Warnaco, Inc. is a multi-divisional apparel conglomerate whose volume exceeds $500,000,000 annually. The original business, the Warner Company, was established in 1874. Its sole product was the corset.

In 1960, the company made the decision to become a diversified apparel company, and acquired a number of companies in the next decade. They also developed some divisions internally.

John Field, now chairman emeritus of Warnaco, Inc., is the grandson of the two Warner brothers who founded the original business.

Warners remains a major division of the Warnaco corporation.
1 - 2  John W. Field decides to expand the company
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19 - 21 How Warner's and Warnaco plan to achieve goals for volume and status
Q: ...Oral History Collections of the Fashion Institute of Technology. This will be an interview with Robert Mulrenan of the Warnaco Corporation, who will be updating the interviews with John W. Field, Chairman Emeritus of Warnaco. The date is May 5, 1983; the interviewer is Mildred Finger.

Robert Mulrenan is Senior Vice President of Warner's, and their Sales Manager...?

A: That's correct.

Q: Do you want to start and tell us about the firm, starting from when John Field became the President of Warnaco and no longer just of Warner's Slimwear.

A: Well, I came with Warner's in the late 1950's, and at that time Warner's was the major...a major supplier of undergarments for department stores. At that particular time we had a situation where we were doing probably 70% of our business in bottoms; corsets, girdles of various types, and about 30% in bras. Jack had been affiliated with Life Magazine. His father asked him to come with the business right after the war. This would have been '46. Jack came to the company, and something that he did in leading the company in those years was that...(I guess he became President in 1958) he determined two things: Number one, we had tremendous cash reserves. What were we going to do with this cash? He also determined that in the climate that seemed to be apparent in those days, you either get a lot bigger than you are, or you get swallowed up. And the determination had to be made if Warner's could be a bigger company than it was then, or was it
sometime going to be swallowed up? He thought one of those two things was inevitable. He then decided they would form a corporation. It went through various stages before it got to be called Warnaco. Jack went over to corporate and started developing...I guess the first acquisition was Hathaway Shirts. Further down the line was the Laros Company.

So much for what happened. I'll now address my subject matter to what happened to Warner's in those years after Jack left, and became... went over to corporate and he named Mr. Henry Coogan as President of Warner's.

Q: Well, approximately what year was that?

A: That would have been like 1960. Okay. Now. Under Mr. Coogan's direction, the company took a position of fashion leadership. All through the '50s...Let me address myself from memory a little further back. In the '40s, Warner's developed a very strong group of people. That would have been under young guys--John Moriarty, Gus Farwell, Henry Coogan--and all of these were very dynamic guys. They were just hitting their stride when World War II started. World War II, all of them went into the service. They all returned in the early '40s--1945--and '46--and those started a very strong upward spiral of the Warner image. We were a leading innovator in advertising. In those days we had the La Roche Agency, and we came up with new ideas and new styling. The Merry Widow, for example, was initiated by Warner's, and in the early '50s, accounted for maybe 25% of our total volume. Keep in mind that in those years the best selling bras in the market were $1.50 and $2.00, and the Merry Widow at that time cost $12.50-$15.00. So, it made a tremendous impact on the industry and the fashion industry. In those early
days stores were vying for opportunities to introduce new Warner creations. In those years, we had Warner original lines and we were moving out of very basic corsetry into fashion. Coogan, who was a visionary, had a lot of fashion sense. Some people say he had more fashion sense than basic sense. At any rate, we went into a variety of things.

The one great weakness that the Warner Company had in its line was that it was huge. In those days, you could have put (in the late '50s, the middle '50s) four or five large suitcases to carry the line. When we sold to the store, a store had perhaps 70-80-90-100 items that were manufactured by Warner's. That was our strength. And our strength was fine as long as we were selling a large department store, like Marshall Field or Macy's or Filenes, or Strawbridge & Clothier. But in the late '50s or early '60s, the proliferation of branches came about. And the strength of the line became dissipated because when you built a branch, a girdle and bra department that was doing $2 million in the main store was going to do $250,000, in the branch store and there was no way they could stock the breadth of the Warner line. So what they tended to do was to draw out the very best items in that line, and Warner's began to suffer, in the early '60s. With this, I would say, diluting of the line within the stores.

