

Pivot Perfect

A Thought Leadership Q&A Series by The Brownestone Group

Tom Nolan: Relentless Drive to Win, with Kindness and Purpose

Tom Nolan is Chief Executive Officer of Kendra Scott, the well-known jewelry brand that has captured the hearts of its diverse and loyal customers. He is focused on oversight and strategy while ensuring the brand's core pillars of fashion, family, and philanthropy are exemplified in all touch points of the business. Tom's earlier experiences working for dynamic clients and companies include Ziff Davis, Condé Nast, and Ralph Lauren. Later he founded Prospective Brands, LLC as President & Chief Executive Officer of apparel brands Duck Head, Gyde, and Crittenden. Tom is a Board Member of Kendra Scott, Mizzen + Main, and Tommy John, as well as an investor in Sweetens Cove Golf Club and Spirits businesses.

Tim Boerkoel at The Brownestone Group had the opportunity to talk with Tom to discover how his range of experiences has prepared him for his current role and how he is able to partner with a mission-driven founder to bring the values to a broad and curious customer base. We found it compelling that his personal and professional interests have been a perfect match to guide the company to its next phase of growth.

Timothy Boerkoel (TBB): Career paths are often depicted as a straight climb up, especially on a resume, or in an article. But the reality for most of us has a path with some curves and bumps, and that real growth happens within those bumpy, hard times. These are opportunities for learning and change and becoming the best version of yourself. Tell us about one of your "hard times" and where it led you?

Tom Nolan (TN): When I was a kid, my dad used to say, "you learn the easy way or the hard way in life"

– I think he meant it in a disciplinary way, but it has carried through for me. It's the lessons learned the hard way that are most memorable and stick with you because they're earned. Anytime something is simply given to you, you don't appreciate the value of it as much.

My career has had a lot of twists, turns, and bumps. I owned a private equity firm, Prospect Brands, LLC, and we went through some very challenging times – not as far as a Chapter 11 filing with a brand, but close. I struggled to make payroll, and it pained me



and stands out as the most difficult time for me. It was my first time as a CEO, which came with a lot of expectations I put on myself. I tried to fake it and it didn't have a great ending. It was challenging, I learned some harsh lessons, and my humility grew immensely through that process. I learned that you have to be transparent, ask questions, and not carry it all alone.

Really though, everyday there is something, a curve or a bump to navigate. The last couple of years have provided a landscape for constantly "learning things the hard way" – specifically with COVID-19, some of the social challenges, the injustices in the world, retaining talent, and geo-political/macro-economic issues. One important element woven through it all, that some may be afraid to admit, is the need to be humble. Lean into other people and recognize that they are smarter than you in some ways, ask questions, and work together.

TBB: Authenticity seems to permeate all facets of one's life – including family, career, and those we attract. Kendra Scott launched her company transparently, truly placing value on family and community – the company has remained true to its solid foundation in design, philanthropy, and the consumer experience. What was attractive to you about Kendra Scott after investing over 20 years of building other brands, including your own?

TN: It's always people. I've shared this thought recently as it relates to personal investing or careers, even with my daughter who is a college freshman. I said, "you don't work for companies, you work for people." What was attractive to me first and foremost, was Kendra the person. I've been fortunate to be a Kendra Scott board member for about nine years now and have witnessed the organization from an operational point of view, different than from someone who is looking for a

job. I knew the team deeply and felt a level of authenticity that was real. One of the company principles is to do what you say you are going to do. This resonates personally with me and is actually a pet peeve of mine – because it is a choice. You don't have to say you're going to do something if you have no intention of doing it – just don't say anything. Put simply: the genuine honesty and solid values and spirit of the company aligned with my thinking. It touched me deeply and that was attractive.

