"The strength of Saks future is developing sophisticated, full-line stores ... the thinking is there shouldn't be a new store in an urban or suburban location that can't support a Saks of 90,000 to 125,000 square feet. And a resort store should support a minimum of 60,000 square feet."

"A recession affects a Saks less than it does other stores where discretionary income is more of a factor. This is because SPA customers are genuinely more affluent and willing to pay for what they get. Service is more important today than ever before which is one of the things that makes Saks different than other stores. Price levels of our merchandise are higher than say those of a store on 34th Street because we believe our quality, fashion and service levels are higher. But, item for item, we are not higher in price." (Johnson) "Our competitive prices are the same as those of any other store in the city. We can't - and won't - charge any more than the others." ...realistically, we want to be as good as the best; hopefully, we are on the alert to try to do better and be the best.

"In 1974 Saks started moving aggressively to capture a new customer. As we restructured both the ready-to-wear and mens division we targeted the young attitude men and women who were vitally important to our objective of broadening our customer base. The updated traditional customer is young (somewhere between 20 and 35) possibly married. She buys clothes that fit her lifestyle -- unpretentious, practical, in good taste, not too trendy and never flamboyant.

"The contemporary customer is also young however, she is normally a city dweller, working in a creative field. Her clothes express her moods and she wants to be noticed. She may have a budget but she usually goes beyond it.

"We developed a department designed to serve a trendy, young thinking, sometimes avant garde male customer. He was probably between the ages of 16 to 25 and wanted what was new in fashion and maybe a little bit different. This department was called "Early On". Simultaneously we developed a department catering to a slightly older but still young traditional customer between the ages of 18 to 35 "tasty" and alert to changes in menswear, many of these men were wearing suits and tailored sport jackets for the first time. This department was called "Update".

"Saks Fifth Avenue has always enjoyed a national and international reputation. In every case the store entry into a new market has proved both successful and immediately profitable. Surveys we have conducted in many markets rated us excellent in service and outstanding in product quality by both customers and non-customers in the $25,000 plus income group. Our
stores image and community standing get high marks and the opening of the Saks Fifth Avenue store is felt to enhance the community it is going into."

"Fashion leadership and fashion authority has been our continuing thrust."
ALAN JOHNSON - 12/7/89 - SAKS - BUSINESS IMAGE

AJ: Well whatever it was in, it didn’t mean anything because that wasn’t the right age.
Q: I see.
AJ: He was the true Renaissance man. There’s no question about that.
Q: It is interesting when you say that he was the true, first of all should we identify the fact that we’re talking to Alan Johnson and a good friend of FIT and a man long linked with Saks Fifth Avenue and it’s history and it’s early history because he had the opportunity to work also with Adam Gimbal but his father preceded him. Was that a direct line switch. If your dad was the same age as Adam, why did your father retire?
AJ: Well that’s a bad story.
Q: It is a bad story?
AJ: Yes. It led to, off the record on this,
Q: That’s okay, I’m just for me,
AJ: I want this off the record. I don’t want it on there.
Q: All right. Stop it for a minute.
AJ: Everybody in the business and everybody in the company ...
Q: I heard some wonderful things about him from some
of the people.

AJ: He was very unhappy.
Q: He was unhappy?
AJ: Personally unhappy.
Q: (Do you have it on loud volume ...) I understand he was part of the whole creative development of the store.
AJ: When, my father formally had been President of Bonwitt Teller in Philadelphia and when Adam moved in after our Saks died, Adam was very young. Ed worked for Gimbals, Philadelphia, in his early days and they were very aware of my father's success at Bonwitt's of Philadelphia.

My father is basically a people person and he knew how to handle people very very well. This was the reason that Adam and because they were at that point threatened with unionization, they want somebody that's been feeling the softness that would come into the business. And he came in and pretty much more or less as his partner. My father was Executive Vice President and Adam was President. At that point there was no Chair.

My father came in 1939 and I came after the War in 1945. Adam's son, Jay, step-son, Jay, came after the War too.

Q: Jay was son of Sophie's?
AJ: That's correct.
Q: Second marriage for them. Is it second marriage?
AJ: It was for her. He had never married before. And she was the designer as you probably know. Let's see where am I going,

Q: You were just saying that your dad came and was a partner in the building of the store and was there from when to when?
AJ: I would say that the feeling in the store was directly responsible with my father. But Adam never interfered. I mean he always went along with everything my father wanted to do. They were really a team. And they were much, almost alter egos, they were very close in business.

Q: And then you came.
AJ: I came after the War. I came as a clerk. I had started in stores when I was 13.

Q: Really?
AJ: Yes. I started Gimbal Brothers and Led Brothers in Philadelphia.

Q: Led Brothers.
AJ: And ... then I guess in 1939/40, around there, I went to Gimball, Gimball Brothers in Philadelphia and was there for a while, long enough to go to the shipyard and I left to go into the service. And I had been in personnel work so I got a job as a clerk in the personnel office at
Saks and was eventually made Personnel Director.

Q: We call it Human Resources today.

AJ: Yes, I understand. And then I was made a manager of one of the stores in Detroit. I was there for about seven years. And after that I came back and was made General Manager of the New York Store and then some of the branch stores and then because I had had some, because we had had some, I had some experience in architecture because I had studied a little of it and Adam basically was an architect,

Q: Was he?

AJ: Oh yes. He didn't graduate but he went to Yale Oxford.

Q: I didn't know that.

AJ: Yes. And what happened was in the first War he went into the Lafayette Asperdo (inaudible) squadron flying. Which is interesting because he only had one eye.

Q: And they took him.

AJ: Well it didn't matter there because if you could read you were in. But then after that happened I began to be much more identified with Adam because we worked very much together on the stores and I got into the market end of the stores.

Q: That was what year now?

AJ: I started that in 1954. And then stayed there
Q: And your dad was,
Q: And your dad.
AJ: He left in '65, '63.
Q: '63. And then you took his position?
AJ: That's correct.
Q: You became President.
AJ: No. Became Executive Vice President.
Q: Executive Vice President.
AJ: And Adam was still President.
Q: And there was no Chairman?
AJ: There was never a chairman at that point. And then when Adam got to the point where it was felt he should retire, there was,
Q: Who felt that?
AJ: Bruce Gimbal.
Q: Was Bruce really running it?
AJ: What do you want me to say.
Q: Oh, no, he obviously was.
AJ: What?
Q: He was running it.
AJ: Seeing (inaudible)
Q: He must have been running it if he wanted Adam to
retire.  

