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PRESENTS

The *Power* 30

Who are the industry movers and shakers this year?

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A *foreword*

BDO Australia's **Mark Schiavello** looks at the future of retail.

BDO IS PLEASED to be the presenting partner of the Power 30. Competition in the Australian retail industry is fierce, with the recent influx of new entrants suggesting apocalyptic change.

Despite this, retail remains one of the largest and most important sectors within the Australian economy.

Retailers should move forward with optimism as they continue to navigate and embrace emerging technologies, evolve their offer and continue to personalise and enhance the customer experience.

Congratulations to all those named in the top 30. I leave you with my insights on the year to date and wish you well for the upcoming festive shopping season.

1. It isn't an apocalypse

Retail store closures, bankruptcies and declining sales have caused concern and some over-reaction throughout the industry. Jumping to conclusions about a "retail apocalypse" and playing the blame game is dangerous. What's currently happening in retail is not an apocalypse, is not Amazon's fault, it is a correction.

Put simply, what we think of as a brick-and-mortar store is rapidly changing, and consumers have an entirely new set of expectations.

2. Leverage bricks and mortar

E-retailers have advantages over bricks-and-mortar stores. But bricks-and-mortars' key asset is they're still where people can go to see and feel products and socialise among other human beings. The biggest challenge many brick and mortar retailers are having is understanding the power of combining an in store experience with a powerful online strategy to enhance their traditional channel.If done correctly a great online platform could make you national, or even international players, all from a local store space.

3. Amazon, friend or foe?

Australian retailers simply can't ignore the potential impact Amazon will have on their business model. Amazon is expanding to target audiences that include B2B buyers via Amazon Marketplace. Amazon Marketplace is an e-commerce platform that enables retailers to sell new or used product alongside Amazon's regular offerings.

The benefits of retailers using this platform include:

- Expanded customer reach.
- Enhanced customer trust – customers will use Amazon ahead of unsecured websites.
- Fulfilment by Amazon removes the need for retailers to pick, pack and ship to consumers.

The disadvantages of retailers using this platform include:

- Data is accessible by Amazon which means competing products can be profiled to suit customer demand.
- A one size fits all digital platform is not personalisation and personalisation is fundamental in any winning retail strategy.
- The one-size fits all digital platform has no connection to your brand, your story or your experience.

While Amazon should be a supporting pillar of your omnichannel strategy, you should continue to invest in your own digital strategy so customers start their path to purchase on your website.

4. Pricing strategy –discounting

Many factors influence a retailer's performance, including appropriately priced products that maximise sales without squeezing margin.

In the past eight years, the percentage of products sold on promotion has increased from 30% to 40%, making Australia one of the most highly promoted countries in the world.

This has given rise to Australian shoppers who are highly price aware. When utilising discounting, ensure you monitor the impact this strategy has on your brand. A brand is a promise. Consumers have a collective image of a brand, a pricing strategy inconsistent with this image will damage your brand's perception.

I look forward to monitoring the upcoming journey ahead for retail. Go Well! ■

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The Power 30

Assia Benmedjdoub reveals the 30 most powerful people in the fashion industry this year.

1 Elle Roseby

Elle Roseby has managed some of the biggest fashion retail brands in Australia, including fast fashion chains Sportsgirl and Supre. This year, the stakes were raised even higher as Country Road poached the beloved industry doyenne to reinvigorate the 44-year-old brand. It is the biggest brand in the Country Road Group portfolio, which includes Witchery, Mimco and Politix. Speaking at *Ragtrader* Live in May, when she was still Supre GM, Roseby was quick to praise the importance of a good team in retail turnarounds. "I've been most fortunate to witness a true brand transformation. We've come a long way and there is no doubt in my mind that the success of our transformation has been underpinned by the passion and commitment of our team." Roseby was instrumental in a retail and ranging overhaul at the national retail chain.

