



BARBARA TURF, the first woman CEO of Crate and Barrel, unveils her blueprint for the future of housewares.

crate

expectations

BY TIFFANY MEYERS

PHOTOGRAPH BY BRIAN KUHLMANN

If not for a few details – the cash registers, the sales associates – I’d swear I was a guest in Barbara Turf’s home getting a tour of the rooms she’s lovingly decorated. Strolling through the Crate and Barrel home store adjacent to suburban Chicago’s Northbrook Court shopping mall, near the company’s headquarters, the new CEO and I stop intermittently to admire the things she loves most – textiles from India, a French table of solid oak. As in any home, her relationship to these pieces, many of which hold reminders of her family, is deeply personal.

“My daughter just bought this sofa for herself,” Turf says as we sink into the Huntley, a couch with clouds instead of cushions. “You’ll have to tell me if you think it’s comfortable.”

Across the store, the more contemporary Ross sofa cuts a striking figure. “I mean, just look at it,” says Turf, who recently bought the seating option for her new apartment in Chicago. “It’s so modern and clean and fabulous.”

Of course, in many ways, Crate and Barrel *is* Turf’s home, one she helped build over the last 40 years. In one of the highest-profile succession stories of the year, Gordon Segal, who opened the first Crate and Barrel in 1962 with his wife, Carole, named Turf the company’s new CEO in May. With eight new Crate and Barrel home stores up and running this year, including the first international foray, Turf is leading with the same commitment to innovation that’s prompted Segal to describe his longtime No. 2, now the company’s No. 1, as nothing short of a “retail visionary.”

Still, as the escalator carries us down to the first floor, no one but the sales associates seems to know there’s

anything out of the ordinary about Turf. The hovering reporter with a tape recorder spoils the illusion of normalcy somewhat. But aside from that, this attractive, impeccably dressed woman in her shiny pumps, navy blazer and classic string of glass beads looks and acts just like any other Northbrook Court shopper, checking out the sales before dashing off to her next business meeting.

“I’ll tell you,” she confides, “if I had more time, I’d do some shopping of my own.”

Turf’s passion for shopping and her keen eye for a good deal are qualities that make this chief exec seem more approachable than most. She and her young-adult daughter, Annie, have shopped together so much that when enough time has passed between excursions, their family teases that the stores have called to say they miss them. But never mind. Turf’s the kind of person who can take a little razzing.

“She’s just so humble,” David Ruffin says later. The

store's assistant manager checks a stack of wire baskets by the register, since an untidy basket stack is one of Turf's pet peeves. "When we know Barbara's coming in, of course we want the store to look good. I mean, she's the CEO. But we don't get tense or nervous about it. She actually knows us on a first-name basis, and she stops to talk to us. To have the CEO of a company this big know us by name? I think that's amazing."

Turf's humility and personable management style are, in fact, a perfect complement to the Crate and Barrel tradition. After all, Segal built the company on his oft-cited motto: "Stay humble and stay nervous." The state of Turf's nerves may be less apparent than her modesty, since she's nothing if not poised. But unless we're talking sofa cushions, no furniture purveyor – Turf included – can afford to get too comfortable in the current business climate.

As she settles into her new role, times could hardly be tougher for the furniture sector, hit hard by a housing crisis and anemic economy – with the casualties to prove it. Retailer, Wickes threw in the towel this year, liquidating its assets and closing its stores. Linens 'n Things filed for Chapter 11 bankruptcy protection in May, while high-end cookware retailer Williams-Sonoma recently revised its revenue guidance downward for a second time this year. "I do think that this recession has been more difficult for consumers than the recessions I've been involved in previously, like in the 1990s," Turf admits.

According to forecasts from *Furniture Today*, U.S. consumer spending on furniture and bedding was pro-

jected to decline 4.1 percent by the end of 2008. "It's a tough market," says analyst Jeff Green, president of retail consultancy Jeff Green Partners. "Everyone in the furniture sector, including Crate and Barrel, is affected. But Crate has an advantage in that it's a private company. That means they're nimble. They can make changes more quickly to adapt to the market."

Crate and Barrel is indeed hanging tough. Once a single storefront, which displayed its imported table-top products on the crates and barrels in which they were shipped, the outfit under Turf's leadership now operates 174 Crate and Barrel, CB2 and Land of Nod stores and employs more than 7,000 nationwide. Last year, sales for Crate and Barrel and CB2 combined hit \$1.3 billion, and the company projects revenue of \$1.4 billion for 2008.

Yet the company faces stiff and often indirect competition as the aisles of low-cost outlets spill over with increasingly stylish home goods. In general, analysts agree that Crate and Barrel's key differentiator is value: The retailer offers not only well-designed, well-priced goods, but also a service orientation you won't find at its lower-cost rivals. It's a message Turf is determined to send to longtime customers of the mass merchandisers.

