



Expanding FOOTPRINT

Foot Locker Europe is growing its network with two new recently launched formats and a key acquisition. The company is setting the pace within the industry and remains a leader in athletic apparel.

Images by John Roeland

CEO of Foot Locker Europe Lew Kimble has worked across numerous pockets of the globe with the company. His knowledge and experience has led him to senior management positions in the Netherlands, Australia, and the US. He has a long history with the organisation and the retail industry at large. “From my perspective, I decided early on in my life—probably in my teens or early twenties—that retail was the most exciting and most rewarding profession for me to go into. I started off in the store’s organisation, so I began as a salesman in one of our stores, became a store manager, and then worked my way up through the operations side of our business. I went from store manager to manager trainer, to district manager, and then had an opportunity to become the head of operations group under the title VP of operations.

enjoy the interaction with people and I enjoy the challenge. I think a lot of us, especially if you work on the athletic side of retail, somewhere in our lives, we were quasi-athletes; somehow involved in team sports is what it comes down to. And we were all excited about the chance to compete and, win or lose, the fact that there was an outcome. Retail is one of the few professions where every day you get a score. I come in each morning and I can see yesterday’s results, and I know if it was a good day, bad day, or somewhere in between. So you get a report card every day, or you get a result every day. If you’re a competitive person—I mean, we all want to win more than we want to lose, but there has to be at least an outcome—you need to have to have a result. And I think that was one of the first things in retail that was exciting for me.”

successful format for us in North America, and it really becomes an opportunity for us because our kids’ business is a significant part of our business and some of our competitors are good in kids’ products as well, while others don’t play in kids at all. We always thought the kids’ business was an important way for Foot Locker to reach new customers for the future, and as a standalone business, it allows you to really focus and expand the offering to that consumer.

“From a European standpoint, we saw a similar market opportunity and we wanted to start opening a few stores to see if we could validate it. We opened two stores when I was here as the real estate director before I went to Australia, but we didn’t go any farther. Now we’re up to 15, and the stores are getting pretty good results, including the store that we just opened in Stratford a few months ago. We definitely see the kids’ business in Europe as an important opportunity for us.” >

As CEO of Foot Locker Europe, Lew has been instrumental in the launch of new formats for the company such as Kids Foot Locker. “Kids Foot Locker is a really

“The fortunate thing for me is that I’ve always enjoyed retail because I



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Another new format that Lew has helped implement is The Locker Room. “The Locker Room is interesting because with everything going on in our industry, from a performance footwear standpoint, we felt there was still an opportunity for someone to offer apparel for the performance consumer—whether it’s performance as in a person who runs six days a week, or a person who goes to the gym once a week. It’s a more premium environment to shop in, and not just a big-box format. So can you do a premium location in a major mall like Brent Cross [in North London] or Birmingham’s Bullring and make that format work? We’re still experimenting, we’re still improving, and we’re still seeing if we can work it or not.

“To touch home in the UK, obviously JJB didn’t work; Sports Direct has a very different model than we’re talking about; and now JD and a couple of other players are looking at potentially doing the same thing as what The Locker