It's worth sharing the unique way that I made the decision to join the Kendra Scott – it's revealing about both me and the company. Our first institutional investor, Norwest Capital, a private equity firm, invested in Kendra Scott in 2013. I was with my holding company at the time and received a random call asking for my interest in an outside director seat available. At that time, I had never heard of Kendra Scott and had no experience in the jewelry business. Then I learned they were valued at \$100 million, and two years later when completing a transaction with another private equity firm they were valued at \$1 billion dollars, delivering an amazing 10X growth during such a compressed time period. As part of that transaction, Kendra asked me to join the organization in an operating capacity. This was a pivotal time for me – my family was happy in South Carolina, and I had no interest in living in Texas. I loved everything the company stood for and believed in everything they were doing – my issues were all logistics. With my decline, Kendra had one ask (she can be quite persuasive) – that before I made up my mind, I attend a Kendra Cares event, which I had not yet experienced. This particular one was at Sloan Kettering Pediatric Hospital in NYC. Let me interject a sidebar here - I have four children, am a super-engaged dad, and emotional ... I cry at movies and during sappy commercials. I knew this would be tough emotionally for me, but I also knew Kendra wasn't going to stop until I checked that box.

I have distinct memories of the smell in the elevator, and the sounds of bass music before the doors opened as though I was entering a night club. I thought it would be a very sad, overwhelming experience and it was the exact opposite; literally the happiest place I had ever seen. There were balloons, clowns, music, and for three hours I made jewelry for sick kids and their families. I held it together until I left the building and crossed the street, then I lost it. I called my wife and said, "We've got to move to Austin - I'm never going to be able to have this kind of impact on a one-to-one basis, where I can actually do things and see the result of happiness just by simply making jewelry." That's how I made my choice to join the company. The experience spoke volumes to me as to the authenticity of the very personal, impactful way all things are done at Kendra Scott.

Kendra put a stake in the ground 20 years ago declaring that philanthropy really matters, and it's going to mean something to us. This foundational pillar has grown for us into a sweet spot. While the world is now moving in the direction of making social accountability more important, seeking work/life balance, and embracing female empowerment – Kendra Scott hasn't had to pivot toward these things. It's who she is at the core and how she built her brand and culture.

Hopefully we continue to attract others to this organization because they, too, feel and experience the difference. That was ultimately what attracted me – it's now been seven years of tremendous business performance, impacting many lives, and sharing fun along the way.

TBB: You invested much of your early career with notable organizations, building brands and strategically leading teams before launching your own company in 2012, Prospect Brands, LLC, the parent company of global outerwear and apparel

brands Duck Head, Gyde, and Crittenden. And here you are now as the CEO of Kendra Scott after holding several other roles with the company. What knowledge or skills have you brought from those earlier roles and how are you using them today?

TN: Not a lot of this was planned as you can see by all the career twists and turns - going from publishing to apparel, onto fashion accessories, and now as part owner of a golf course and a liquor brand; I've been fortunate to be involved in a lot of different experiences. As I reflect, the one commonality is that I knew nothing about the next thing I did – my curiosity led the way. I went from Condé Nast, having gained a level of expertise in publishing, to Ralph Lauren, and quickly learned about apparel. When I moved on from Ralph to become an entrepreneur, and then to work in the jewelry business, these were all new adventures. What is important to note here is that I had no inhibitions around asking questions and I had a thirst for learning about different businesses. Ignorance is bliss, perhaps; I was young and didn't know any better. In this case, it positioned me to have no fear of the unknown.

Growing up, I wasn't raised in a household where I observed how executives behaved. My dad was a laborer, an electrician for the railroad. Although he's retired now, he continues to work side jobs when he can and doesn't seem to have an off button. He modeled a generational work ethic that is hard to replicate today. My mom also worked hard, holding all sorts of unusual jobs, including running a hot dog truck. I was the only one in my immediate family who graduated from high school, and then went onto college. From a young age, I paved a new path.

Early in my career, I had to work harder than others to feel like I was on equal footing, and I knew I had no time to waste so I asked a lot of questions. Time

is a currency that I care about and have always protected – you don't get more of it. You can make more money, but you can't make more time. Overall, my big take away lesson, and the insight I would impart on anyone – you don't have to have the answers. In fact, there is an endearing quality in people that are curious and care about what you think.