"We need to take some business away from Bed, Bath & Beyond and Target," she says. "I think we've just been too subtle in our message about how affordably priced we are." To fix that, she's instituted a strategic shift in messaging to communicate value and service more clearly. The company has long offered custom upholstery sales, for instance, but this year marked the first time Turf featured the sale on the catalog's front cover.

In the short run, she's optimistic that Crate and Barrel will meet or exceed 2007's holiday sales, which she

{turf's} treasures

A shopper at heart, Barbara Turf can't help but be enthusiastic about her own products. We asked her to share four of her top gift ideas for the holidays – including some chocolate, *please*. (All are available at crateandbarrel.com.)



PERUVIAN LUXURY

"These luscious Lima alpaca wool throws are incredibly soft and warm, and I love the rich, classic colors."
(\$169)



DECEMBER DELICACY

"One of my favorite holiday indulgences to share (or not!), these dark chocolate-covered sea salt caramels, also make a sophisticated hostess gift."
(\$19.95)



SPIRITED STEMWARE

"Our Verve stemware is modern, and I love the way the glasses feel in your hand. Plus, the subtle suspended bubbles in the stems sparkle in candlelight."
(\$12.95)



NO ORDINARY SANDWICH

"Gourmets or novices will love this fire-engine red panini grill pan and press, part of our exclusive cookware line designed by chef Mario Batali. It's beautifully crafted."
(\$89.95)

says represented “a fairly weak holiday season for us.” To capture cash-strapped consumers’ attention, she’s positioned Crate as the go-to retailer for affordable holiday gifts, many of which hover at \$20 or lower. “Since the economic slowdown really kicked in late last year, we budgeted this holiday season conservatively,” she explains. “Consumers have been adjusting their spending all year, reacting to the market, but the holidays always provide a compelling reason to spend, so we hope our customers will be prepared to splurge a little bit.”

To nudge shoppers in that direction, Turf will institute free shipping, with a threshold, for catalog orders this season. And in those cases where astronomical gas prices have made consumers reluctant to drive to the malls, let alone open their wallets for discretionary items, Turf has developed an in-store promotion to reward people for venturing to the brick-and-mortar locations.

Forty years ago, a young University of Illinois graduate walked into the first Crate and Barrel store in Chicago’s Old Town and applied for a job. When management presented a quiz – asking if she knew what a soufflé is – she was surprised. It was just a part-time gig for the summer. But then, this job applicant was no stranger to pop quizzes: She already had a full-time career as a grammar school teacher.

Yes, she knew all about soufflés, and the future CEO landed the job.

Although women in business leadership were a rarity at the time, Turf displayed a trademark confidence that foretold bigger things to come. Once, when she discovered she was making less than one of her colleagues, she brought it to Segal’s attention and got a raise. “It was so long ago,” she says, laughing. “From time to time, Gordon and I still joke about that.” Soon thereafter, Segal asked Turf to join the management team at the 1968 launch of the second store in the Plaza del Lago shopping center in Wilmette, Ill.

“Lucky for us,” says Segal, now chairman and a key adviser, “Barbara chose to leave teaching behind and make her career in retail.” She moved up the ranks to become executive vice president of merchandising and marketing in 1993, then president three years later. Before he named Turf CEO this year, Segal carefully considered the move. “However, it was also a pretty clear-cut decision for me,” he adds. At a company where the customer base and management teams are dominated by women, the appointment of a woman to the top post seemed a natural choice.

Surprisingly, though, she’s one of her industry’s few women leaders. Women head up IKEA North America and Pottery Barn, but at most of Crate and Barrel’s competitors, including Target, Bed Bath & Beyond,

Pier 1 and major department stores, the CEOs are men.

“I think women still have a disadvantage in the title of CEO,” says Turf, who adds that people still look twice when a woman sits in the chief’s seat. “I think it’s harder for a woman to capture that title.” For other women who might be fighting to capture their own titles, she advises: Work a little harder, get a little tougher, and you’ll reap rewards. “Women are such a powerful and important group of decision-makers and consumers,” she says, “and it’s more important than ever that we make our voices heard as leaders.”

That’s something she’s done for decades. “Barbara is fearless when it comes to exploring new product categories or business channels,” Segal explains. When Crate and Barrel first considered adding furniture to the mix in 1975, for example, Turf was an early champion. She spearheaded two of the company’s most recent initiatives: The Land of Nod, the children’s furniture retailer in which Crate and Barrel has a majority equity stake, and CB2, Crate and Barrel’s younger, more contemporary sibling store. In the latter case, Turf devised the CB2 concept to be a more nimble format than Crate and Barrel’s home stores, which, with voluminous square footage and a long list of SKUs, aren’t exactly a cinch to roll out in large numbers.

