



## Well Positioned for Growth

An Interview with Jane Elfers,  
President and Chief Executive Officer, The Children's Place

**EDITORS' NOTE** Jane Elfers assumed her current post and was named to the board of directors in January 2010. Elfers most recently served as President and CEO of Lord & Taylor for the past nine years. She began her retail career at Macy's, Inc.



Jane Elfers

**COMPANY BRIEF** The Children's Place ([www.childrensplace.com](http://www.childrensplace.com)) is the largest pure-play children's specialty apparel retailer in North America, operating more than 1,000 stores and an e-commerce site that ships to 38 countries. The company sells fashionable, high-quality merchandise at value prices, primarily under "The Children's Place" brand name

### Would you provide an overview of The Children's Place brand and what makes it such a leader in the industry?

The Children's Place is known for head-to-toe outfitting, great value, and an easy-to-shop environment. We have the highest brand awareness among specialty retailers and we are the number one brand recommended by moms as a great place to shop for children's apparel.

### How do you differentiate The Children's Place from its competitors?

We offer head-to-toe outfits, which makes the shopping experience fun and convenient. The customer can find coordinating tops, bottoms, socks, shoes, and accessories all in one place. Our stores provide a boutique atmosphere with value pricing, so it's a win-win. For these reasons, The Children's Place continues to gain market share year after year.

### How do you define the target market for the brand?

Our value pricing and colorful fashion has nearly universal appeal, including value-conscious moms on a tight budget and higher income moms who appreciate the quality and variety we offer. Our typical customer has two children and an annual household income of around \$70,000. The Children's Place has a strong and loyal following among Caucasian, Latino, Asian, and African-American customers. We are successful in almost every venue from suburban malls to urban street stores, from small town strip malls to sprawling outlet centers.

### How broad is your product offering and do you foresee opportunities to expand into new categories?

We offer a complete line of children's apparel for newborn to age 10. We expanded our footwear assortment last year and added new accessories categories to all stores. Our boutique-sized stores cannot accommodate additional categories but we have added "exclusive online" offerings which include Communion and Christening outfits, flower girl dresses, baby shower gifts, and newborn bedding. We plan to continue expanding the range of children's merchandise offered on our e-commerce site going forward.

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### Do you plan to introduce new stores and are you focused on specific locations for growth?

The biggest opportunity for The Children's Place is to expand into value centers in smaller markets that don't have a big mall nearby. These value centers are frequently strip malls serving populations of 100,000 to 250,000, sometimes less. These are destination shopping centers so conversion is higher than in regional malls. Lease and build-out costs are lower so our year-one return on investment is significantly higher. We have more than 90 value center stores now and are very pleased with the results we are seeing. In 2011, we plan to open 85 new stores, half of which will be in value centers.

We are also developing a road map for international expansion and expect that will be a big piece of our longer-term growth strategy.

### The Children's Place has placed a major emphasis on social responsibility. How critical is this to the brand and would you highlight some of the key areas where you focus your community efforts?

We partner with nonprofit organizations that are dedicated to supporting and helping children. For example, The Children's Place supports several programs run by Youth Consultation Service, a leading provider of children's services in New Jersey, including their back-to-school and holiday gift drives, and their summer camp. We also donate clothing locally through Oasis, a haven for women and children in Paterson, as well as globally through K.I.D.S. (Kids in Distressed Situations), to support recent disaster relief efforts in Haiti and Japan. We have a culture of giving back to our communities, and many of our associates donate to local nonprofit organizations. We support their efforts through our Matching Gifts Program.

### How much of an impact has technology had on the brand and are you driving sales through the Web site?

Technology is very important for The Children's Place. Real time information at point of sale, planning and allocation systems, e-commerce, m-commerce (mobile commerce), and social media have all changed the pace at which we operate and the decisions we are able to make.

E-commerce is our fastest growing channel, increasing 30 percent in 2010. We naturally have a young customer and these young moms are heavy users of e-commerce and social media, so most of our marketing and promotional programs are Internet-based.

### The Children's Place is headquartered in New Jersey. What strengths does New Jersey offer to the brand and is there a strong business community in the state?

New Jersey is an ideal location for The Children's Place, which is the reason our headquarters has been located here for more than 40 years. We're just four miles west of the Lincoln Tunnel, so we are able to source from an incredible talent pool in and around New York City, and we have ready access to an extensive network of agencies and suppliers. Also, New Jersey is home to the most malls per square mile in the United States so our merchant and leadership teams have a virtual smorgasbord of malls and retailers they can visit to observe the latest industry trends in real time.

### How do you define the role of the CEO today and how do you describe your management style?

Recruiting and retaining a highly talented team, creating a strategy to deliver sustainable growth, and leading the organization to execute with excellence are my primary focus as CEO. In terms of management style, I believe strongly in establishing and fostering a culture of cross-functional communication and collaboration in order to achieve our brand's full potential.

### What are your key priorities for The Children's Place to ensure your continued leadership position in the industry?

When I joined the company, my top priority was assembling a top-notch team and they are making excellent progress on our five key growth initiatives, including improving the merchandise, accelerating new store growth, optimizing inventory management, sharpening the marketing message, and driving e-commerce growth. We are well positioned to continue to steadily grow market share given our strong brand and value proposition. ●