Q: So it's for that and the fact is that this is a way for us to establish that leadership makes a difference because if we're saying that Saks Fifth Avenue makes a difference, it's a matter of historical record. But what is critical is right now what makes the difference because we didn't give the award to Adam Gimbal. We're giving it to the store that has sustained a position in our retail marketplace.

So let's start a little bit like my telling you that I have done a lot of reading in your archives and I've done, had conversation with people before I met you and Mel. And I know a lot more about why everybody is nostalgic about his time and it's time. And they also are very eager to share with me what the dynamic was that Suslow brought to the table. But there's very little about Saks now, in the archives or in even the verbalization of where this institution is now.

BT: (All right bring it in, thank you. I take medicine).

Q: You have a cold?

BT: Well I don't know what I have but at this .. it helps me, it's a miracle drug.

Q: A new age drug.
BT: It's Alka Seltzer Plus. Whenever you have a cold and you take two of those you're cured.

Q: I know but I'm staying away from you because I just got over the flu.

BT: Well stay away from me, I don't want you to give it to me.

Q: I know it's a wonderful product. Wonderful product. It does make a difference. So what I really am trying to say is that you have very low visibility in terms of what the institution is now and I thought,

BT: That's not terrible.

Q: I think if you talk in terms of, I mean it's one thing to hold to a memory. It's another to realize that I think .. we can somehow establish Saks Fifth Avenue USA now, not just then, we will have done something very valuable because what our industry needs is that kind of upper. So tell me why you think you are making a difference.

BT: Well I think we make a difference because we've perpetuated a quality, we've perpetuated the quality that this company was built on. We've maintained the cache and image of Saks. In essence what we did is taken a company to new heights, terms of size, volume, sales, profitability. I think the way we manage our concern to a customer. That's
really our current history is really taking this company from it's past, 1976, when I joined the company in 1977, and moving it into the 80's, 90's and beyond, making it today kind of a company nationally, withstanding it, creating an unusual strength.

Q: The thing that interests me is that in the beginning when Adam saw the need to serve his customer, one of the elements was to follow that customer wherever they played, wherever they went, wherever their second home was, wherever their recreational areas. Your expansion program, particularly when I think of what your last wonderful role model store is in Minneapolis and soon to be Portland says to me that this march across country has represented an awareness that America was ready for Saks Fifth Avenue.

BT: Well when we, when I say 'we' joined the company, I think there are two histories at Saks. I think there is pre-77, there's post-77, there were two different companies.

Q: Can you share the difference?

BT: Well I believe the difference was that pre-77 Saks was a small, bogus company who served specifically, almost dedicated itself to serve a very restricted basis, the upper echelon customer. And expanded into those enclaves well that management of pre-77 period thought was appropriate.

It went beyond, it may have started, did start with
following the Saks customer to their areas of holiday or leisure. Florida, South Hampton. [But it also included Warrensville, the college where we were being educated.]

Q: Where was that?
(BT: We had a store in (Gail).)

Q: Did you?
(BT: We had a store in Ann Arbor, Michigan, .. Michigan.)

Q: I didn’t remember that.

BT: We may have had a store at the University of Pennsylvania, I’m not sure. But we had one in Gail, had one ... ask they’re mayor, he’ll tell you about ... we had one in New Haven and Ann Arbor ...

Q: That was early niche marketing.

BT: Yes. So you know Saks was very very impressive. Thin layer, we were very (inaudible) and positioned ourselves thusly, presented what they had to sell for that customer. And if anything I think Saks pre-77, was an intimidating place for many other customers to shop.

Q: I’m sure you heard it because I grew up in New York that the word was if you want to get waited on, wear your mink coat.

BT: Yes, talk about intimidation. But we were not a comfortable place with .. not masses but for the next group
or two down that ... part of Saks to shop.

Post-77 the difference was that we made a decision to broaden our appeal. That was a key change. It was really the catalyst that was brought along by BAT's purchase of the company in 1974, Suslow's entry into the company in 1976, the man that would make us a large, national chain that would serve more than a single level of customer.

So, we broadened the base, we became younger and more contemporary. And that process started in 1977 and went on to the mid-80s, was fine tuned, some businesses were dropped because had got too low, or the bases that brought too much was pulled back in and about three years ago we started a second process of trading on the, started to identify those areas that we were doing best in and started, and they turned out, it so happened to be that that was the upscale, the better business, better price points ... and we started to put more and more emphasis on those areas and we started to drop many of the lower ... price points.