Currently she’s driving Crate and Barrel’s sustainability efforts, implementing practices like energy conservation in stores and warehouses, eco-friendly packing materials and catalogs printed on sustainably manufactured paper. “It’s more expensive,” Turf admits. “Sometimes you can absorb the cost and sometimes you can’t, but I believe it’s the only way for a socially responsible company to go.”

It’s not the first time she’s shown conviction in the face of tough realities. It took years of smart, steady marketing before consumers embraced Crate and Barrel – known initially as a tabletop store – as the place to go for furniture. And since its 2000 debut, CB2 has had to refine its merchandise mix, phasing out Crate and Barrel products to build an assortment exclusive to CB2.

“We struggled with the initial offerings,” Turf says. “But if I had to give you one thing I do well, it’s evolving the company. We put a separate team in place, and CB2 finally has legs. It’s exploding.” With three CB2 stores already in Chicago and New York and a new store added in San Francisco in July, the sibling shop with its modern, urban feel will add locations next year in Miami Beach, Berkeley, Calif., Cambridge, Mass., and Los Angeles.

The retail big time in America’s largest cities is a long way from Chicago’s Little Italy, the close-knit community where Turf grew up and enjoyed a sense of sanctuary she draws on to this day. “It

Crate & Barrel

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ANNIE TURF DAUGHTER

was just such a secure, fun, easy childhood,” she says. Her father, who had emigrated from Italy in his teens, worked for the city of Chicago. People in Little Italy didn’t have a lot, but they had everything they needed, says Turf, who still keeps in touch with the people in her old neighborhood.

“She’s so real that when we’re together, she’s not ‘Barbara Turf from Crate and Barrel,’” says Barbara Micheli, Turf’s friend from childhood. “We can have a silly old high school reunion, and to everyone there she’s still fun-loving Barbara Dorini.”

Fun-loving Barbara Dorini was also whip smart, having been promoted ahead in grammar school. Twice. And she was industrious: While other girls babysat for extra cash, Turf held a job at Fontana Brothers Bakery. With her older sister, she was also the first in her immediate family to attend college, where she was the kind of student, Micheli says, who needed to study only the night before a big test to ace it.

Today, family means almost everything to Turf, a mother of three who believes Life/Work balance is a realistic goal for women. Though she couldn’t attend every ballgame or recital when her children were younger, her partnership with her husband, Robert, a podiatrist who could set his own hours, helped maintain equilibrium. “Sometimes I had to pick and choose carefully, but I was certainly never going to miss a graduation or awards ceremony,” she says. “And I think I’ve balanced it all very well.”

Her daughter thinks so too. Of the countless crack-of-dawn practices she had as a preteen skater at the ice rink, Annie recalls one in particular.

She had worn her best practice outfit – the one with the extra hit of glitz – because her mother had told her earlier that she might be able to make it to the session. “Because my mom’s job was such a big deal, and because there was so much pressure and hype around her, my brothers and I understood that she couldn’t be ‘just Mom’ all the time,” Annie says. “But then she would do something that sent the message: ‘Guess what? I’m still Mom.’”

“Well, look who’s here,” her skating coach said that morning.

Annie looked up from the ice to see her

mother in the stands. “I just remember smiling,” she says, “because she had managed to make it to this practice at 5 in the morning, before she went off to her 12-hour day to, you know, run the entire houseware world.”

Outside of her children’s universe, in more recent times, Turf may not run the *entire* houseware world quite yet, but people are still looking up to her as she leads her own slice of it. And they’re still seeing the authentic Barbara Dorini Turf – mother, teacher, leader – looking back.

Lynn Dangel, president of Dangel Advertising in Lake Forest, Ill., recalls a specific 2006 meeting in Crate and Barrel’s Northbrook headquarters when Turf, then the company’s president, stepped to the podium to address more than 200 employees. A few moments into her presentation, Turf paused. “Would you excuse me a minute?” she said. And daintily, in a spirit of fun, the president of this legendary billion-dollar brand kicked off her high heels. “These shoes are just killing me.”

The room exploded with applause.

“It was just so fun,” says Dangel, who had recently won the account to handle advertising for the company. At that moment, she realized that Turf’s easy, open, personal style of leadership had helped create that culture.

In the wider world, as in that auditorium two years ago, all eyes are again on Turf as she navigates Crate and Barrel through its next phase of expansion. In September the company moved beyond U.S. borders for the first time when Toronto got its own long-anticipated store, and planning is underway for a potential retail partnership in Dubai. Analysts and competitors alike are watching to see how she’ll make it all work during this latest nose dive in the U.S. economy.

But if Turf follows the pattern she’s established already, blending humility with fearlessness, you can be sure the CEO will dig in her heels – high as they are – to lead the 46-year-old retailer as any spunky girl from Little Italy turned grade school teacher turned part-time store clerk turned CEO might. That is to say, with her *all* – the only way Barbara Turf knows how. ■