity often involves just taking an idea you have seen and reinterpreting it. When I go around and visit great stores and see great customer experiences around the world, I take away so much more than I would by reading a report in my office.

### What are some of the biggest misconceptions around innovation and change?

People think the best innovation is disruptive, but I am a big believer in evolutionary change. The idea is to keep moving forward. There are periods in every business where you go through profound reinvention. It may not be in your entire business; it might just be in one area, but you have to welcome and embrace the uneasiness that comes with that reinvention. Part of change will always be discomfort: if you’re always in your comfort zone, you are — or will soon be — a dinosaur.

### What changes in education would better prepare our next generation to do what you do?

Ten years ago, MBA programs were churning out finance clones, but today, I see a lot more emphasis on entrepreneurial thinking. Education is not anywhere near as straight and narrow as it used to be, and neither is business; we need lots more ‘Renaissance people’ who have diversified knowledge. Teaching people how to think through problems from beginning to end is really important for our future. **RM**

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**Larry Rosen** is the Chairman and CEO of Harry Rosen Inc., a luxury menswear chain based in Toronto. Mr. Rosen is the winner of the 2014 DesignThinker of the Year award, presented at the annual Design Thinkers conference by the Rotman School of Management and the Association of Registered Graphic Designers. Design Thinkers 2015 will be held November 12-13 in Toronto. Details: [designthinkers.com](http://designthinkers.com)