So the process has been a dynamic one, it's been fluid. But basically the difference between Saks in the 70's, 80's, for instance pre-77 is that we're a store for many many people. And prior to that we were a store for very few people.

Q: What,
BT: Had we continued, had we continued, and then of course we did other things. We expanded, we are continuing expansion program, became very aggressive.

Q: And you chose markets that were?

BT: Well we chose markets around the country that were now developing with pockets of affluence that could support a Saks store.

Q: Were you also aware that affluence was being redefined?

BT: Well of course. We were taking advantage of that. The demographics were changing. Affluence was being redefined. Younger people were earning more. The two family income was becoming a way of life and that was creating more and more disposable income and

Q: Education.

BT: Education, sophistication, travel was all coming together, which was very favorable to Saks.

Q: Exactly.

BT: For those people to be able to shop in Saks was arriving on a new station in life.

Q: But there was also something that was exciting in the fact that you recognized the immobility of America and the fact that no matter where I live it was a Saks Fifth Avenue store, I could have moved from one part of the
country to another or I could travel from one part of the country or another.

BT: Yes. The demographics were such that what was formerly the centers of wealth, recognizable wealth were still there but there were new areas of wealth popping up all over the country. Detroit, Michigan ... we were in Troy, even Bloomfield Hills became,

Q: Tell me a little bit about Bloomfield Hills.

BT: It's an area of high affluence, high wealth in the Detroit area.

Q: It's not Gross Point?

BT: Gross Point is another section.

Q: But I'm just saying,

BT: We happen to be on the, in Troy, in our Troy store we happened to be on the other side of town. But Detroit has areas of wealth that can support Saks store. We have too. You know in the City of Pittsburgh for instance where we have been on the 6th Floor of Gimbals for some 30 years rent level of space, that business was exploding as the city was developing and growing and we were able to move off the 6th Floor of Gimbals and acquire our own store.

Q: When was that, what year?


Q: How do you see Portland now in terms of your
customers?

[BT: I think Portland is another opportunity. The northwest for Saks is untapped and Portland and Seattle represent I think an opportunity.]

Q: I also think Vancouver.

BT: Vancouver .. other cities in Canada. We haven't tapped Canada yet.

Q: Vancouver is fabulous.

BT: I know, I was just there in August for vacation, in Seattle, Vancouver.

Q: Most extraordinary setting.

[BT: The northwest corner of the United States is untapped.]

Q: How do you see the Saks Fifth Avenue customer then on a national basis? What is the, since there is no homogeneity in terms of,

[BT: Well there's homogeneity.]

Q: Well all right what is the homogeneity?

[BT: The customers who are upscale in either earnings or wealth. They have ...] 

Q: Discretionary income.

BT: Discretionary income. So their economics, their income scale ... for the most part. I would say they are customers who appreciate, understand and appreciate and
demand quality both in what they buy and the service rendered.

Q: How do you define quality?

BT: I define quality as being able to buy what is perceivably less available, less pricable. The quality comes into price. And we try to deliver the best quality to customers, we offer. So if you buy a $1,000... here is then $1,000 worth of quality. If you buy a $400 collection, try to give them $400 worth of quality. We try to maintain a quality at the price level.

Q: You used a wonderful word 'perception'. How do you build a perception of quality for let's say a Saks Fifth Avenue store?

BT: You have to deliver every day... You have to live off perception with the real world, reality. Reality is that we have to deliver every customer every day of the week. Every time she enters the store we have to be consistent, consistency... Have to be courteous, we have to recognize her, have to work with her. Unusual, each associate has to deal with the unusual things perhaps to make her, to make each and every one of our customers feel wanted, comfortable and... Saks is the only store.

Q: Since we're living in times where the service ethic is the least understood and valued profession, how do you
get people to embrace that idea and deliver it in a particular classification of business that has not attracted the best?

BT: Well we have to be selective of the people that we ask to join our company and then we have an obligation to train them to make them part of the team so that they understand our culture and our demands and we have to be very careful to monitor their activities, manage the process carefully so that we are comfortable, the same as management comfortable of ... deliver what we want them to deliver. So really want to have everyone participate as part of the process.

Q: How does your training program differ from let's say at this moment Norstrom's or Macy's?

