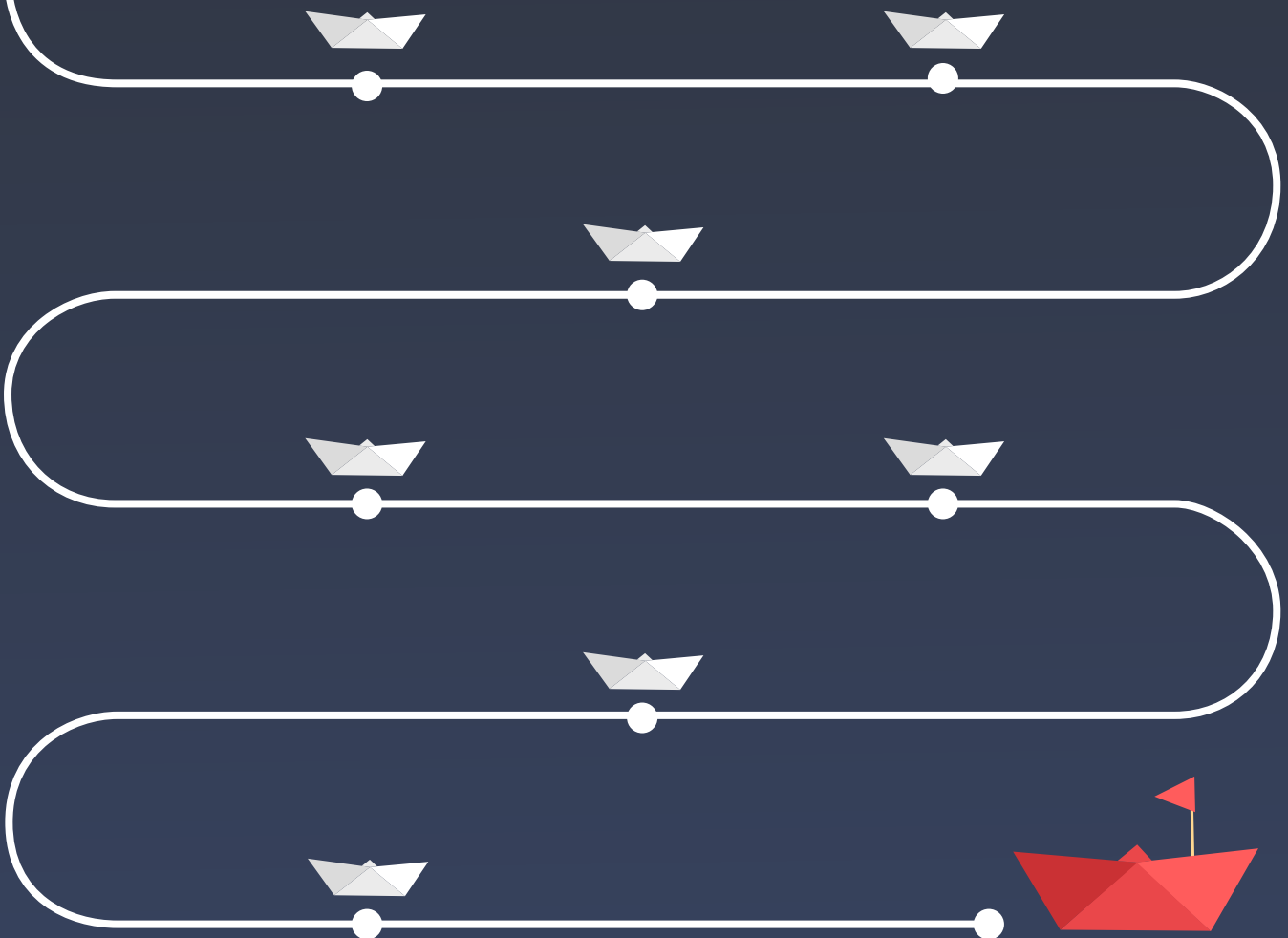


nextail

FASHION'S NEWEST CEOs

AT THE TOP OF 2022

Leading through uncharted waters



EXECUTIVE SUMMARY

In 2021, fashion brands and retailers announced the appointment of over 80 new CEOs. These new leaders were tapped to guide them through the rough seas of a stubbornly persistent pandemic, intensifying supply chain complexities, and also exciting opportunities brought on by data and advanced digital technologies.

Now in its third year of publication, "**Fashion's Newest CEOs**" studies these new leaders and their predecessors to gain insight on the direction of the industry based on its leadership choices. While some appointments naturally reflect the circumstances of individual organizations, taken as a whole, they can also indicate how the broader industry is evolving.

