

Style

Classically Styled Men's Apparel

An Interview with R. Neal Black,
President, Chief Executive Officer,
and Director, Jos. A. Bank Clothiers, Inc.



EDITORS' NOTE Neal Black assumed his current post in December 2008, after serving as President since April 2007. Prior to that, Black was Executive Vice President of Merchandising and Marketing beginning in January 2000. Black was Chief Merchandising Officer during his entire tenure with the company.



R. Neal Black

COMPANY BRIEF Headquartered in metropolitan Baltimore, Jos. A. Bank Clothiers, Inc., is a manufacturer and retailer of self-branded tailored clothing, sportswear, footwear, and furnishings for the professional man. The brand is distributed via catalog, on the Internet (www.josbank.com), and through the more than 450 stores it owns or franchises in 42 U.S. states and Washington, D.C. The corporation is traded on NASDAQ Global Select Market under the ticker symbol JOSB.

How much has your business been affected by current economic conditions, and what is your outlook for the coming year?

These are challenging times for all retailers. Fortunately, Jos. A. Bank has two great advantages. First, we have a very strong balance sheet – even several years of really difficult business should not put the company in peril. We have the liquidity and the strength to remain in control of our own destiny. Second, we know how to do promotional marketing very well. We will be doing whatever it takes to drive sales in this tough market, as we have successfully done in the first part of this year. Our goal is to gain market share and emerge an even bigger player in the menswear business.

Please provide an overview of your product categories.

Jos. A. Bank designs, makes, and retails a complete line of classically styled men's apparel. We sell directly to consumers through more than 450 stores, a catalog, and a Web site. Our product line contains everything from underwear to formalwear. Our reputation was built on providing fine-quality business suits. Now, in addition to suits, we offer a complete line of casual apparel, as well as shirts, ties, shoes, and accessories. In 2008, we began to expand the size offerings within our collections by adding big, tall, and portly sizes. That's where we're focusing our efforts in 2009.

How difficult is it to differentiate your brand, and what makes Jos. A. Bank unique?

The Jos. A. Bank brand identity is solidly classic and traditional. Our loyal customers expect this consistency, but they also want current products. Therefore, we make modifications to the silhouettes of our garments each year. These changes are barely noticeable from year to year, but over time, we move the look of our garments slightly in the direction of the fashion trends so they are always appropriate.

There is never an abrupt end point when our garments go out of style. The fashion life of a Jos. A. Bank garment is longer than others, and that's an important part of the value equation we offer. Just as important as styling is our commitment to quality and fit. Many customers see their wardrobe as an investment, which means that lasting quality is critical. Most male consumers look at shopping for clothes as a bit of a hassle. They want a fast and efficient shopping experience. Therefore consistent fit, from product to product and year to year, is also critical. Consistent styling and fit, high-quality products, and a pleasant and efficient shopping experience are all part of our value equation and are the hallmarks of the Jos. A. Bank brand.

What is your target market, and has the profile of your clientele changed over the years?

Our market is the entire male population, but at the center of that market is men who wear business clothing to work. We focus there, and then we build our assortment of casual wear and accessories around the needs of those men.

Are you happy with distribution for the brand, and what are your plans for new store openings in 2009?

We have been on pace to open 50-plus stores per year. Now the availability of new retail developments has slowed considerably due to economic problems facing our country. We have to take our pace of new store openings down to 15 to 20 per year for the next couple of years, depending on the availability of good real estate and good lease terms. We have a strong national presence now, so we are not dependent solely on new store openings for our success.

How much of an impact has technology had on the brand, and is the Web site a strong revenue stream for Jos. A. Bank?

In 2000, we invested heavily in our Internet site. We have an award-winning Web site and our Internet business has grown exponentially. In 2009, we will continue to invest and upgrade the technology on our Web site to keep this growth going. Customers want to shop on the Internet for speed and convenience, and we want to continue to meet their expectations.

Has Jos. A. Bank been effective at attracting top talent, and how do you build a culture that fosters retention?

Traditionally, the retail business has had high turnover, but we are financially strong, we have a strong management team, and we are in a product category in which we are a major player with competitive advantages. If you are a quality retail executive and you're looking for work, then we're on your list and you'd love to work here. Success drives recruitment and retention, so our culture is all about driving success.

What are your key priorities for Jos. A. Bank for the coming year in order to continue achieving growth and success?

My priorities have changed a lot in the past few months due to the tough economic conditions. In the short term, we are focused on driving sales and the gross margin while controlling expenses, in order to maintain our profitability and our strong balance sheet. That is the top priority because with it, we will live to fight another day. When that other day comes, we will take advantage of whatever strategic opportunities are available for us due to the fall out from the bad economy. Long term, we will continue our focus on developing innovative products. Our ability to bring exclusive performance products to market, such as our Traveler Stain Resistant 100 percent Cashmere Sweater, is one of our ongoing strengths that we will continue to emphasize regardless of the country's economic conditions.

How would those who have worked closely with you define your management style?

The first thing they would say is I'm collaborative. Everyone on this management team has different strengths, and some of those are better than mine, so I am interested in hearing every point of view. The best thing I can do for this team and this company is remain collaborative and make decisions intelligently, quickly, and decisively, and I intend to do just that. ●

Jos. A. Bank storefront in New York