Along the way, I worked for some wonderful people that are still a part of my life today. And quite honestly, I also remember those who didn't make me feel great. I remember thinking, "if I ever get in a position of impact where I have any authority over people, I'm not going to make them feel that way." Sometimes the negative models can have a powerful impact as well. I worked for someone once who made me send my calendar every week – it was controlling and made me feel untrusted. I now am a macro-manager as a result of being micro-managed.

TBB: Psychologist Viktor Frankl wrote that the power lies in the space between the stimulus and the response. He said that we don't always get to choose WHAT happens in our life, but we do get to choose HOW we respond. Tell us about a time that was pivotal in your career or personally where your choice of response was powerful?

TN: I'm thoughtful about reactions to things, but not conscious of them. I react and respond to things based on how I feel in that given moment. When we went through tough times at Kendra Scott during the height of COVID-19, people were scared. I'm profoundly pleased by our leadership team and how we reacted to and met our employees where they needed us to meet them. Some difficult decisions had to be made, including layoffs, shutting stores down, and furloughing people. We led by example and were at the forefront of these decisions. Kendra and I made a pivotal decision that when we had to

furlough people, our first step was to forego our own pay. I'm not independently wealthy so that wasn't easy, but it was the right thing to do, and the impact of that response was powerful.

There are a lot of examples of choosing both to react and how to react, especially with wholesale customers. When you're in the thick of things and getting rebuttal, you may want to react impulsively, but you have to be thoughtful about what you say and how you say it – your tone and tenor matters. With my job title, a high level of self-awareness is vital. I understand my words matter in a different capacity than they do for others. Everyone's words matter, but eyes are always watching to see how the CEO role reacts. With all the fears that COVID-19 brought, I remember using the example of my kids when they were young and scared of thunder and lightning – they came into our room in the middle of the night. If we were cowering in the corner, my kids would freak out, thinking if mom and dad are scared, we are in trouble. But that didn't happen – when they came in, we would reassure them that the house wasn't going to get struck by lightning; we were going to be safe and secure – parents do their best to make sure their kids' well-being comes first. Leadership is the same way. People are looking to how you react, and they follow your lead. If they see the leadership team panicking and selfishly taking care of their needs first, that has an impact. When a business is built with family as the foundation, these characteristics all weave together, they're innate to who we are, certainly to who Kendra is. She is one of the most successful, self-made, female entrepreneurs in the country. At the end of the day though, she's a mom and a partner. It's how she lives her life.

I'm fortunate to have had model parents in this way. We didn't have a lot of money, but I always felt safe and never feared things. My parents were selfless – never putting themselves before me and my sister.

That has translated to my leadership style and belief that the best leaders are those who are servants. Kendra shares this belief also - I wouldn't work for her if she didn't. I work for our employees; they don't work for me. I serve our people – that's my job and I take it personally when we are not meeting our objectives or people aren't happy. It's like being a new parent – the second your child is born, your life stops becoming all about you, and it becomes about someone else. The familial culture at Kendra Scott is born of a deep respect and reverence for the value each person holds. Titles can make people inherently fearful and hesitant, thinking, "I can't say this because that's our Chief-this or VP of that" – it's an assumption people wrongly make, and it doesn't have to be that way.

When I interview people, we talk about our culture. There are "win at all cost" cultures - and there are "work life balance" cultures. Most companies are one or the other, and I've worked at both, but this is the only company I have ever been a part of that is truly a combination, and it began with Kendra. Most people don't know this about her because you typically read about her amazing kindness, which is true. But her other side is relentless, dogged, and determined. You can't become the business professional she is without that side. She has a need to win. I'm wired the exact same way and know I need to work for someone like that. Those traits don't have to come at the expense of treating someone poorly, and they often do elsewhere. I've also worked where people don't really care about winning, and that's uncomfortable. We have found success in fostering an environment of accountability, winning, and rewarding, and all with kindness.

