

Pivot Perfect

A Thought Leadership Q&A Series by The Brownstone Group

Jim Conroy: Building Brands Through Clarity, Commitment, and Culture

Jim Conroy, CEO of the billion-dollar retail success Boot Barn, has shifted between consultancies and global brands throughout his professional life. From Deloitte to Blockbuster, Kurt Salmon to Claire's, he has led buying, marketing, operations, supply chain and more, culminating today in his best role yet.

The Brownstone Group's Tim Boerkoel spoke with Jim about his diverse experiences, the internal and external forces that shaped his career, and the quiet but exceptional growth of Boot Barn.



Timothy Boerkoel (TB): Jim, you began your career consulting for consumer and retail brands, yet today you are the CEO of the publicly traded, billion-dollar specialty retailer Boot Barn. Did you have GM aspirations early in your career, or was it a later-realized goal?

Jim Conroy (JC): Actually, many people may be surprised that I was pre-med in college and planning to go to Medical School – that was the master plan. However, I ended up in an accelerated MBA program, finished pre-med, and wound up interviewing for some jobs to see if it made sense to go into business for a few years to pay for medical school.

What ultimately pushed me into business was my interview with one of the consumer and retail partners at Deloitte who enlightened me about the consulting industry. Consulting seemed interesting, and though it was supposed to be temporary, I gained a lot of experience in an accelerated manner.

We worked for private equity backed brands and publicly traded companies, each came with their own complex, interesting and unique corporate cultures. Additionally, it was valuable to experience a broad array of business challenges and many functional areas while being pushed rather quickly in front of senior level talent. Once I was on the business path instead of the doctor route, I realized I absolutely wanted to get into a line management, operating role. I didn't see myself in an advisory role forever, because while it was a great learning experience, I knew advising without accountability was too theoretical for me personally.

I was fortunate, multiple times in my career, to be able to bridge consulting and industry careers. The first time was at Blockbuster, which was not line management but strategic planning and new business development. It was an amazing experience, and though Blockbuster isn't here

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anymore, the entrepreneurial spirit was great and the impact lasting. We would work 24/7 to get things done, and as a young executive I was swept up with these guys, Steve Berrard and the late Wayne Huizenga, each of whom possessed an energy, focus, and passion for driving new thinking which was intoxicating. They built this amazing multi-million-dollar family business, and then did it again by launching a spinoff brand, Gerald Stevens, a chain of flower and gift stores. There I ran all merchandising and supply chain, and we grew the business from 0 to 300 locations, and went public, all in 18 months.

TB: When did you discover your appreciation for leading and managing teams? Is there a connection to your passion for sports and participating in athletics early-on?

JC: I played three sports in high school and one in college. There is a team orientation and will to win that stems from that experience I believe. And then there's a competitive nature that helps. At the various brands and companies that I consulted with, I was a sponge listening and learning from those around me who were bright, experienced, and strategic minded executives. And at Boot Barn, part of our great culture is that we have very little ego or infighting, and we are incredibly aligned. That's the definition of a solid, high functioning team. I always say that we don't have any superstars on the management team; we have a solid team that works exceptionally well together.

TB: Who were some of the key influences that gave you the skills and confidence to make the career choices you did?

JC: In all honesty, my parents. They were both teachers, and talking to a teacher is worth a hundred books on management theory. I learned from my parents, along with my three siblings, how to put together plans and deliver to them. Much of it comes down to simplifying complexity, taking all the

forces at play and siphoning them to determine what matters versus what doesn't matter. Suddenly, problem solving becomes easier, collaboration becomes possible, and alignment is encouraged. When everyone understands the strategy and their part in it, things work. They also made us work for things, so when we left high school, we had this ability to make simple the complicated, teach others, and work tirelessly to reach a goal. Everything else takes care of itself.

TB: What are some of the pivotal moments in your life that strongly impacted your path?

JC: Getting that line management job at Claire's Stores was probably the most pivotal move of my career. Consulting was formative and shifting into retail for the first time was greatly important, but my role at Claire's was the first time I was on a senior level, at a global company, in a true operating role – and there was a commitment to my further development. I started as an EVP, then promoted and promoted again, eventually becoming the interim CEO. More and more responsibility came with each step, which was the original goal.

And then, leaving Claire's was another pivotal moment. I achieved many personal goals and grew a lot there. It's also one of the few North American retailers that has proven its ability to live on a global scale: 4,000 stores in 40 countries. Keep in mind that this stands in contrast to many well-known European corporations who have numerous differentiated global retail businesses. The experience also provided valuable experience working with private equity, a part of the industry that can have a reputation for being tough and challenging... I found our partners at Apollo to be supportive and growth-oriented, and my experience with them formative. And more recently, I can say the same about Freeman Spogli & Co. with Boot Barn.