AJ: Bruce was the Chairman of Gimbals, Inc.

Q: Right.

AJ: And he took the job over after his father retired. I guess his father died, I don't remember now. Anyway Bruce was trying to call the shots.

Q: I was going to say I thought Saks was always operated such an independent,

AJ: It was and unfortunately Bruce was very jealous of Adam and always felt it was much easier to run Saks than it was Gimbals. Well it's probably true because the way they run Gimbals. But that's something else again.

I became Chairman after a hell of a struggle because he wanted to put somebody else into the job that wasn't qualified and he wanted me to stay there and I said I wouldn't, that I wouldn't work under that person. So we made a deal and he made me Chairman. But at that point, and this is for your information only ...

Q: I'm not going to use these kinds of details. And anything I use I'll check with you.

AJ: Yes, please.

Q: So please just be comfortable with me.

AJ: If I can do that then I can tell you .. story.

Q: Be comfortable with me you know. I'm not writing
for Spy.

AJ: I know. The problem was he had made up his mind he wanted to give the job to Gordon Franklin. And Gordon I had known for years and years, we were very good friends but Gordon had never been prepared for this job and this was one of the things that I had to fight about. It took months and months and finally we came to an impasse and I said to Bruce there’s no point in my sticking around because you won’t listen to me and he said but I don’t want to lose you and I said yes but you’re doing a good job of it because I’m not going to stay. And he said what do you want. And I said I want to be Chairman and then we’ll talk about anything else later. He would not name a CEO. And we tried to work it out but Gordon wasn’t qualified and there was no question about it.

Q: Gordon had come from where?

AJ: He lived at Saks all his life. He was a store manager and then he became a merchandise manager.

Q: He was married to Gwynn Randolph?

AJ: Still is. And he was very good at what he was doing but he had no training for the ... job. And it finally got to a point where it was nothing could be done because the job wasn’t getting done and we had to make a change. At that point I insisted on being named the Chief
Executive Officer but Bruce in his own fashion said yes but let's not tell anybody. I said fine, that's all right. So I had new stationery made with all the titles in it and that took care of that. But strange duck, very strange man.

And then I was on the Board of Gimbals, had been for some time. As a matter of fact it was even before my father left I guess. Anyway went through the time when Larry Tish tried to take over Gimbals and Saks.

Q: I don't remember that.

AJ: Well I'll tell you the story about that. Larry was, had bought into the company and was made a Director, at his insistence because he had a big chunk of the business. Then he made an offer to buy the company at 17 I believe it was.

Q: What year was that?

AJ: 1972, 73. Because BAT came in as the white knight.

Q: Oh now I recall it.

AJ: Then they upped the price to 23 and took over.

Q: And was Wexler there then? Was Norman Wexler,

AJ: Wexler came in in 19, yes I think he had just come.

Q: Had just come.

AJ: Yes. As a matter of fact I just had dinner with
him.

Q: Really? He lives on the west coast, does he not?
AJ: Right now he’s in Switzerland. See I had known
Norman Wexler.

Q: And Dale Hudson.

AJ: In Detroit but I also knew him at Saks. Because he worked with Saks before the War. He came back to get a job and they didn’t have a job that he thought was up to his standard so he left and went to GL Hudson. When I went to Detroit, he was there so we became even better friends. And the story there was that, and I’m really reliving a lot of stuff right here,

Q: That’s the fun of it.
AJ: Some of it.

Q: It’s just the season.

AJ: Yes and when we had to make this change with Gordon,

Q: Gordon was President. And Wexler was what?
AJ: He was nothing at that.

Q: He was nothing at that time.
AJ: We brought him in.

Q: I see.
AJ: To take over Gordon’s job. I had a choice when we made the decision. Bruce offered me two people -- one was
Nick Shapiro and the other one was Norman Weiler. Well I knew them both. One I hated and, that's a bad phrase,

Q: Well you're not the only,
AJ: I learned to hate him later.
Q: Wasn't the only one.
AJ: But I knew Norman and he had some feeling of better merchandise and so forth. I said that's the fellow I'd like to ... Bruce and Norman were friends so that worked out. But then, unfortunately, Norman's age caught up with him because BAT is a stickler for retirement at 65.

Q: So he came quite late in his life?
AJ: Yes.
Q: He came quite late.
AJ: So he was then about '63 I guess.
Q: '62 or something.
AJ: And they had made it very apparent that he was going to have to leave. So he got a job offer from Krensky .. and he went to I. Magnin. At the same time I was having a lot of trouble with BAT because we had a fellow there that knew nothing about the retail business but was trying to run everything, including the Chairman of (REDACTED).

Q: I thought they came in and were very respectful of professional managers and retailing managers.
AJ: You're talking about one person who wasn't. And
he's no longer there. He got out ... I'll tell you that story too. Anyway I was having a lot of trouble and we were trying to find a President and it took a long time to find somebody and I got into this fight with a man by the name of Skully who came, he really was out of a consultant's office and that's really what he was, was a consultant. And finally got to the point that I said look I just can't take this and then Harold offered me a job. He wanted me to go back and become Chairman of I. Magnum to work with Norman and he wanted me to do the same thing I had done at Saks, branch out and do all the stores that eventually done.

And I was very tempted but you know I had been with Saks for a long time and I didn't want to leave and finally I made up my mind that I would leave. And I went to see Ed Skully at the .. House and said I've made up my mind that,

Q: Skully was who?
AJ: He was the consultant kind of guy who worked for Bedis.
Q: As a retail guru?
AJ: No, I wouldn't say that. I think he's supposedly knew something about management and nothing about people.
Q: I see.
AJ: And I finally said well I'm going to leave. And he said but you can't do that. And I said of course I can.
And he said well wait a minute. Then I realized he had overstepped himself and he said I want you to talk with management consultant, I can't think of the name now. I said why would I talk with him. He said well please talk to him and then I realized what he was doing. He was stalling for time because he didn't know what to do.

So I went back and I talked with the man, who was very helpful and was on my side and made it very easy for me. And. Joey Edens, who was then the Chairman of Besie, was a wonderful, wonderful man, came up and we had a pow-wow and,

Q: What was his name.