Still, Coogan pressed for leadership positions, and there were two great things that came about in this period. Other than in girdles, we had very tight or close relationships with DuPont. Lycra was invented then, and lycra was a light, durable material that replaced the harsh and heavy power knits that women were used to wearing. We had a strong tie in with
DuPont and got the lion's share of lycra. In those years that helped us immensely. In 1963, we initiated stretch straps. Until that period, all bra straps were rigid. And we had an ad in Life Magazine and in many other fashion magazines across the country, showing the woman kind of hiking the straps the way a man would hike his suspenders. And this was an immediate success. We sold $5-6 million worth of bras in that period. In those days--1963--we did $33 million in bras and girdles, which was the peak of our sale for quite some time to come.

From 1963 to the late '60s--1969--we had a variety of problems. Our biggest problem was our styling not keeping up with what was going on in the market place. Our base was primarily in bottoms, and along came a phenomenon which was a tragedy to us, and that was panty hose. Prior to that, many young girls--age 12-13-14-15--depending upon their metabolism, could hardly wait to get into a bra or a panty girdle. Because it meant womanhood. And she had arrived on the scene as a woman. The mores of the nation had changed, and we were into a much more liberal attitude. Consequently, more of the women who were in girdles and in bras could hardly wait to get out of them. So, here's a company with a base that's primarily in bo-toms, and the women are saying, "I do not want to wear a girdle any more. I don't want to be restricted. I'd rather be the way I look and have a free attitude toward things." Remember this "burn the bra" business? It really meant nothing. I mean, if 1/10 of 1% of the women of America burned their bras, that would have been a lot in my judgment. But anyway, we were not in keeping with what was going on. And the $33 million that I spoke of in 1963 had decreased to
about $19 million of branded goods. Now, some of the things that kept us going in that period was we also...Because we were a corporation and because we had to address ourselves as a company to the entire spectrum of woven and bras, we introduced in those years a division of the company called Exclusive Apparel. The sole idea here was to sell bras to Sears, Ward and Penney's under their labels, made by us. Because of our strong position in the market place, they were very happy to have us do that. And that company flourished in the '60s. As a matter of fact, we are doing as much business today, we are only doing as much business today as we did in the late '60s with those companies, because we tend to hold down the volume that we would like to do with Sears, Ward and Penney's...verything centers around the brand; the brand is the most important thing.

Also, I might say that in the early '60s, we bought a company headquarteredit Bethlehem, Pennsylvania called Laros. It was a lingerie company...

Q: L-a-r...?

A: L-a-r-o-s. They were an old time manufacturer. Had been around in business for 35-40 years. We thought it would be a natural marriage, a natural tie in with us. Coogan was the President at that time. He made one basic mistake. We were used to going to department stores and telling them in a very autocratic way the way they ought to run their business. Because we were so strong, they very often listened and did exactly what we said. When
we bought the lingerie business, we thought we would have the same entrees with the lingerie bars, because we knew all the management of the companies. However, that was not the fact. What was true in girdles and bras was not accepted in lingerie, and we never, never made money in the 8-9 years that we had the Laros division. And as a matter of fact...

Q: Was it made for them, or by them? Slips and...
A: We bought the company.
Q: Slips and that kind of thing?
A: These were slips, half slips, sleepwear. A whole variety of lingerie items. It was a debacle that we could not get out of. We didn't have people who knew how to run a lingerie company. We didn't know how to have sales force and how to sell it. The designers didn't know how to make it, and we lacked the expertise in that business, and we probably paid $10 million in losses over that period of time.

