

STYLE & TRAVEL

Pairing Fashion Sense With Business Sense

Program Teams Up Designers With M.B.A. Students to Pitch Stylish Ideas That Also Look Good to Investors

By RAY A. SMITH

Timo Weiland and Alan Eckstein, the designers behind the small contemporary designer label Timo Weiland, stood a little nervously before a panel of four investors last Friday explaining in an eight-minute pitch why they needed \$500,000 to help expand their business. Standing near them for support was Sae Lee, a New York University business-school student who had worked with the label for months to get to this moment.

"Accessories, women's, men's...would it be better to focus on one thing and do it really well?" asked Andrew Rosen, chief executive of Theory and Helmut Lang and an investor partner in young labels, including Proenza Schouler, Rag & Bone and Alice + Olivia.

The designers looked uncomfortable. Mr. Rosen's question was one they had debated before the presentation, trying to decide whether to put their men's collection on hold. "It was something that was difficult to hear," Mr. Weiland said later.

The design team was one of nine small labels that gave presentations followed by four-minute cross examinations by investors in a competition to win \$10,000 for the best pitch.

The exercise was part of an unusual collaboration between New York University's Stern School of Business and the Council of Fashion Designers of America's two-year-old Fashion Incubator program, which gives emerging designer labels mentoring from established fashion executives and designers, networking opportunities and office space in New York's garment district.

Each of the labels in this incubator class—the second one of the program—had been meeting with a pair of NYU M.B.A. students at least once a week for months to develop business plans to pitch to the investors.

The CFDA's moves come as fashion schools are putting more emphasis on business education in light of challenging economic times.

In February, the Fashion Institute of Technology, with the city's economic development corporation, launched a "mini-M.B.A." program taught by faculty and industry professionals that promises to equip select New York City-based fashion designers with the skills to successfully run a fashion label. Parsons The New School for Design is revising its business seminar course for senior-year students. Students at the Savannah College of Art and Design now must take a portfolio class in which they



Above left, Alan Eckstein, left, and Timo Weiland present their pitch. Above, Andrew Rosen, chief executive of Theory and Helmut Lang, evaluates a designer's presentation. At left, moderator Joseph Ferrara, in dark suit, announces the winners of the Burkman Bros. team, with M.B.A. students Devon Slauenwhite, left, and Becky Tehrani, with designers Ben Burkman, in shorts, and Doug Burkman.

wary of investing in fashion brands because fashion is based on taste and trends, which can be subjective and shift unexpectedly. Also, fashion "is not something people need to solve a problem," said David Rose, the group's founder, who helped coach the incubator designers.

Emily Cangie, a business-school student who is graduating this month, says she had to rein in designers who had grand ideas about fashion, but not about business. Ms. Cangie worked with designer Antonio Azzuolo, counseling him that he could get better margins and increase cash flow by focusing on his existing bespoke suit business rather than trying to become a global menswear brand too quickly. "There will be a renewed focus on bespoke for the next year or two to drive some cash flows to help support that lofty goal," she said.

Mr. Azzuolo agreed to a "renewed focus on bespoke," but is still interested in global expansion, saying, "There is a significant increase in wholesale distribution, both internationally and in the U.S."

Luis Fernandez, co-president of menswear label Number:Lab said his label's business-school student advisers, Jen Hayes and Kristin Yacovone, helped the designers realize they

are graded on their business pitches, according to Michael Fink, dean of its fashion program.

Even newer fashion reality shows such as NBC's "Fashion Star" and "All on the Line," which began on the Sundance Channel last year, emphasize the business of fashion. Designers on those series present their wares to retail executives for a chance to be sold in stores.

The CFDA, which started the Fashion Incubator program with the New York City Economic Development Corporation, decided to bring in 14 business students to work with the designers after hearing concerns

from executives who mentored the first incubator class. The executives said they had to spend a lot of time talking designers through basic business operations, said Lisa Smilor, the CFDA's deputy director of programs and operations. This year's business-plan exercise "forced the designers to evaluate their place in the market, how they are going to grow their business and what they need to accomplish that growth."

The CFDA tapped members of the New York Angels, a group representing investors who typically invest in small companies in their earliest stages. Angel investors are generally

should flip-flop their presentation to educate investors about the brand's vision first, then present their market analysis information.

After the contest pitches, the investor panel deliberated in a separate room for about 10 minutes. Then Joseph Ferrara, a New York Angels board member who moderated the proceedings, presented a check for \$10,000, supplied by Shopify, an e-commerce website hosting company, to casual-clothing menswear label Burkman Bros. The designers, Ben and Doug Burkman, delivered their pitch assuredly and impressed the judges for already having an additional lower-priced line sold at Urban Outfitters.

The Number:Lab designers were disappointed, but focused on all they had learned: "If we had to hire consultants to help go through this process, it would have cost us a small fortune," said co-president Greg Lawrance.

Later, Mr. Rosen explained what he looks for in a pitch: "You're investing a lot in the people that are running the company. You're looking at their integrity. You're looking at their charisma, their creativity."

Charisma? "For me it's the way people strike me and the emotion I get from hearing them," Mr. Rosen said.