

An Iconic Step

When a boot called Timberland was launched onto the retail market more than 40 years ago, its creators never imagined it would become the huge footwear icon it is today.

Images courtesy of Timberland

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- Timo Schmidt-Eisenhart

The iconic ‘yellow boot’ dates back to 1973 when Sidney Swartz introduced a new type of waterproof shoe to his father Nathan’s business, the Abington Shoe Company, in South Boston. Made with premium full-grain nubuck leather with thick rubber lug soles, Timberland was an instant classic thanks to its quality craftsmanship and ingenuity.

In the early 1980s, the brand expanded internationally and entered the European market. It introduced more product lines and fast became a household name. Timo Schmidt-Eisenhart has been the President and CEO of Timberland’s European operations since 2013. Prior to that he was vice president of the region and was responsible for driving a successful transition when the global company was acquired by VF Corporation in 2011. Timo also has extensive experience working

in the retail sector with Nike and The North Face.

Timo says Timberland is currently in a phase he refers to as ‘best then, better now.’ “It really is one of the taglines we’re using to drive the brand, generate synergies after an integration and bring the label to new revenue levels,” he explains. “My mandate when I was appointed as president was clearly integration—moving the headquarters and resetting the brand with that new VF Corporation platform. Now it is all about running the business and growing it, which we are currently in the middle of.”

Rolling out that strategy has seen numerous successes for the outdoor lifestyle label and Timo is proud of the direction it is taking. The company is really kicking its VF Corporation synergies up a notch and tapping into that structure in terms of finance, human resources, supply chains,

sourcing, and marketing. Timo says there was potential for major disruption during the amalgamation process but the business managed to tackle that with ease. “Not only did we change our headquarters, but we also changed a lot of our IT systems and everything across that basically over one day. A lot of things could have gone wrong so I think one of our biggest achievements is that we kept the business alive and up and running. Even more than that, we kept growing the business in a very healthy way. If you look at the numbers today you basically don’t see any disruption, and that was a big achievement.

“Then at the same time we managed very well to really bring a great team together from diverse areas and backgrounds, from different countries and companies. That is what really makes this company, and this brand, really powerful moving forward. I think it is fantastic when you bring diverse >



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people together and align them on their goals. That's when you see the magic happening. I think we are exactly at that point here at Timberland right now."

Timberland has a strong heritage and a real story behind its existence. "It's ingrained into today's world and what we have found out with our consumers is that they love the real stuff," Timo says. "There are so many brands, so many companies, and so much product out there that is artificial. The brands are created at a desk and the story is created around that. For us, the brand was started to give the workers in the forest foot protection in that wet and cold climate. That's how the rugged boot was built. We have kept that initial concept unchanged for over 40 years. It's still exactly the same boot, it's still 100-percent waterproof, and it's of a really high quality. That is something, of course, that nobody can take away from us as long as we keep fuelling it. That's one of the big

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distinguishing points for us within the industry—it's that we have a real product that is high-end and at a high price point. You can't underestimate that. We play upwards, not downwards, as a brand and therefore we are able to tell a real story."

The tagline 'best then, better now' perfectly encapsulates what Timberland is working to achieve. Timo says it is "very powerful" and about protecting the history while going through the merger with VF Corporation, but also bringing something new to the scene. Over the next five to 10 years, Timberland will be focusing on creating a younger image that is more defined.

"We want to take on that consumer 'sweet spot' a bit more," Timo says. "Our customers are very interested in identifying with a story and they have an affinity to quality. They like to spend if they believe in a story, believe in a brand, and believe in quality. They are



engaged with and follow fashion but are not looking to set trends."

The growth plan over the next five years includes the expansion of product lines out of the three 'silos'—men's footwear, women's footwear, and apparel. "We are already very strong in men's footwear but we still have a massive growth opportunity there, especially in the casual footwear market. We are looking at how we can deliver daily footwear solutions for the consumer. Then we're expanding into women's footwear and apparel and these are the big growth drivers we're accelerating from a distribution point of view. We are also focusing on our e-commerce."

Over the past 12–16 months, Timberland has been implementing extensive research into the end consumer. It has discovered that, due to being a classic brand with a strong heritage, more than 92 per cent of people in the European region >



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recognise the label. “We want to keep it that way,” Timo states.