Then came a guy named Phil Lamourex, and...
Q: Would you spell his name?
A: L-a-m-o-u-r-e-u-x. The same Lamourex who retired as the CEO of the Warnaco Corporation last January, at the age of 54. At any rate, Phil came on as President. Phil has one great strength, which is that he sees through a lot of red tape very quickly and gets to the screws that turn the whole ship, and he turns them. He got out of some of the businesses that were unprofitable. In that period we got into a venture called "Jewel Intimates," which were bras made for young women. Our problems there were that we were a company that was used to manufacturing large runs of bras.
This was an area where we would manufacture, say, 2,000 dozen, which was really nothing to us, sell it to the stores, wait to see what happened, and then react to it. Like ready-to-wear people do. Our problem was it took us 13-14 weeks to react, and by the time we reacted to the selling items, the market place didn't need them. Consequently, we lost a lot of money, in a business we didn't know how to run. We dropped that division.

The lingerie division...We separated it, set up a separate sales force, separate presidents, separate everything, in a desire to make it go. That didn't work out. We closed that division. We decided we would make all our efforts (and this is in the late '60s) around the Warner division of bras and girdles, an exclusive apparel division. All of the energies were put in there, and we came up with two rather meaty things. The first was a change in the presentation of merchandise in the stores, and a very definite stance that we would make bras the most important portion of our line. So all the energies were funneled in those areas. We were the first to come into the stores. (Incidentally, some time, if you want to read a chapter of the catalogue, or the book that was published when we started things, Warner's was the first in many, many things. Some of these things I'm sure we regret. For example, we were the first to offer co-op advertising.)

Q: Oh, really?

A: We were the first to grade bras A, B and C. We were the first to have stay-up tops. We were the first to have stretch straps. We were the first to have many, many...Two-way stretch fabrics. They were innovators beyond belief, the whole Warner's Company, and that was their reputation in the store.
I might say, to digress for a minute, that in the middle '60s, one of our primary problems was that we were perceived as innovators. Consequently, they bought very heavily into our new lines. They kind of tended to lay off our basic merchandise, and anybody who runs a business knows, in this area, that the basics is where you make money. The fashion is where you gamble and hope that you can turn a fashion into a basic to make money. But we were having terrible times making money.

Q: In this sort of fashion, what did happen with Fernando Sanchez and...?

A: We introduced those, and it was one of those situations where the way we ran the business in those days, it was primarily a manufacturing company, bringing goods to the market place and reacting to the acceptance on the part of the consumer of those goods. As long as you ran the company like that, there was no way we could succeed with designer lines. The people who made those decisions did not acknowledge that. I mean, in my opinion. Anyway, in the '60s it became a marketing company, and a marketing company reacts. Mr. Field, Sr. (And maybe I'm saying this...This is my interpretation of the way I thought he ran the company.), he ran it very well and obviously was the mainstay for many, many years--Mr. Field, Sr. They had an attitude that manufacturing is where you make money. So limited cuts, wait for the reaction, and then go after it. If you have designer lines, you cannot do this. Not when it takes you 12-13 weeks to react to a market action. So, Seventh Avenue dress shops, dress companies bring things out, and they can react in days.
Q: Right.

A: If something's hot on Monday, ten days later they could have it all over the country. When something's hot with us, it's 12-13 weeks before we can react to it and get it out. Findings, production goods, procurement of materials all takes too much. It is difficult unless you have somebody who is on top of it and reacts like that. To develop designer lines you have to have a segment of people who are constantly developing, designing, sewing and reacting to the product by the minute. They want to telephone Tuesday to see what happened Monday. They're on the telephone Monday to see what happened last weekend. And then that is why, in my opinion, the Littells and Sanchez and other designers failed. And that takes us up into the period where we came up with some situations where our point of purchase became dominant now. We were going to stores with fixtures and saying, "Here's our Warner fixtures; here's how you sell goods." This really was the advent, and maybe decline, which we saw coming anyway, of service within the store. The American woman was used to going into a food store and having nobody help her and making her entire selections of meat, produce, groceries, what have you. It was happening in the discount stores that were flourishing in those periods. They became a problem in the late sixties, because discount stores became more like department stores, and when they came together, they had the same problem. Unless they had the reputation they failed, like Korvettes and some of the other ones that went out of business. Two Guys... Many of them. At any rate, as Warner's became dominant at the point of purchase, it was necessary to make a better product, you know. I became National Sales Manager, Philip became -9-
President of the company, and we brought a guy in to work on design. We hit on a fabric that was unique and different called doubleknit, and we made a group of bras that really, in 1970, made a complete turn around. All of a sudden our merchandise was starting to move out of the stores again, and from 1970 until the 1980s, we never had a sales decrease, and had sales increases in the 10-12% range that took us from the $17 million up to the $60 million in bras and girdles that we do today, and the $20 million we do in daywear.