The incoming CEOs announced in 2021, some of whom begin in 2022, seem to indicate that fashion retailers are reaching an equilibrium of sorts.

Trends are also emerging that indicate that fashion companies are looking for the quick impact of leaders with executive fashion experience that can still bring a fresh perspective. New CEOs tend to have both fashion (92.3%) and C-Suite experience (74.4%) - more and more of whom have been fashion CEOs before - though a dropping number are brand insiders.

But fashion companies will have to tread with caution - just as the "[Great resignation](#)" has been thinning out employees in other areas of the company, CEOs are also abandoning positions for personal motives.

In stark contrast to the findings from [last year's report](#), incoming female leadership dropped in comparison with the last two years, making us wonder if fashion is reverting back to its old ways, even as much of their own employees and the public decry a lack of diversity and gender parity.

On another note, Luxury brands and retailers stood out for bringing in 80% more new leaders than in 2020. When considering this alongside the category's 68.7% growth in data and digital talent in 2021, Luxury appears to be set for a talent refresh from top to bottom.

Thus, 2021 CEO appointments have sent mixed signals with some data indicating a desire to continue transforming, while others indicating a regression. All fashion CEOs, including the 80+ new joiners will be put to the test in 2022.

INTRODUCTION

Fashion leadership in 2022 comes face-to-face with challenges both old and new

“New normal” and “post-pandemic” - two terms thrown around with gusto at the end of 2020 and in 2021. Yet, while 2021 lacked the volatility of 2020, supply chain disruptions, inflation, and ongoing COVID-19 waves reminded us that “normal” is nothing like the one we remember and that the pandemic still lurks.

In fashion, additional challenges such as accusations of slow progress on sustainability measures, diversity, equity, and inclusion (DEI) initiatives and other social issues, has led not only to bad press, but also to the workplace dissatisfaction so common among those who have joined the “Great Resignation”.

In other words, fashion leaders, including the 80+ newly appointed CEOs announced in 2021, have their work cut out for them in 2022.

But it's not all bad news. 2021 witnessed increased consumer spending as vaccines flourished, the return of IRL Fashion Weeks, and hot topics like NFTs and the Metaverse being strongly embraced by luxury, not to mention “House of Gucci”. Even subsequent blows of recent COVID-19 variants have been softened by new business configurations and technological advances accelerated in 2020.

In fact, overall fashion sales are [projected to surpass 2019 levels](#) by 3-8% this year, with even better numbers for luxury (+15-25%).

In order to live up to these great expectations, there's no shortage of leadership philosophies outlining the skills and qualities that today's CEOs must possess in order to become this modern-day “fashion hero”.

Most formulas include a combination of “[flexibility, agility, empathy, collaboration, and informed risk-taking](#)” and being [pro-tech and operationally savvy](#). And for new CEOs in luxury brands, the visibility and pressure are even higher. Just look at the [expectations](#) and [challenges](#) ahead of **Jonathan Akeroyd** as he enters **Burberry**.

So, is the incoming class ready? Do they have the leadership and emotional skills, experience, and data open-mindedness to help fashion find its sea legs in the vast open waters of 2022?

Incoming CEOs reflect progress & status quo in equal measure

While still on tenterhooks to see if stability truly ever materializes, we wanted to understand whether fashion companies were making riskier choices in this brave new world or if they were falling back into familiar hiring patterns. The answer seems to be *both*.

On the one hand, [unlike cross-industry numbers](#), fashion-specific turnover did not hit record highs in 2021, but rather fell by 20%, signalling a slowdown in the leadership overhaul that followed the height of the pandemic.

And in stark contrast to [2020's exceptional advances](#), the number of **incoming female fashion CEOs dropped by 39.3% year-over-year (YoY)** and by 23.3% over 2019.

In terms of professional experience, an overwhelming **92.3% of incoming CEOs bring fashion industry experience**. This cohort also brings in the most newcomers in the last three years who have held the fashion CEO role in the past (43.6%).

The slow down in female leadership hirings and the tendency to choose leaders from an increasingly narrow talent pool signals some degree of risk aversion and a return to more conservative selection.

However, we also have reason to believe that new fashion leaders are still able to bring some fresh perspective into their new companies.

Firstly, incoming CEOs are less likely to be company insiders, and they are replacing predecessors with longer-than-average tenures (8.9 years) as the careers of some long-standing leaders and founders came to an end. Several brands saw their original founders or their family members step aside for the first time (e.g. **Alain Wertheimer** from **Chanel**).

The **Luxury category in particular saw an 80.6% YoY increase in CEO turnover**, leading us to wonder if the next generation of Luxury CEOs will be willing to dip their toes into more adventurous waters, especially as tech digital talent investments continue to grow (**+68.7% in 2021**). Are they preparing themselves to serve the younger, digitally native wealthy members of Gen Z?