JA: Edens.

Q: Is he still there?

JA: 'No, he's dead now. But he was a wonderful man. I would say that in that business he was akin to an Adam Gimbal or my father with his love of people. And we went back to the consultant's office and Joe was trying to find out what was happening and finally I looked at Skully and I said look there is nothing wrong with me, everything is wrong with you, you think you know what you're talking about in terms of people, and I gave him some pretty fancy language and finally Joe said can you be down in Louisville this afternoon. I said sure I can. And I did. And we talked and talked and I at this point had almost made my
arrangement with Magnum and Federated and I finally said to them look I'm not going to tell you what this is all about or who it is but you know I have an offer and you should know that. Then he made me an offer to stay and I said well Joe as much as I'd like to be with you, it's not good enough. It's not near what I was offered.

So we talked some more and he finally got the thing smoothed out. And then about six months later this fellow, Skully, was out and I said to Joe what happened. And he said well he tried to do the same thing to you and to me that he did to you. He was trying to tell me how to live and I wasn’t going to take that.

So it was very happy for me. Unfortunately at 65 I had to leave. So I left Saks in '79.

Q: You were younger than Norman?
AJ: Yes. Norman now is 78 and I'm 73. So we’re four, five years.

Q: That’s interesting.
AJ: And we researched and got Bob Suslow and then Bob and I got into the Badis retail office. I became Chairman and Bob was,

Q: It was created then in '73?
AJ: Yes.

Q: Badis Retail. They set up a division at Badis.
AJ: Yes, it was like Federated. It was like Federated.

Q: That was interesting that it took them that long to figure out that they ought to do that.
AJ: They never should have done it.
Q: Why?
AJ: It doesn’t exist today.
Q: I know it doesn’t but why shouldn’t they have,
AJ: Because they suddenly became 400 people they didn’t need. I mean it just piled, it was something I tried to counsel them about but Bob was determined.
Q: Bob Suslow?
AJ: Yes. And he wanted to have hands on management, which you can’t do with that kind of a business. You have to trust the people.
Q: How long was he at Saks?
AJ: Bob?
Q: Yes.
AJ: He came in '76 and then he left the same time I did, in '79.
Q: So he was only at Saks for three years?
AJ: Three years. But then,
Q: Then he joined the retail thing?
AJ: Yes.
Q: And who did he put in place there, Erinson?
AJ: Yes. Erinson came.
Q: Erinson came.
AJ: Yes.
Q: But wasn't Seelow with somebody else? Wasn't there another person with Seelow that was key during that period, that three-year period? No?
AJ: No. I mean there were general merchandise managers but there was no one key.
Q: No one that was key manager. That's, so it was Seelow and then it was Erinson.
AJ: Yes.
Q: And Erinson lasted how long?
AJ: Well he took Bob's place when Bob left.
Q: He went to Badi.
AJ: He went to Badi, yes.
Q: How long did he stay at Saks?
AJ: Well let's see that would be '79. I guess about, let's see when Bob decided to leave I was off the board and then they asked me to come back on the board because Bob was leaving so that was around '82.
Q: So he wasn't at Saks very long either?
AJ: No.
Q: What was the whole point of taking people from Saks
and putting them on the board of Badis and always looking for new people at Saks?

AJ: Well I'm not sure that that's a valid criticism because at that point they were trying to build something. What the big problem was Gimbals. And unfortunately Gimbals had, I don't remember how many chief executive officers Gimbals had. Everybody had a different point of view on what it should be.

Q: So that in stead of them getting, so their answer was to get the smartest people from Saks to go to Badis to engineer Gimbals?

AJ: Both.

Q: But in the meantime you had no continuity of vision at Saks, right? What was happening to Saks during those years?

AJ: Well I'd have to agree with what you're seeing. You see for instance today, I was on the Board for three years after the second time, the first time.

Q: Saks or Badis?

AJ: At Badis. They asked me to come back when Bob left and then they asked me to sit down with Mel Jacobs to talk to him about what was happening or what should be happening at Saks.

Q: Mel came? Or was already on? They chose Mel
already?

AJ: Well he came into, when they took Carl Aaronson from,

Q: To Badia. They brough Mel Jacobs in and Tansky followed?

AJ: No Partansky was already there.

Q: Tansky was already there.

AJ: He was the general manager, merchandise manager where he should have stayed but he’s now President and unfortunately you ask about the continuity, see I can’t, at this point and at the risk of sounding like sour grapes I’m not because I’m out of it and I have nothing to do with it. But I know what it use to be. You look at that book and you’ll find out what it use to be.

Q: Well that brings up an interesting question that has been going through my mind and as a matter of fact (Lynn) obviously a new generation person and I’m trying to share with her what the legacy of stores like this was all about. You said that Adam was a Renaissance man and you know obviously I’ve spoken to other people and they’ve told me not only about him. But I know that this was the era of the (Escabosis) and this was the era of the Stanley Marcus’s and these men were peer professionals who understood what,

JA: So was .. Holding.
Q: And Hoping, what the quality of retailing was. But it was easier to be a quality retailer than, as I said to her now and I want you to correct me,

AJ: I don't . . . at all.

Q: I don't want to leave her with the impression. Let me tell you what I told her and then you please tell me. I said that we in that period of time when these stores evolved and these men really were row images of their stores, they were identified with their stores, their name was the store, they were the name of the store in many cases. When that period, in that period, their focus on society as a customer segment for them was narrow. It was an elitist market. It was a group of people who had the affluence, who had the taste level and who represented a certain level of society.

What has happened now that makes quality retailing more difficult, I think, is that there are, that there's a very diversified market of people for quality products. That there isn't a singular segment of society anymore that wants the best. That the best can come from not only different economic groups but certainly education groups and that as a result of that, you're playing to a larger field of people who want quality.

AJ: I think that's true. I think that's very true.
But there's another dimension to this and that is that the visions came from a different point of view. Yes, they did know their customer. They knew their customer personally.

Q: They lived that life.

AJ: They lived that life, yes, I understand that. But today what is happening, there’s only one thing that determines whether you’re good or bad and that’s the bottom line. Quality no longer is the great big factor. And that’s my opinion.