Field left Warner's to go to corporate in the middle '70s--'76 or '77. His first job over at corporate (and I want to get into corporate for just a minute) was to...The decision was made that each of these divisions--Hathaway, Puritan, Warner's and White Stag--be run independently. And they would be the meainstays. Corporate's decision was to weed out the non-profit makers and to strengthen and foster those big lines that were giving us all profits. Warner's was spear head in that, and all through the '70s, Warner's was the major contributor to Warnaco products. As a matter of fact, in my opinion, without Warner's, Warnaco would have been a failure. Because we held up Hathaway, White Stag and Puritan through those lean years. Warner's was always and still continues to be a very, very small profit maker, even in our best years, because of the way it's managed.

In that period, in the middle '70s, the determination was also made that we should grow from these divisions, and when you talk to the other divisions, you'll see how Hathaway got into Dior and other things that progressed. In the late seventies--'79--we got into the daywear business.
It was a startup. To buy a company and have people in there who know what
they're doing is one thing. But to start from scratch, to develop people and
take a business that you know nothing about really, and get into it and start
to build it is a tough job. However, we have been very successful at it, and
between '79 in our first shipments, we'll go from 1979 to 1983, we'll ship
$20 million in 1983 from nothing. We also decided that we would become a
major manufacturer of intimate apparel totally, which means we would get
into sleepwear, robes, and other areas of intimate apparel, and that still
is our plan.

Q: In loungewear.

A: In loungewear. Yes. And the fashions that would occur in
that too. We decided that the next step would be to get into designer lines,
and that decision was made in 1981, and the name that we chose was Yves St.
Laurent, and the reasoning behind that was we thought it was a name that would
last for many, many years. Dior has passed away and is still one of the most
profitable names in the industry. St. Laurent is a vibrant person whose con­
tributions haven't reached their zenith yet. So it was a name that we felt
a great deal of strength in.

St. Laurent should have been a huge success with Warner's. It
had two things wrong. One, the calculation of a woman paying an appreciable
amount more for a signature for an Yves St. Laurent bra was never really re­
searched. Maybe she and her best friend might know that she has a St. Laurent
bra, and most people know that women who wear designer clothes--particularly
jeans, sweaters, blouses--make very obvious the designer's label on their
dresses, on their jeans, what have you. So, the direction we got from cor-
porate was, Dior, on a basic shirt, would be a best seller. So we tried put-
ing YSL on the bras. But to put it on a bra, in good taste, it's not such
an easy thing to do. And even if you do it, who's going to see it? We de-
cided to put it on daywear, but again, who's going to see it? Had we started
with robes and sleepwear, we would have been much more apt to succeed. And
sometime we'll be back in designer lines, and it will be a prime line. But
that will be our approach. That's the approach that should be taken, in my
opinion. Because of our expertise in bras, we went this way, which was wrong.
We knew what was wrong with it. We went in probably at the height of the worst
recessionary year in the last two decades (1982)

