

Kellogg class examines value of fashion MBA course teaches design's importance

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Hold onto your Jimmy Choos. A fashion class is making its debut next week at Northwestern University's Kellogg School of Management.

The course, the first of its kind at the business school, will teach MBAs how to manage the fashion component necessary to launch and sustain a successful product, said Steven Fischer, the instructor who created the course.

There will be no talk of seams and fabrics here. Rather, students will learn how fashion can become an integral part of such mundane products as cell phones and pens.

"There's a fashion component to almost every product that we buy, and this drives consumer behavior," Fischer said.

Not long ago, it was outlandish to consider making a pink computer or a cobalt blue washing machine. Not anymore.

But for companies to compete at the fashion level, they have to introduce new products at twice the rate of their rivals, Fischer said. That leads to challenges on the management and the supply-chain side.

Language is another barrier.

"Management operates in a linear world, and designers and fashion people operate in a non-linear world," said Fischer. "Their ways of decision-making and problem-solving are quite different."

Nineteen MBAs will take part in the class called "Managing the Strategic Value of Fashion and Products." The course is part of the Segal Design Institute, which was created last year with funding from Crate & Barrel founders Gordon and Carole Segal.

Experts ranging from General Motors Corp.'s head of design to a Pantone Inc. color expert are slated to speak in the class.

When the Segal Design Institute was unveiled, visionary merchant and Kellogg MBA Gordon Segal said how much companies need graduates who have been exposed to principles of design.

"Design is probably the biggest competitive advantage the United States has in a rapidly changing and highly competitive world," he said at the time.

Say what? Ever since Sears Holdings Corp. unveiled a new organizational structure in January, employees and investors alike have been scratching their heads to figure out how it will work.

The revamped organization is built around five types of business units: operating businesses, support functions, brands, real estate and online. Sears won't disclose the total number of business units under the new structure, only that each unit will likely fall into one of the five types. The company also hasn't explained how decisions will be made when unit leaders disagree -- for example, if the Kenmore brand leader wants to sell appliances to Home Depot but the Sears store operations head wants the brand to remain a Sears exclusive to draw traffic.

The handy thing about Securities and Exchange Commission's rules is that it forces companies to list the risks to its business. In Sears' annual report filed with the SEC this week, the retailer warned, "If this new organizational structure results in ineffective collaboration among our employees, then our operating results may be harmed." It went on to add that "operating in this environment could affect employee morale and retention."

Separately, Sears said in the filing that it is looking into opening "brand-based" shops inside its stores, much like it has done with preppy direct merchant Lands' End. Sears operates 200 Lands' End shops inside of Sears stores and plans to roll out more Lands' End in-store shops in 2008, the filing said.

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