

Women's Wear Daily • The Retailers' Daily Newspaper • April 25, 2005 • \$2.00

WWD MONDAY

Andrew Rosen's Latest Theory

By Marc Karimzadeh

NEW YORK — Andrew Rosen, Theory's chairman, just started consulting celebrity nutritionist Oz Garcia, and a few meetings with him have already affected his whole outlook on life.

"I have to eat young to think young," said Rosen, admiring a colorful fruit platter in his Grace Building office.

But these days, it's not just food that Rosen relies on for a fresh vision. In March, the charismatic executive tapped Istvan Francer as women's design director, replacing Jarlath Mellett, who had left Theory to focus on his retail venture Jarlathdan in Amagansett, N.Y.

Francer's hire is an indicator of Rosen's plans to evolve Theory into its next phase and give it more of a designer touch. Francer is well-known in fashion circles, having worked at Donna Karan Collection for 13 years before joining Maska in 2000. In 2002, he moved to Cerruti for a one-year design stint and even had his own designer sportswear collection before returning to Donna Karan International to consult on DKNY last year.

"Maybe I can make my mark and bring a designer point of view to this line," Francer, a native of the former Yugoslavia, said. "That is challenging, and that's why I decided to take this job."

Theory was started by Rosen and Elie Tahari in 1997. In 2003, the duo sold large stakes in the brand to two Japanese companies — Link International, Theory's Japanese licensee founded by Ricky Sasaki, and Fast Retailing Co. Ltd. Tahari sold his entire stake, while Rosen held onto 11 percent. Sources estimate Theory's global combined retail and wholesale volume will exceed \$400 million this year.

Explaining his decision to pick someone from the designer arena, Rosen said he anticipates the contemporary category to evolve and compete more directly with designer sportswear in the near future.

"The opportunities of the contemporary segment of the retail business are enormous," he said. "You find there is a high design aesthetic, a high sense of fashion here and tremendous quality, and the customer demands it."

Theory has 15 stores in the U.S., with plans to open at least 15 more within two years. It also wholesales the collection to such department and specialty stores as Barneys New York, Bergdorf Goodman, Saks Fifth Avenue, Bloomingdale's, Belk, Marshall Field's and Nordstrom.

"Theory is one of the fastest-growing, largest-volume individual lines at Saks Fifth Avenue," said Ron Frasch, vice chairman and chief merchandising officer of Saks Fifth Avenue. "It doesn't have multiple brand extensions, it's a single product. You measure that against other products and it's amazing the amount of volume Theory generates in the company. Also, even though it's a large-volume business, it's growing at a high velocity. Andrew has a very consistent fashion message that he signals to his customers. He has a great clean product that women have come to love and rely upon. He has handbags and shoes in his stores, and there is potential for great growth."

Robert Burke, senior vice president, fashion office at Bergdorf Goodman, concurred. "The Theory business is excellent because they have provided customers with great fashion basics, but layered in very of-the-moment fashion, as well," he said,

adding that Francer will bring "an enormous amount" to Theory. "He has a strong understanding of feminine clothing, and I think he will take Theory to its next level."

Rosen said he sees much opportunity for Theory to expand in the U.S. To better manage the growth, he has been boosting his team of executives. Theory recently hired Craig Leavitt from Diesel as president of retail, and Venio Jamavan from Gucci Group as vice president of store planning and development. Both are newly created posts. In addition, Victoria Bartlett, stylist and designer of lingerie line VPL, recently joined the label as consulting trend director.

Besides growing its U.S. business, Theory is looking to make a further push into the Asian and European markets. In Europe, it is sold in stores such as Selfridges and Harvey Nichols in London, Le Bon Marche in Paris and Brown Thomas in Dublin.

"International growth is very important," Rosen said. "We have expanded into Korea, China and Taiwan. Because we have such a strong presence in Japan, the Japanese arm of the company handles the expansion in Asia."

Francer's first collection for Theory will be next spring. To consumers, Theory is known for the slim cut and fit of its pants, jackets and shirts, but Rosen wants the brand to be known for more than that in the future. Rosen said he would eventually like to create or build areas such as accessories, jewelry and fragrance now that the new designer is on board.

"As we continue to grow and evolve as a company, we need to expand our product capabilities beyond [pants, jackets and shirts]," Rosen said. "I think we have been weak in the jeans area and I think we have missed a lot there. And there are a lot of things like outerwear and furs that we could improve."

Theory has select handbags and shoes in its own stores, but hasn't really distributed the collection at wholesale, and Rosen has no immediate plans to license out the Theory name. "I am not ready to come out and wholesale the accessories to our customers until I am 100 percent happy with our sales," Rosen said. "We are investing a lot into putting together the right organization internally and developing the right product, and developing our point of view in the accessory category. When we as a company are happy with it, then we will decide how we will expand the distribution."

Rosen added that he picked Francer to develop Theory in a more expansive way that easily lends itself to becoming a lifestyle brand beyond jackets and pants.

"I see how Istvan works and the way he thinks about putting the collection together," Rosen said. "It's a little more of a complete

and more expansive concept than what we would have done in the past, in terms of covering her whole lifestyle and really thinking of her as a complete lifestyle, a collection that could go from casual to evening."

Francer concurred. "When you work as a designer and build the line, you develop a concept. I think that's how most designers work. It would be original, it would be different and not look like anybody else. When I think of a collection, I always think of it in terms of a fashion show. You only have 50 looks, you start from day and then go through groups through evening, and that's how the collection is built."

Francer added, "I still feel like I am at the designer level here. I was trained in the designer market and never wanted to change. However, at Theory, the quality is there and the sensibility of the clothes is there."



Andrew Rosen and Istvan Francer

PHOTO BY DAVID TURNER

Vintage Vets to Open Textile Library

NEW YORK — Seth Weisser and Gerard

The library officially bows at the com-

