

Pivot Perfect

A Thought Leadership Q&A Series by The Brownstone Group

Paula Schneider: Leading into the Future, from Fashion to Philanthropy

Paula Schneider is the President and CEO of Susan G. Komen, a nonprofit organization that saves lives from breast cancer by investing in breakthrough research, public policy advocacy, and through a suite of patient support efforts helping people facing breast cancer in communities across the country. However, before taking on this top role in philanthropy, she served as President and CEO of several fashion businesses including American Apparel, BCBG Max Azria, Laundry by Shelli Segal (a division of Liz Claiborne), and Warnaco's Designer Swimwear (including Speedo and licensees Calvin Klein, Nautica, Michael Kors, and more).

The Brownstone Group's Tim Boerkoel asked Paula to share her multifaceted career, an impressive journey spanning education, fashion buying/sales, and fashion/retail general management, culminating in her position today leading one of the most influential and prominent nonprofits in the world.



Timothy Boerkoel (TB): You studied Costume Design and then Secondary Teaching before you became a fashion executive. What initially led you to the industry, and what made you stay?

Paula Schneider (PS): I studied Costume Design in Theater, a major that I created at California State University-Chico. I had graduated from high school a year early and did not see anything I wanted to study, so I created my own major which the state university system would let you do. It's actually an accredited major to this day! But then I realized I was not going to get a job, so my backup plan was to get a secondary teaching credential. After a year of teaching at a junior high school, I found myself

needing to supplement my income by working in a women's contemporary fashion store at night. It was my friend's store and we did the buying together on trips to Los Angeles. I discovered this new fascinating world that was very appealing to me, and at 25, I quit teaching and moved to LA.

I found that the world of fashion excited me and I loved hearing about people traveling to Paris for holiday or to Italy for fashion week. I knew I had the personality for sales and an entrepreneurial spirit. However, I quickly learned that in addition to being entrepreneurial you needed a nice showroom on the appropriate floor in the LA Fashion District to be selected by the brands... which required strong key

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money. I borrowed \$5,000 from family, a large sum for my newly widowed mom, to start my own business. Then I went to the Coterie tradeshow in New York. I had a business plan, one year of experience, and certainly no expansive showroom. But I pretended, secured a number of lines to show, and then rented the cheapest possible showroom I could find. We went through the first market week and it was a success. I was able to keep the lines and had hundreds of orders.

One of my clients was Max Azria, who was a specialty store buyer at the time, and he designed a fashion line, BCBG. Though I did not think the name would work, we sold 30,000 dresses in our first season. From there the business grew quickly, and I learned that the more successful you get as an independent sales rep, the more risk you have for your business; they'll get rid of you, sell in-house, and save money. So, I ultimately sold my business and went to work as President of Sales for BCBG Max Azria. It was all creativity and no structure; we didn't even have style numbers. We were trailblazers, and I learned a lot by working with him and future creatives and founders.

TB: From sales channels to product categories to corporate cultures, your time in the industry was comprised of diverse experiences including working with many founder-led organizations. What were some key learnings as you moved forward in your career?

PS: In working with founders, I realized that for many people who have achieved great success... it was often made possible by believing that the rules don't apply to them. They were able to make these giant leaps because they don't listen to a "no." There's a certain amount of beauty in that.

Through it all I learned fearlessness. Often my role was to fix something when it was broken, to be the strategist and the one to create guardrails. This includes changing cultures which can be most challenging and important. While you can't make everyone happy, you must be willing to make bold

and decisive action; be willing to pivot quickly. This could manifest in new categories or distribution channels for brands, as well as in my own ventures into new territories. Whether wholesale to retail, contemporary to swimwear, or philanthropy... I live well outside of my comfort zone.

TB: And today, you are CEO of critically important Susan G Komen. What drew you to this quite different opportunity three years ago?

PS: There was a chain of events that occurred, including that I survived breast cancer. I was diagnosed while working at Warnaco leading a massive transformation that involved shifting from an owned to an outsourced factory base. So, while downsizing our workforce considerably and making many other unpleasant but important decisions, I felt a lump. We had three weeks until the restructuring was complete, which resulted with letting people go on a Monday and Tuesday, informing my team of my breast cancer diagnosis on Wednesday, and starting chemotherapy on Thursday. Now that was a tough week.

Shortly after my diagnosis, my mom passed away from metastatic breast cancer, my sister had and thankfully survived Melanoma, my brother passed from prostate cancer... cancer became a very real center point for my family. Then, while I was at a Women in Retail conference four years ago to receive an award, I met with a good friend of mine, Shelley Broader, then CEO of Chico's FAS. We spoke about our personal lives and I shared that I knew I could sell jeans and sell them well, but it wasn't what I wanted to do anymore. I punted the speech I was supposed to give and spoke instead about empowerment, sharing that the time I felt the most empowered was while I was sick and at my least powerful; I was suddenly needing to accept help and support. After the speech, I returned to the table and Shelly said, "I just got this message from a recruiter who is looking for Susan G. Komen's next CEO – would you be interested?"