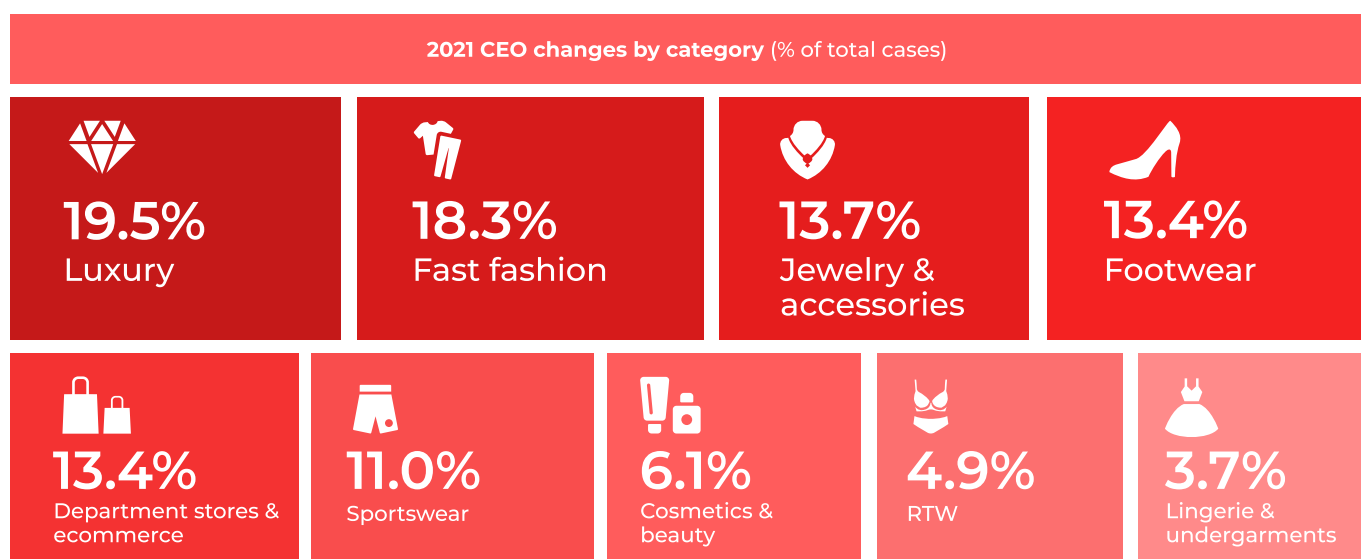
In the same vein, “**digital transformation and growth**” was still the most-cited motive for CEO appointments or turnover in 2021, demonstrating that brands and retailers are still looking ahead in order to manage shifting consumer preferences and harness the power of data and advanced tech.

It’s too early to know how 2022 will play out, but based on our findings, we expect to see fashion companies continue to brace for impacts through more conservative talent choices in the short-run, while setting themselves up for a more diverse, digitally-enabled future in the long run.

FASHION CEOS AT A GLANCE

80+ fashion brands & retailers announced new CEOs in 2021

In 2021, more than **80 fashion brands and retailers announced the appointment of new leaders** in the top seat. This figure represents approximately 20% fewer than in 2020, approaching 2019 levels.



Announcements made evenly across the year

Unlike 2020 when hirings followed the unpredictable peaks and valleys of the pandemic, 2021 announcements were more evenly distributed across the year, reflecting a year that was, while certainly not business as usual, perhaps business as a little *more* usual.

The highest percentage of monthly announcements were made in January and in the first quarter of the year, though slightly more overall announcements were made in the second half of the year.

Annual distribution of new fashion CEO appointments in 2021 (% of total cases)					
2021 month	% of announcements	2021 quarter	% of announcements	2021 year half	% of announcements
January	12.2%	Q1	34.1%	H1	48.8%
February	11.0%				
March	11.0%				
April	7.3%	Q2	14.6%	H2	51.2%
May	4.9%				
June	2.4%				
July	8.5%	Q3	25.6%	H2	51.2%
August	6.1%				
September	11.0%				
October	11.0%	Q4	25.6%	H2	51.2%
November	7.3%				
December	7.3%				