BT: Our training program is well defined, it's professionally put together by professionals, it's administered by professionals and it's, it tries to create, it tries to show our associates the best way to conduct themselves .. our customers.

Q: Would it be important for me to talk to you, the man who's in charge of your Human Resources program, who is now checking out .. on the FIT graduates you have and so on?

BT: Yes.

Q: His name is what?
BT: Bill Lucas.
Q: Bill Lucas.
BT: You ought to talk with people in the (ECR) training program.
Q: WHO would those people, who should I ask? Maybe you .. round table.
BT: Yes well ...
Q: All right, people who do the training program, their criteria.
BT: Their criteria, they'll show you the standards, they have a good follow up, they keep, we have a little newsletter that goes out, we have a follow up. But that, you know training can only be done on a very short term basis. When the training is over, the responsibility for keeping the program going and developing culture of service is in the hands of our store managers, in the hands of our executives throughout the company) And they really have to understand that, we work hard at keeping that understanding.
Q: How are you coping with the fact that there's a rating going on of retailing educated people by the manufacturers at Saks?
BT: It's been going on forever.
Q: They haven't been interested until recently.
BT: Those people who we want to save, we save.. It's
the highest percentage as humanely possible. And we don't. refuse those people who don't want to stay, we don't. And those people, well it's really we know who we have to save and so we do the best to make ...

We ourselves [since '77 have worked very hard to offer opportunities to our people, we have moved them along.] There's plenty of ... (inaudible).

Q: What's your fall out in your training program? How long, do you have a better record?

BT: Bill will tell you.

Q: I'm particularly interested in knowing if tomorrow all of our wishes came true and you and Mr. Jacobs make this your company, what would the big difference be? What would you want to, what would you want to make happen that couldn't have happened before?

BT: I don't want to get into that right now.

Q: You don't?

BT: No. Did he get into it?

Q: Yes, yes, he did. In other words what is your wish book? What would you do different that you couldn't do before? I mean we're at a time where everybody is aware of the fact that of all of the corporate takeovers, clearly yours was a good one, it had some productivity to it, it added a value benefit when you needed it and it helped the
march cross country. But the culture of this company will change if you and he become super daddy. And I'm just curious to know as men who have hungered for this moment to happen, if you make it happen, what would you want to have happen? That's the big story for June 14th I'll tell you that, that's what the industry needs to hear and in their bones they need to hear this.

BT: And that's suppose to be the big secret.

Q: I'm not talking about, it isn't the big secret. Your vision,

BT: It's the perfect secret.

Q: Yes but you're big vision of what you could do with this operation, I'm not talking about whether or not you're going to add you know four departments and you're going to cut down on 12 stores or add 16, I'm not talking about that. I'm talking about the important change that will occur because you now can do it. We talk about the need for leadership in this country, right? We say that one of the things that made the difference was Adam's leadership.

BT: I know we've gone through this a thousand times .. (inaudible). Well I think that in trying to summarize some of the spots isn't easy because there are a lot of specifics and we're getting into, the list is long and varied and some of them are ... other are macro and some of them are micro.
But there are a lot of things that we could do.

Q: One thing. Give me one thing.

BT: But however I don't think that this company is going to go through any revolution. There is not going to be any dramatic changes in this company. Because we think we have a very good product here may be operational changes that you know are necessary, that can be instituted now that ... learning our own company. There will be methods of operating that may be different. But generally to the public eye, I think what we're going to have to strive to do is to be better and better you know always to keep the Saks cache of what Saks has always been. There's not going to be, suddenly become something that we haven't been. We are going to be aggressive, strong, hard hitting merchants and we're going to offer to the public more and more services, better quality of service. And I think that's really what our goals has to be.

In terms of you know what the customer will see, hopefully they'll see just what I've described. I don't see any big change.

Q: Let me see if I can ...

BT: You know what they say? They say if it isn't broken don't fix it.

Q: Let me see if I can simplify.
BT: I'm not here to... If you ask me what I'm doing in the City of New York, we can talk for hours and hours but we don't have a broken... in here.

Q: I'm not asking for you know high intelligence information and,

BT: I don't know what Mel told you so,

Q: And just as well. Just as well. I want your point of view, not his point of view.

