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MARGARET HOFBECK

The Bloomingdale Interviews
by Estelle Ellis
Q. .....how you got here; how you were educated for this, or how you got to this job and when, and how you see this job today, before we go on from there.
A. I started at Bloomingdale's in 1972 in employee relations. I had responsibility to the union and labor relations activities. And approximately two years later I was promoted into the executive placement area and retained responsibility for the employee relations and labor relations area.

Q. What was your education?
A. It was...I was educated at Washington University in St. Louis. I grew up in an advertising agency in New York for about seven years, a small one, and a couple of years I worked with my husband in his own business. The brokerage business.

Q. And what really qualified you to work with the labor unions. I'm curious. I always thought you had to study law...
A. I didn't have any qualifications for it. I just had an immense interest. In rounding out my personnel career, I had been in personnel for about ten years at that point, and wanted to round out my education in personnel by having an exposure to labor relations and dealing with the unions. You don't get many opportunities to do that in companies that have a creative spirit and excitement like a retail store does.
Like Bloomingdale's does. And I did a lot of research before I applied for a position here because I wanted to find that combination of creativity and excitement and the entrepreneurial spirit, plus the ability to work with the union. Grievance handling, labor relations and negotiating contracts.

So, my research led me here. I applied for a position and they had no openings but I suppose my interest was so deep and my research had put me in touch with some people who, unbeknownst to me, were highly regarded in the labor relations field, by the people at Bloomingdale's, and they thought they would give me a chance and put me in a new position they created in the labor relations office. And that was how I started.

Q. I see.

A. But I gradually...Although I retained that responsibility for ten years, working with Mr. Silver, who is the Senior Vice President in Personnel here, I gradually became more and more involved in the executive recruitment and placement area, and most of my career here has been intensely bound to that.

I added the training and development area, under my responsibility, about two years ago. And, in addition to that, the compensation and salary administration.

Q. Big job.

A. Yes. Bloomingdale's is a big company, spreading far and wide, so the challenges for a human resource division are ever expanding. One has to be...

Q. I was going to say, do you have responsibility for
the responsibility for the development of human resource executive groups as far as out of New York as well?
A. Yes, we do. And staffing our remote stores is probably one of the greatest challenges we face in the future. Staffing them with talented people who we will be able to grow and retain and have them be offered a career path in stores so we have some continuity in the stores and not constantly turning the staff over.
Q. Do you have a counterpart, then, in each of your regions? How do you handle what is a gross...You know...I'm thinking of Boca Raton, I'm thinking of Philadelphia, I'm thinking of Chicago coming up...
A. Yes. We have a staff in our personnel offices in a branch stores that consists of a personnel manager, an employment manager, a training manager, and other support staff to support them. The population of a branch store is approximately 600 staff people--sales and stock, receiving and so forth--and approximately 45-50 executives....
Q. How many in New York?
A. In the New York store? There...In the New York store, and warehouses and office building combined, there are approximately 4,000 staff people. And all told--with the branch stores and New York--our executive population is around 2,000. So all in all, I think we're at a 12-13,000 number of total employees.
Q. All right.
So...You found yourself here, in a completely new
arena for opportunity--career opportunity, talking about career paths--and in a sense, the person who was at the head of this organization was receptive to your moving in this new direction. From what I've been hearing, this is one of the qualities that sets this store apart. Do you want to talk to that point? Is this one of the... What is your attitude about the whole career path process?

A. The career path for merchandising executives primarily?
Q. For anyone. For anyone in this...
A. Well, Mr. Traub, of course, being the merchandising head and the spirit that drives the company, has a very great interest in the careers of the merchandising people in the store. He has an interest in the careers of all the people at Bloomingdale's, but because of his field and affinity in the merchandising area, he has an opportunity to work closely with many people in the merchandising area and influence them and touch their lives, and I think that his standards and his inspiration for this business is what captured my interest and why I stayed so long. Because I had an opportunity to work with him and to work closely with him in the attraction and development of people for Bloomingdale's. And I think that he's... He's a very, very strong believer in the fact that your business is the people, or the people make the business: Bloomingdale's would not be what it is today if it weren't for those individuals here. He's... He's an extremely fair minded individual. He offers great challenge to anyone. He is constantly setting his sights very
high. He is an example of the "pursuit of excellence philosophy;" the spirit and the pace and the standards that he has permeate the entire store and every fibre of the people that work here. There's an energy level and a pace and direction that he personally sets for the company. He's very... His presence is very evident. His standards are very evident. He's a caring person. He's definitely interested in the growth and success of the individuals that work here. He offers tremendous opportunity for individuals to be their best, to work their talents into Bloomingdale's, and Bloomingdale's offers them a wonderful platform on which to show their skills and talents.