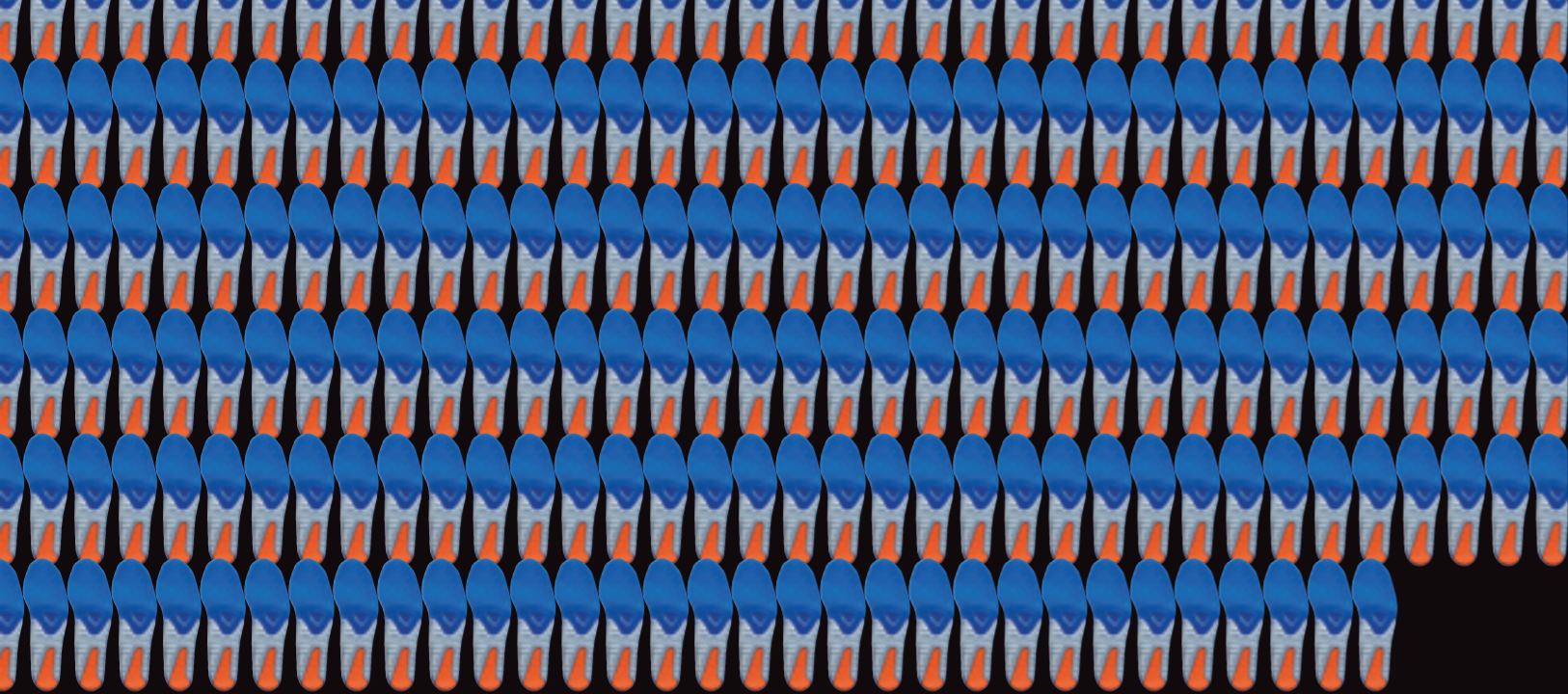
Room represents. We have four stores, and it’s the first time we’ve ever had a new retail format that’s been designed and has a strategic plan behind everything which has been put together outside of the US. It’s the first time one of the international divisions has brought forward a new concept that they want to test. It’s been accepted by the chairman of the board and we’re testing it now.”

July 2013 saw the acquisition of Runners Point Group (RPG), a major German athletic chain with stores in the Netherlands, Austria, and Switzerland. This purchase by the company strengthens Foot Locker’s footprint in those countries and increases the company’s online presence. “On the Runners Point side, it’s an established brand in Germany. There are a few stores outside of Germany—not a lot—but it’s really a very strong German-based company. We feel that running is by far the most popular sport in Europe, and the running silhouette is the most popular

style of choice in our industry, so it’s a good fit to bring them into our mix.

“Sidestep offers another brand that is even more casual than Foot Locker, so it gives us another strong footprint going forward. First, we’ll focus on clarifying what each of the banners stands for in the German market, and then we will evaluate the opportunity to expand RPC’s banners further.”

Lew believes the defining charter of Foot Locker in the marketplace is the way the company works closely with suppliers. “We try to partner with the vendors on a lot of different levels. First of all, strategically; we make sure that the entire management team or whoever is necessary in my senior leadership team is available at key times of the year to physically sit, whether it’s for a day or three, with key brands and talk about where we’re trying to go, why we’re trying to get there, and where the key links are to them as a brand. >



100 million

replacement insoles sold—and still counting.

Thank you Lew Kimble
and Foot Locker Europe.
We couldn't have
done it without you.



“One of the issues is that a lot of times in a seller-buyer relationship, the whole relationship can be a purely commercial relationship, but we try to make it a bigger deal. Whether it’s a huge company like Nike or a smaller company that’s significant to us, we try to make sure all our vendors realise that we want to treat everyone fairly with dignity and respect, internally and externally.”