The other thing that is a difficult thing to balance against
in the stores is, here's a Maidenform bra for $10-$12; here's a Bali bra for
$11-$12-$13. Here's a Warner bra for $10-$11; here is an Yves St. Laurent bra
for $18-$19. And there's no woman, no sales person there to explain that this
bra has better bindings, better this, better that. All she knows is, she
went in and saw it and sees that Yves St. Laurent is $5-$6 more. Why? It had
no premiere position on the floor. It had no isolated section that said de-
signer collections. It had no sales girl to explain why. If I took a football
field and I brought you out to it and said, "Here are three cars. This is a
Rolls Royce, this is a Jaguar and this is the best car made by Buick." And
with you knowing nothing about cars, without me going into detailed descrip-
tions, it would be pretty hard for you to accept the fact that Buick costs
$12,000 and that the Rolls Royce costs $95,000. In your opinion, unless you really went into it, they both have four wheels; they both have engines; and they both go. Now why would one cost $12,000 and the other cost $95,000? Why does this bra cost $10 and this bra cost $20? We need somebody to explain why. That's why we failed in designer lines. But, designer lines are important to have. The whole history of Warner's as an innovator, we'll be back in that business. At the same time, there are some very definite things going on in retailing today that would say to the stores, the way the good stores, the good brand stores, must go is the premiere brands and designer collections. So basically that is about as much as I can tell you about the recent history of Warner's.

Q: Well, that's fabulous. It's a great history. Bob, there are a number of other facets of this business about which you clearly know so much. Would you share with us some of your thoughts on this with regard to production and, any other topics which seem to you to be meaningful.

A: Well, first of all, as Jack, I'm sure, told you, the company was originated by two doctors, and they were in McGraw in New York, and the game was doctors making makeshift corsets, so to speak, to help women with their back problems. They became so renowned at this that people were coming from Boston, New York, to avail themselves of these doctors to help their back problems. The business of making girdles or corsets or back braces, or whatever you want to call them, became better than the doctoring business. They started a plant and manufactured these items. It was clear that McGraw, New York was not a large enough resource for the
sewing that was needed for this. Bridgeport, Connecticut was kind of a Mecca for this kind of business. A number of companies installed head­quarters in New Haven, Connecticut. La Resista, Crown Corset...There were five or six companies headquartered there. Large amounts of foreign women who were very willing to sew were there. So they began manufacturing bras. As a matter of fact, before the war--World War I--Warner's was the largest manufacturer of corsets in the entire world. All done in Bridgeport, Connecticut. And if you read the history of the company, some of the things that they did...For example, there's a large building in Bridgeport, Connecticut, the first to provide relaxation for a woman who sewed all day long to come over for a half hour and read magazines and play ping pong, as a break away from the hard work they were doing. Anyway, as in all industries, the union came in and costs kept going up. The New England area, which had its base in shoes and textiles, when the heavy industry moved to the Midwest, was now losing its foothold, and the textiles business was moving South and Warner's moved with it. We wanted to stay in Bridgeport but it just was not feasible with the high cost of operating. We went to many Southern plants and continued our march through the South, into Puerto Rico. As industry went South....There's no question that sewing is hard work. As we got strong holds down South, people came in, like television companies. All a woman had to do now is put a picture tube in a television set, as opposed to sewing bras. As we would lay them off, temporarily, when
business was bad, they never came back. It became a very difficult thing. That drove us offshore more, into Mexico, the Dominican Republic, a lot of places where today a major portion of our bras are manufactured offshore.

Q: By offshore, that is to say, you mean the Caribbean and parts of Central America.

A: Yes. Right. That's where a major portion of it is done.

Q: What about Taiwan, Korea and Hong Kong.

A: Well, there is, in some of the other divisions, particularly White Stag, a major portion. But we do not tend to go in that area. We, because of our time and the way we work, the way the laws are set up, find it much more profitable to work in the Caribbean, Mexico and Central America. The time might be when we would consider going to Taiwan and other places. We've got some plants there. One of the things that is unique in this business is that it is a great entrepreneur's business, and anybody who has a good idea can get into it. When I came into this business, in the middle of '54-'55, it would not be unheard of for a large store to carry 100 brands. Not 100 styles, but 100 brands.

Q: If there were 100 brands.