Q. I'm curious about... There has been a movement in the industry that is fairly recent... The manufacturers have been recruiting from retailing. Have you been open to the idea of recruiting people from manufacturing?

A. Let me respond to your first point first.

We probably were one of the first retailers to provide the kind of education and visibility to people that caused them to be sought after by manufacturers.

Q. Could you talk to that point?

A. They certainly became aware of and were working with our talented executives and in many cases would try to recruit them away. And in some cases they did recruit them away. And there are many heads of manufacturing companies today that had their Master's degree in merchandising at Bloomingdale's, and... we continue to work with these people on the other side....
Q. As resources.
A. As resources, yes.
Q. Well, tell us a little bit about the training program that you feel is unique, that prepared them for this.
A. I think the secret of the training program per se is that while we have a structured program and have had for years, we allow and encourage on-the-job training, probably more than any other retailer does. It may, to a recently graduated student, seem to be too flexible and not have enough discipline in it. It certainly is not as disciplined as one finds it in school. Some companies have training programs where the student or the new recruit is in a classroom session for three to six weeks before they ever have any experience with the merchandise on the floor and touching the merchandise and getting the feel for how the customer responds to it. But from day one, we have our new candidates for our training program start working on the floor, so they have an opportunity immediately to get a sense and a feel for the excitement and the environment and the customer response and the daily interaction that takes place that creates ideas and creates that spirit.

So I think they're injected with an enthusiasm very early on. And while they do continue to attend classes that we structure and set up, the most evident part of their training is what they learn on the job in working with their immediate supervisor on the floor and the interaction that they may have with other executives in the company.
Q. How often do you move people from one area to another, in terms of this total training program?
A. Again, this is very dependent on the individual's own ability to progress and move quickly. One of the other elements of the training program is that it's self-motivated, or... The speed with which you can complete the program is up to you. There is a manual, a book that exists and courses that are offered that someone can take them slowly or they can take them quickly. Once they take a course... if it's in... an open to buy course... If they then put what they've learned to use on the floor or with their supervisor, and they have their supervisor approve or sign off that they indeed have learned this information and can put it to use, then the faster they get sign off on these particular assignments....
Q. On the rudiments.
A. On the rudiments, the faster they can complete their book the faster they are ready for their next placement. So, in the first few jobs that they have in the store, their readiness depends a great deal on the speed with which they complete their courses, and also how they are rated by their supervisor. So it's not only readiness but future potential.

So, an average career path time-line would mean that a trainee is in that assignment for approximately three months. They might have two or three different assignments here in the New York store, working in different areas with different department managers. And at the end of the three month period they would
then be placed in a department, working directly for a department manager as an assistant department manager. And they would be in that position for, again, three to six months.

Upon completing that assignment and being rated they are then placed as an assistant buyer for about 12-18 months, and then a branch department manager for a year or two years, and the next assignment would be associate buyer and then buyer.

q. What percentage...(I should not state it negatively but I'm going to state it negatively, mostly because there is so much fall out)...How many do you hold? What percentage do you hold here at Bloomingdale's? What is in your figures? How many people have you managed to keep, on an average, in terms of your training program, who continue to stay...

A. I think the best way to answer that is that because retailing is a very demanding business, it offers the ultimate in challenge and the opportunity to reach a high level of responsibility in a very short period of time and to achieve a high earnings level in a very short period of time, if one is so talented and motivated. But, on the other side, it also requires long hours. There is a great deal of pressure in this business because there's a daily report card that's always there, telling you what you did the day before. You're always comparing business to last year. Your bosses, all the way up to Mr. Traub, are aware of how you're doing on your job. So there's tremendous visibility and tremendous pressure. And like all retailers,
we experience a fall out due to the fact that people do not want retailing as a career.