As a retailer of the biggest brands in the athletic sector, Foot Locker understands the importance of collaboration with vendors in order to create a mutually beneficial relationship. “You need to sit down with your brands, your partners, and realise that you’re not always going to agree; you’re probably going to disagree on as many things as you’re going to agree on, but you have to make the effort, you have to put the time into the relationship, you have to understand where the brand is trying to go, and ensure that they understand where you’re going to go as retailer, and where are the opportunities to intersect; so where are the big wins for both companies. When you look back on the relationship, both parties need to win, and winning means growing market share, growing sales, and growing profits.

“There’s some key terminology that you can use called ‘top to top’, so we have the chairman and the key

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divisional leaders that would meet with their counterparts. In Germany, we recently met with Adidas and PUMA, so we had our chairman, all the heads of our divisions, and then Herbert Hainer and the heads of the Adidas team. Likewise, we met with Björn [Gulden] for the first time to talk with the key PUMA people. We’ll do that with Nike a couple times a year as well.

“You have to be willing to invest the time; you can’t have a confrontational relationship or a relationship that just involves phone and email where you send your buyers over and that’s all you do. You need to make the time, and that’s me personally making the time as well as my key management team. You have to partner and invest in a relationship, and people have to believe that there’s a long-term goal.

“You have to be tactical, but you must also have strategic goals in

mind, which means you have to be working two, three, four years in advance, and you need to talk to the vendors on those terms. I think too often the vendors are on one level and the retail partners they have are on a total disconnect from that standpoint. If you’re going to really grow together and be successful then you need to create those partnerships and those bonds.”

Foot Locker, Inc. has a global network of approximately 3,500 stores, enabling the US-based parent company to give the European division strong support. “We have touchpoints as often as every week on what’s working in different marketplaces from a product standpoint and what are the key things we’re doing from a marketing standpoint. We have more detailed exchanges of information every month, and we even show up globally on some key strategic meetings as well. The strength of our global organisation >



is that we can see what's going on around the world and we can help move trends or help take advantage of the trends moving around, and we really link together from that.

“With about 800 stores, Foot Locker Europe is fairly big on the European landscape, but we also benefit from the financial and operational resources that the parent company has built up over time. When you get to, for

example, the purchase of Runners Point Group, even though it was a significant amount of money, we paid cash and didn't have to borrow any money or look for a line of credit. So we have a lot of things available to us from that standpoint, as well as the strength of a global organisation.”

Foot Locker offers a centre of excellence all around the globe, providing best practice from an international perspective and

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offering staff the opportunity to work around the world. “One of our strengths is our retention rates, and if I have people in Europe that want to someday work in Canada, the US, or Australia, it's a definite possibility. It's not a 'maybe someday' thing; it happens all the time.”

“We move talent around as it works for the individual as well as the company, and I think that helps us have long-term employees because they see the opportunity. Although they're in the same business and have been doing the same type of job for five, 10, or 15 years, they can do it in different places in the world, have different experiences, and learn different things along the way.”

Lew is positive about Foot Locker's future in the region. “I think we have an excellent opportunity to not only grow for



ourselves, but grow for our vendor partners as well. I see us continuing to add Foot Locker stores in Western Europe and I see the potential growth of Kids Foot Locker, Runners Point, and Sidestep as really big opportunities from a bricks-and-mortar standpoint. With the purchase of Tredex, the online engine behind Runners Point Group's retail banners, we can get more assets and more expertise on the European side of the dotcom business, and I think that will really help us leapfrog ahead. Europe is poised for that growth; the only two significant countries in Europe from a dotcom perspective are really the UK and Germany—everyone else is way behind the rest of the world when it comes to penetration online.

“As the consumer becomes more active online, we'll be positioned to take advantage of it compared to historically, where the individual company has grown as the market has and you're trying to catch up. Whereas in Europe, it's kind of the opposite; the technology is already ready and will be farther ahead than what the consumer is, especially when you look at the southern European countries like Spain and Italy and how much business is actually done online. I think that's a huge opportunity, and we're positioning ourselves to grow from that standpoint as well.”

Foot Locker has created a strong presence throughout Europe and continues to grow and diversify its offering. With the launch of two new formats and the acquisition of Runners Point, the company is poised to maintain a leading position in the athletic apparel industry. Lew plans to take Foot Locker to new heights and increase the organisation's market share, and with the support of a major parent company and access to substantial resources, his vision for the future of Foot Locker is bright. •