By no means was I a slam dunk candidate, but I had definite interest. I'm very "LA" versus the organization's Dallas roots. I ran American Apparel, which was pretty racy. And philanthropy would be a completely new field for me. So, while interviewing I made it clear that if there were better candidates, they needed to hire them. They might not have more tenacity than me, but if they needed a doctor, I was not their person! I have two daughters, breast cancer runs in the family, and Susan G. Komen being well-managed is much more important than a career shift.

TB: Prior to the pandemic, were there initiatives or strategies you were able to enact because of your earlier executive experiences?

PS: Operationally, a big challenge for us was our federated affiliate structure. We weren't one organization; we were more than 60 501(c)(3) organizations operating in tandem. This meant any changes required asking permission, really cajoling, making a case... nothing moved quickly. This had been a strain for some time. Some affiliates were already joining forces with each other to increase efficiencies, while others were going out of business. There was a lot of spend that didn't need to happen and we had 1,100 board members. So, we launched pilot programs focused on consolidating backend office responsibilities at HQ, encouraging efficiency, revenue generation, and really streamlining efforts.

We also invested in donor insights so that we could better connect with our donors in more meaningful and important ways. By capturing their interests, we could speak more to what people were interested in rather than repeating a mass message. For instance, do they want to engage over research, patient advocacy, or community efforts? This approach is essential in retail, and the parallels to ecommerce were clear to me.

And we had begun a shift in our mission delivery to better provide direct support to patients facing breast cancer today, while at the same time we

aligned our research investments into the deadliest breast cancers, leveraging technology and big data to accelerate discovery.

TB: Can you share COVID-related shifts in the business that you, your Board, and team have activated? How did your view as an "industry outsider" add to this solution making?

PS: From a mission standpoint, we double-downed on our focus on providing direct patient support, with the goal of saving lives through breaking down barriers and improving the patient experience. This was critically important during COVID as services such as our Helpline and Treatment Assistance Programs were in high demand.

Operationally, we have made two significant shifts: We have moved to an entirely virtual/remote office environment, and as mentioned we are in the process of transitioning our business model from a federated model to a single incorporated entity with a national footprint. This will allow for leveraging centralized operations and support local development and mission leaders. Our primary task is protecting Komen, though it is important to be fair and transparent. Everyone believes in the cause, but if the organization were to fall nobody would be there to pick up the pieces, from research to community work. We must succeed.

From a fundraising standpoint, a very public change included shifting our signature fundraising walks and runs across the country to be solely online in 2020 and for the indefinite future until we can feel safe gathering with 30,000 of our closest friends on a Saturday morning. We knew virtual events would not be the same as live events, yet we tried to create something that would still be meaningful and therefore still raise money. The cost structure is also different which offsets it some, and so far, we have been very encouraged by these events. We have also been partnering with large companies, like Bank of America, to help them provide their employees with a philanthropic activity, which helps

with their own employee engagement efforts during this crazy time.

I believe having not spent my career in philanthropy helped because it gave me the freedom to look at things differently. I was not bound by the old way of doing things and could think about what would make the most sense operationally, as well as the freedom to evolve our mission delivery to meet the evolving needs of patients and ensure we remained relevant in the future. And some of our pivots were more directly related to my past, such as the ecommerce concept of donor segmentation. It's data, it's strategic messaging, and it's having an actual conversation with the customer. Lead generation is an investment in the future, and though I'm not an expert, I knew how to activate this. I also understood that smaller affiliates needed support to survive and that consolidation was a better business model.

We've made more decisions in the last 9 months than in the previous 15 years. Most were right, some will miss the mark, but all were thoughtful. Most affiliates joined us, some did not. But throughout it became clear that we are better together!

TB: Lastly, given your adeptness for and interest in learning (and teaching), how do you incorporate this value in your leadership approach? Who were some key mentors of your own that you credit with impacting your career?

PS: Listen and learn. If you're 70-80 percent of the way, go! Speak up and tell it like it is.

I don't always know the best way, especially in a new industry! And as the world changes, more ideas mean a more informed decision. Relatedly, I have an awesome board that has dramatically evolved over the past three years. We always had a nice and competent board, yet with my background I did not need some of the business guidance; rather, I needed new strategic thinking on great partnerships, I needed their influence and access to affluence for fundraising.

A teaching background has also proven helpful, even today. It's important to know what makes people tick, regardless of age. Certain things make people who they are, and you need to find that in them and let them flourish.

And as for mentors, I adore Paul Charron whom I first met when he was CEO of Liz Claiborne and later the Chairman of American Apparel. Angela Ahrendts, Group President and my direct boss at Shelli Segal when we worked for Paul, also made a huge impact on my career. And I must mention the founders I've worked with over the years, whether in-house or as an advisor or consultant, including Max Azria, Shelley Segal, Kanye West, Michael Phelps, Dov Charney, Nancy G. Brinker and others. There's something to learn from their boldness, including that there are many things you should not ask, but just try.

About The Brownstone Group

The Brownstone 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. Brownstone, 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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