Q. Right.

A. It's not that they get turned off to Bloomingdale's, but they feel that the pressure and the kinds of hours that they might have to work would affect the quality of life that they're after, and many young people today are interested in a five day week; they want to be able to go home at 5:00 or 6:00 at night and...

Q. And they don't want to travel.

A. And they don't want to go...work weekends and they don't like traveling.

So, the fall out is a good fall out. It helps people...

Because we expose them to so much so quickly...

Q. You quickly know who...

A. We quickly know and they quickly know. Most of these people resign of their own volition. The ones who leave. The ones who get turned on to this business, who thrive in this kind of an atmosphere, who see an opportunity, from graduation from college to perhaps three years later being a buyer of an $8 million business that's their own business, within a business...

Those that are turned on to that, that are excited by it and have that spirit of also pursuing excellence, stay.

Q. All right. You have a core of...

A. Of outstanding buyers.

Q. So let's look at it another way. What is the...In terms
of your executive recruitment group, what percentage of your people have moved into executive positions in a... What I'm talking about... Over a period of time... Let's take your top executive cadre: What percentage of them were all trained here? Were trained here, vs. those you hired as executives for positions? What percentage grew up?
A. I think it varies from year to year, based on different things. When we have the vendors on the outside, or other retailers, who go after our people, there is a rise and fall. There are periods where a lot of activity in the retail business may cause a high turnover at the top. And when that happens you do not always have your own people who are seasoned and ready to go into those positions...
Q. Right.
A. ... So you do have to go outside and find some talent and strength to intermingle and mix. So I think, in varying degrees, we always have a mixture at the top. They're not always all home grown, but I would say that a majority of them have been.
Q. Home grown.
A. Home grown, and almost....
Q. All right. Then let's establish the fact that if you're on a job in retailing, you're on it at Bloomingdale's for all the reasons that we can enumerate. But I'd like to have you tell me, what is the critical difference working here? What makes this a unique place for people to work in retailing? Why do they
want to be here? At Bloomingdale's? And how does Mr. Traub's criteria of excellence and the opportunities he provides set the tone for this?

A. Well, I think Mr. Traub is indeed responsible for setting the tone. I think he is the reason that Bloomingdale's has become the very important element in retailing that it is today. I think it has earned a reputation under Mr. Traub's leadership of being a pace setter and a fashion leader, and I think what we stand for is... The merchandising visibility of what we stand for is very apparent in its field. So individuals who are looking to join a retailing organization to be among the best, to work for the best, I believe that Mr. Traub has, with his visibility and the visibility of Bloomingdale's, caused that kind of reputation to exist.

Q. Even though right now specialty stores are the hot track for retailing management? This is... I'm curious...

a. Well, it might be a hot track, but in terms of the department store, I do believe that Bloomingdale's is still the hot track. I think that specialty stores offer a different kind of career and different kind of path. For a store that means so many things in terms of a lifestyle... I don't believe there is another store like Bloomingdale's, that addresses all areas of lifestyle. It's not just a specialty... It's not just clothing or junior clothing or business apparel... It's... With the housewares and food and home furnishings areas--accessories--we really are speaking to a lifestyle and setting a standard and
setting a pace that people are attracted to. And I think they look to this store for leadership and quality and taste.

Q. Has Mr. Traub ever talked to the whole point of the kinds of people that he wants here? Has he ever done a speech on this subject? Has he established for you a criteria of qualities that he wants?

A. Well, he definitely has standards and qualities that he's interested in people, in attracting to Bloomingdale's. He has...obviously, a great deal of interest in people who have a strong, creative, entrepreneurial spirit; who have excellent taste; who are balanced with an excellent business sense as well. You could probably describe all the qualities that one needs to be successful in this business, and say that Mr. Traub's standards about each of those qualities are the highest. We look for the best. We look for the best people; the ones who are the.... the most spirited, enthusiastic, aggressive, interested in working hard, interested in being successful, interested in visibility and reputation, wanting to be associated with the best, having high standards for themselves. So, it's like...Likes attract.

