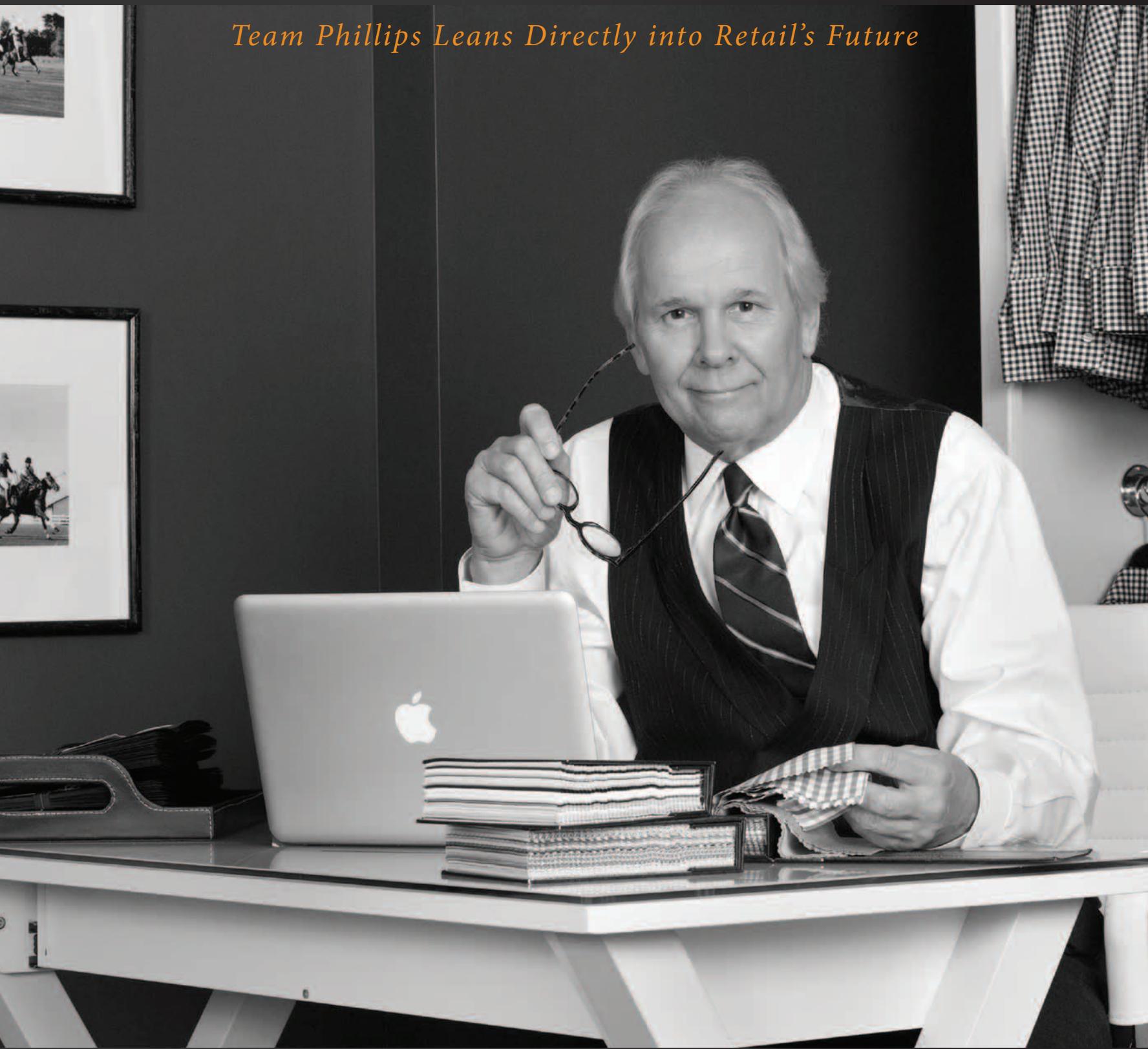


DRESSING for SUCCESS *in* BARRINGTON

Team Phillips Leans Directly into Retail's Future





STORY BY TERRY OWENS // PHOTOGRAPHY BY THOMAS BALSAMO

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I'VE OWNED PHILLIPS SINCE 1974, and it has operated in Barrington continuously since 1946. I enjoy the business on so many levels, from our guest base to our fashion story, and the team I work with—Terry, Chris, Peter M., our in-house tailor, and our bench of dedicated part-timers—who have all been with Phillips no less than 20 years. Imagine the changes we have seen from our front doors.