TB: Boot Barn has been on quite a journey since you joined in 2012. Why did you join, and can you describe the past few years?

JC: I could talk about Boot Barn forever. It's fun and exciting and has a million components. When I was first introduced to Boot Barn in 2012, it was a privately held, PE-backed company with 86 stores in 8 states and \$180 million in revenue. Next year, we will be close to 300 stores in 36 states and approaching if not passing \$1 billion. It is an unbelievable growth story and I feel blessed to be the leader of such a company.

This was made possible in part by our developing four strategic initiatives – which very importantly – we have not changed. They are not complicated nor are they based in on chasing the latest and often over publicized retail strategy. I often joke that we can come up with a sexier or more glamorous strategy or we can execute on the straight-forward. It takes grit and resolve to hold off and resist external influence, whether coming from a consultant, a board member, or Wall Street, if you know your customer and your business. You need to set your strategy, and yes evaluate it from time to time, but stick to the plan.

A great example in our case is our first priority, adding physical retail stores. At this moment, we are excited about expanding into the northeastern U.S. We are a western lifestyle brand heading east, opening in Ohio, Pennsylvania, Virginia and soon upstate New York. Conventional wisdom suggests we would sell work boots and Carhartt jackets, but we actually sell as many cowboy hats and boots as a percentage of sales in these geographies as we do in the southwest. We also know that 80 percent of retail, and 85 percent of our business, is done in stores despite 99 percent of newspaper headlines focusing on digital. Prior to COVID, we had 37 out of 40 positive quarters and comped +8% on average for the last decade... and nobody has heard of us! I often describe it as a \$20 billion retail opportunity

hidden in plain sight for a century. To this day, nobody has taken on the goal of trying to compete with us, and so we continue to develop new stores, acquire small chains, and occasionally acquire smaller mom-and-pop shops with just a few doors.

A second initiative is of course digital and ecommerce, which we have grown from 2 percent to 15 percent of the business. We'll continue to build it, but the split won't change much because we are adding new stores and growing brick and mortar comps simultaneously.

Third, a focus on omni-channel – not meaning ecommerce – because we use half of the team's focus on digital experiences that can be brought into the store or drive customers to the store. We believe we're more competitive, make more money, and control the customer experience and last mile when selling in the store. We've added multiple in-store portals that will give you all the products currently in store that have desired key attributes, helping new sales associates provide service and customers make choices. And if you extend that thinking, when you need a different size or style that's not in the store, that same portal empowers you to immediately order from Boot Barn - or our partner brands will drop ship for us. That is customer service.

I want to mention that when COVID hit, retailers had to figure out many new logistical challenges. We created same day delivery which ultimately became a competitive advantage even against Amazon. And then, during holiday, we could extend our delivery window to December 23rd, a week more than anyone else.

Our fourth and final initiative was to develop exclusive brands of which we now have five, comprising 25 percent of sales. Each of our brands, which we do not consider private label per se, have their own positioning and aesthetic; they are developed with a good-better-best model in mind,

serving as the better made offering with the goal of being as high quality or better than the industry leader. Two of our top five brands are ours, and four of top ten. We are proud that our brands compete with hundred-year-old heritage brands, and that they've found a home with world class, very well-developed companies. We're a house of brands, so it will always be a mix of owned and partnered, but our team has created great assortments with strong value capable of driving top and bottom line growth.

TB: Given your experience as a consultant, strategist, retailer, CEO... any advice to the next generation of leaders?

JC: Define a cogent strategy and have the grit to stick to it. We are constantly challenged to chase the next shiny penny, which often derails retail companies. For instance, today, whether it's social media ad spend or the questioning of physical retail expansion in new markets... we know where we can grow and we know how to maximize profits - even if those truths stand in contrast to popularly reported trends. When you truly know your business and your customer, remain committed to what you know will produce success.

About The Brownestone Group

The Brownestone Group was launched in 2015 with a mission to offer the most effective executive search, strategic consulting and leadership advisory services. We introduce exceptional talent to brands and their leaders, transforming businesses and careers. Founder Tim Boerkoel possesses more than 25 years of retail, consumer, hospitality and luxury experience, advising and recruiting for startups and global corporations alike in their searches for CEOs, Presidents, Board Members and C-Suite talent. Brownestone, along with its global network of affiliate partners, operates as a true partner to clients ensuring swift yet long-lasting results.

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