2 Sophie Holt

Sophie Holt is the comeback queen. During a 13-year tenure as Country Road's creative mastermind, she led a resurgence of the iconic brand in the early 2000s. By creating a unified design strategy across multiple product categories, she turned negligible profits into consecutive sales successes. Now charged with the creative turnaround of heritage brand Oroton, Holt will not only revise its accessories range but extend into apparel and jewellery collections. Holt consulted for Oroton, as well as department store David Jones, on a casual basis prior to joining the business full-time in August. "Oroton is an iconic brand that has always stood for quality and everyday luxury. I'm excited for the opportunity to create a new contemporary perspective that will write a new chapter in Oroton's history," she says.

3 Shane Lenton

Cue's chief information officer Shane Lenton has been unleashing rapid-fire service missiles since January. First came the launch of three-hour delivery throughout Australia, making Cue the first major national bricks and mortar retailer to do so. In March, followed the national rollout of WeChat and Alipay payments across its store network, then the launch of in-store technology allowing staff to confirm and pack orders for home delivery within 20 minutes. Running out of breath? Stay with us. There was also the release of Cue's Style Finder tool, allowing shoppers to take or upload photos and search for similar-looking styles at Cue. "Innovation is at the core of everything we do at Cue, so we are always looking at ways to embrace new technologies and improve the customer shopping experience," he says.

4 Kevin Song

As managing director of Inditex Australia, Kevin Song oversees one of the most powerful international brands in the market: Zara. It detonated the national eCommerce space with the launch of an online platform in March, marking the start of a two-year global digital rollout across all countries. According to data from online marketing data provider SEMrush, organic search traffic to Zara.com from Australia increased by 50% from January to March. However, it was paid search that was the biggest driver of traffic to Zara's new Australian online store, which saw an increase from January to March of an incredible 18,900%. In giving us exclusive analysis on the launch SEMrush head of global marketing Olga Andrienko says the long-term impact would be significant. "With Zara being present and having an aggressive marketing strategy, we see the change in the whole market. Local retailers are now trying to neutralise the effect of Zara's launch here."

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5 Scott Evans

It was on the verge of collapse just four year ago. But in 2018, Noni B Group emerged as one of the largest women's fashion players in Australia with a store footprint of over 1400. Under the direction of managing director Scott Evans, and backed by major shareholder Alceon Group, the company acquired Millers, Katies, Crossroads, Autograph and Rivers brands from Specialty Fashion Group for $31 million in May. Prior to the acquisition, it operated 614 of its own stores, generating $316.8 million in revenue and a before tax profit of $5.9 million. Evans says the combined businesses will deliver multiple synergies and bring annual revenue to around $1 billion. "This is another exciting step forward for Noni B Group and represents the acquisition of five well-known and established iconic Australian brands that are both complementary and highly synergistic to our existing portfolio."

6 Marina Afonina

After multiple interviews with key international buyers at Mercedes-Benz Fashion Week Australia 2018, *ragtrader*.com.au announced Albus Lumen as the winner. The brand was consistently praised as a stand out for bridging design with solid commercial sell-through. "I really love Albus Lumen," Net-a-Porter fashion director Lisa Aiken told us. "We launched the brand on site for resort 18 and the aesthetic is beautiful and understated." Brand founder Marina Afonina has had a meteoric year overall, winning several industry accolades and awards including a prestigious finalist spot in the 2018/19 International Woolmark Prize. She also took out the BT Emerging Fashion Designer Award in March, drawing praise for designing garments women could wear season after season.

7 Judy Coomber

Sleepwear retailer Peter Alexander expects annual sales to exceed $250 million by fiscal 2020. The business delivered record sales for FY18 of $218.7 million, up 14.5% on FY17 and up 31% over two years. The woman behind it all? Judy Coomber, who joined Peter Alexander over five years ago after a solid stint as Myer group general manager of merchandise. So successful was she in her position, she was appointed to lead both Peter Alexander and fast fashion sister brand Dotti in March.

8 Justin Davis-Rice

He's the man who took Bendon global. This year, Bendon CEO Justin Davis-Rice orchestrated a merger with New York-based intimate apparel company Naked. As a result, the newly formed Naked Brand Group kicked off an aggressive rollout strategy, commencing with the launch of its Heidi Klum Intimates' solutions line to over 4000 CVS locations across the United States. It was Davis-Rice who first brokered the venture with Klum in 2014, after ending a 25-year product deal with Elle Macpherson. Naked has since announced its intention to acquire FOH Online Corp, the exclusive licensee of the Frederick's of Hollywood global online license. "The merger enables Bendon to increase its footprint in the U.S. market, facilitating global business growth both organically and via strategic acquisitions," Davis-Rice says.