Q. From your point of view, educating for this business today is very different from educating for retailing even five years ago. Do you want to talk to that point, as it relates to the Fashion Institute of Technology, and the kind of education it is providing, as it would be valuable to Bloomingdale's? What do you think a college that is educating young people, as well
as people who come back for higher learning--What do you think is needed now that has been missing? Or, what do you think their emphasis should be, to be able to provide you with the resource...the human resources...that would make you say, "I think I will call F.I.T. and recruit there," before you would call...

In other words, what do you look for, from F.I.T.?

And how do you, as someone who's clearly a very important person in the recruitment of people for this business, how do you see F.I.T.?

A. I think F.I.T. offers a dimension that other schools do not, which is certainly an advantage for preparing individuals for this business. I think F.I.T. offers a realistic education and point of view about this business. I've never tracked the turnover of F.I.T. students vs. other students...

Q. It would be interesting wouldn't it?

A. But it would be interesting. Perhaps they are more directed, now themselves better, know that they want this business, and hopefully are more committed to it than from other, general schools. Knowing what the statistics are, I would assume that that would be the case.

Q. Who do you deal with down at F.I.T.? When you... Do you deal directly with them...?

A. I don't deal directly with them. No. I have someone on my staff who does.

I think that the...That's probably one of the most important elements that F.I.T. can add, as a dimension that other
schools do not have. In terms of the creative aspects of courses, and developing the creative side of individuals, I think F.I.T. is known to be very strong in that vein, and offers the kinds of courses and opportunities that other schools do not.

I assume that the business side is getting the same attention, but if I were to answer your question as to what is an important element today, that is looming as more important than it has ever been in the past, it is that the business side... The basis for running a business, that kind of financial sense and practical approach to a business, is far more important than the ethereal taste level and sheer creativity is. We need a balance. We need both in our businesses today...

Q. Can you get both in one human being?
A. It's very difficult to get both. What happens is they have a very creative...

Q. Aren't they antithetical?
A. They are. If one is to be very successful in this business, they cannot be just creative. They won't make it. They will bomb out when it gets to the buyer's stage, when they have to run their business and they have to be familiar with all the components of the P&L and know how to control the business and how to make money and the business integrity that is required and the acumen that is required is so specialized and so... such an important, integral part of being successful, that they can have all the creativity and taste level, and not be
successful as a buyer. They might be successful in other ends of this business...

Q. I was going to say...

A. Actually more product development or fashion coordination. But even in fashion coordination, we need people who guide and counsel our buyers, who understand how to run a business too.

Q. Well, now, that's what I was coming to. Because you as an organization have been unique in having a support staff of creative people, in the home and fashion...ready-to-wear area, who specifically scout and track friends and are quote... Their head set would be conceived of as more creative...

A. Yes...

Q. Intuitive, creative, conceptual people. Now, are you telling me that those people are also expected to be business oriented?

A. Yes. The ones who are the best at their job understand how an item translates to business. How this exciting new product that they've come across is going to translate in terms of dollars and cents. They can be of great help to the buyer in terms of counsel and advice if they know the other side of it.

Q. Do you ever move people who have been...

Well, let's first talk about that cadre of people. That combination of creative, business leadership, which is centered in that support staff, which you call...What do you call that?