BT: My point of view his,

Q: What I really wanted to say was, I guess I'm looking for what you think is the difference when a company is run by a big corporation like Badis, as good as it was, and what the difference can be when two men who have had a passionate involvement with this industry for a career lifetime have a chance to do. And there is a difference.

BT: Well there's a difference because there's going to be, we're going to suddenly have an ability to create, to make decisions independently. We'll be able to move forward on a number of ideas and programs that we wouldn't formally have instituted independently. We wouldn't have to get the kind of overview and approval and supervision...

But that is not major because we really had an opportunity to express the needs of this company and... as we saw fit in the last few years. Last many years actually.
Q: Do you think that your attitude about running this operation will change if you own it versus if you do it for Badis? Don’t you think your headset will change?

BT: Well you don’t know me but my intensity is very high now... Yes I think if anything my intensity .. I’m not sure I can pinpoint when my intensity will grow. But of course when it’s your own there’s a change in your attitude and the way you perceive how a company should be run.

Q: Don’t you think your people will feel that?

BT: I think there will be a change and I think they’ll be watching us very carefully. We’ll be on stage.

Q: I think so. And I think that,

BT: They’ll be watching every move to see precisely what our plan is for the next 10 or 15 or 20 years.

Q: That’s why I ask the question.

BT: And that plan will be formulated but it has to be done very carefully. You know it’s not anything that, there’s not that many grand, sweeping changes that I anticipate because I think that you know we have a fine product here and we know the things that have to be done to fine tune it and they’re underway, they’re always underway. And we did it as part of the Badis group and we will do it as part of our own...

If anything we’re constantly challenging ourselves and
that challenge will probably become more intense in terms of identifying the opportunities, constantly identifying the opportunities, moving very aggressively to push those long more and more quickly.)

But you know that process has been going on. We’ve been doing that. We’ve been successful at it. If we weren’t successful at it, we would have been, ownership may have changed earlier or heads would have changed earlier.

Q: Tell me about the Tower. Tell me what that’s going to have.

BT: The Tower is going to have something we desperately need. It is going to expand floor space in New York ... enormous. Space is squeezing us. It’s going to allow us to stage our store differently in terms of .. to our customer .. Show a way of, the better way to say is to allow us to present a store more to our likings, more to a presentation ... very Saks, very today and tomorrow. And it’s a long (inaudible). And it’s been brought along by the enormous success of the store, been brought along by the .. the space was there...]

Q: Are you a partner in this building or is this primarily the bank?

BT: No, we’re, the building is ours, the store building is ours. The store, which is the first nine
floors. The Tower we're working in conjunction with the Bank, Swiss Bank has developed.

Q: I see.

[BT: So it's a wonderful situation because the developer of the bank, of the building stands behind quality.] The bank .. it's in a way the mentality of perhaps .. high quality building. (inaudible).

So the foundation of that building is really the Saks store. And the quality of our stores,

Q: It links completely to this store.

BT: To this store. Yes. To be able to walk back and forth. The ... top of every escalator is to be able to walk back and forth.

Q: And it won't be a maze the way Bloomingdales is.

BT: No in fact [I think our store is one of the easiest to shop in.]

Q: It is now. And what I love is the idea that it will just be an extension.

BT: Merely going to be an extension and we've worked very hard, two years now to get ... [taken into consideration that the customer is going to want a nice, easy shop, easy access. It's allowing us to make, create a presentation, displays.]

Q: How many square feet do you have?
Q: About 80,000 and what departments are going to be expanded?

BT: Well the key is, there are a couple of key issues here. One we’re going to take the mens furnishings off the main floor.

Q: Altogether?

BT: And move them into the first and second floor of the Tower. So that will give them some additional space. But what it will give them is an ability to present mens furnishings as a mens store.

Q: As a ...

BT: That will then allow cosmetics and accessories to expand straight across on the floor now, accessories and cosmetics.

Q: But just for women.

BT: So that’s a big plus, that additional space ... desperately for cosmetics and accessories. The mens will benefit for extra space, get additional space and,

Q: And focus.

BT: The women’s shoe department will come out of it’s present location and move into the new store totally.

That’s ... The fourth floor happened to be one of the early floors that we redid, that was 10 years ago. So it’s very
much in need of a (inaudible). The fourth floor then becomes a new apparel floor... other elements of other floors...

Q: Different price points.

BT: Bridge price points.

Q: Bridge price.

BT: And move our sportswear up to... fine apparel...

may expand. They can ...