TBB: You've been described as an innovator, a "thought partner", a leader with relentless drive, and one who understands that the best teams are in alignment when they hold a variety of skill sets

and personalities – who inspired your thinking and modeled thoughtful and creative ways of leading people and organizations?

TN: I hope people say that; that's really nice. I've had a lot of great examples along the way starting with my dad. He led our family and taught me important things about integrity, doing the right thing, and working hard. That was the only leadership role he ever had. I've also worked with some great people. Ralph Lauren and Roger Farah, former President and Chief Operating Officer at Ralph Lauren, were amazing - watching the two of them work together was a privilege. The kindness that Ralph exhibited on a daily basis inspired me. He is one of the most iconic, celebrated, famous American designers in the history of our time and he cared a lot about his people - that always struck a chord with me. I was with him once as we entered an elevator when the two people in it said hello to him. We continued to his office, and he looked troubled. I asked what was bothering him. And he said, "I was upset that I didn't know their names." There were 40,000 employees at the time, so of course he wasn't going to know their names, but it really bothered him.

Then there's Roger Farah, who was one of the smartest, most thoughtful people I may ever work with; and I'd say the best boss, other than Kendra, that I've ever had. He was a "regular guy" who loved talking about kids and sports with me, all while he was leading a massive Fortune 50 company.

Also, I think of Mickey Drexler, CEO of Alex Mill and former CEO and Chairman of J. Crew Group, as a notable mentor over the years. Although I never worked directly for him, I learned a ton just being around him. I recently had lunch with Mickey and was sharing about my daughter who loves fashion and is a freshman at Villanova. Right then, in the middle of our lunch, he asks for my phone and called

her. Mickey has a high self-awareness of the weight that he carries; he also knows how direct he can be. It was so thoughtful to take the time to call an 18-year-old and make her day. She still talks about it. Mickey and I share our value of hard work. I have these moments of reflection where I think that literally nothing was given to me in life - I had to work my ass off to earn it. I value that kind of intensity, desire, and work ethic because I lived it and I know you can control it. If you're ambitious and want to achieve things, you can, it's that simple - but it won't be given to you. You have to earn it.

To date though, my current boss, Kendra stands out as a mentor. I've learned so much from her about the importance of EQ over IQ. Being in the vast minority of constituents here, as a man, was unlike anything I'd ever experienced. When I started, the company was 99% female. Kendra's warmth, humility, and always seeing the good has taught me more than I have learned from some important people. It has balanced me out and led to my own personal development in those areas, without losing the fire to want to win that burns inside me. In the past, I may have attacked things in a more direct, somewhat aggressive way. I've learned to approach things more thoughtfully, and to see the good versus seeing the bad.

TBB: You spoke on a LinkedIn post over a year ago about your focused effort to strive for improvement in life versus striving for perfection. This life focus was not always typical in our culture – in families, academically, or in business. When

did you adopt this philosophy and how has it impacted you and others in your life?

TN: I've never done anything perfectly, so I probably adopted that thinking from the womb. Time is the currency that you don't get more of and don't get back, so I try to create time for people and make the most of it – with my kids, our employees, and our customers. If you're not improving yourself or getting a little better every day, you're wasting time. Because I accept that I am imperfect, I know there's always room for enriching every aspect of my life - personal life, professional life, and paternal life. I'm constantly working on things. I also believe if you're working towards perfect, you are going to constantly be letting yourself down. As it relates to work, this search for perfection slows everything down operationally. I have said, "get as close as you can with confidence and make the decision." You win or you lose, and when you lose, you're learning. With each decision we make, we learn or celebrate, and then do it again. Searching for perfect is a very frustrating, unrewarding frame of mind and is a set up for a big letdown.

Success does not result from perfection. People often ask me what it takes to be successful. My consistent response is this – "if you have a strong work ethic, any ability to solve problems, and a degree of common sense, you're going to be better than most." Those are the three most important things that high performing people possess – and some people have them in spades.

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.

© 2022 The Brownstone Group. All Rights Reserved

THE BROWNSTONE GROUP

Finding Talent. Building Businesses.

www.thebrownstonegroup.com