9 Tania Austin

As if co-founding one of the country's greatest retail success stories (Cotton On) wasn't enough, Tania Austin continues to work her magic as owner of Decjuba. In July, she celebrated 10 years at the helm of the fashion retail chain and the success of new ventures such as D-LUXE Basics and Decjuba Kids. "Expanding our store footprint always keeps us busy," she says. "We'll open the doors to our 100th store later this year, which is seriously awesome. At the heart of all of our expansion plans is delivering amazing to our customers. It's such an exciting time to be a part of the Decjuba community." An important part of the journey has been its long-standing partnership with The Hunger Project, a charity that works to break the cycle of poverty.

10 Melinda Tually

As Australian fashion retailers start to clean up their supply chains, there is a respected industry authority who's name gets mentioned time and time again. Melinda Tually. Having been the Fashion Revolution coordinator for Australia and New Zealand since its inception in 2013, Tually also spends her time consulting to businesses, including her current role as David Jones ethical sourcing manager. As a former deputy chair of The Fair Trade Association of Australia and New Zealand, the advocacy body for the fair trade movement, her commitment to the cause is unparalleled. "Every fashion brand that produces a garment has an impact and they need to take ownership and responsibility for that," she says. "In saying that, we can't expect to be perfect or to fix things overnight because it's just not practical." Ten points for added diplomacy.

11 Peter Larsen

At a time when retailers battle it out for consumer spending, Specsavers Australia is on track to reach $1 billion in sales in 2019. It recorded a whopping $947 million in annual sales for the year ending February 28 this year, a 10.12% increase from 2017. Heading up the charge is Specsavers Australia and New Zealand executive director Peter Larson, who's most impressive feat is achieving this growth organically. Specsavers opened just four additional sites over the financial period, with average sales per store increasing by around $200,000. Speaking at *Ragtrader* Live in May, Specsavers co-founder Charles Horner says the key to the brand's success is disruption. "We introduced a single pair of glasses with lenses for $99 and we introduced two pairs of glasses for one low price, with lenses for $199. So suddenly we're giving people double what they had before for less than half the price."

12 Tash Sefton

There's a reason digital influencer Tash Sefton is regularly

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called on to collaborate with brands and host fashion events, including both the Target and Wittner spring 18 activations. Sefton knows her stuff. The influencer has over 20 years experience in the fashion industry, including a stint as head of womenswear for streetwear retailer General Pants. Alongside her friend Elle Ferguson, she developed and launched digital platform 'They All Hate Us' as an early adopter, leveraging transactional eCommerce with social media. Sefton continues to expand her portfolio with the launch of art business Sefton Segedin and consultancy Where Did Your Style Go.

13 Guy Russo

We know he made it to the Power 30 list last year - but as he prepares to exit his role as Wesfarmers head of department stores, it would be remiss not to look at Guy Russo's remarkable legacy. Russo is widely credited for the stunning transformation of Kmart, bringing it from the brink of bankruptcy in 2008 to a 21.5% increase in profits to $660 million in 2018. While initially tasked with fixing the embattled Target business, which flagged a $300 million write-down in August, Russo will see out his tenure at the end of October. Wesfarmers CEO Rob Scott continues to praise his contribution to the business. "He has led a world-class turnaround of Kmart into one of Australia's best product development and retail companies. Under Guy's leadership, Kmart's earnings have increased more than five-fold and more recently he has led a significant reset of Target, reducing its cost base and returning it to profitability."

14 Joanne Goldman

Is there a commercial future for Australian fashion designers? If Hotsprings CEO Joanne Goldman has anything to do with it: yes. Goldman joined the business in 2014, following a stint as The Apparel Group general manager for wholesale. Under her leadership, Hotsprings has acquired and assisted in the development of several leading brands including P.E. Nation and Rebecca Vallance. This year, she salvaged beloved designer label Lover out of administration and retained the creative nous of founders Nic Briand and Susien Chong. "When we acquire brands we immediately ensure and it is critical that we understand the inventory and forward orders and that they are captured in our system accurately and physically in our warehouse, "she says. "With Lover, we also met with the team, shared our vision with them and reassured them of their job security. We wanted everyone to buy into the fact that we are all going to be working together to get the business back to the strong position it previously had held."