Q: Additional space there.

BT: In the new building.

Q: In the new building.

BT: That will allow us then to show the... very special way.

Q: Wonderful.

BT: Sportswear... (inaudible). The fifth floor expands, will give us a chance to expand those businesses. The sixth floor in the men's will expand into the new store, which will allow us to broaden our presentation...

businesses up there. (inaudible). The seventh floor will be, new lingerie department... expansion of the apparel.

The 8th floor will be... children's, the addition for...

Q: You got Baum on that, Bauman's working on that? In your estimate.

BT: Baum I don't know actually I don't know if he's...

Q: What's the name of the...
BT: I can't remember. I haven't seen him in a long time. They were, I'll tell you who is working on it, the fellow who owns Cafe Artise,

Q: Oh Lang, Lang. My mistake.

BT: Lang ... Restaurant associates or something.

Q: No, no, he's down in Tradeville, right.

BT: Tradeville, right.

Q: It was my mistake, you're right. Lang. And he's wonderful.

[BT: And the ninth floor will become a very dramatic beauty spa.]

Q: Great.

[BT: I'd say that the New York store will be enhanced. That's number one. And number two that the New York store radiates out (inaudible).

What happens is it's a very interesting phenomena that we have is that what happens in New York somehow radiates out of our stores throughout the country.]

Q: I'm glad you said that. Because really what I'm now trying to envision is how this kind of expansion will effect your other location. How will you be able to take some,

[BT: It won't effect it operationally at all. It will effect it more of cache or strategically or imagery. So many of our customers are in New York on an on-going basis and]
they come to the New York store. Here our store manager is .. to our customers, see them in New York, see their charge patterns and there’s a terrific move of customers in and out of New York. And they come in again, they come visit us.

And what do here .. store and see how beautiful it is and ... they had never even shopped in any other store. They pop in and they want to see ..

Q: Have you measured this cross over of charge account customers?

BT: Of course, all the time. Paul LeBlang he tracks them all.

Q: I was going to say this is, that’s the other thing I’d like to talk about because is the area of pioneering you’ve done this breakthrough thing with Folio and your understanding of not only how the .., the fact that this is a store for more people than those who just have a lot of money but those who have a lot of taste but who would like to have quality at a price point. [And I think Folio is what you’ve done, the Works and Real, has been wonderful] I was going to say is this going to expand? Is this going to,

BT: That will expand. As we go into the 90’s and beyond, Folio is a big opportunity for things to grow .. outstanding year. Folio in ’89. We see them as an opportunity. We are getting very more and more
sophisticated each year in the way we merchandise the book, the way we mail it.

Q: Different merchandising staff? Same staff?

BT: Buyers are responsible for it. We have a group of people who are responsible for guiding, directing and merchandising. They also have a very keen understanding of very sophisticated analysis of what sells, what doesn’t sell, price point and styles, how it’s shown, it’s photographed. So they’re in the center of the wheel. They work with Folio advertising group, they work for merchants, they work for fashion offices, they do ... and getting better and better at it as we’ve gotten a better understanding of what those ... sell.

Q: Is that an outside organization? Within here.

BT: Do everything in house. So that gives us control. So I would say that the whole mail order operation is a huge opportunity. We perceive that and that will be part of the strategy ...

Q: Do you foresee any other new distribution technique?

BT: Yes I think ... asking ourselves those questions. Now you can always add mailings but if they’re not productive it’s just, it’s not to do that so we’re just not going to add, we’re not going to mail more books out for the
Q: I didn’t even mean that. I meant other media. Other media direction, new directions.

BT: Well you know we’re,

Q: In other words if what consumer needs is access to Saks Fifth Avenue in different ways.

BT: We’re studying, we’re very, you know Paul LeBlang certainly is an expert in the field. He and we are always studying new developments. And the electronic age is really the next way. But at this moment, not nearly ready for Saks Fifth Avenue. Unsophisticated, pointed toward a non-Saks customer really lower end, not anything we’re ready for.

Q: Not translatable yet.

BT: We’ve had three or four presentations made by different groups who have dabbled in this already. .. is that it will happen but it won’t happen for five years. So we’ll stay with the print media, figure out how to mail more books out and do it in a way that creates productivity. Can even get better in the way we merchandise the books.