Tenure of outgoing CEOs varied widely

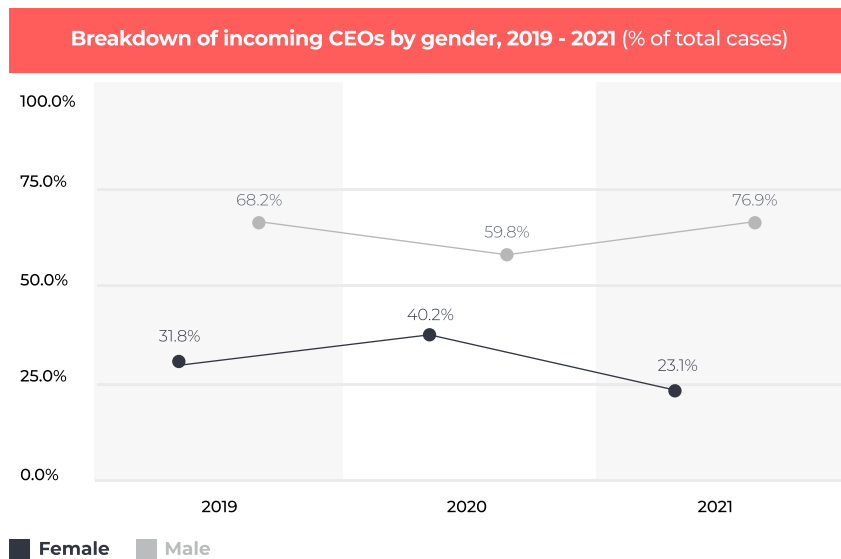
Outgoing CEOs had a tenure of **8.9 years** before departing, 15.6% longer than outgoing CEOs in 2020, and 23.6% longer than those that left their posts in 2019. This figure is also greater than the 2021 [cross-industry average tenure of 7 years](#). While the longer tenures may have several causes, they may be attributed to planned CEO changes that were delayed in 2020.

Longer tenures of outgoing CEO in 2021 included the likes of **Andrea Panconesi** in **LuisaViaRoma** and **Alain Wertheimer** at **Chanel** which spanned decades. On the other hand, tenures lasting a year or less included **Ajay Kavan** at **MatchesFashion** and several executives serving as Interim CEO until replacements were identified such as **Erik Björk** at **Filippa K**, **David Stefko** at **Vince Holding Group**, **Stuart Burgdoerfer** at **Victoria's Secret**, and **Ashley Merrill** at **Outdoor Voices**.

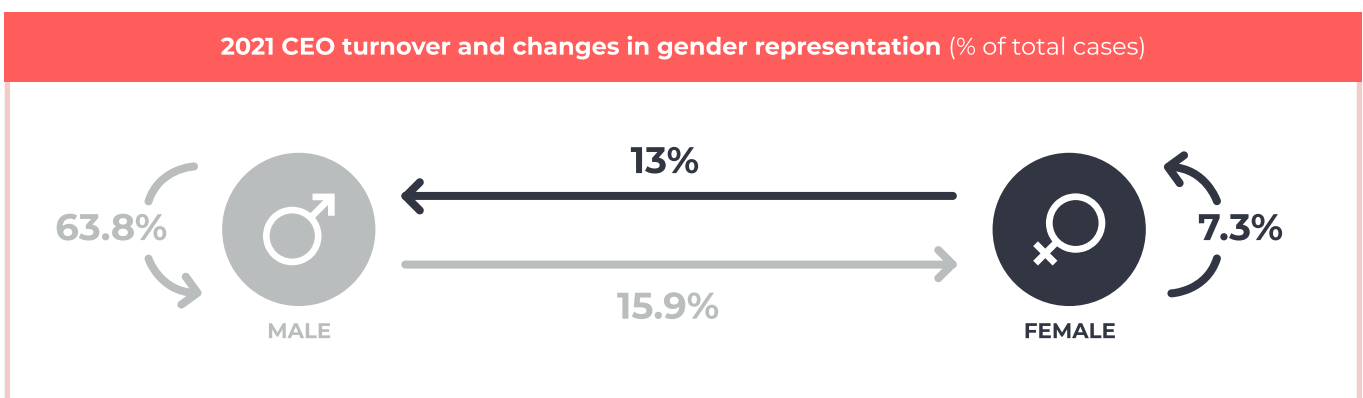
Fewer incoming female CEOs in the 2021 cohort

In 2021, more female fashion CEOs were appointed than left, though the majority of new appointments were still overwhelmingly male, making up 76.9% of all CEO newcomers.

This **sharply differs from the cohort studied in 2020**, which represented a 26.4% YoY growth in female CEO representation over 2019. Some [cross-industry numbers](#) saw a steady increase in female successors in 2021 **while others also identified similar drops** to this fashion-specific study. All three bodies of research conclude that absolute numbers of incoming female CEOs remain low.



That being said, the fashion industry saw a fair share of notable female CEO announcements in 2021 such as **Leena Nair (Chanel)**, the first woman of color to lead a global luxury brand, and **Gerry Weber's** first female CEO, **Angelika Schindler-Obenhaus**, among others.