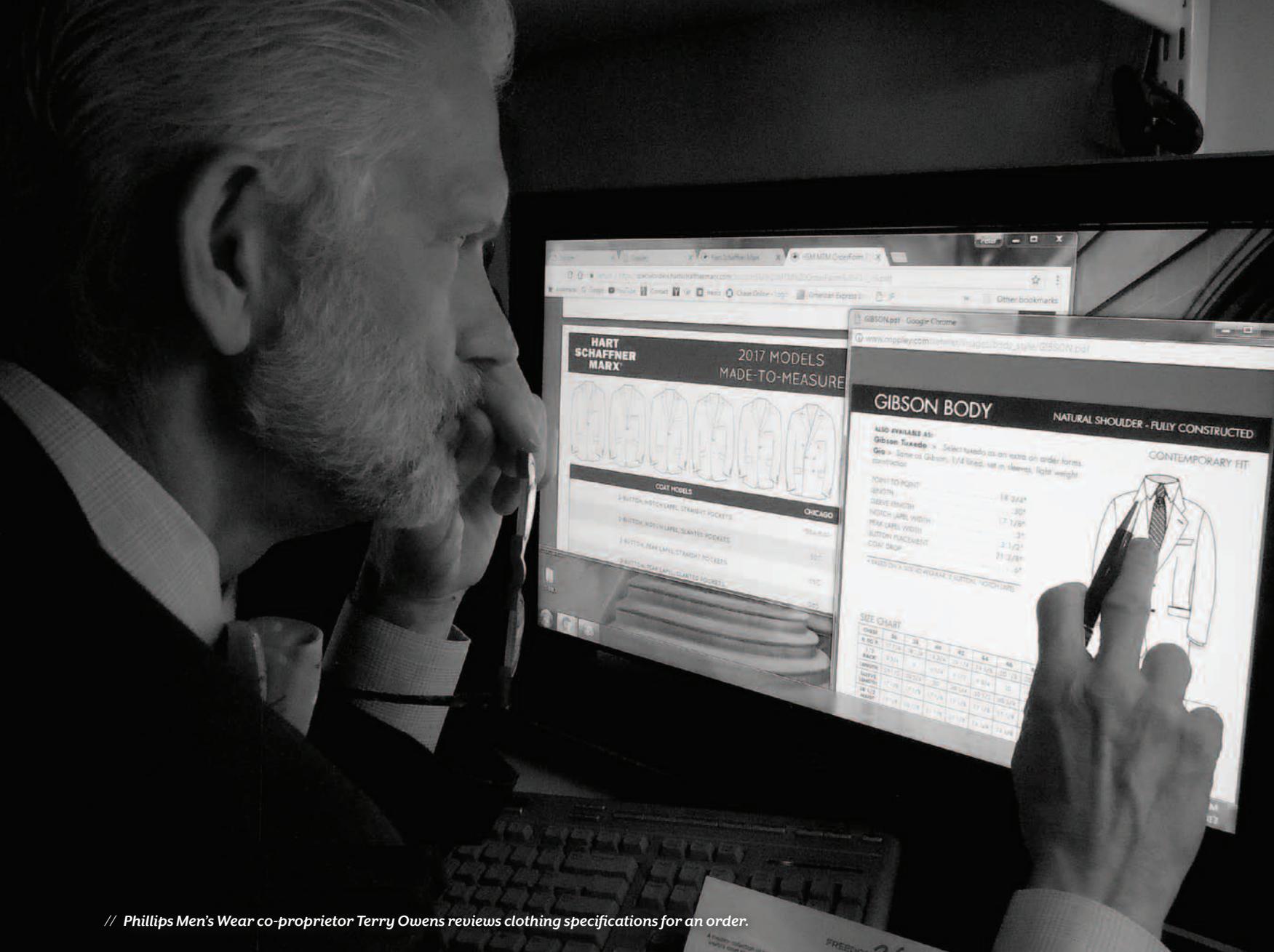
My long-time colleague, Terry Owens, illustrates the evolution of our small business in the following pages. He and I discuss endlessly what we see as new challenges and opportunities. The topics for all of retail, large and small, are changing demographics and shopping habits, and what seems to be a one size fits all solution—the internet on-line purchase. But, we're still growing; does it defy conventional millennial wisdom?

Terry and I don't think so.

There is a growing discovery. Clothing is becoming life-style specific. Its application and proper fit is difficult, at best, on-line. Xer's and Millennials especially realize that one size doesn't fit all, and ordering cookie-cutter, look-alike jackets may not be the best way to rise above your graduating class.

