

FENT

WINNING BIG



The Achievement Awards Issue



MANOLO BLAHNIK LIFETIME ACHIEVEMENT AWARD



ILLUSTRATION: STANLEY CHOW

California Dreamer

How **Robert Greenberg** rose from humble beginnings to become one of footwear's most dazzling brand builders.

By **Katie Abel**

Robert Greenberg is the quintessential tour guide. On a recent afternoon, the Skechers chairman and CEO — who received the lifetime achievement award at the FNAAs this week — paraded through his shoe kingdom in Manhattan Beach, Calif., proudly showing off every single one of the brand's 19 product rooms, which are filled with an astounding 3,000 styles. Greenberg's energy was electric as he tested out a Simon Says interactive kids' style in one space. In another, the ever-curious executive marveled at the bold hues and intricate prints adorning some new women's sneakers.

Greenberg has always been driven by details big and small — whether he's examining the sole of a shoe, digging deeply into a financial statement or crafting the perfect ad campaign. On this particular day, he was eager to play a yet-to-be released spot starring Demi Lovato, featuring her hit song "Confident," plus several more commercials. "I could watch these all day," said the master marketer, whose intense passion for business and killer instincts have built two powerhouse footwear companies over the last three decades.

While he's often heralded as one of the industry's most brilliant brand architects, Greenberg, 75, never had grand plans to be in the shoe business.

The executive grew up in Boston with a hardworking father who owned a grocery store and a tough-talking mother who was enamored with fashion. Early on, he pursued a variety of endeavors, from hair salons and wigs to denim and roller skates.

During his travels to Asia, the young entrepreneur would sometimes stop over in Los Angeles, and he began to daydream about how nice it would be to live there. So when a blizzard crippled Boston in 1978, the father of six packed up his family and headed west.

Around that time, Greenberg got into the roller-skate business and visited a shoe fair in Long Beach, Calif. "I saw everybody dressed up in suits, and they all looked rich," he said of his initial attraction to the industry. Soon after, the executive launched L.A. Gear with one style that came in 10 colors. He's never looked back.

During the brand's earliest days, Greenberg recalled, he went to Chicago for a trade show, but the team didn't exhibit in a booth. Instead, they rented a 1956 Ford Thunderbird and displayed the shoes on top of it. "I didn't even know how to make a second style," said Greenberg.

But thanks to his knack for knowing what consumers want, the exec began to design a series of hits. "We went from \$70 million to about \$600 million in two years. I love pushing it. It's lust," he explained.

Growth skyrocketed during the 1980s aerobics craze and Greenberg decided to take the company public. Investment banker Lloyd Greif was brought in during the process and almost passed on the brand — until he met Greenberg.

"He bowled me over," recalled Greif. "The first thing that impressed me was that he wasn't an apparel or a footwear guy — he was a businessman, and a shrewd one, at that." The banker once helped Greenberg sneak into a Reebok road show — in disguise — to meet Paul Fireman and get an inside look at the competition. "We took L.A. Gear public in 1986, and it was one of the three hottest IPOs that year. It was a huge success story until the recession came along," said Greif, now Greenberg's longtime friend and adviser.

By the 1990s, L.A. Gear and its fearless leader had worked with the biggest stars of the era, including Michael Jackson, Paula Abdul and Kareem Abdul-Jabbar. But the brand's glory days soon faded, and Greenberg was forced to resign.

"When I left L.A. Gear, I retired. That was it — for three days," he recalled. On Monday at 8:30 a.m. after his Friday departure, he received a call from his son, Michael, who had also been let go from the firm.

"He used a two-letter word that changed my life. He said, 'What are we going to do now?'" recalled Robert Greenberg. "I said, 'Oh my god, I'll call you back when I wake up, and I'll figure it out.'"

Soon after, the father-son duo began to successfully distribute Dr. Martens boots, though once again Greenberg saw more opportunity. After about a year, he struck out on his own with his first utility boot, and in 1992, Skechers was officially born after two of Greenberg's children separately suggested the moniker, which is derived from the word "skecher," meaning a cool kid who has lots of energy.

Since that fateful day 23 years ago, it's been a wild ride for Greenberg and the company, which is set to cross the \$3 billion mark this year and sell some 135 million pairs of men's, women's, children's and athletic shoes in more than 120 countries.

"I knew Skechers would be a success the day it started," Greenberg said emphatically. "L.A. Gear was my school. Skechers is my Picasso."

While there have been countless high points for the company, which posted its best-ever quarterly revenue, \$856.2 million, for the period ended on Sept. 30, there have been some difficult days, too. Greenberg said, "The worst thing that's happened was when Shape-Ups exploded.

Robert On ...

Childhood ambitions:

"Growing up, I wanted to be **president of a company on the New York Stock Exchange**. But I had to tell people I wanted to be president of the United States because that seemed more attainable at the time."

Earliest fashion experience:

"When I was a kid, my grandmother, mother, aunts and I would go shopping for clothes every day. By the time I was in 10, I had spent half my life in **Filene's in Boston**. So that's why I'm in the fashion business."

Advice for someone starting a shoe company today:

"Advertise. In this business, there are so many talented people who make the most beautiful footwear. But they don't market. **If I had \$10 left in my checkbook, I would buy an ad**. What else is going to save my life?"

