

## Consistent Success

An Interview with Helen McCluskey,  
Chief Operating Officer, The Warnaco Group, Inc.

**EDITORS' NOTE** In September 2010, Helen McCluskey was named to her current post. She joined Warnaco in July 2004 as Group President-Intimate Apparel, and in June 2007, she assumed global responsibility for the company's swimwear brands. Prior to joining Warnaco, McCluskey served as Group President of the Moderate Women's Sportswear division of Liz Claiborne Corporation. Before this, she spent 18 years in Sara Lee Corporation's intimate apparel units. She has held executive positions in marketing, operations, and general management, including as President of Playtex Apparel from 1999 to 2001.



Helen McCluskey

**COMPANY BRIEF** The Warnaco Group, Inc. ([www.warnaco.com](http://www.warnaco.com)) is headquartered in New York and designs, sources, and markets a broad line of men's, women's, and children's sportswear and accessories, swimwear, and intimate apparel worldwide under brand names including Calvin Klein, Speedo, Chaps, Warner's, and Olga. Warnaco's products are distributed domestically and internationally through multiple distribution channels.

**Warnaco is seeing continued growth, much of it coming from international markets like Latin America and Asia. How has the strength of the brand developed and are most of the growth opportunities coming from emerging markets?**

Our greatest asset is the Calvin Klein brand. There is such high awareness of the brand in emerging markets like Latin America and Asia – India included – that we don't have to generate brand awareness. We can plant a flag and open up retail stores with a brand that is already recognized and has strong equity. This allows us to get a business going immediately versus having to first build brand awareness.

Going forward, we definitely see that a significant proportion of our growth will come from emerging markets.

**The Calvin Klein brand brings with it a culture of innovation. What makes the brand so special?**

I think it's consistency – we're always working to bring great product to market supported by strong marketing, and that formula has served us well. Consistent execution, always

done in a modern and relevant way, has led to our success.

There is definitely a thumbprint to Calvin Klein. When people see an ad or product, they know it's Calvin Klein before seeing the brand name. It stands for modern and sophisticated and that is always relevant.

**How has your direct-to-consumer focus evolved and how critical is it to the continued strength of the company?**

We see direct-to-consumer as one of the most important marketing vehicles we have. It gives us an opportunity to present the brand and the product to the consumer exactly as we envisioned it. We can also use our retail presence to demonstrate to our wholesale and franchise partners how to present the brand – we can set the tone. We establish the standard for how the brand should be presented in market and how the consumer should interact and engage with it. Direct-to-consumer is an important tool to keep the brand current and maintain its premium equity, which helps it retain its aspirational status.

**Is there close coordination across the different segments internally in terms of messaging or does each segment have its own identity?**

There is appropriate coordination. Every season, the divisions are in touch with one another to discuss trends, big messages, and key drivers.

Sometimes, a big idea is an initiative that doesn't translate from one segment to another; but other times, there are things like the launch of CK One, which is meaningful across all categories. The launch of CK One this spring was our first fully integrated multi-category launch; it was also our most significant digital campaign. We are very excited by the results and will look to do more with digital.

**Will the brands you have remain consistent? Is there opportunity to bring in new brands?**

We have a stated strategy of exploring acquisitions and one of our criteria for an acquisition is a global lifestyle brand. If we find the right opportunity, we'd love to add other brands to the portfolio.

**How has the social responsibility focus developed culturally and how important has that been to Warnaco?**

We launched The Warnaco Foundation several years ago and we focused our giving on children and education. In the U.S., we have aligned ourselves with the Boys & Girls Clubs, and internationally we've partnered with Save the Children, focusing particularly on countries where we conduct business.

Given our global reach, social consciousness and responsibility is important to our associates around the globe. It's important to us to give back to the community and for our associates to feel like they're connected with something meaningful and making a positive difference. We're fortunate to be in a position to do that.

**When the opportunity at Warnaco presented itself, did you know right away it was the right fit and has it been what you expected?**

My time at Warnaco has exceeded every expectation. I came here for a global experience, to participate more actively with the board and investment community, as well as to become part of a new management team that was going to define the culture of the company. I am very proud of what has been accomplished and look forward to continuing to grow and learn here in the future.

**The cultural change here has been implemented well, but was it challenging at times?**

We had such a positive message. The culture we wanted to create was much more interactive, engaging, collaborative, open, and respectful. It was well received and welcomed.

The more difficult thing to change was the perception of people that weren't here. When I first joined, recruiting wasn't easy because we did not have the best reputation in the industry. It has been rewarding to see Warnaco transform into a company where people now seek us out instead of our having to convince people it's a good place to build a career.

**How challenging is finding that work/life balance?**

I think technology actually makes it easier. We're connected 24/7 and since I have responsibilities outside the U.S., time zone differences can be challenging. I can have late night meetings with the Asian team or early morning meetings with the European team, but technology enables us to connect from home or a hotel, which is really convenient.

It can be challenging to disconnect from work but in many ways it is now easier – you're never buried because you can stay current by tackling work in small doses when it's convenient to do so. ●