“Digital transformation & growth” still tops appointment strategies, but make way for M&As and the “Great Resignation”

For the 3rd consecutive year, the most cited motivating factor for a new CEO appointment was made due to **“Digital transformation & growth” (26.8%)**, though it dropped by 28.2% compared to 2020. Nonetheless, brands and retailers continued to prioritize this type of organizational change in 2021 (e.g. **Marc Rosen - JCPenney**).

Organizational redirection is also likely what has motivated so many fashion brands and retailers to appoint CEOs for the first time - either replacing founders and family members (e.g. **Everlane, Jigsaw, Moose Knuckles, Chanel, Wolverine Worldwide**) or creating it as an entirely new role within the company, as was the case at **Arc'teryx** and **Herschel Supply Company**, the latter of which did both.

“Digital transformation & growth” tops the list for the 3rd year in a row

“**Mergers and Acquisitions**”, on the other hand, grew by 38.6% as a motive over the last edition of this report (e.g. **Anthony Ledru - Tiffany & Co.**, **David Olsen - RMS Beauty**, **Fabrizio Cardinali - Etro**). The spike in M&A action was **correctly predicted** early in 2021 as the gap between successful and struggling brands widened, as consolidation opportunities arose, and as stalled 2020 agreements were finally **able to take shape**.

Another notable motivating factor for CEO turnover was that of “**Personal reasons/projects**”, which, while only accounting for 7.3% of total cases, represented an **87.2% increase over 2020** (e.g. **Romain Guinier** leaving **The Kooples**, **Sylvie Colin** leaving **Kenzo**).

Given the demanding nature of executive roles, especially with added challenges of the pandemic, supply chain disruptions, and more, the pressure might not be worth the paycheck. In other words, CEOs are **equally susceptible** to the desire to jump ship for a personal and/or professional reasons and aren’t excluded from the so-called “Great Resignation”.



Fashion is facing **specific challenges to retention**, as employee concerns over factors such as the industry’s environmental and social impact, criticisms of its lack of diversity, equity, and inclusion (DE&I), and its real or perceived lack of progress in improving employment conditions and changing talent requirements.

A **recent survey** found that 49% of surveyed professionals believe the industry is losing appeal as an employer due to these factors, which rises to 56% among surveyed C-Suite fashion executives. What’s more, the survey revealed that 34% of C-Suite executives have considered leaving the industry in the previous year.

When considering that 13.4% of outgoing CEOs accepted new roles and opportunities (e.g. **Hugo Adams** leaving **Frugi** to start a freelance consultancy, **Kedar Deshpande** leaving **Zappos** to become CEO of Groupon, **Marco Gobbetti** leaving **Burberry** to join **Salvatore Ferragamo**) and 4.9% of cases were caused by retirement (e.g. **Mike George** retiring from **Qurate Retail**, **Stuart Burgdoerfer** retiring from **L Brands & Victoria’s Secret**), the case, while speculative, grows significantly stronger.

Luxury saw the most change in leadership & digital priorities

Luxury made up for 19.5% of all 2021 CEO announcements, an **80.6% increase in new appointments** over 2020. Narrowly beating out Fast Fashion transitions (18.3%), the leadership changes in Luxury included some of the most well-recognized brands such as **Michael Kors & Capri Holdings (Joshua Schulman)**, **Burberry (Jonathan Akeroyd)**, and **Chanel (Leena Nair)**, the latter two of whom step into their roles in 2022.

Luxury has also been making inroads in terms of talent investments for leading new digital initiatives, further reflecting changes within the traditionally conservative category.

The “**Retail Data-Forwardness Index 2021**” is an investigation into the degree to which fashion categories have invested in specialized talent (e.g. data scientists, artificial intelligence specialists, data analysts) to help bring about innovation and digital transformation.

For its part, Luxury increased its overall level of “retail data-forwardness” (Data-related employees (#)/ latest end-of-year revenue (US\$ Billion)) by 68.7% as well as the weight of data-related professionals over total headcounts by 56.5% over the previous year.