“That’s one of our brand principles, to never mess around with our heritage or history. We protect that like it’s our holy grail. At the same time though, and this is the challenge of managing a brand, we have to keep that stronghold on our classic products while still evolving the brand into something new and something younger. That comes back to that tagline ‘best then, better now’. You have to keep pumping those bestsellers while still injecting new product, younger product, new technology, innovation, and style across all genders and categories in order to make our collections appeal to our consumer and build us an area in the lifestyle category.

“That’s a big thing we’re working on—mainly in the product engine but also from a marketing and communication point of view.”

A key value paramount to Timberland’s operations is

ensuring it adheres to sustainable practices. For 40 years it has been in constant pursuit of creating both bottom-line business value and social justice. Timberland believes it can make a difference to the world. The business has reduced energy costs and greenhouse gas emissions, planted trees to help preserve the outdoors and made a commitment to improving the lives of workers and the wider community. Timberland’s European distribution centre is in Almelo, Holland, and aligns with this philosophy. The centralised location offers easy access to the ports of Rotterdam, which reduces emissions from trucking and can get to the European market within two days of travel time. Furthermore, Timberland partnered with the Dutch company OVG to create a ‘green’ building and this has reduced energy costs. The facility features numerous environmentally conscious attributes including underground rainwater tanks, motion-detector lights, and a new state-of-the-art

packing system that offers greater efficiency and less noise.

In 2013, Timberland reduced its greenhouse gas emissions by 22 per cent compared to 2012 and this was largely attributed to the increased use of renewable energy at its European headquarters and distribution centres. By the end of 2015 it hopes to decrease this by 50 per cent by focusing on three areas of the business. It wants to reduce emissions produced by the burning of fossil fuels on Timberland property and vehicles, reduce the emissions associated with the electricity it purchases from other companies, and reduce the emissions that are a consequence of the company’s indirect operations with outside sources.

Another focus for Timberland is supply-chain excellence and competency. Strong relationships with strategic suppliers and other partners are developed to ensure



In terms of innovation, Timberland has its own centres while it also outsources to external businesses, universities and design hubs for inspiration. Technology is an important part of Timberland’s product range so it can be useful to have suppliers who can assist in that area. VF Corporation is building three global innovation centres for Timberland’s footwear, apparel and jeans markets, which will have huge benefits for the brand. The groundbreaking centres will be staffed with teams of scientists, engineers, technical designers and key talent who will combine proprietary insights with consumer needs and a deep understanding of technology and new materials. The expected outcome will be breakthrough products that drive brand equity and long-term growth. Furthermore, the centres aim to spark opportunities to fuel VF Corporation’s growth, shape the future of apparel and footwear, and inspire the consumer to buy and pay more for new, differentiated, value-adding products.

According to Timo, the biggest challenge the Timberland brand faces today is finding enough good locations to roll out more stores. “That’s actually it,” he quips. “I think there’s definitely no problem from a concept point of view, there’s no problem from a profit point of view, and there’s no problem from a story point of view. We have a beautiful story to tell. Timberland is an incredibly strong brand and if you think about it we have a stronghold in some of the biggest countries. We have more than 85 per cent unaided awareness around the world. In Europe, it’s at about 92 per cent, and there are only three footwear companies in the world that are within this range: Nike, Adidas, and Timberland.

“We have an incredibly strong starting point from a brand point of view. The biggest issue really is finding enough locations to open stores and share our story. There is really no other issue than that at this point in time. There’s no limit to what we can achieve and we’ve only just started, that’s for sure.”

success for the brand. “It’s not possible to deliver constant results, on-time delivery and quality season after season if you don’t have long-lasting relationships and partnerships,” Timo says. “It’s down to long-lasting relationships and partnerships where they have some security because they know Timberland is not going away anytime soon. We provide them with security and the constant revenue stream coming their way.

“It’s a give and take, front and back. A big piece of it is reliability and stability in today’s world so that you are able to deliver season after season. It’s not a given any more these days; you have to work at those relationships. It has been different in the last five, six or seven years at different times and today it’s the capacity because resources are scarce. I think we are doing a great job there as a brand and as VF Corporation.”

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