A. Fashion direction.
Q. The fashion direction group. Julian's group and...
A. Kal Ruttenstein's group.
Q. And Kal Ruttenstein's group. Do you recruit for those two groups separately? Or, do you transfer people whom you've had in executive training to those groups right from the beginning? Is there an internship route there as well as in your...?
A. Not necessarily. This cadre of people (as you referred to them) is a small group compared to our buying organization. So, since they are the pointers--they are the leaders and the people who must give direction and counsel to the buyers--the ones who have more seasoning and have been around a little bit--maybe have even been buyers--who have an extraordinary taste level and creative sense--would probably best serve the organization because they have been through some of the various assignments and understand the workings of the company, and even understand how a buyer's job works.
Q. Right.
A. So, you need a pretty heavy mix, or a level of those kinds of individuals. They are supported with more junior level individuals, but it's a very small number, and the assistant fashion coordinators frequently do transfer from assistant buyer or from branch department manager; people who have demonstrated and shown a tremendous level of creativity, are not that interested in the business end but understand it but would like to hone their skills and really concentrate on the creative end of the business. And we often promote from within and transfer from within.
Q. You do.
A. Yes, we do.
Q. Do those divisions also do their own recruiting?
A. Occasionally, yes.
Q. And do they also look to people who have not been trained in retailing at all? Like Julian Tomchin wasn't in retailing.
A. Do we often? I would say not. I would say Julian was...
Q. Unique?
A. Was unique, yes. And he made the transference to this organization and translated his knowledge and creativity exceptionally well. And he's been a marvelous success story.... Maybe we ought to look to do that more often, since he's been so successful...
Q. I was going to say, why wouldn't you have then thought in those terms? Why hasn't that happened? I'm very curious about that.
A. Well, both Julian and Kal have been here for quite a while. They're both now senior vice presidents...
Q. But Kal was retailing, wasn't he?
A. Kal was retailing. Yes.
Q. He was always retailing.
A. He came to us from Bonwit's.
Q. But Julian wasn't. Julian came from the outside, and really was a breakthrough...I'm thinking of breakthrough, human resource concepts that can be identified with Bloomingdale's.
Everybody knows your vanguard approach in terms of fashion, but, are there breakthrough concepts in human resources that you would credit to Bloomingdale's specifically in this direction?

A. It might be difficult to come up with examples right this moment. I think that Mr. Traub has probably demonstrated over and over--many times--the creative approach to, you know, resources. He is very quick to identify and detect qualities in an individual that would translate into this business. He's very open minded about it. He's open minded, and is often the inspiration behind promoting and moving people from one job into another in this business. In Bloomingdale's. He is very astute and very insightful about where someone's skills and talents can be best utilized.

Q. But you haven't done much recruiting from the manufacturing field.

A. No, we haven't. Not a lot. We have a good dozen or more of our financial review committee of people who grew up at Bloomingdale's, who left here to go to manufacturing and have subsequently come back...

Q. Right. That's interesting.

A. ...which is a rather interesting fact. We have about 80 people on our financial review committee and it's a growing numbers of returnees....

Q. That's interesting.

A. ...who want to come back to this business. Come back
to Bloomingdale's particularly.

Q. Where did they go then?

A. Oh, they went to a variety of manufacturers--ready-to-wear, fashion accessories, shoe manufacturers....

Q. I thought of the name of the person I was trying to think of...Ida Chalina.

A. Oh, yes.

Q. A star. A superstar. Do you agree?

A. Yes, absolutely.

Q. I'll put her down. I mean she, from my point of view, she was the first person I encountered, in my growing up years in the business, who had this vision before anybody else had it, of close friends coming off the street and acted on it and understood the junior marketing. No one has ever understood it before or after....

A. That's quite a tribute to her.

Q. Who else should I know? Have you done any speeches on human resource development?

A. No, I haven't.

Q. Has anyone? Has the person whom you said is the Vice President of Personnel?

A. No.

Q. Talked about personnel and Bloomingdale's attitude toward human resource development?

A. No. We've been rather low key about the approach and attitude. We've always been in a fortunate position to have a
lot of candidates, many, many more than we can accommodate.

We have thousands of candidates every spring recruiting. We interview over 2,000 people and hire 100. The screening process is very refined, and the selectivity process is very detailed.

We have...

Q. Do you do recruiting for your creative department too? I'm talking about the communications department, or is that all done up there? I'm talking about the people who Barbara D'Arcy and...Your advertising...Gordon Cooke's department.

A. Do we go to colleges to recruit?

Q. Well, do you recruit for them?

A. Yes, we do. We...The executive recruitment office recruits for all the executives, all positions in the company, all the way to the top. From the trainee all the way to the top.

Q. But you didn't find them Terry. Terry was found by Mr. Traub himself?

A. Yes. Terry was...I think Terry was more someone Mr. Traub knew of and had met. He worked for Federated before he worked at Burdine's...Not Burdine's, Philenes.

Q. Philenes.

A. Yes. He was known to us, known to Mr. Traub, through that. And it is an example of Mr. Traub's personal recruiting efforts.