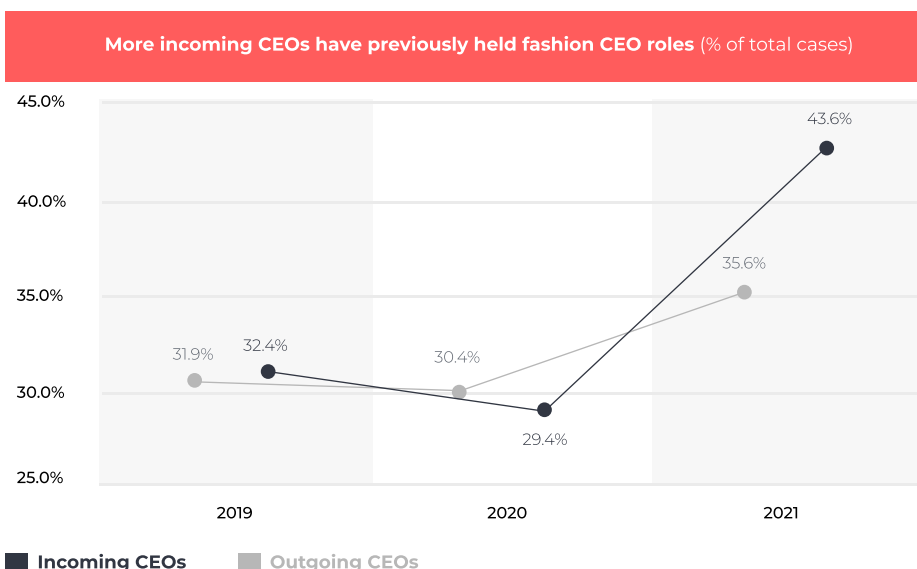
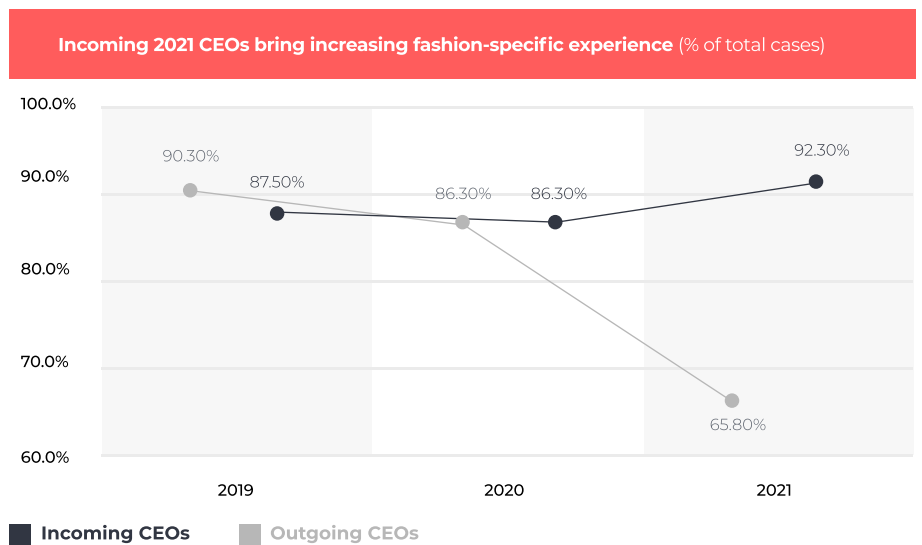
A far cry from the Luxury that resisted digital transformation just a few years ago, the segment has reached a turning point with the [online channel nearly doubling](#) over the last two years, [tech investments and partnerships](#), and a ([mostly](#)) enthusiastic embracing of the Metaverse, NFTs, and digital fashion.

THE PROFESSIONAL EXPERIENCE NEW CEOS BRING: STATUS QUO OR A FRESH PERSPECTIVE?

By studying the professional backgrounds of incoming CEOs and contrasting them with their predecessors, certain trends emerge that shed light on the experience valued by selection committees. Do they indicate that fashion is picking up where 2019 left off or is it moving in a different direction altogether?

More CEOs are fashion industry vets with C-suite experience but aren't brand insiders

92.3% of newly appointed CEOs bring previous fashion experience, making this cohort the group with the most industry experience of any incoming or outgoing CEO cohort studied for this report in the last three years.



As for C-suite experience, 74.4% of incoming CEOs bring executive experience to their new roles, up by 16.8% in 2020 and 19% in 2019, coinciding with [cross-industry trends](#). This same upward trend is visible in terms of having specifically held the CEO role previously, **43.6% of incoming CEOs having formerly held the top job at fashion companies.**

Unlike [other industries in 2021](#), fashion tended to opt for industry insiders though not necessarily company insiders. There has been an observable downward trend over the last three years of appointing fashion CEOs with previous experience in the companies they now lead. In comparison with incoming CEOs in 2020, **the number of newly appointed brand insiders dropped by 24.9%.**

This preference for fashion and CEO experience demonstrates a tendency to draw from an increasingly narrow talent pool, suggesting that fashion companies are opting for the familiar and are demonstrating a tendency for conservative choices in leadership.

However, the fact that fewer are brand insiders signals a need for a fresh perspective that is untethered to long standing company culture.