The tech revolution:

"I love technology. I can go so fast with my iPhone today. When I started in this business, it took me **two weeks to mail a sketch to a factory**. Now I can take a picture of a sketch and four seconds later, it's in the sample room."

His reading list:

"I read **two or three biographies at a time**, so if I get bored, I can switch to another. Now, I'm reading [John D.] Rockefeller's life story; 'The Hotel on Place Vendome,' about the Hotel Ritz in France during the Second World War; and the third is Johnny Carson's life story."

"I knew Skechers would be a success the day it started. L.A. Gear was my school. Skechers is my Picasso." Robert Greenberg

But we were still a very healthy company. We just backed the car up and changed course.”

When faced with challenges, the hard-charging CEO — who has an encyclopedic memory — loves to repeat an expression he coined: If you make a mistake, do something. “Most people pull back during tough times,” he said. “I act. I don’t fear too many things.”

After Shape-Ups, Greenberg’s famous business instincts kicked in. He sprinted into the huge and lucrative athletic-performance sector.

Using technical know-how developed during the Shape-Ups era, the company entered categories such as running, walking and golf — all now part of its Go performance division, which alone is expected to top \$1 billion next year. “So if we hadn’t had Shape-Ups, we wouldn’t have the Go division. And we’ve got so many things coming,” Greenberg said.

There’s no doubt he still moves rapidly. But Wall Street sometimes gets in his way.

Even after Skechers reported its stellar third-quarter earnings, investors reacted negatively when the firm missed analysts’ estimates. “We get beaten up on Wall Street for all the wrong reasons,” said Greenberg. “Analysts set their estimates too high — that’s their problem. We’re doing phenomenally. Our backlogs are over \$1 billion,” said the CEO, who at this point directs the company but doesn’t control it day to day. “I’ve built a wonderful team of people who can run things beautifully.”

Greenberg’s infectious passion has made a huge impact on his son Michael, Skechers’ president, who has been working alongside his father for three decades.

“The message I’ve always gotten from him is that we can do anything. Nothing is out of reach if you feel good about it,” said the younger Greenberg, who has the same fighting spirit as his father. “The industry is very competitive. We just want to be better and smarter than the next guy. We’re not afraid to make mistakes. You just have to go for it.”

That’s been the patriarch’s philosophy from the beginning, according to those closest to him. “[When I first met Robert in the 1980s], he threw himself into everything he wanted to do,” said Skechers CFO and COO David Weinberg. “He was all in, and he’s just as driven today. He carries everyone along with him.”

Now, Greenberg is ready to bring everyone along as he tackles his next big goal: doubling the size of the company within the next five years.

“Everything is taking off,” he said. “Our product is gorgeous. There’s no one in this industry who builds as many things as we do.”



Lloyd Greif and Robert Greenberg at the L.A. Gear IPO closing party holding a gift from Greif (a Reebok shoe that had been shot and mounted with antlers). The plaque reads: “IN COMMEMORATION OF OUR HUNT TOGETHER.”

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Michael Greenberg



With Michael Greenberg and President Bill Clinton

Robert’s Run: Company insiders and top retailers sound off on Greenberg’s illustrious career.



Mark Cuban, Owner, the Dallas Mavericks, and a Skechers spokesperson

“Robert has the rare ability to reinvent brands. His industry changes so rapidly that big brands have come and gone. But he’s found a way to keep Skechers relevant. That’s a special skill. Robert gets younger and is more engaged as times goes by. He is the Benjamin Button of footwear.”



Kathy Kartalis, SVP of global product, Skechers

“His passion is infectious. You want to do well, and you get motivated beyond your wildest dreams to achieve something. Robert has spent so much time teaching and mentoring, and a lot of my success is due to that.”

Robert’s definitely the creative force at Skechers, and he cares about every single detail of a shoe.”



David Weinberg, CFO & COO, Skechers USA Inc.

“Robert always gets the credit as the product guy, but he also has a very acute financial acumen. He’s very good with numbers, and nothing gets by him. He has an understanding of where he is and where he wants to go. What we’re trying to tell everyone is that you have to throw away preconceptions of how big the brand can be. Nothing is off-limits.”



Cliff Sifford, President & CEO, Shoe Carnival Inc.

“Robert is a student of the business. He works tirelessly every day, studying trends and fashion. The grasp he has on his own business, down to the style level, amazes me. And Robert is a talented marketer — on occasion, he has tried to get me to change our name from Shoe Carnival to Carnival Shoes.”



Debbie Ferrée, Vice chairman & chief merchandising officer, DSW Inc.

“I remember when Robert told me he was getting into athletic in a meaningful way. And I thought, ‘Wow, that is a tall order.’ Now, he has some of the biggest athletic and athleisure items in the market. You can count on him coming up with the next big item and telling the world about it through exciting marketing campaigns.”



Rick Ausick, President, Famous Footwear

“Robert has an enviable knack for understanding what customers want and being able to deliver time and again. It sounds simple, but it’s one of the harder things to do. Instead of just following trends, he goes out and walks the street to see what people are doing and wearing.”