Q: Would you talk to me a little bit about what’s happening in terms of the blurring in lines between what a manufacturer’s responsibility and role is and yours is. In other words you’re moving more and more into a private brand development even as you extol the virtues of certain
designers. But more and more designers and more and more manufacturers are setting up their own operations, retailing. How is this, where is this going to go?

BT: Well the whole program of private label is going on, it's just getting,
Q: Intensified.

BT: Well it's been intensified and from our prospective it's getting more sophisticated [We are trying to add elements of design and elements of quality that we think that our customer expects from us on private label. For us private label is very important to go forward and expand. It's important because it creates a link to our customers, creates specific merchandise which is not readily available. It allows us to add quality and work in certain price ranges that feel comfortable with. And to do it in a way that we don't have to worry about our competitor change, or discount of the prices. Which is unfortunately the case with many of the better known labels.]

But more importantly I think the big issue is that we are not going to become what, we are going to cap the amount of private label that we do in any department more totally because it's very important for us to keep a balance. A balance is in the assortments of merchandise. Our customer, we know our customer wants and demands label merchandise.
Designers, very important. Manufacturers, high customer acceptance. And beginning to sell that merchandise. We are going to enhance the service through the development and perfection of private label ... going to be part of the store. It's not going to be 100% one or the other, it's going to vary by part and by business. You see already ... it goes from zero in fine apparel because we don't have our designers around here. So we're going to depend on that world to provide us with those clothes. So I'm sure we'll never have private label, or very few private label in ... And it runs all the way up to part of our mens furnishings that today are 80% private label because that industry is very much geared to private label, high quality program.

But inbetween are variations and so it's all part of the planning. We are trying to direct that carefully. We are trying to put together people, professionals within that company who are fairly knowledgable in fabrics, .. color projections, quality, manufacturing ... who will be able to work with the buying technique, they're responsible for ... is predicting that the colors will be eight months away from now, what the fabrics will look like, what the styling will be. We're putting together a partnership, groups of people who can work with each other to make the product better and better and I think that's our challenge.
And frankly we have taken huge steps forward. Because I remember private label back in the early 80’s, what it looks like today ...

So my projection is that for the next five,

Q: Is this something that Ellen was very helpful in before?

BT: Ellen and her team.

Q: Team.

BT: Her team is still very much involved.

Q: She’s going to be replaced?

BT: Eventually.

Q: If, knowing what you know about the college and knowing what the needs are here in retailing today, particularly what’s .. about Saks .. what are the areas of education that you think would merit expanded emphasis? What do you need?

BT: What we need from the college is the young men and women who have been trained to fully understand the aspects of retail, the aspects of retailing, the needs, the demands of the ... One must be much more statistically oriented, figure oriented, has a keen understanding of the fiscal side of the business moreso than ever before and they have to have understanding of that side of it, be computer friendly, very important. That knowledge will allow them to become
more profitable as a business person.

Another piece is that they have to be trained to fully understand customer demands, trends, how to recognize them, how to put those,

Q: Aren't those two different headsets?

BT: Not necessarily, they would run together. If I only have someone who understands the numbers, can't go in there and work a dress line, shoes you don't have an eye to what's going on and what the customer wants and relate that to those dresses, not going to win.

Q: But isn't that one reason why you have a support base of someone like Saltzman's group working with your people? No?

BT: No, absolutely not. Absolutely not.

Q: Do you think that they have to be Davinci people?

BT: Have to be bright, need bright young men and women who want to come in. You asked me what I want the school to do. I want the school to train them in their fiscal responsibilities, how to run a business, how to operate a business, how to be good operators. And two, this you can't train as well as you can gain on a job, but I think they have to be exposed to what fashion is, how to recognize fashion, how to develop trends, how to understand how a trend develops. You can't teach good taste or style to give
people exposure to what customers want, how they want to look. Then as they get on the job, the training or the on the job training will make it easier for them. What it does is it takes what they have learned in the school, allows them to start putting it into action.

We have to train people to have good eyes. If anything there has been a change in that in the last ten years in this industry. The old time merchants, the people who really didn't understand the numbers but were fabulous, intuitive, and had a gut sense, understood the customer, they've retired and they've been replaced by younger and younger people who have a better knowledge of the computer and of the numbers but a lesser understanding of merchandise in the textile and ... and have to restore that. If we don't restore that, we're just going to be, we run the risk of becoming a factory you know, number oriented business, which are not. Customer doesn't expect that of us.