A: Oh, yes. And all it took to start up a business was a little capital. All you had to do was get 7-8-10 women, depending on your size, that were willing to sew bras; get somebody who would kind of design it, buy the materials, manufacture it and go out and sell it. Many of these people set up companies; they were one man companies, that
blossomed into gigantic businesses. Sam Stein was a window dresser who de­
cided to get into the bra business, who had a wife who knew how to design, 
and in a few years developed a tremendous business and became a multi-million­
aire. There were sector companies; companies who, for example, only distrib­
uted their product in Detroit. Or New England. Only in California. Small 
companies that were willing to sell one city, like a beer distributor. You 
know. Like, who ever heard of Schaeffer beer in California? But that was the 
nature of the business. $400-500,000 with a profitability of $50-60,000 in 
the '40s and '50s was a nice business to be into. Plus everybody was into 
it.

Then things changed in the stores. With the proliferation of 
branches, the small store became antiquated and outdated, only the very best... 
Every time a Wanamaker or a Woodward & Lothrop or Marshall Field opened up a 
branch, they literally drove 15 stores out of business in that area. And some 
lady who lived in Mayfield, Illinois now had the Marshall Field branch there. 
And there was no reason to go to that Mom and Pop dress store down the street, 
or the girdle and bra shop of so and so. Now, as they gained in strength, 
they became more difficult to do business with. They wanted a lot of safe­
guards. They wanted a lot of services that small companies were not equipped 
to give. When I started in this business, you sold the product to the buyer; 
the buyer's job was to sell the product. She had sales girls who sold. 
Those sales girls counted the stock. Your job was to come in and sell addition­
al merchandise. It got so... One of the things I think was a bad thing for the 
total industry, a good thing for the genius who started it, was Playtex. Play­
tex came in with an idea, and their idea was, 'Here's a product that's unique. 
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Now we'll put it on television; now we're going to distribute it widely." In their zest to distribute it, they got what I would refer to as robot selling habits. Not sales people, but ones who went in and counted the stock, turned the stock in, and before you knew it, they were selling many, many more bras than we were able to sell. And we had to adopt some of the tactics they had used so successfully. Now we were going into stores, selling the bras. Then you would continue to come and see how many they sold. Then we would write the orders on their order blanks. Now, if it didn't sell, we'd take it back. Now, we advertised and paid for the advertising. They came to us with booklets and said, "Here is how we have to advertise our product. It will cost $1,000. You'll do $100,000 with me, give me the $1,000." All of this began to be built into the cost of the product, and the product became more and more expensive, and more and more services were offered to the stores. They didn't want to take markdowns, they didn't want to... If something didn't sell, they'd want to return it. And consequently, only the very largest could exist in this environment. It's like you and I deciding we want to get into the automobile business. And there's General Motors and there's Chrysler and there's American Motors. It's almost impossible to get into it. Because we don't have the resources to do it. These small companies, that were run by a guy, who had 50-60 girls working for him; he didn't have the where withal to have people going and counting the stock. He didn't have co-op advertising money. If it didn't sell and he's got to take it back, what's he going to do with it? Consequently, they tried to exist in an environment they could not exist in. It's like a pussycat going out in the jungle. He's going to get eaten alive. And they did. By leaps and bounds. One by one they fell by the wayside. And even

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the very big ones fell by the wayside. The Jantzen company, Surprise Bras, Formfit-Rogers became a shadow of what they were before. And only the well managed, strong companies came out of this, like Vanity Fair and Warner's. Even today, Hollywood-Vassarette is hanging on by its fingernails. And the entrepreneur became non-existent.

But at the same time, everything is like a big clock going back and forth. And what was will be again. And as these things happen, it will come back to the entrepreneur, who will come in and offer services that the store cannot offer because of what they are now. Kind of like a...You can go to the best food store--the A&P or First National--and it's huge. Maybe it has 75,000 sq. ft. where they're selling food. Next door could be the very best delicatessen, with prices that are twice as high as next door, and he can flourish, because he's offering services and quality that the store can't.

And you'll see, in my opinion, people come back into this business that will flourish because they will offer something that the brand can't offer. There's too much sameness today. There's too little creativity. And the stores have made the manufacturers like this, and the manufacturers have made the stores like this, and there is, in my opinion, a lack of entrepreneurship that must come back to the retailing business if it's going to survive the way we would like to see it survive. Now we want everything to be alike, someday Sears would be the only store in America. It's the biggest, and everything would be alike. But people don't want everything alike. If department stores are going to flourish, and they're going to offer brands, that brand must offer some uniqueness, some quality, something that the woman is willing to spend more for. And that is unique products with quality design, and if
we go the route of everything's safe and if it doesn't sell, take it back--here's your markdowns, here's your advertising, everything--We can't exist like that forever. So that has to change.