A. And what Mr. Traub did in terms of moving Barbara
D'Arcy from where she was into store planning was a breakthrough.

A. Yes, it was. And that was clearly...

Q. That was clearly a breakthrough concept.

Would you think about any other breakthrough concepts, like Barbara D'Arcy? Or, selecting someone from an advertising agency, which, obviously, Terry...Or Joan Glenn, for example. Not...Retailers have been very incestuous, very provincial, and in very few exceptions have they looked outside of themselves for help. Do you feel that this is a growing potential pattern, or do you think that retailing is so unique a business that it really must train within and promote within, primarily?

A. Well, I think that the merchandising core of people probably...They could be recruited from other industries, but they would have to start as buyers or get into the buying line before they became a GMM. I don't think you could take some very successful person from another industry and pop them in as a GMM. I don't think Mr. Traub would think so either. I think there's a certain...There is a uniqueness, and also credibility, that is required to be able to supervise a division of buyers. As long as I've known Mr. Traub, most of the GMMs have grown up in merchandising lines.

Q. All right. What drives...What is the unique thing that a buyer must learn? Apart from the logistics of the business. Why is that a unique job? What is the training process?

A. Well, the uniqueness at Bloomingdale's probably has to do with not only how they run a business (that's not unique,
that's traditional. At Bloomingdale's I think the thing that separates the buyers here from other buyers is the great emphasis that is placed on the element of being new, being ahead, coming up with some new ideas. We're not copycats; we don't copy other people. They copy us. So there's a great onus of responsibility on the shoulders of all of our merchants and creative people to be the first. To come up with ideas and to reach, to stretch, to be innovative. I think that's a very special quality our buyers must possess. We look for that, and those who are are attracted to Bloomingdale's, and they are the ones who become the most successful.

Always with that combination. There has to be a balance with the business end as well as the innovativeness and the creativeness and the taste level, and understanding our customer.

Q. Let's talk a little bit about the Bloomingdale customer. What kind of courses do you give your people to give them a sense of what the customer marketplace is all about? And why is Bloomingdale's emphasis on the customer perhaps unique, and what's breakthrough about it?

A. You're talking about customer tastes vs. customer service?

Q. Customer taste, customer service, demographics--whatever.

A. That's a broad subject, Estelle. We do research constantly on how our customers feel about us, both from a
Mostly from a service point of view. I think that's a recent innovation, where we want to improve our customer service image and the perception that our customers have of us. We have focus groups that we will talk to and have them explain how they feel about service. We do surveys....

Q. Your luggage department is fabulous. I sent Marvin a note to that effect...There's a woman down there who is incredible.

A. Well, there's always room for improvement, and I think Bloomingdale's is constantly looking not only to improve their fashion image to also to improve our customer service image and improve our human resources talent and promotion from within policies. All those things. We try to always have a challenge and a stretch to all aspects of our business.

Q. May I just give you one customer point of view that may be helpful? Turn it off for one second. (Machine off)

A. Cosmetic companies are very aggressive.

Q. So...The customer...Bloomingdale's customer. What sets the customer apart? How do you train your people to talk about...Well, what kind of training...? In your...Do you have a customer training series?

A. No.

Q. You don't? You don't?!!!

A. No.

Q. I'm astounded! That's interesting.

A. It's probably intertwined and intermingled in almost
every course that we have, though. There's not a single course about what the customer wants, but the training has to do with ...with this encouragement to be courageous, to try your ideas, to be innovative. Don't hold back. We encourage a certain degree of this risk taking that perhaps other companies do not encourage.

Q. But how do they develop this antennae, this new direction, without being sensitized to customer change?

A. As I said at the beginning, on the job experience, and being thrust into an environment that is very, very open, it's a very volatile environment. It's full of emotion and full of excitement and full of responses. People are not shy. It's filled with aggressive, competitive people. That's another quality that I should have said before: that people need to be successful. Here is a competitive spirit. A healthy competitive spirit. They must have a zeal to win. An assertiveness and a self-confidence that is superior.

The interaction with the customer...There's no holding back. The customers are here in this store. They're not shy. And our merchants, the first year of their lives is spent on the floor, interacting with customers constantly. Their antennae is sharpened just by the daily interaction with customers and seeing how their boss interacts with customers and seeing what's selling and what isn't selling. It's the atmosphere. It's an education that I don't believe could ever be....