15 Shane Fallscheer

Accessories chain Lovisa has been a standout performer on the stock exchange this year, with shares leaping close to threefold from $3.55 to $10 in 12 months. While the brand has seen two executive departures in six months, including both its CEO and CFO, its sales performance is unquestionable. The company saw double-digit growth in the 2017/18 financial year, earning $217 million in revenue and hitting $36 million in net profit. Lovisa's founder and MD Shane Fallscheer has been steadily rolling out the brand globally, with new stores in the UK, Spain and France. "We have been able to continue the momentum from the very strong start to the year through the second half in the face of some great ranges from prior year and four years of strong comps to deliver another excellent result," he says. "It's pleasing that we were able to continue to invest into the structures to support our global expansion and at the same time continue to deliver strong results from existing markets."

16 Jane Lu

Heading into the new year, digital disruptor Showpo announced it had delivered its one-millionth order. Founder Jane Lu says the company is looking to achieve a $100M run-rate with no external funding by 2020. "We have such an incredible team – it's what makes work exciting for us – that we have these interesting challenges to work through and we have the best people in the industry to work on them with." What started off with a laptop and two shelves of clothing in 2010 is now an online global fashion contender, shipping to 80 countries. Lu credits a disruptive retail model and an evolving social media strategy for a social following of over 3.5 million. This year, Showpo took out an unprecedented four gongs at at the Australia Post Online Retailer Industry Award.

17 Camilla Franks

A week after revealing she was diagnosed with breast cancer, designer Camilla Franks fronted a spectacular show to close Mercedes Benz Fashion Week Australia 2018. The parade, inspired by her travels to Japan, included a Japanese harp orchestra, drums, a life-size blossom tree and walls covered in fabric featuring her prints. Behind her tenacity and creative mind also beats a heart dedicated to solid business practices. Speaking at *Ragtrader* Live earlier this year, Camilla CEO Jane McNally revealed her team is investing 300 hours a week in implementing structural systems ahead of accelerated global expansion. This includes a new cloud-based ERP and finance system, a PLM software overhaul and new eCommerce platforms dedicated to key international markets. "Our amazing Camilla is responding well to treatment and wanted to capture where she is on her personal path fighting cancer. The strength and authenticity evident in these images is what we always see when she comes into the office," she says.

18 James Wakefield

You know you're onto a good thing when the world's largest suit manufacturer invests $3 million in your startup. That's exactly what happened in February, when Dayang Group gave Australian custom-made suiting brand InStitchu a generous

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capital investment. Co-founder James Wakefield has taken the brand to successive sales heights, recording 114% year-on-year growth leading up to the deal. Under the venture, Dayang Group will become the startup's production partner and fund the rollout of 15 global showrooms. It will also ramp up Institchu's online and in-store experience, with Wakefield praising the collaboration as an important next step for the brand. "The Dayang team shares our vision that the future of menswear is made-to-measure and in the belief that a meticulously crafted suit should be affordable," he says.

19 Kellie Hush

The fashion retail industry will be paying close attention to respected publishing veteran Kellie Hush this year. After a 23-year run in the Australian media, Hush announced she was stepping down as editor-in-chief of Harper's BAZAAR Australia in August. Why? She plans to use her intellectual capital to launch her own retail business, with the September 2018 edition of Harper's BAZAAR to be her final issue. "I'll be bringing together all of my knowledge and passion for fashion plus my extensive contact network to create a unique fashion brand," she says. "My six years at *Harper's BAZAAR* have been the highlight of my career so far and after celebrating *BAZAAR's* 20th Anniversary this year, I felt the timing was right to step down and pursue a personal creative dream. The magazine is in great hands as I have an incredible team." Hush became editor of *BAZAAR* in 2012, taking responsibility for the *BAZAAR* brand across all platforms, including print, digital, events and social media. Under Hush's editorship, readership increased 6% YOY in 2017 and is on track to do the same in 2018, with its total cross-platform audience also increasing 32% YOY.