Q: If we are able to persuade the New York Times on having ... next week to come in and give to the college in honor of Saks Fifth Avenue ... talk to me about what kind of area would you like that gift to support therefore? Would you give some thought to that. You don't have to tell me right now. But I asked Mel that and I'd like your thoughts.

BT: ..give a million dollars?
Q: Yes.
BT: . . . tape recorded, sorry.
Q: That's okay. He'd laugh with you. I mean they're hurting. I think it's wonderful that he wants to do this. Even though I haven't talked to him . . . any money. On getting underwriting money from both Discover as well as from Conde Naste.
BT: Oh I know you did . . . fine, offered a lot, Paul and I worked a long list of back of the house opportunities, front of the house opportunities . . .
Q: Let me ask you something as long as we're, keep this in mind,
BT: I can't give you an answer on it.
Q: I'd also like to have your thoughts on if you wanted to have a recording of Saks Fifth Avenue at the college that was as important, ongoing importance as a member of the Board you know if SFA's name was identified with any area of the college, what would you want to be identified with. So have that in mind.
And the other things is who do you want to have as your Chairman (end side A).
Q: So Paul is one of the people you'd like to have as Chairman. All right now who else from the outside?
BT: From the outside?
Q: Yes. You think, I've suggested the possibility of maybe putting on point, and it would be a wonderful stroke of genius if you can do it, Calvin Klein since he was a graduate of the school and has given not one penny to the school. How do you feel about Calvin?

BT: I have no feeling at all. That's just, to me that's pizzaz, that's your call.

Q: Do you want a little pizzaz?

BT: Yes but we're going to bring all the pizzaz we need to the party.

Q: So then he's not the one.

BT: First of all I consider Honorary Chairman to be incidental to the process.

Q: All right. That's important to know.

BT: I've been very active in charities ... millions, Honorary Chairman did no work at all, they just don't.

Q: Well I'm not thinking about Honorary. I'm talking about a co-Chairman, from the outside.

BT: In my humble opinion, we don't need any help to raise funds. We need your help, we need the school's help. There's a number of people from last year the school hasn't .. Because Johnny brought in,

Q: Well Johnny did it.

BT: Those Wall Street types. Me and Johnny go back to
those people,

Q: So then maybe Johnny should be your co-Chairman.

BT: Well I don’t think it’s necessary.

Q: He won’t do it otherwise I’ll tell you unless you make him a stem winder, he and,

BT: But he’s very supportive of the school.

Q: But because, I’m just telling you egos involved.

The most money was raised because of Johnny and Laura’s personal efforts on his own behalf. So if,

BT: And we’ll raise the money on the personal efforts.

Q: On your behalf. But if you want the addition of that Wall Street zinger, then consider John as possibly your co-chairman to this,

BT: As Paul and I went through that list yesterday, it became apparent that Johnny, unlike any other honoree, had an element of support that you normally don’t,

Q: Right. It went out to banks and benefactors.

BT: Well we’ll have all our key vendors, as we always do. I was honored by the vendor .. two years ago (inaudible). But I can ... what Mel and I and Paul talked about.

Q: That’s what I want you to do. I’m just setting the stage for this conversation. If you said to us,

BT: The important thing to me is having the internal
activity.

Q: If you say to Shirley and me,

BT: But I want you and Shirley to go out and solicit the ten people,

Q: We will do it and I'm doing it right now. Obviously Paul gave me the names and in 15 minutes it was done. So all I'm saying is I know what the potential is and how we do it. But if you want someone who can really understand how to get Odessy to give money, understand how to get manufacturers, and these banks are hurting right now and Wall Street is hurting right now,

BT: We have to think about,

Q: If you want that, then you should think about the possibility of Johnny,

BT: From my personal perspective I'd rather have, if we're going to do any of this, [I want a co-chairman who will make a difference. We don't need any pizzaz.]

Q: So then as I say think about who that would be and you are very very astute because I have just done a report on what five years of fund-raising has produced and the one who produced the most was Johnny and Laura. They had more benefactors and they had more sponsors than anybody else, including, now Marvin,

BT: They're the only group that had the $50,000 to
$100,000 ... one of those was Alan Golub, his partner. And then there was some other personal friends.

Well Traub and we will approach it on traditional plane. We have, we may have some backers and some back of the house type people.

Q: You should have, you should and you should have some real estate people.