Q. It's a customer laboratory you're telling me.

A. It is. There's nothing you could do in a classroom
that would simulate the kind of...the rich experience that they're offering by having this opportunity...

Q. Well, I would agree, but I would also challenge you to think, as someone who is in the development of human resources, that it might be very beneficial to evolve some way of sensitizing them to the tremendous change that's going on in the consumer marketplace in terms of...Even what the family is...

A. Well, let me say something to that. While we don't offer a course in our training program in the first two years that someone is just joining us, for our buyers—-for the people who have the responsibility of buying—there are demographic studies and there are frequent....not courses, but the giving of information to the buying organization, as to what is learned from these studies...

Q. I see.

A. ...in terms of who our customer is and who we want our customer to be; where we're gaining ground, where we're losing ground. So, there is...There is a flow of information—-demographic studies and so forth—that gives them another point of view and another side, together with their instincts and what they see happening on the floor and with the merchandise.

Q. So there is a sharing.

A. There is a sharing of market research and market information that is very valuable and useful to them, yes. I don't think we hold back on offering any information. If anything, we might give too much. Their jobs are very busy and
very high pressured positions...

Q. And travel demanding.

A. ...and travel demanding and...On top of that, we encourage our buyers to have free time to be culturally stimulated. We feel that's a very important part of being a successful buyer.

Q. Talk to that a little bit, because that certainly is breakthrough.

A. Well, Mr. Traub, again, sets the pace for this. He sets the example and encourages his people to be involved in the arts, to go to Soho, to visit museums, to absorb the flavor of avant garde, creative activities that are going on in the world, in all different dimensions and areas. He does encourage that. As I said, he sets the example himself.

Q. Do you accept corporate memberships from museums for your people? Do you establish that, or do you think that's an individual responsibility?

A. We leave it up to the individual to choose their own path for this...

Q. Cultural immersion.

A. ...injection of culture...Yes...

Q. Cultural immersion.

A. Yes, yes. But it's very much a part of the buyer's life, to find the time and put a priority on it.

Q. Do you give them extra time when they're on a business trip? For this?
A. Well, it isn't so much that we make it a priority where we will set aside time and say "You will go to the museums," or do this...I think Mr. Traub probably, on his trips to Europe, when he has a large envoy of people with him, if he knows of some event or some exhibit or something that would be especially pertinent to trends, he may suggest that they try and visit it and go there.

Q. Has somebody tracked how many miles your people have traveled on each of these?

A. No...

Q. Is there a way of assessing?

(End of Side 1; start Side 2)

Q. ....some way of assessing the tremendous investment he's making in exposing his people to other cultures and other countries.

A. I think a human resource breakthrough...But I think Mr. Traub has made many breakthroughs in terms of developing and finding merchandise in countries that have never been known for that before. And he continues to do that with his country promotions and...

Q. Well, that's what I'm talking about.

A. And also, the buyers that go on these trips...The public relations department has some information...Gordon Cooke might be able to get it for you, in terms of how many trips they make when they're having a country promotion....
Q. Well, we can get that from him.
A. That isolates an event, but it would demonstrate that just the one event, or a month long promotion, this many trips take place. But he would have that information.
Q. I think that would be important. Is there any material that we should take away with us? From here? Or anything that is a result of our conversation today you're thinking of that would be helpful in sort of creating an additional framework for what I'm trying to do?
A. I don't think so. I think that other than training manuals and things that we have that you certainly could have if you were interested in them.
Q. Well, anything that stated Bloomingdale's philosophy to these people. Do you do anything like that?
A. Well, we have an admission statement...
Q. All right. I think we should have that, don't you?
A. And we have a Federated priority on people concepts...
Q. All right.
A. ...that was just instituted in the past year in a formal way. I think we've always felt we had a "priority on people" environment at Bloomingdale's, an demonstrated it in, really, hundreds of ways, most importantly through the training and promotion from within...
Q. I think those two would be very helpful. Have you enjoyed this conversation? I have. It wasn't as painful as you thought, was it?
A. No, it wasn't as painful.

Q. Thank you very much.

A. Thank you very much.
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