20 Joe Farage

How often does an independent vertical business - which still commits to onshore manufacturing - celebrate 20 years in business? Not often, which is the reason Joe Farage has entered the Power 30 for 2018. Alongside his partner Katy, he has taken tailoring business Farage to new heights while still producing shirting in their own Surry Hills factory. Farage attributes the introduction of womenswear in 2003 and the launch of eCommerce as pivotal moments for the brand. It was an early adopter in the digital designer space, going live with a platform as early as 2008. "It's become much more significant in subsequent years," he says. "Having an online platform has become a necessity for all brands – even more so now than bricks and mortar.What it has also done is encourage brands to make their retail space experiential and innovative more so than ever before. It's essential for us to give our customers a reason to visit us in store rather than just to buy product; it's an evolving challenge."

21 Karen Brickell

All eyes will be on Karen Brickell leading into the new year, as she attempts to revive the fortunes of ailing department store Target. Appointed as head of womenswear and intimates design in September 2017, she has a rich history in buying and design spanning Myer, Debenhams, Marks & Spencer and more recently Forever New. Although Target endured a $300 million writedown this year, spring 18 is the start of a full-scale collection and marketing overhaul. "We lost our way a little bit," she says. "At Target, the core of our customer base is a modern mum and our ranges had not been delivering on that, so we had been disappointing her quite considerably." Following a directional marketing campaign for its new activewear range, its hero $25 leggings shifted 3600 units in just a matter of days. While Brickell acknowledges there is still a long way to go, the expansion of Target's linen apparel offer and trend-driven looks for spring marks a brave new direction.

22 Paul Higgins

As Australian brands start to eye off the lucrative Chinese market, performance brand 2XU made massive inroads this year with a landmark business deal. Partnering with major Chinese fashion retailer GXG, CEO Paul Higgins says the Australian brand is now well placed to tap the $6 billion a year Chinese gym and fitness industry. It plans to open 50 retail stores throughout mainland China in the next three years, in addition to its online

and wholesale presence. "2XU first entered Asia in 2008 with a wholesale presence in Hong Kong and Singapore, and is now present in 13 markets across the Asia Pacific region with plans to grow our retail presence from 22 to 50 stores in the next 12 months and to 100 in the next three years," he says. "The joint venture is an exciting opportunity for 2XU to share the world's best sports compression and high performance apparel with Chinese consumers, who are embracing sport and physical activity like never before."

23 Clare Press

You know the fashion industry is getting more serious about the planet when *Vogue* Australia appoints a sustainability editor-at-large. That's exactly what happened in February, when eco pioneer Clare Press assumed the role in a bid to ensure the masthead maintains an environmental focus moving forward. Press is no stranger to critical issues facing the industry, having disrupted the sector with her book 'Wardrobe Crisis' and as a passionate advocate on the Australian advisory board of Fashion Revolution. "The biggest change to happen in my lifetime is already happening: climate change," she told vogue.com.au when the new role was announced. "Global warming and extreme weather projections are scary, but I feel hopeful – there are so many inspiring people, particularly younger women, emerging in the green movement."

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24 Mark Teperson

Teperson's achievements as Accent Group chief digital officer are too long to detail: whether it's the launch of a purpose-built digital hub in Melbourne, click-and-collect, click-and-dispatch, endless aisle, three hour delivery and new payment options both online and in stores. But as every retailer worth their salt knows: if you can keep a clean bill of inventory, you deserve an award. That's exactly what happened when Accent Group commenced using its 445 store network as distribution centres."We launched ship from store, or click and dispatch," he says. "This story became 30-50% of our digital sales virtually overnight. We couldn't roll this thing out fast enough and it just started with seven stores. We added seven stores to click and dispatch and increased our average weekly sales by a quarter of a million dollars a week. Just with seven stores which is phenomenal." He said the combined force of click-and-collect and click-and-dispatch has now more than doubled digital sales. "And I didn't invest a dime in more inventory. Not a dime. I didn't go to my CFO and say 'I need $10 million to stick in my warehouse to do these sales' but just made all inventory available."