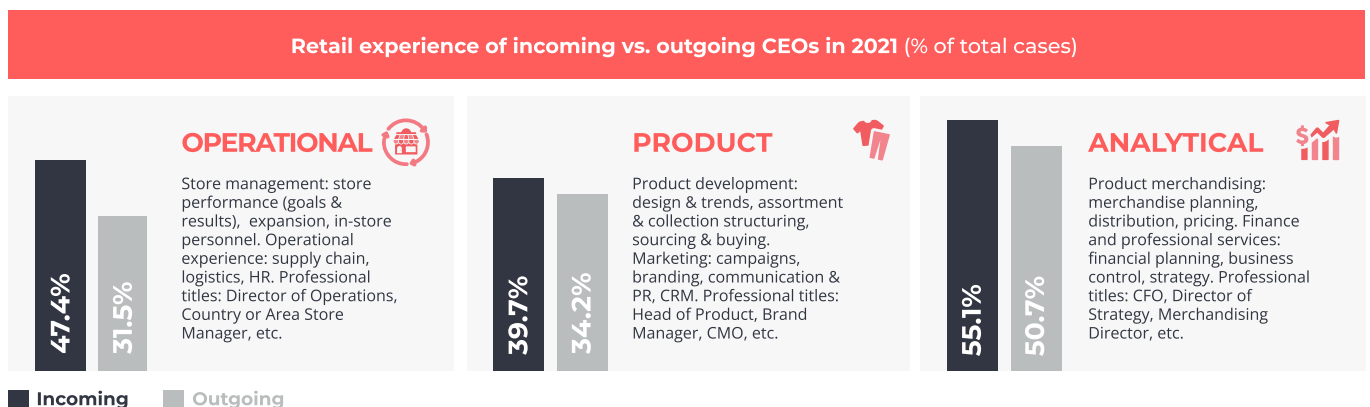


An increase in operational experience comes at the right time

CEOs were studied in terms of their experience from across three different areas of retail expertise: **operations** (e.g. store management, supply chain, logistics), **product** (e.g. design, marketing, brand specialists), and **analytical** (e.g. merchandise planning, finance, strategy).

Over the last few years, we have observed incoming CEOs who are more well-rounded, possessing more skills in each of these areas in order to bring the right mix for immediate company needs and long-term success.

One exceptional example from 2021 has been that of [Gymshark CEO Ben Francis](#) who founded the company at the age of 19. After handing over the CEO role, Francis spent the next six years rotating through different company roles such as CTO, CMO, and CPO. He has now stepped back into the CEO role with new skills and likely a more 360° vision of his company.



The incoming cohort of 2021 CEOs bring **50.5% more operations experience than outgoing CEOs**, making it the most significant area of expertise in terms of growth. With the ongoing challenges posed by COVID-19 in addition to supply chain disruptions which are [expected to intensify into 2022](#), this area of expertise is crucial. RTW brought in the highest percentage of these professionals, with 75% of this incoming cohort bringing operational experience.

Similarly, incoming 2021 CEOs bring a **10% increase of product experience** over their predecessors, though this number has dropped by 44.8% YoY, signifying a potential loss of relevance in favor of other skills, notably related to retail operations. Leading the pack and bringing in the highest percentage of professionals with product experience was again Beauty & Cosmetics (80%).

The push for product experience within Beauty **comes as no surprise** for a segment that relies heavily on marketing and brand recognition, especially with the rise of platforms that allow brands to engage customers through livestream campaigns, influencers, and ecommerce experiences such as live selling.

Finally, the area to grow the least in 2021 was that of analytical experience, up by a mere 8.7%. The category with the highest percentage of incoming CEOs with analytical expertise was again Beauty & Cosmetics (80%) followed by Lingerie & undergarments (66.7%).

CONCLUSIONS

Each year, the appointments of new fashion leadership give us insights into the wider priorities and vision of brands and retailers. Those CEOs who were appointed in 2021 lead us to believe that the fashion industry is attempting to manage the many aftershocks of the past few years through a combination of conservative decision-making and some long-overdue risk taking.

With that in mind, the fashion industry can take away several lessons from observations of the incoming fashion CEO cohort:

- **Luxury has reached a turning point.** The category's correctly **predicted outperformance** can largely be attributed to its wealthier consumer base as well as improving luxury travel conditions. But it has more likely been the rising competition from players who had more readily embraced digital transformation and the challenges of the pandemic that have truly moved the needle in Luxury.

Today, the category rooted in heritage which had, for so long, resisted change in favor of tradition, is no longer a stranger to ecommerce, is opening up to data-driven decision making, and is even embracing the possibilities of the Metaverse. And their teams are beginning to reflect these changes both in terms of data specialists and an increasing turnover in the CEO role, with many long-time leaders in well-known brands stepping aside this year.