Q: But that’s the end result. That is also the bottom line in reasoning. You know to use a metaphor, that’s the bottom line in reasoning. Why has that, however, happened? It has happened because we have a completely different criteria for the growth of our organizations. Let’s take Saks, because you were there when it began to grow. In the beginning, as I can track it, in the beginning Adam knew these people because he lived that life, he and Sophie. He followed his customer which was, and has always been a wonderful concept to teach people. You follow your customer wherever your customer goes. So if his elitist group of customers went to Palm Beach or if they also lived in Troy, Michigan, because they were part of the automotive elite lifestyle, he could understand it. He could even understand what was the beginnings of bi-coastal commuting of a group
of people who moved from the communications business east to west, he discovered Beverly Hills. At a point where Saks began to see that it could transport the identification, the values, the standards of Saks Fifth Avenue to mainstream America, you were there. That was what year, the 70’s, the early 70’s, right?

AJ: I’d say 60’s.

Q: Well late 60’s.

AJ: Actually Adam was part of that. Our big plan.. started in 19, I guess it was ’73.

Q: And which store was that?

AJ: Oh lots of them.

Q: Well which ones in the beginning? Which cities? Can you remember?

AJ: I’ll show you .. thing. Every store that’s been built.

Q: All right so let’s say they were now center city stores in what we call,

AJ: They were all kinds of stores. See what happened in the beginning, let’s go way back now, the Beverly Hills store opened in 1939 as a shoe store. It wasn’t Saks in total, it was a shoe store.

Q: Only shoes.

AJ: Only store, a shoe store.
Q: Isn't that amazing?
AJ: Now what happened, the man who owned the store, that bought the property was a man by the name of Cord. Cord Automobile, that was Mr. Cord. He took a flyer and he said I think you're going to be more successful than you say so we're going to make the building a little bigger, which they did. And it went in pieces. That store was built in pieces all the way along the line. Chicago, that store opened in 1929.
Q: So that was the first big city store.
AJ: Chicago.
Q: Chicago. And your customer base was still the affluent, still that,
AJ: Well let me tell you what happened with Chicago. Chicago was a store that had it's own staff, own buyers and everything else, had no connection to New York. And they went down the tube. They really were a bummer. To the point where the Gimbal people said, and .. in particularly said enough, we don't want to continue with this. Adam said give me another crack, we'll do all the merchandising from New York. And that's how that started. One year after. So the central buying,
Q: Began then.
AJ: Yes. Then what you said is quite true. They had a
store in Greenwich because of the,

Q: They were still thinking of mass, suburban.

AJ: Palm Beach opened in 1926, I don’t know if it was '26 or '27, around there. Miami Beach was pretty much the same kind of thing. That’s a long time ago. Detroit opened in 1940 and I don’t remember,

Q: Forget it.

AJ: So what are there, 44 stores, 45 stores.

Q: Got that. The important thing was that it was when Badis with it’s deep pockets came in, as I understand it, that the real explosive growth occurred and the growth changed in perception. Was that America now was ready for Saks Fifth Avenue everywhere. That there was a constituency of people now all over America, including Minneapolis.

AJ: I think that, 

Q: That could afford the quality, taste level and standards of a Saks Fifth Avenue.

AJ: I think that’s a fair statement.

Q: What are you going to do with all these documents? Are you going to will them to the college?

AJ: No.

Q: What are you going to do with them?

AJ: I don’t know, haven’t thought about it.

Q: I wish you’d think about giving them to the, we’re
starting a Master's Program in retailing/marketing. It would be important to, have you thought in terms of possibly doing a special lecture series, Alan?

AJ: I can't.

Q: Well then maybe you should see,

AJ: Since my stroke, I don't have very good ...

Q: You do very well. I don't know why you keep saying that. You do very well.

AJ: Because I feel it.

Q: Well you should think about what you want with your archival material and I think you could think about, which business school did you go? Did you go to Columbia?

AJ: No. Warton.

Q: Warton. Well are you thinking of giving it to Warton?

AJ: No.

Q: Then give it to FIT for God sakes.

AJ: Well we'll see. I'm not trying to be difficult. I haven't thought about it frankly. There is, I had a plan, I don't know what I did with it now.

Q: You don't have to give it to me now. You can find it.

AJ: It was written in 1976. What we did, we took every city across the country and we evaluated that city in
terms of economic structure and so forth. And we knew about when we were going to ... going to be. [And there's no question that the affluent society,]

Q: Has diversified.]

AJ: Yes. No question about that.

Q: And from my point of view that makes the business of quality retailing for stores like Saks Fifth Avenue that want to preserve a certain quality level very difficult because you're not into a mass, there's what I call a mass class market, and developing a retail operation for a mass class market is a lot different than developing it for an elitist market. Is that not true?

AJ: I guess that's generally true. But you look at the what's the name on the west coast is now coming to White Plains in Altman's space.

Q: Norstrom?

AJ: Norstrom.

Q: But that's not a mass class.

AJ: Well they do a hell of a job.

Q: They do a hell of a job but it's not the way Adam Gimbal perceived his store.

AJ: Couldn't be.

Q: That's my point. I'm saying is that,

AJ: But they are doing it better than anybody else.
Q: All right. So they’re doing, they recognize what in a sense Saks Fifth Avenue was presumably recognizing when Badis said okay I’ll give you the money to march across this country. Now what did happen to the mission that was laid out? Who was responsible then for changing the directive.

AJ: See I’m trying to tell you this. What happens is that you get into these conglomerates, which Badis and BAT is a conglomerate there’s no question about that. They are motivated only by their profit. They don’t give a damn how you get there frankly. If they did, Saks wouldn’t be on the market right now.

Q: Well you know this assault from Goldsmith is not an easy one to put off unless you start selling off. I mean this is happening all over now. You’ve got another, you’ve got a totally different climate. I don’t blame that so much on Badis as I blame it on President Reagan and the whole,

AJ: Not that, Reagan had nothing to do with it.

Q: Didn’t he?

AJ: No.

Q: Didn’t he create the climate for all of this takeover?

AJ: No.

Q: No? Who did?

AJ: I can’t tell you who did it but Congress has the
ability to do it and they don’t do anything about it.

Q: So then let’s say we did it to ourselves.

AJ: That’s right.

Q: You don’t want to blame the President,

AJ: No, I don’t.

