



Making a Difference

**An Interview with Jay L. Schottenstein,
Chairman, Schottenstein Stores Corporation**

EDITORS' NOTE In 1976, Jay Schottenstein joined Schottenstein Stores Corporation (SSC), the business of which his father, Jerome, was one of the founders and where the Schottenstein family established its retail roots. He has served as Chairman of the Board of Directors of SSC since March 1992, and as Chairman and CEO of SSC-owned American Signature, Inc., which consists of Value City Furniture and American Signature Furniture Stores. Schottenstein has served as Chairman



Jay L. Schottenstein

of the Board of Directors of DSW Inc. (NYSE:DSW) since March 2005. From that date until April 2009, Schottenstein also served as Chief Executive Officer of DSW Inc. He is also Chairman of the Board of Directors of American Eagle Outfitters since March 1992 and currently its interim CEO.

What makes a brand relevant over time and how have you been so successful with your brands?

To be successful over time, a brand must stick to its core values.

Do those values vary by brand or are they consistent across brands?

The core values of the company are consistent, but each brand also must know who their customers are.

The way to run a successful company is to have a good team. Unless you're a very small mom-and-pop operation, it's impossible for one person to run a company alone. A company has to develop its leadership in all of the various areas of the business, and it has to have people who are committed to the values and mission of the company. A successful brand must have a quality team.

As those brands have grown, how important is it that they maintain an entrepreneurial culture and is that harder to do at a certain size?

Once you get to a certain size, you need to have certain disciplines built in, which is very important. At the same time, you don't want to lose that entrepreneurial spirit, so it's a balance. If you just run everything based on a formula, you can lose your entrepreneurial spirit, which is one of the major challenges in business.

What are the strengths that Ohio offers from a business standpoint?

The State of Ohio has always been a powerful state. When you grow up in Columbus – and

my family has been six generations in Ohio – you learn that it's a great place to work and live. What makes Columbus unusual as a city is that it's really a microcosm of America.

Is that true as well from a diversity standpoint?

Because of the city's diversity, Columbus is considered the test capital of the U.S. Even in politics, Columbus is important to the country. During the last Presidential election, everyone was watching Columbus and Ohio because they felt it would be the swing.

Are you surprised at the growth that has taken place in Columbus?

Columbus is the capital and located in the middle of the state. We have major highways north, south, east, and west, and it's really one of the great logistical hubs in the U.S. for distribution. If you look at all the companies that have distribution centers located in Columbus, it is very impressive.

Columbus also has a strong and close-working business community. How well does that relationship work?

The State of Ohio has a government that is friendly towards business. If new businesses move into the community, the state has different funds to help businesses including tax abatements and other incentives. The state also has the leadership from the Governor that really wants to attract business into the state and build a strong base. Locally, Columbus has developed a consortium of community leadership called the Columbus Partnership, who work together to ensure Columbus remains strong economically.

Is the university system an added advantage in the type of people you can attract?

Columbus is home to major universities, including The Ohio State University. The state of Ohio has many fine universities, both large and small. At one time, we had the most universities of any state in the country.

Is the right playing field still there today to provide opportunities for entrepreneurs?

The beauty is that, today, you have new industries that didn't exist 10 years ago. The Internet and various technology companies are creating a lot of jobs. We just have to make sure that government pursues a direction that is business-friendly. Fortunately, our state is very business friendly. We need to have faith that our

leaders will realize how important it is to encourage business and support it.

For someone who knows retail very well, as the online focus develops, will there be less of a need for brick-and-mortar?

There will always be a need for brick-and-mortar. The challenge today that most retailers are facing is the balance between online and brick-and-mortar sales. What makes it more challenging is that technology has increased competition for the consumer dollars being spent. The question is how one captures those dollars and market share with the increased competition. With all of the different forms of communication now available, it is becoming tougher to target customers because they have so many choices and ways to communicate. It's not like years ago when we reached 95 percent of the country by advertising with three major television networks.

Today, it is a challenge to figure out how to get to that customer. The ones who do it right will be successful; the ones who don't won't stick around.

What has made philanthropy such a focus for you and how do you decide what to support?

Philanthropy is an obligation, and how you pick your causes is a personal choice. Personally, I'm very eclectic. Our family is fortunate to be involved in many different types of charitable endeavors locally, nationally, and internationally, be it religious or civic activities.

But no matter what the cause, we want to feel we're giving to something that is meaningful and makes a difference in people's lives.

When you have so much responsibility, is it difficult to find a balance in your life?

There is a balance in my life. I value my family, my friends, and my faith, and I still enjoy the challenges of my businesses.

You've led so many different businesses and companies. How do you define what makes an effective leader?

The most critical part is that you must be able to communicate your vision, and make sure it's communicated to all of the various levels – not just to one person. You also want to make sure it's communicated properly and clearly.

If a leader can do that, he will be successful. If he can't communicate his vision and have people buy into it, he won't be successful. He has to be able to sell it – not force it, but ultimately convince people to take ownership in the vision and make them a part of it or it won't work. ●