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-Peter Yankala



// Phillips Men's Wear co-proprietor Terry Owens reviews clothing specifications for an order.

FROM THE CORNER OF COOK AND STATION, Phillips Men's Wear is positioned to see both the past and the future with unique clarity. Not just the future of menswear, but the future of retail and local business ownership. We're integrating lessons from the past, ideas that are trending now, and conclusions about the future to roll out a new concept—the Phillips Personal Design Studio, our store within a store.

On December 8, 1989, at the same corner Phillips now occupies, fire destroyed Lipofsky's Department Store. The timing of the fire was particularly unfortunate because the store was filled with inventory that would have produced "a great portion" of that year's sales, said store owner Harold Lipofsky. The iconic Barrington business never reopened.

Earlier this fall, in contrast to the idea of locally-owned stores teeming with inventory, Nordstrom announced plans to launch its

new concept: small stores with no inventory. Cute. Number 188 on the Fortune 500 trying to play small ball. They were reading our minds, sort of.

At Phillips we've identified three powerful trends, reached some conclusions, and modified our business model.

Like never before, people are pressed for time. Consequently, they value convenience. Additionally, people are more attuned to their own preferences, whether it's a particular fit, a specific fabric, a must-have feature, or an overall look. Finally, the explosion of what-to-buy/where-to-buy choices has created an unprecedented need for personal interaction and expertise.

When powerful forces collide, the result is turbulence. And that turbulence has overpowered many retailers as they've chased trends and customers and distribution channels. But turbulence also creates opportunities for nimble businesses with a clear vision.

A CHANGING LANDSCAPE

Years ago, we noticed that even as our off-the-rack suit business was declining, our custom suit business was growing. Our clients were developing stronger preferences, especially as styles shifted. Perhaps diversified is a better word. Of course, it wasn't just in suits that clients identified preferences. Dress shirts, sport shirts, slacks, jeans, sport coats—the landscape of menswear was changing quicker and more dramatically than ever.

By its nature, menswear is a business based on seasonal change. We couldn't help but notice that a little thing called the Internet was also driving dramatic change and the growth of everything. Everything but locally-owned businesses. Touting the "convenience" of shopping anywhere at any time for anything, virtual stores proliferated, and some swelled to enormity. Amazon grew from a simple online bookstore to a giant, store-killing death star, highlighting the challenges faced by independently owned, brick-and-mortar stores.

"For every trend, there's a countertrend," a client once reassured us.

We began to think differently about our business. We identified what our strengths were, what our strengths weren't, and what our clients were telling us, either directly or indirectly.

The most important thing our clients told us, and the thing that has driven the most change at Phillips, is that they wanted more input into the things they wore. At its most basic level, any garment is a combination of fabric, fit, and style features. Customers are looking for their perfect combination of those separate elements—their perfect fabric in their perfect fit incorporating their perfect style features.

For as long as we've been in business, we've had that ability. From the collar style and length of shirts to the buttons and linings on suit coats, our custom clothing lines have always allowed us to meet the specific desires of clients, creating perfect garments. But cost and delivery time were sometimes obstacles.

Additionally, either by habit of simply not being aware of custom options, customers have usually purchased from on-the-shelf stock. And they often make tradeoffs when they do. Whether it's clearly defined or not, some hierarchy of preferences guides them to "settle-for" decisions. For instance, a fabric they love in a fit they don't object to with style features they ... well, two out of three ain't bad.

It's the same process we go through as buyers looking for perfect garments to purchase for stock to satisfy the varied tastes of the most number of people. Regardless of our abilities, taste level, and experience as buyers, the items we choose to feature in the store are really our best guesses of what we think people want, the most number of things with the fewest number of tradeoffs.

We will always have items in-stock, but as styles have diversified and client preferences developed, our focus is shifting from simply providing great looking menswear to discerning our clients' preferences, designing personalized garments, and delivering them as

quickly and cost-effectively as possible.

Short of full custom garments, was there really a way to satisfy the desires of our clients but lower cost or expedite delivery, ideally both? Oh, and not sacrifice our benchmark quality, too? Would that be asking too much?

FROM READY-TO-WEAR TO MADE-TO-ORDER

At the most recent Menswear Collective, we found two new lines that allowed us to do all the above. Two executives in a business unrelated to menswear had a passion for clothing and technological savvy. They developed an algorithm for made-to-measure shirts and found a source that could deliver them in seven working days for \$125. We also discovered a pant line with a rapid-ship in-stock program that had made a huge commitment by increasing both the number of pant fabrics they stocked and the number of models they offered. Their extensive in-stock program became our extensive in-stock program.