BT: We're very good at working the back of the house. When I say back of the house you know most of these parties are supported by the vendors. But we have the ability to work with people who serve us, sell us lots of bags and deliver our mail and deliver our ... that group will come.

But those people could care less whether Calvin Klein or [Mesha,]

Q: The only reason I thought of Calvin was that I frankly am looking for a way to have a one on one with him.

BT: In my opinion you shouldn't do it this way.

Q: All right.

BT: If you want to .. Mr. Klein in a corner and get him to make that contribution ... we'll get Barry to buy a table or make an unusual .. hopefully worth more than a table.

Q: Maybe.

BT: You really want something important that Calvin
does ... If I were you my position would be that this is not the way to do it.

Q: Okay.

BT: The way to do it is to sit in a room or,

Q: I'm trying to get that appointment.

BT: Frankly I think that, I told Paul this yesterday, I think and I was going to call Shirley, he told me to call Shirley but I'll tell you, I think you miss a vendor by not getting now organizing yourself in a way that I don't know if we even sell one piece but you should have something that a benefactor can buy that is tangible...

And I did this with vendor, Jewish Hospital and we sold four or five $25,000 pieces, $25,000 pieces. And what I told them at Jewish was is to have these $25,000 given by a specific doctor who was doing specific research. And to promise me that those doctors to communicate with the giver so that there was a personal link between the two. They promised me and we sold five of them.

Q: Well there's no reason why we can't do this on scholarships.

BT: I think you should sell scholarships and,

Q: Should do this on scholarships.

BT: Calvin Klein should build a room in that school.

Q: He should do more than build a room.
BT: Should build an auditorium. I don't know what the hell he should do but,

Q: Well we have it, we have the specifics.

BT: That's what we ought to sell him but maybe you ought to tell me, Paul and I, some smaller, I go to Joe Schmoo and say to him for $25,000 I'm going to, your $25,000 will buy two scholarships for these two people,

Q: It's a continuing scholarship for one person. It's a life long guarantee. I mean that's,

BT: And what I'd like to do is have that person write them a letter and every three months send them ... say here's our .. friend and,

Q: And develop it as a mentor program.

BT: Unfortunately the problem with a lot of this special giving is you know it happens but nobody really, in my opinion I think people don't know what their money does for them. $25,000 you're really giving it because you want to support the honoree. What every organization should try to do is to get these people to support the organization, which means that there has to be some kind of a link.

Q: Well I would agree with you completely.

BT: Because when I'm honored, when you honor me so I'll get the $25,000, you'll never get it again until you honor me again. You know that's the kind of silliness that
goes on. What I'd like to do, the guy who gives $25,000 let's say because Saks is being honored can be tapped in your two and your three even though you know Saks is out of the picture.

Q: Darling how do you think I went back to American Express,

BT: I know that.


BT: I understand that. I understand you do that but what I'm saying if we can help you to expand that circle is what I'm trying to say. I can tell you this that we don't do as well on the 25's as we would do in the 10's. 25 is a lot of dough and that takes a little bit of doing. When we did it for the vendor Jewish we managed to get I think five. But even the 10's could be expanded. You know Paul I think has set a goal of 27 10's or something like that. I'd like to try for 35 10's. But maybe some of those should be linked into something specific.

Q: Well think about that. Whether you want John or whether you want somebody else.

BT: I have to talk to ...

Q: Will you?

BT: Of course.

Q: And I can tell you historically that it was Laura
and Johns because egos were involved in terms of raising money for him and the only way you’re going to get John and Laura to do it, with this in mind and the college, is if somehow his name is up there. I’ll tell you that right now, very simple thing.

BT: The reason I can’t give you an answer,
Q: Because he didn’t do it for the New York Times.
BT: Did Mel have an answer?
Q: No. He said he wanted to think about it. He didn’t even say Paul, which I’m grateful to you for.

BT: Well Paul, I knew Paul is our internal manager.
Q: Fine, great. Thank you. Thank you for your time.
BT: Yes I have to go, I’ve got a,
Q: Thank you for your information. Thank you for,
BT: I wasn’t hedging like that on the question about,
Q: Don’t worry. Let me tell you what Mel said, I’ll tell you so that you know.
BT: Because there are some issues here we’re keeping,
Q: Don’t worry about that. .. is how I use it. He gave me the best answer. It’s back ...