Q: He’s my super dad so I have to say that he could have, I mean I grew up in the time when we had anti-trust. I mean that was a real fashionable thing to you know we kept the big tycoons from eating up everybody. We now had a Pac Man business society where everybody gobbles everybody up. Now I don’t,

AJ: It doesn’t happen in other countries. They don’t allow it. Just take Great Britain right now for instance. They don’t allow it unless they say it’s okay. And we should be doing something here and the whole thing with junk bonds and all that business, it’s a tragedy.

Q: That’s right.

AJ: But that’s part of the greed.

Q: Well I don’t know who set the role model for greed but the Reagans did a pretty good job.

AJ: They didn’t help it.

Q: They sure didn’t help it. In any event, help me see what were the high points for you in the years that you were there. What would you want to see recorded? What were
the high points Alan? What were the big, memorable things?

AJ: I think the results, number one, were I think they were great. And I predicted in 1986 we would have a billion-dollar company and we did become the billion-dollar company in 1986. That was all part of our plan. But I think the most important part,

Q: And you left when?

AJ: In 1979. But that's all, you look at your women's wear and all that business, all the interviews. That was predicted that,

Q: You predicted it but what do you remember as the time that you were there? What was wonderful?

AJ: Well the people. The biggest part,

Q: Which people do you remember?

AJ: All of them.

Q: Name some for me.

AJ: I used to know 75% of the people by name around the company. I was very involved with the people. My father was very involved with them. Adam was very involved with them. That was the way the business was run. Today it's a very impersonal business.

Now maybe you can't avoid that because it's so big today.

Q: They talked to me about the people who are there,
who are still there 40 years,

AJ: How many are left.
Q: They brought me two or three.
AJ: Who are they?
Q: Charlotte something or other.
AJ: Charlotte Kramer?
Q: Yes.
AJ: I hired her as a sales girl.
Q: I know, I know. They trucked those people out.
AJ: Yes. So who else?
Q: And well who were the other two?
?: Janet Reese.
AJ: Janet Reese, she was a model at Sophie’s
Department.
Q: Right. And then a man,
?: Sid Mayar.
AJ: Sid Mayar. He’s a man with a nerve pulled out.
Q: What does that mean?
AJ: He’s been demoted.
Q: There’s another, there’s an uglier way of
describing that, right. Well what should be said about Saks
Fifth Avenue? What kind of store is it today from your
point of view? Where does it stand in the retail ..

AJ: I am very confused about Saks Fifth Avenue today.
All I have to tell you is that I look at the newspaper ads and this whole business about the sale of Saks Fifth Avenue, every God damn ad is something about sale. It isn’t a sale unless it comes from Saks Fifth Avenue.

What use to happen at Saks Fifth Avenue, and maybe it can’t today, there were two sales a year. And when they were sales, they were real sales. It was merchandise that came out of stock. They weren’t special purchases. So that the merchandising of the company was totally different. We made our commitments and we took our bath if it was indicated or we had a great success if that was indicated.

I think we were a hell of a lot more innovative.

Q: Who can do it today? Even Barneys is sending me notices about sales you know.

AJ: SO is Brooks. I just got a letter from Brooks the other day.

Q: I did too. So who can do it? So what’s happened? What has happened, Alan? You’re the historian. Tell me what’s happened?

AJ: I’ll tell you what’s happened. I think you talk about Brooks, they’ve got a problem because they’re owned by the people in Britain who are trying to make it a popular store. They’re going to put their price lines in there.

You take a circus that they’ve had at Bloomingdales,
that’s going to come to a close, a real bad close one of these days. They can’t keep that up. They haven’t been making at any money at 59th Street. And it’s never been a really big money maker to begin with. Because they put a lot of money into promotion, and they’ve done it well. But you know when you run circus for so long, you run out of acts. And I think they’re going to work into that.

I think Saks at this point is trying to be too many different things to too many different people. And I think they ought to decide what their act is and stay with it.

Q: Don’t you think that’s part of the problem is what we just got through saying is that they know that there are more people now who can afford better and so they’re not drawing a line on,

AJ: I wish that were true but when I look at the merchandise, that’s not good merchandise, it’s cheap merchandise.

Q: You don’t think there’s enough better stuff there?

AJ: Yes, they got a lot of it. But the way they present it, I look at a coat, a coat that the ribbon type coat in the better apparel department, $10,000 coat, on a rack. I mean I don’t understand that. I don’t understand the whole third floor and the way they present merchandise.

Q: Have you ever had a conversation at all with Mayar?
AJ: One.

Q: What do you think he’s trying to do?

AJ: I don’t know. I know he’s not interested in history. And I think that’s part of the problem. Not once has anybody ever called me or any of the people who were at Saks to say would you come down and talk to me about what happened in those days. Is there anything we can learn. Nobody.

Q: All right so tell me what, if I said that to you, what would you tell me today?

AJ: Oh I don’t know if I could tell you today. There’s too much time passed by. There’s too much I don’t know. There are too many things about it, too many figures I don’t get. I use to have a pretty good command of the business because I knew what was going on. I don’t know anymore. And I would hesitate to say that, see I can’t even say what they were doing is wrong. Maybe it’s what they have to do to survive. Now I don’t know whether that mean survival of the company or survival for them. I know that the kind of contracts these people have today is ridiculous.

Q: You mean management?

AJ: Sure compared to what we use to work for. But that again has nothing to do with,

Q: What’s the best thing about Saks today?
AJ: I think Saks still has a fairly good reputation. I think they’re riding their reputation pretty well. I don’t know that they’re adding to it. And again I’m not privy to all of their thinking.

Q: How much of what Adam left is still operative? How much of his legacy, of his vision of that store is left?

AJ: The name.

Q: Period?

AJ: No, I don’t think I could say that.

Q: What else?

AJ: I think there are still a few people that have the feeling of the company. You talk about Charlotte Kramer. Charlotte today, I don’t know how much she really contributes. She’s in her late 70’s today. But she commands great respect in the market.

Q: How about Helen O’Hagan?

AJ: Helen I don’t really know what Helen does. I think she does know the people in the designer areas. I think she knows how to put a party on. I don’t know what she’s done about publicity. I’m not aware that Saks has gotten great publicity over the years. I think Helen is a fine person. I think Helen was a very close friend of Sophie’s. Basically one of the fights that Bruce and Adam had was because Helen, in his opinion, Bruce’s opinion, was
trying to spend all the time on Sophie but did nothing for the rest of the store.