Q: Have you seen Victoria's Secret?

A: Yes. I think Victoria's Secret...Victoria's Secret, in my opinion, is an indictment against department stores. Here is a company, out of California, who takes the very best designs, puts it in a booklet and sends it out, and says, "We've got better stuff than the department stores and a new presentation. Come buy it from us." Bloomingdale's has just come out with a book because they are aware that we were sleeping at the switch and let this thing happen. But some exciting things are happening again. Business is changing because the climate out there is changing. I think the department stores recognize that they can't run on the track the discounter's on, for the bulk, and their...The way we do business is just not built for it. It's like you getting on a track against a guy who can run a mile in four minutes, and you don't have your sneakers. The buyer in a discount store is buying $20-25 million worth of goods. The buyer in a department store is buying $1 or $2 million worth of goods. So for every 10 buyers I see, I can see one discount store and I'm in business. For the department store, first, they have to be selective in the brands that they present, and a line like Warner's is dedicated to department stores. With our brands, however, unless these things happen in today's market, (some of the things I'm saying about entrepreneurship on the part of the store), the discounter and the department store will get closer together, and will
have--for the want of another word--a homogeneous mediocrity.

Q: Is your company at this point interested in high fashion?
A: Very much so.

Q: It is?
A: Yes. In the '70s and early '80s, we did a lot of achieving, to get ourselves as a major house in the industry. We are now trying to re-establish or inform our establishment that we are a fashion business. This will be done. Hopefully we will be into the sleepwear business the early part of 1984 or the latter part of 1984. From there we'll follow with robes and loungewear. Our whole image at Warner's, although it may not always be personified in the goods we bring out, is we want to be a fashion leader of the intimate apparel industry. That's our hallmark: innovators in fashion.

Q: What happens, though, in a holding company, even though it's you who is the parent, really is the parent, with the...The thing I hear about all the time, about the insistence on the five year plan. It's not terribly compatible with the fashion business.

A: It's one thing.......the Warner's Corporation, in the late '70s to present times, had as its major endeavor to turn a money losing company into a money making company, and to do that, they had to do a lot of house cleaning. Now, once you have done that, and you are a $500,000,000 company, striving to become a billion dollar company, how do you do it? Now, four or five year plans, yes. But at Warnaco's there are fertile lines waiting for fertile ideas. If we go to Warnaco with plans that they perceive as actionable, acceptable, they will definitely relent on profit considerations.
for growth considerations, for additional profit considerations down the line. So, I have no doubt if we go to Warnaco, with well laid plans as to where we want to be, they would be accepted and they would be financed. This is a very well run, profitable company. We have huge resources and all we have to do is have the vision to go where we want to go, and have sound plans to get there. And the five year plan would not at all alter that.

Q: Because that's the outsider's perception.

A: I think that's so. I think that mediocrity happened to the car industry, and they had these kinds of plans. And they had people who were looking out for a future and for a country. It would be pretty obvious to anybody with any sense, in the late '70s, that something had to happen in oil. They saw what was happening in Europe. And it's a small world. And what has happened to oil prices in Japan and in France and Italy and Germany, was bound to happen over in our country. We were living too high off the hog. And it was going to catch up with us. But General Motors and all those people saw it but didn't react to it. And I don't think that's going to happen to Warner's; to Warnaco. When we see what's happening, we react to it. We are reacting, we want to make money, but we also want to grow. And we know we cannot take profit upon profit upon profit of a half a billion dollar company. If you want to become a billion dollar company, what you have to do is lay some of those profits into risk businesses. And I think that's being done. And I think anytime...At least I have the feeling that if we have the plans to go to Warnaco, with reasonable risks, we'll get the okay to do it.