Dynamics of the Fashion Industry

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Course Description

The fashion industry is a unique and highly visible part of the business world. Its economic impact to New York City is significant, employing 173,000 people and generating nearly $10 billion in wages. In addition, the semi-annual Fashion Week, which includes more than 500 fashion shows and attracts approximately 232,000 attendees each year, generates an economic impact of almost $900 million annually. New York City is the global capital of fashion. This course will bring together leading designers, manufacturers and retailers who will present and discuss with students the unique aspects of the fashion business. Both established players and entrepreneurial ventures will be represented, focusing on specific challenges the fashion industry faces in finance, marketing, sales, manufacturing, management and operations.

This course is an Undergraduate Executive Practitioners Seminar. It provides students with the opportunity to interact with seasoned executives, designers, merchandisers, manufacturers and marketers from leading fashion companies and start-up ventures. Information provided by external speakers will be supplemented with readings and cases providing context and rigor to meeting the challenges of the fashion industry.

Course Objectives

- To develop insights into the specific challenges and nuances of the fashion industry
- To provide a framework for problem solving across multiple functional disciplines
- To provide a forum for students to refine their thinking in a risk-free and supportive environment

Course Design

Using industry experts as guest speakers, lectures/discussions, case studies and consulting by the course faculty, students learn the ins and outs of the fashion industry. It is an opportunity to marry the theory and process learned in the core classes, with the reality of running real businesses in a very creative and dynamic industry. Each speaker appearance will be combined with readings and form the basis for the final project assignment. The basic format of the class is: listen/discuss/learn/do. This will be a highly interactive class with an emphasis on participation and application.
You are expected to come to class having read the assigned materials. Be prepared to question, argue and discuss everything that is presented. **Requirements for class are enthusiasm and a willingness to think and work. A sense of humor would also be greatly appreciated.**

**Project Assignment**

There are many challenges that companies in the fashion industry face. While you might argue that they are common to other, if not all industries, the fashion industry has many unique characteristics as will be presented by our guest speakers.

Your assignment for this class is to research a particular area of interest to you in the fashion world. Topics include:

- Branding
- Supply Chain (sourcing/manufacturing)
- Channel Development and Management
- Pricing
- Role of the Designer

Based on the presentations and discussion with our guest speakers, and your external research, you are to:

1) Choose your area of interest

2) Identify the management challenges fashion companies face in this area. You may choose a particular company to evaluate or look at it from an industry-wide perspective.

3) Provide a set of recommendations or predictions regarding that challenge in the fashion business.

Additional details will be provided in class.

**Required Materials**


Selected readings posted to NYU Classes

**Grading Plan**

The courses grade will be based on the following components and weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Written Assignments/Group Project</td>
<td>50%</td>
</tr>
<tr>
<td>Presentations</td>
<td>30%</td>
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<tr>
<td>Class participation</td>
<td>20%</td>
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Agenda

1/26  Course Introduction
- Introductions
- Course structure and requirements
- Team projects
- How is the fashion industry unique?

1/28  Fashion Industry Overview
- Designer, manufacturer and retailer
- Today’s challenges

Read: NYT & FT handouts

2/2  Pricing: Costs, Channel and Brand

Guest Speaker: Lisa Metcalfe

2/4  Cost Waterfall
- Wholesale and retail pricing
- Value added chain

Exercise: Cost an item of your clothing

Read: Survival Guide Chapter 6

2/9  Managing a Fashion Company

Guest Speaker: Jeffry Aronsson

2/11  Can Today’s Wholesale Channel Continue?

Read: Crains—“Private Labels Back in Fashion”
WSJ—“House-Brand Menswear”

2/16  No class

2/18  Fashion Brands—Luxury and Wholesale

Guest Speaker: Jayne Harkness

2/23  Owning the Channel Top to Bottom

Guest Speaker: Mara Urshel

2/25  Vertical Retail Integration

Read: H&M Supply Chain case
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>3/2</td>
<td><strong>Entrepreneurship</strong></td>
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<td>Guest Speaker: Tom Patterson</td>
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| 3/4  | **Entrepreneurship—New entrant Strategies**  
|      | • Product  
|      | • Distribution |
| 3/9  | **Disruption in Distribution and Social Commerce** |
|      | Guest Speaker: Emily Hickey |
| 3/11 | **What’s The Traditional Player Supposed to Do?** |
| 3/16 & 18 | **Spring Break** |
| 3/23 | **Designers—The Heart and Soul of Fashion** |
|      | Guest Speaker: Yoehlee Tang |
| 3/25 | **Branding** |
|      | Read: "Survival guide" Chapter 7 |
|      | Guest Speaker: Joe Ferrara |
| 4/1  | **Finance continued....** |
| 4/6  | **Preliminary Project Plans** |
|      | Team presentations |
| 4/8  | **Licensing and Intellectual Property** |
|      | Guest Speaker: Doug Hand |
| 4/13 | **Media and the Fashion Industry** |
|      | Guest Speaker: Emily Hickey |
| 4/15 | **Project Working Session** |
| 4/20 | **Keynote Speaker** |
|      | TBA |
4/22  Project tune-up
4/27  Final Project Presentations
4/29  Final Project Presentations
5/4   Final Project Presentations
5/6   Final Project Presentations
       Course Summary and Farewell
5/11  Final assignment due

*Speakers are not confirmed and will likely change*