I think Helen is a very nice person. I don't think she's the top gal in publicity, I really don't. What's your opinion of Helen?

Q: Well I just met her. I had only known her by reputation and I've always obviously knew more about Ellen Salzman then I did about Helen O'Hagan. And I recently learned that they work very closely together and there have been people who told me that Helen did more than Ellen but that Ellen got credit for it. So who knows you know. Unless you've been there.

AJ: I don't know about that. I think Ellen was a pretty good gal. She's gotten herself a hell of a job I can tell you that.

Q: Yes.

AJ: It's interesting that that's the job that Mel Jacobs .. then.

Q: Right. It's also interesting that she turned him down and he is such an ego centered person and so corporate pride that he took her back, even though she turned him down.

AJ: Who?

Q: Ellen. She was offered that job four years ago.
AJ: Oh I know that.
Q: And I never thought he’d offer it to her again.
AJ: Well I think there was a, I think she’s a good person. I think she’s done a good job.
Q: She has visibility. She has high visibility and wherever she is, there’s PR. So whether she makes the PR or whether she is the PR focus, I can’t tell you. But my God they quote her continuously.
AJ: Who Ellen?
Q: Yes, Ellen.
AJ: Yes I know.
Q: So instead of quoting Saks Fifth Avenue, they’re now quoting Macy’s. She use to have Macy’s.
AJ: Well I think her husband, Rene, is also very smart in that area.
Q: They know how to work the press.
AJ: Yes, I think so. And his daughter does it another way.
Q: She’s at both.
AJ: Yes.
Q: Right. Let’s talk a little bit about retailing and the college. What do you think and what do you know about what it’s doing?
AJ: I’m not sure that I’m as close to it today as I
use to be. I have great respect for what the school has done.

Q: What do you think they ought to be doing considering what's happening in the retailing field now? How can the school educate young people for an industry that is in such shall we say flux and such turmoil and is breaking apart and coming together in so many different fragmented ways.

AJ: That's a hell of a question.

Q: But you've got the historic reference point to give me the answer. What would you do? What would you do with this school at this point in terms of preparing young people for this industry? What would you tell them is their future in this industry?

AJ: One of the things that I have felt very strongly about, not about the school. I really am very upset with the 'B' schools.

Q: Business schools?

AJ: Yes. Because I think they have done nothing to prepare people to deal with people. All they do is prepare them to deal with figures. And that's the bottom line syndrome and the thing that has made it very difficult business today I think.

Q: Mrs. Warton too?
AJ: Sure, all of them. Now I think they are trying today to do something about that because they know, have recognized it. How far they've gone I don't know but in the reading that I've done, I'm aware that they are approaching that problem. I think that's part of the thing that FIT could do, try to get the business to become a hell of a lot more human than it is.] I look at the people at Saks. Now, unfortunately when I go to Saks the people that know me obviously have to come over and tell me it's not the same and that's stupid because it never would be the same.

Q: They say that to you?
AJ: Oh sure. But they do that because they think I want to hear it. I don't want to hear that. I know it's not the same, it couldn't possibly be the same.

Q: Because the world is not the same.
AJ: That's right.

Q: That's an important, that's a very important, honest answer. How could it be the same, the world is not the same.

AJ: It can't be. But I think what happened is that management itself wasn't smart because a lot of the little things that they use to have at Saks because we thought about people, or at least I think we did, they did away with. We use to have what was called a Board of Directors
from people in the store. Use to meet every month. They were elected. Now supposedly this is illegal, you can't do that because that's suppose to be union busted or something. But we did it. And I use to run those meeting every month and these people could come up and ask anything, any question they wanted and we gave them an answer right there. We didn't fool around.

We use to have a very big chorus society that, had about 120 voices, use to give big concerts. We had a camera club where people, gave them a dark room. Not a big deal but there are people in the city who has no place to go after work. They're alone. So you try to do things that would challenge them.

I can remember a bowling league that we did because again there were people at night had nothing to do so we gave them something to do. We had shopping services that we would try to find the people who are giving good service and then we would give them a letter and we'd give them a dollar bill every time they got ... shopping thing. And they had so many shopping, then got something else. And we certainly tried to build, because we were trying to build the people. To me that's a very big part of the business.

Q: Well Norstrom understands that.

AJ: Of course they do.
Q: Then let me ask you the $64,000 question. If the role model for good retailing for this moment in time is Norstrom and if it really is there for everybody to see and understand, why aren't other people doing it?

AJ: It's a hell of a good question and I don't, I don't know that I can answer you. I've raised the same question.

Q: You know it's one thing if we didn't have it as an example, it's one thing,

AJ: Let me give you an example of the thoughtlessness that can go into management. The name will, I'll not tell you but there's a lady on one of the floors at Saks who has been asked to do something in Paris because the other person is dying, couldn't do it. She went and did it. She's a sales person. Probably the best in the city. I don't know what she sells, maybe a million dollars a year.

She went over to Paris, made the buy that they wanted her to buy and then came back, spent her own money to have clothes so that she would look right. She got a thank you, that's all. Never gave her a nickel. So I talked to her a couple of week ago and I said well didn't they do something for you. She said no as a matter of fact we use to get reviews twice a year and now they've cut it to once a year and last time I use to get at least a raise every six months and now I get it once a year and it's about half what I use
to get.

So what they’re doing is they’re beginning to squeeze people again.

See I think this is a cardinal sin in my book.

Q: Well they’re cutting down on expenses, aren’t they?
AJ: I know what they’re doing. Because at the bottom line they say we can use you, come in, we’ll set ‘x’ profit,

Q: Figures.
AJ: And if you can’t do it, then you’ve got to strip everybody on the way down. First it does is effect service. That’s what happens to these businesses. Why do you think the little stores on Madison Avenue are doing so well, some of them. Some aren’t.

Q: Some aren’t.
AJ: But there are a lot that do. It’s unbelievable.

Q: Do you think Barney's is going to be able to expand?
AJ: They did.

Q: No but I’m talking about,
AJ: You mean the dollars?