25 Wez Bryett

Wez and Eirin Bryett began with just one Princess Polly store in Brisbane. Fast forward to 2018 and the eCommerce site is on track to make $15 million in earnings, up from $10 million last year. This figure was enough to attract investment from private equity-backed San Francisco company Elevate Brand Partners in August. It is understood the company has taken as much as a 50% share in the online platform and is preparing a significant roll out of Princess Polly in the United States. What makes Princess Polly so successful? Aside from a fast fashion and promotional sales model, the business heavily invests in an influencer and social media led marketing strategy. Most recently, this included a collaborative line with YouTube star Sammy Robinson which followed its debut influencer collection with Cartia Mallan in 2017.

26 Camilla Freeman-Topper

It's not easy to stay on top of fashion trends for 15 years. However, Camilla & Marc co-founder Camilla Freeman-Topper has done just that, celebrating the milestone brand anniversary this year. The brand recently debuted its 10th national store in Brisbane and opened Mercedes-Benz Fashion Week Australia in May. "It was our platform to launch the brand in 2003 and we have enjoyed many highlights together. It is exciting to reflect on 15 years and all the experiences we've had." The designer brand is across several product categories and is available in global department stores and premium boutiques directly in the USA, UK, Europe and Asia.

27 Marcus Crook

It has been a big year for social enterprise HoMie, which uses 100% of profits to tackle youth homelessness. In April, the brand made a bold statement with its 'Made In Melbourne' range, using an ethical and sustainable end-to-end process in Australia. This included locally sourced cotton from NSW and production facilities in Victoria. In August, co-founder Marcus Crook also announced an important partnership with retail giant Cotton On. Participants in HoMie's Pathway Project will now be able to complete internships through Cotton On Group stores and work towards gaining a formal retail qualification as part of the project. In announcing the 'Made In Melbourne' collection, Crook said supporting the local community is at the heart of the brand. "It was always at the forefront of our mind that we wanted to produce locally now and we're in the position to do that and we're excited."

28 Anthony Bianco

"It's not the big that eat the small, it's the fast that eat the slow." That's Tony Bianco director Anthony Bianco's take on the competitive retail market: and for his fearlessness in evolving to meet the times, he makes the Power 30 list for 2018. In addition to creating on-point and trend driven collections for the market, as well as a compelling social media strategy, the brand has been enjoying unprecedented success in the US this year. The brand has set up a warehouse in the US and credits 35% of its Instagram following to the market. Annually, the brand is shipping around 25,000 pairs to the US with online sales to the market also doubling from last year. "As a weekly percentage, it's probably running around 15%," Bianco says. "It all started around 18 months ago when we got in touch with Nordstrom and it's just grown from there. It's been fantastic in the States."

29 Maggie Zhou

China's Alibaba, often compared to America's Amazon, is now claiming Australia as its third largest overseas market. Since opening a Melbourne office in 2017, Alibaba Group ANZ MD Maggie Zhou has led a concerted strategy to enlist more brands onto the platform, with Kathmandu and Review among those trading on the site. In fact, it has around 2000 Australian companies conducting business on its Tmall website and regularly stages Alibaba eCommerce expos to drive growth and brand recognition in key markets such as Sydney and Melbourne. The PAS Group group general manager for digital Anna Samkova says Zhou is a proactive player in the market. "I met Maggie at the International Women's Lunch in March last year. After a quick introduction Maggie's team mentioned that they are big fans of our Review brand. Maggie wanted to explore it further so we commenced a discussion shortly after."

30 Greg Healy

It was a senior executive wipeout like no other. But it placed Greg Healy at the helm of once-iconic surfwear brand Billabong, overseeing operations for the Asia Pacific. Billabong's key players were wiped of their positions in April, following the brand's acquisition by Quiksilver parent company Boardriders. The dramatic cull included CEO Neil Fiske, CFO Jim Howell, general counsel Tracey Wood, HR chief Mara Pagotto and GSM operations GM Paul Burdekin. Healy's role will see him lead the embattled surfwear group into the future, managing the local business for the Billabong, Element, RVCA, Von Zipper and Xcel brands. ■