Speculation Grows About Baker’s Chase For Neiman’s

Is Richard Baker getting closer to his dream of snapping up Neiman Marcus Group?

As Neiman’s gets set to report its fourth quarter and year-end figures today, speculation is growing that Baker is casting a closer eye on the luxury department store retailer. And the timing might be appealing given that Neiman’s valuation has slipped from the heights of a few years ago given the challenged luxury market.

HBC declined to comment, as did NMG. But Baker, HBC’s governor and executive chairman, has made no secret of his desire to one day buy Neiman’s, and HBC would be a strategic buyer since it already owns Saks Fifth Avenue. There has been recent speculation that HBC has been in the capital markets lining up the financing to buy Neiman’s, but sources said no deal is in the works right now.

“HBC is always in the capital markets. They’re always borrowing against build- ing s,” said one source, suggesting that may have jump-started the latest round of rumors.

Regardless, that hasn’t quelled the idea that the time might be getting closer for Baker to make a move.

“It’s a difficult environment for luxury and it makes a lot of sense for the two to combine into one,” said one former luxury chief executive officer, who requested anonymity. “Everyone believes it’s going to happen. They’re just wondering when it’s going to happen. They’re fighting one another in a dwindling market.”

In buying NMG, HBC could realize millions of dollars of cost savings and synergies attained by eliminating duplicative functions, such as accounting, planning, human resources, legal, distribution facilities and online teams.

HBC could further take out costs by closing some stores around the country. Neiman’s is said to have a couple of units that run weak in good or bad times, though generally it has bigger and better locations than Saks, to support dominant designer presentations.

Aside from cost savings, HBC would pick up some buying clout over vendors. They wouldn’t be happy with HBC owning Saks and Neiman’s, though vendors today are in stronger positions vis-a-vis retailers than they used to be. Designers are less dependent on generating revenues through Saks.

CONTINUED ON PG. 5
Mills cited buoyant business, despite a drop in visitor numbers to the show, which had a strong global dimension.

PARIS — Business is tough, and attendance may have thinned, but the key decision makers came.

That was the conclusion of Gilles Lasbordes, managing director of the Première Vision Paris trade show which saw an 8.8 percent drop in visitors versus last year’s February edition.

“We still received almost 57,000 visitors in three days, which makes us by far the biggest show in the sector,” he said of the three-day event, which wrapped on Sept. 15.

Political tensions, security threats, weaker growth in emerging countries such as China, Brazil and Russia and a global tendency to consume more of textiles and leather goods continue to affect business — but the news isn’t all bad. The results of the 90 Vision 9M barometer, based on business in 2015, showed that creativity rules, with the fair’s exhibitors and buyers outperforming the general market.

Exhibitors located in mature economies like Europe, the U.S. and Japan, saw a 1.6 percent increase in production in 2014, a figure that, according to the report, “largely surpassed” the United Nations benchmark, which registered a decline of 1.1 percent.

“The creative leather and fur market continues to reflect a 3.3 percent increase in production in the same, which “corresponds to a much stronger growth than that observed by the world production index,” which showed a slight increase of 0.9 percent.”

But as the industry adjusts to what Lasbordes described as “a galaxy of various processes, product developments and agendas” — such as the recent see-now-buy-now phenomenon — creativity can continue to thrive.

“I don’t think there are any strong trends this time because of the way the world is today,” missed designer Paul Smith upon leaving the booth of Abraham Moon & Sons, one of the last remaining vertical woollen mills. “[All the mills] are proposing huge collections — from archives to new phenomena — it can fit into what’s in designers’ minds.”

“Everybody is doing it their own way, so organizing collections becomes difficult for the fabric producers who supply them. They need to have a structure that reacts quickly, with large amounts of stock, which means there’s not necessarily the same level of research,” commented Mario Ratti, director of silk specialist Ratti, which is part of Marzotto Group, Europe’s biggest textile manufacturer. Among new directions, the mill will be introducing “coating and bonding to create strange effects,” like bonded and needle- punched nylon.

[See-now-buy-now] collections are more driven by merchandisers and buyers, so the creativity is reduced and if you’re buying far in advance, there’s the risk of it feeling flat, there’s not the fresh energy of the moment,” he added. “Barberty buys a long time in advance, they buy huge quantities but if the collection changes, they throw everything away. Or there are brands like J.Lindeberg that force you to produce in a very short time. The lead time used to be six weeks, now it’s two weeks.”

In the repellant sweater’s leader galore, trends, meanwhile, texture won out. Case in point Jakob Schlaepfer’s offerings under its new creative director Rahel Flury that included sequined embroidery with over stitching, 3-D silicon swirls on tulle and pleated ribbons on lace.

“It’s definitely a surface interest season. A lot of velvet, texture, chenille, shiny synthetics, boucle, acrylic yarns,” said Audrey O’Brien, director of women’s fabric design at Theory.

“Trends have been complex — it’s not big scale and slightly kind of vintage, flannelized dusty look” as well as “rich textures” — don’t look dowdy, that have a vivacity. I know it’s an oxymoron, but we haven’t had that for three years.”

In the mood for color, designer Oliver Spencer was on the hunt for corduroys and velvets, saying: “I loved the navy, pine green, rich forest colors. You feel warmth from the color, it should come over you like a glow.”

“The traditional tailoring element has its place, for me sportswear and streetwear will be the predominant force in growth for heritage fabrics like Britain’s last remaining woollen mills,” said Mark Hogarth, creative director at Harris Tweed Hebrides which has a partnership with an “American super brand” in the works. The mill introduced 10 extra yarn colors – a completely new color spectrum, with some really interesting blues and fauns – made traditionally without using CAD. “It’s to bring back the designs made famous in the Fifties by the classics in the sportswear – bomber jackets, male and female.”

“[People] are interested in the sportier things I’ve done – new materials: things that have been bonded and things I’ve almost destroyed,” said Martin Bonnevy, a specialist in embroidery, mixed media and textiles who was showing as part of the U.K.-based mentoring program, Texprint. “If he re-engineered camelhair” attracted a lot of interest. “Rather than printing and using lots of chemicals, it’s about etching and taking away from the surface.”

“Preciousness & Innovation, discussed new techniques but new vision.”

The show’s new area, Smart Creation Source, hosted by Giusy Bettoni, founding president of CLASH, the Milan-based eco-smart resource hub, presented a series of discussions about best practice. Giuseppe Miraglio, chairman of Miraglio Group, a guest speaker on the subject of Water Preciousness & Innovation, discussed new planet-friendly approaches to printing.

“Our idea is to get to a printing process that is completely water free,” he said.

“We are also working actively to reduce the chemicals we use in the process and switch to a dyeing process that is Detox Protocol. We are investing in all the different parts of the process to reduce digital chemicals, in renewable and recycling.”

“Many commented on the show’s increasing global dimension, meanwhile.

“The Chinese and Turks are becoming more and more sophisticated, it’s quite amazing,” Gu said. “They used to present some jean fabrics and silk, now it’s like, woven, textured, embellished, brushed – it goes on. China and Turkey are catching up with European techniques, so most probably I’ll start working with them.”

“It was a very global year, very interesting in terms of new technology but also deep relationships with tradition,” said Olivier Gabet, director of Paris’ Musée des Arts Décoratifs, who chaired the PV Awards jury. Indian mill Ventures scooped the Grand Jury Prize for its innovative fabric with pearls suspended on a tulle mesh, with Turkey’s ArtTannery winning the Imaginaire award.

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