Q: The expansion program that they have,
AJ: One in Dallas and,
Q: They’ve gone to Boston already and they’ve,
AJ: I don’t know, I don’t know.
Q: Can you hold that? You see this is the question. Can you get that big and still retain that personal mission?
AJ: Here again that's a good question because it's a hell of a lot bigger than it was when I was there.
Q: It's what happened to Neaman's. Same thing happened to Neaman.
AJ: Well Neaman is later, that's something else at Neaman's. Not the same thing.
Q: Well what happened?
AJ: You had a good PR man in Stanley. You had a hell of a PR man.
Q: Like Traub is?
AJ: Right. But the people running that business didn't know what they were doing, they never could run the ready wear business--gifts, chocolates, jewelry, they were great for furs. But nothing else.
Q: You said they didn't do well in clothes.
AJ: No and never did.
Q: These are negative times. These are very negative times.
AJ: You know we very close to Neaman's at one time. We use to share figures with them. And so I use to know that business as well as our own. Obviously when, Carter... Hale took them over had stopped. But they were never big
money makers.

Q: Aren't you taking some satisfaction out of what Bergdoff has accomplished?

AJ: Oh I think they've done a hell of a job.

Q: But what's the difference? The difference is it's one store.

AJ: ...store, of course (end side A).

Q: ... And I've returned every single thing.

AJ: I'll tell you why I say this. Do you know Ray Christoph?

Q: Yes.

AJ: She worked for us at the 50th Anniversary doing some work. I gave her all my books with the history of Saks, through the magazines. And she never returned them and tells me that she didn't know anything about them.

Q: Well all I would say to you is you don't even have to take my word for it. You can call Gordon Cook.

AJ: I don't have to do that.

Q: No but the point is,

AJ: I only lent ones you know,

Q: To me the documents, these archival documents are precious and all I can tell you is that they will be not only protected but returned to you. Give me whatever you think will give me a feeling of what it was like when you
were there. What else do you have on the 50th Anniversary? Anything?

AJ: I don't know, I'll have to look. This is part of a presentation I made for them somewhere along the line for BAT. (telephone call).

Q: This is interesting.

AJ: I haven't read that whole thing. I guess I should have read some of. This is pretty good because it might be very helpful to you.

Q: Did you like Bob Suslow?

AJ: Yes.

Q: What do you think of Bill Berda?

AJ: Who?

Q: Bill Berda.

AJ: Oh, in advertising?

Q: Advertising. The fact that you have to think about his name tells me.

AJ: No, no, I didn't have that much contact with him.

Q: Who did you? Who do you think did a good communications job in the company?

AJ: When?

Q: When you were there.

AJ: Well the one that I thought a great deal of was Paul Feag.
Q: He's still there?
AJ: I know.
Q: You think he's good.
AJ: Oh I think he's fantastic. He's probably one of the best, I think he's great. I'm struggling for a word here and I can't get it out.
Q: Great is good enough. Who do you think Saks Fifth Avenue sees it's customer as today?
AJ: (inaudible) store.
Q: And who did you think it was when you were there?
AJ: I think we evolved from the so called carriage stream to the upper middle strata. And then as we went along, we got to the middle and now I think they are trying to get a little bit of everything.
Q: Why did they keep their men's operation so quiet?
AJ: What does that mean?
Q: It's the biggest sleeper in town. Very few people know what a fantastic department it is.
AJ: Well the results would benefit the little ...
Q: In view of what's happening in this country now with men's, don't you think,
AJ: Well I think they've done a horrible job in mens'. I won't buy there anymore. Because they can't take of them. See, unfortunately, there is something else that I think has
to be said about the specialty store operation. Today if, you’re not a success unless you aspire to be a CEO of something. At least that’s the way people seem to think. In my day we had a man in furnishings who was an expert and was the top of the ladder. We got a man in clothing who was a specialist. Specialists to me are more important than some of these generalists in management. And I’ll tell you why.

Talked about Sid Mayar. His greatest weakness was that he could never treat the trained people in their jobs. He would pick anybody. Today that men’s operation is I guess is successful. But it doesn’t stand for anything. We use to have in the old days our men’s furnishings, was probably 75% private label. And we were known by the quality of that merchandise. Today even at designer labels in furnishings that wouldn’t have been heard of. They don’t have specialists anymore. Forgive me but the person they have buying men’s sportswear is a little girl who is about 26 years old, doesn’t know the first thing about,

Q: You were there when Saks Fifth Avenue went on it’s own designer label kick, right? It took labels out of, all major labels ...

AJ: That’s a whole different story.

Q: .. taken out of the clothes. What was that thinking then and who was behind that?
Let's go back. The reason that designer labels and manufacturer's labels went in in the first place was because of the War. So the manufacturer said if I'm going to give you merchandise, you have to have my name in your ad. That's how it started. Adam was the biggest one that they never got along, was Vin Dretti at Izod. He wanted it so bad he could taste it. Adam said I'll do it if you put our label on your stuff. He wouldn't agree. So they never sold it. That was Adam. He felt that the Saks Fifth Avenue label was always more important than designer's name or the manufacturer's name. Certainly the manufacturer's.

Q: So that's also one of the things that has changed today the designer label.

AJ: Of course. Look at the magazines. They would never take, except credit in a magazine if our name wasn't featured. Today they take anything.

Q: So that period, though, wasn't that post-Adam? Wasn't it post-Adam when the decree came, everything is going to be SFA labels? It wasn't the early period, it was later.

AJ: No.

Q: It was 60's?

AJ: No, I don't know how to identify what you're saying.
Q: There was a period there, and it had to be the 60's when Saks Fifth Avenue declared no more will we promote anybody's name but our own. And I remember the amazing thing was Kimberly was in its zenith. They said how could they take ...  
AJ: Well that was Adam, that was Adam.  
Q: It was Adam.  
AJ: Yes, that was Adam. And you remember we were very big into the European copies as what's ...  
Q: Macy's.  
AJ: Orbacks. We were second to Orbacks after,  
Q: It was line for line copy that came from Paris.  
AJ: Yes.  
Q: Do you have a question as a young customer about Saks?  
?: No.  
AJ: Let me ask you a question. Do you like Saks?  
?: Yes I do now. I didn't when I was younger.  
AJ: Why?  
?: Why? If I want to get something good, I go there. I don't think I can find the things I'm looking for like that at Bloomingdales or any of the other stores.  
Q: You do a lot of shopping though when you go home?  
?: Yes.
Q: She lives in Boston, or she came, her parents are in Boston.