- **The "Great Recession" may be coming for the C-Suite.** A great many factors have been motivating workforces across sectors to question their job satisfaction and abandon jobs and careers for other pursuits. Fashion companies should remember that these decisions are not limited to lower ranks. CEOs, especially given the intense pressure and responsibility of the role, are also open to other opportunities, which is a finding that we saw grow in 2021.

Additionally, if fashion companies continue to limit top-level selections to mostly industry members yet decreasingly higher from within, they may be limiting an already small talent pool and face a talent crunch. Therefore, brands and retailers must be wary not to rely solely on brand and fashion appeal and take a hard look at what, beyond salary, is making their organizations and the industry at large a desirable place to work.

Incoming CEOs bring

50.5%

more
operational
experience
than predecessors



- **Against our predictions last year, gender parity and sustainability took a back seat in CEO appointments in 2021.** In 2020, it seemed as though fashion companies were jumping into action, preparing themselves for a more sustainable and diverse future based on their leadership choices.

In terms of gender parity, the appointment of female fashion CEOs saw [optimistic growth](#) in 2020. But in 2021, this figure dropped by 39.3%, with fewer female CEOs joining fashion companies than the two years prior.

Leadership choices focusing on sustainability also did not make many headlines in 2021, other than a few such as **Mackage's Tanya Golesic** who brings a strong and public sustainability agenda and **Everlane's** newly appointed **Andrea O'Donnell** who will continue making environmental impact a central focus of the business.

While fashion companies may be [delegating these issues into alternative or newly created roles](#), they still require buy-in from top leadership to be successful. We expect gender parity and sustainability to reemerge as priorities in hiring practices especially as internal and external stakeholder pressure will demand it, and as employees at every level of fashion, including CEOs, reconsider personal priorities and industry desirability factors.

- **Continued investments in digital transformation and beyond.** We expect that fashion companies who have taken some time to embrace a full transition into digital technologies and data-driven decisions will continue making great investments and strides in these areas. Luxury, as mentioned above, is already demonstrating shifting priorities through the increased hiring of digital talent, and we expect to continue seeing these priorities play out in top leadership positions as well.

On the other hand, more digitally mature companies, such as several who have been studied for both this report and the [2021 RDI](#) (e.g. **Inditex**, **Chanel**, **Victoria's Secret**, and **Burberry**) will continue on a path of innovation, appointing new CEOs with strong backgrounds in the areas of technology, innovation, and change management.

REPORT METHODOLOGY AND DATA SOURCES

To develop this report, we collected and studied publicly available information on CEO appointments in fashion companies that were announced in 2021, as well as publicly available information on their predecessors (when applicable).

Regional or divisional CEOs within specific brands were not included in this report which focused rather on the study of global and brand-level CEO rotations, including organizations that named CEOs for the first time this year.

General CEO background information

To report on the general demographic and professional experience of CEOs, we collected the following information from publicly available sources such as LinkedIn, fashion and retail publications, as well as other highly reputable media sources: **Name, gender, dates of appointment in the CEO role, career length, company tenure, and other relevant previous professional experience.**

Areas of experience relevant to retail

Using the collected information on previous professional experience, related positions were grouped into three categories: retail operations, product, and/or analytical positions. A matrix was created to compare and contrast the areas of expertise of outgoing and incoming fashion CEOs as described in **"An increase in operational experience comes at the right time"**.

Motivating factors for CEO turnover & appointments

To find the motivations behind CEO rotations, we studied publicly available information, namely from press releases from the fashion companies themselves or through leading fashion and retail industry-related publications. Fashion companies were then categorized into one of the following areas: "Digital transformation & growth", "departing CEO accepts new position/opportunity", "mergers and acquisitions", "shakeup/restructuring", "retirement", "personal reasons/projects", "scandal/PR crisis", "nepotism", and "undisclosed".

About Nextail

Nextail is a platform of end-to-end inventory management solutions that delivers customer-centric, data-driven decisions so that brands and retailers can sell more with less stock. By leveraging the power of AI and advanced algorithms, Nextail increases stock efficiency across all of a retailer's channels through hyper-local demand forecasting and process automation. That way, they can automate the science of retail and dedicate more time to the art.

Nextail takes an agile approach to merchandising, empowering brands and retailers to stay closer to the reality of demand so they can anticipate, rather than simply react when it changes. Customers typically see value delivered within weeks, with sales increasing between 5-10%, in-store stock coverage dropping by 30%, and stockouts lowering by 60%.

Nextail is currently working with over 30 international brands and retailers including Versace, River Island, and Pepe Jeans.

Recognitions



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