These two companies allowed us to reconcile seemingly irreconcilable considerations—a decreased commitment to on-the-shelf inventory, a significantly increased ability to satisfy customers' desires, lower costs, and quicker deliveries. They provided the answers we were looking for—innumerable options at reasonable prices with unprecedented delivery.

In addition to new lines offering more choices with quicker deliveries, we recognized the need to change the store layout. We wanted to create a more collaborative environment. Whether it was a custom suit for a wedding or half-dozen custom shirts for the work-week, we wanted to create spaces that would facilitate a relaxed exchange of ideas with our clients. We wanted to learn what they wanted, not show them what we had. So, we opened things up, got rid of a few oversized cabinets and old-style pant racks, and brought in tables, desks, and chairs, all simple and sleek and white. The result was the Phillips Design Studio, a space within the store. The personal, collaborative aspect was crucial. People want choices but found that sifting through the universe of options on their own was time-consuming and often overwhelming. But sifting through options is what we've done our entire professional lives as buyers for the store. What we've learned through the years as buyers we now apply on an individual level as stylists.

The lines we're working with now and the environment we've created in the store is the perfect coming-together of the forces of convenience, individual expression, and collaboration. Far from being overwhelmed by the turbulence of change, we're thriving in the opportunity.

A store teeming with inventory? That's a thing of the past. A multi-line store with no inventory? That's a gimmick. But a store that combines adaptability to change, hard-won expertise, advances in technology, and a serious preference for a fun shopping experience? We're betting that has traction.

ADVICE and WARDROBE DIRECTION

JAKE COX

VP of Strategic Sales, Vyaire Medical

Jake Cox lives in Fox Point with Kristin, his wife, and their children Ben and Charlotte.

“When I settled in Barrington, I tried the mall store for a while, and became frustrated at the service level, but also the [lack of] continuity of staff. Returning for purchases or problems, I would find my sales associate gone. With on-line purchases, it seemed like an easy way to dress, but I noticed those subscription services had a lot of questionable quality and no one to answer my questions. I first turned to Phillips when needing advice on a themed weekend at my club. Phillips not only knew the event invitation, but guided me with the appropriate tuxedo choice.”



TIME is MONEY

PETER KARAS

Head of Commercial Operations, Xellia Pharmaceuticals

Peter Karas lives in Barrington Hills with Tiffany, his wife, and their daughters Olivia and Madeleine.

“Trying to find a balance between managing a career and spending quality time with the family is possible, it just means you are busy. I will end up racking up 11 trips to Europe. Having Phillips in downtown Barrington is a huge convenience. I can swing by as my schedule allows. What is great is that I can get anything thing I need at this full-service shop (Tuxedo, Jeans, Raincoat, Blazer, Cardigan, etc). They can always accommodate my schedule, even when it is last minute. I always appreciate the extra touches like pressing a shirt or expediting the hemming of a pair of pants when I am in a time crunch.”



BUILDING *a* PERSONAL BRAND

MARK O'HARA

Managing Director, AArete

Mark O'Hara lives in Fox Point with Cara, his wife, and their children Connor, Delaney, and Logan.

“As someone who travels all over the country 150+ nights a year and meets with c-suite executives every week, I have a strong sense for my wardrobe needs. Where Phillips is invaluable is in helping me navigate changes in style while staying within the guideposts of my personal brand. Because Phillips has made the investment to understand the parameters of my personal style, I am able to stop in anytime whether for a tie, a suit, or a sport coat, and Phillips will quickly provide guidance and hone in on exactly what I need, allowing me to maximize my limited time at home.”



VALUABLE
EXPERIENCE
and QUALITY

DR. JOHN THODOS

Orthodontist

John Thodos lives in Barrington Hills with Peggy, his wife, and their daughter Lexi.

“I've never had the time or desire to engage in fashion. I've always trusted "Team Phillips" to culminate an image that's been appropriate and suitable for my professionally active lifestyle. Being that my business attire as a doctor equates to scrubs and a lab coat, "Team Phillips" has never failed to outfit me for my life's social dimension, whether it be a black tie charitable event or a casual after-hours dinner with friends at the county club. For over 30 years, "Team Phillips" has always treated me like I was the only client they have. That's a special gift. Their fashion advice and expertise for me has evolved with time, allowing me the benefit of always being event and age appropriate. And to think I've had all of this with the convenience of never leaving my back yard. "Team Phillips" epitomizes the old-world haberdasher. **”**