?: Yes.

AJ: So where do you shop in Boston?

?: Saks and Lord & Taylors mainly.

Q: Do you shop at Saks in Boston too? That's interesting, isn't it? That tie had to be made.

AJ: Oh I can understand that.

Q: See that tie remained.

AJ: It's a good store.

Q: Do you buy things for Keith there? Ever buy anything from men's.

?: Not really.

Q: So just for yourself.

?: Yes.

Q: So then you shop in the young department in what you think of as a young .. departments?

?: Yes.

Q: Do you shop a lot from their catalogue?

?: No, not at all.

Q: I think that's the most remarkable thing, the SFA catalogue, Folio, don't you.

AJ: I started it.

Q: You started Folio?
AJ: Almost got fired because of it.

Q: So tell us a little bit about Folio. Did you do that with LeBlan, was he there then?

AJ: I think so. I can't remember, no, no.

Q: He wasn't?

AJ: No. That's before his time because that was long before Bob Suslo. No, Doris Shaw.

Q: You started out with Doris?

AJ: Well I didn't start it with her but she was there at that time.

Q: She was wonderful.

AJ: Yes. As a matter of fact, as I think I mentioned, Norman Wexler was in last week and we talked about Doris. She did a hell of a job at A&S.

Q: A&S yes.

AJ: Lovely gal.

Q: Very competent.

AJ: But then we had Marge Cohen. DO you remember her?

Q: Yes. Why did you (start) Folio?

AJ: Probably because we felt that, I had gone through Neaman's situation and went through their warehouse and how they handled their catalogue. The fact that Neaman's had one store at the time or two stores, three stores, wherever they were, but the reputation became almost national. Here
we have a national reputation, why shouldn’t we do something about this. We also wanted to feature the merchandise of the catalogue in the stores so it became an advertising vehicle to the stores. And I had proposed this and this was when Bruce Gimbal was still there, and he looked at me and said nothing so I figured that I had permission. So I went ahead and did it.

Q: Bruce was not in Saks?
AJ: No.

Q: He was in the corporate office.
AJ: But that kind of thing just, he tried to influence anything that had to do with corporate expense or expenditures of any size. And we had to put some money into that to get it started. Well I’m the one that went right ahead and did it. And he came up and you wouldn’t believe what he said to me. And it became such an instant success that he almost apologized. He never did but he almost did.

But Paul LeBlang is pretty much responsible for all of that today.

Q: Oh yes he has grown that business.
AJ: He’s done a great job of.

Q: And he has developed a strategy to identify a younger customer and a more modern price ...

AJ: He’s probably one of the greatest marketing experts
in the country today in my opinion. I think he’s a great, great asset to the company.

Q: Well he seems to be doing the job and that’s the important thing. I’m going to be seeing him in a session with him. So I take this? I take this? What else can I take?

AJ: As I say, I haven’t gone through a lot of the stuff.

Q: Do you ever buy any gifts for your spouse there? At Saks? Would you buy a wedding gift for someone like Pat?

?: Yes, why not.

Q: Where are you buying the wedding gift for her?

?: I don’t know.

Q: You haven’t decided?

?: I’ll just give her money.

Q: You’re going to give her money? Why don’t you buy her a gift?

?: She doesn’t need anything.

Q: Yes, she does. She gets a kick out of getting things. I think she would get a kick out of remembering that you gave her something rather than the money. Give her something, give her a book, give her a wonderful book .. Think about it. Give her something that she will remember she got from you. She doesn’t need the money. She needs
something that will link her to you and what you represented in her life.

AJ: Does she got all this stuff?

Q: I don't know what I got, let's see. I'll tell you. No, I haven't got this. All right. You want to give it to me just in the folder and then I'll go through it and get back,

AJ: No, it won't be in this folder.

Q: I'll give back to you what you don't .. What is Seslow doing now?

AJ: I have no idea. I don't think he's doing much of anything today.

Q: Were you interested in what happened to Edmon? AJ: As a matter of fact he ... and he's working very hard.

Q: On Woody's?

AJ: Yes. Do you know what I'm going to have to do?

Q: What darling?

AJ: I'm going to have to go through some of these things because well there's one thing I particularly wanted to show you and I cannot put my hands on.

Q: Well then don't press yourself now. I'd rather you did it when you were comfortable and I can wait for it, I can wait for it.
AJ: .. and I can't figure out ...

Q: Well don't do it now. I know what that feeling is, Alan. Leave it and you'll give it to me another time.

AJ: See what I wanted to share with you, there was a whole plan that we made up for Saks Fifth Avenue that detailed all the cities, all of the stores, when they would..

Q: So you'll find it.

AJ: I'll try, yes.

Q: You'll find it. I'd rather you did it when you were comfortable and we didn't sit here and give you a sense of time pressure. I can wait for it. Please, enough, come on. Don't do any more honey. That's it.

AJ: That gives you ... everything.

Q: Okay.

AJ: Galensky and I worked on this.

Q: Who?

AJ: Stanley Galensky. Stanley is a man that I've worked with for a long, long time. Started Gimbal's, Philadelphia. He was on the board of Gimbals. Worked at Gimbals in the expansion office and then became the head of the real estate department. But also was a fine and is a good research man. So with him he worked this thing out.

Q: Wonderful. So I can borrow it?
AJ: Yes. That's all, the only copy I have.
Q: Darling, I will guard it.
AJ: What I have, what else I have here,
Q: Do you think Mel is going to pull it off?
AJ: I don't know. I don't know.
Q: Let's talk about it.
AJ: I hope they can do it. I'd hate like hell to see someone get into that and has no real idea what it's all about.
Q: They seem to be optimistic about it. Does it give you a chill to think of Marvin going around with a (push) in his hand?
AJ: No.
Q: No?
AJ: I'm going to share something with you, these are .. talks that I used, that I gave, various things. There is one in here that, speech I gave to the Japanese, which was interesting.
Q: Good. That's really good.
AJ: I think this will give you some, here's Warton Business School.
Q: All right. That's very valuable. That will be wonderful. Let's take the other bag out, honey, and I'll put all this into that bag.
AJ: This was one done in '77. Okay?
Q: All right. Now I'll put it ...