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## Q&A WITH JEROME CHAZEN '50: MY LIFE AT LIZ CLAIBORNE



"We can start a company." **JEROME CHAZEN '50** was 48 years old and already a successful executive when he uttered those words to two old college friends in 1975. By 1989, their start-up—Liz Claiborne—was the largest women's apparel company in the United States, with \$1.4 billion in annual sales.

By 1991, Liz Claiborne had ventured to Canada and the European markets and was listed on the New York Stock Exchange. That was also the year Chazen founded the School's Jerome A. Chazen Institute of International Business, which develops international perspectives in business practice and policy.

Liz Claiborne's phenomenal success is the subject of a new memoir by Chazen, *My Life at Liz Claiborne: How We Broke the Rules and Built the Largest Fashion Company in the World* (AuthorHouse, 2011). Earlier this month, Chazen talked to HERMES about transforming the apparel industry, taking to marketing "like a duck to water," and *Project Runway*.

**Q.** What's your advice for alumni and students pursuing careers in retail?

**A.** Know the business. It's no coincidence that we were in our late 40s when we started the company. We were not star-struck kids who thought we knew the business. Know everything about your industry before trying to do something on your own.

I get upset with things like *Project Runway* where kids get the idea that they'll design one garment and become millionaires. In a sense it's important that you pay your dues.

When you know your industry and how to do things, then the ideas that you have make more sense because even in your own head you can bounce them off the experiences that you've had.

It may be a personal bias, but I also think that getting your feet wet in retail is a terrific start for almost any type of career. Virtually every company today deals with consumers. The background that I have in the retail world has always helped me.

To read the complete Q&A and an excerpt from the book, visit [www.gsb.columbia.edu/hermes/chazenbook](http://www.gsb.columbia.edu/hermes/chazenbook).

## FREDDIE MAC CEO TALKS LEADERSHIP, HOUSING MARKET WITH STUDENTS

"The most common question I'm asked [as CEO of Freddie Mac] is, 'why did you take the job?'" Charles E. "Ed" Haldeman Jr., who announced his resignation as CEO of Freddie Mac in October, told students on September 13 as part of the School's 2011–12 David and Lyn Silfen Leadership Series.

"I wanted to be a part of bringing stability back to the housing finance and mortgage industry," Haldeman said.

As a result of the 2008 financial crisis, the US treasury owns 80 percent of Freddie Mac, a publicly traded company that is the nation's second-largest source of mortgage financing. The company is still struggling to rebuild.

Haldeman said that he regularly reminded employees that more than 90 percent of single-family mortgages in the country come from Freddie Mac, its competitor Fannie Mae, and the Federal Housing Administration. "We assure employees that what they're doing is critical to the future of the American economy," Haldeman explained.

Moving forward, Haldeman sees Freddie Mac as a crucial partner in supporting government initiatives to strengthen the economy. Haldeman supports the Obama administration's Home Affordable Refinance Program, saying that refinancing helps homeowners meet their monthly mortgage payments and have more disposable income. In addition, he believes large-scale renting of single-family properties has possibilities, though details need to be worked out.

"Both sides of the aisle—all of us—believed in the American dream of home ownership. Worldwide, housing is seen as a stable, tangible investment, and we all have to realize that housing can go down. Not everyone should own a home, especially if it limits labor mobility," Haldeman said. "But I do think that every American should have a reasonable opportunity to buy a home if it's in their best interest."

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## STUDENTS ADVISE TOP LUXURY BRANDS

In the next two years, three of Louis Vuitton's five Manhattan stores will undergo major expansions. How should the brand differentiate these five locations?

A student team crafted a marketing strategy for the stores around the concept of travel and five distinct emotions that it invokes—anticipation, wonder, escape, romance, and glamour. **The team presented their plan to executives from Louis Vuitton as part of a Master Class offered at the School this fall, Design and Marketing of Luxury Goods.**

Student teams from the class also presented recommendations to Cartier, Dior Beauty, and MiuMiu/Prada. **Participating companies give students firsthand experience in the development, creation, and marketing of new concepts and product lines—in short, the professional skills needed to succeed in careers in the luxury industry,"** said Ketty Maisonrouge, the adjunct professor who taught the course. **Maisonrouge is the head of Ketty Maisonrouge & Co., a consulting firm that assists luxury companies and start-ups in branding, financing, and long-term strategies.**