A year ago, Ashley Stewart™ was falling apart at the seams. The long-time retailer had filed for bankruptcy a second time within three years. Investor interest was limited given the history of operating losses and the magnitude of challenges necessary to reinvent the business model. It looked as if another plus size retailer was going to bite the dust.

Fast forward a year later and a remarkable turnaround is underway. Since emerging from bankruptcy in April 2014, organic sales are up in the high double digit range, profits are at unprecedented levels and Ashley Stewart boasts an explosive e-commerce and industry leading social media business.

I’ve been with Ashley Stewart for 16 years. Words cannot express what has happened these past 18 months. The business has transformed, and we all became a family.

Chary Wright, Senior Store Manager
Brickchurch, New Jersey

Statistic from Stylophane.com

ASHLEY STEWART
Rising From the Ashes with a Visionary Leader
By Mary Cruz
Welcome to the rebirth of Ashley Stewart. With a reinvigorated assortment of modern, trendy plus size clothing and a renewed purpose, the renaissance has catapulted the brand to become an even bigger player in the plus size fashion industry. Launched in the early 1990’s, it’s the same brand that customers have trusted for decades, but now the business is forward-focused, growing and technologically savvy. No one knows this better than its customers (“divas”, as they call themselves), who are showing their love by making Ashley Stewart one of the world’s most engaged brands on social media.

The catalyst for Ashley Stewart’s rebirth is a hard-driving visionary who believed in the brand’s mission and cared enough about the customer and the employees to make the drastic changes necessary to take the company in a new and profitable direction.

Meet James Rhee, a Harvard graduate and Founder and President of FirePine, LLC, who serves as Executive Chairman and Chief Executive Officer. Rhee sits in the middle of an open office space among everyone else at Ashley Stewart’s new headquarters based in Secaucus, New Jersey. His philosophy of breaking down barriers to success is literally exemplified by his tearing down the walls within the offices, creating a corporate atmosphere that is cohesive and team-friendly.

When you speak to Rhee, you’re immediately drawn to his charismatic, genuine personality. Ashley Stewart is not just a retailer to him, it’s a brand and a customer for which he feels deep passion. His sense of purpose is shown by the four essential rules he set down for the company:

"James Rhee has been an absolutely phenomenal leader for Ashley Stewart. James has not only been instrumental in putting the brand on the right track but also for creating so many positive changes for Ashley Stewart team members. James can pinpoint and bring out the strengths in people and place them in roles where they will not only thrive but be happy. The professional and personal developments that employees have at Ashley Stewart has made it a truly rewarding place to be.”

Erica Young, Director of Marketing
Our customer does so much for everyone else in their life, we have the ability to help them do something for themselves and feel good about themselves.

Kerlande Pierre Louis,
Store Manager
Trenton, New Jersey

1) Be an Owner
2) Be a Team Player
3) Be Kind
4) Love and know your customer

His approach to business is that it is a mutually-beneficial partnership. He has created a performance-based culture in a consensus-driven environment. His mission is to keep Ashley Stewart brand-centric and true to its customer, but in a business model relevant to today. Ashley Stewart’s customer looks for that cutting-edge fashion and sophisticated style that speaks with confidence but with that sisterhood feel. Rhee felt strongly that corporate management had to stay true to its core values and customers. To this end, for example, he has asked every person at headquarters to learn the manager’s name for each of their 89 stores. Embracing those customers and field employees, he vowed: “We put a team together and a partnership-type structure that will make it difficult for anyone’s selfish motivations to hurt this brand or the customer.”

August 2013, before it filed for bankruptcy. As a successful investor in the consumer-retail space, Rhee decided to make the unusual move of stepping down from the board and assuming a full-time operating role as President. “As an investor, [this was] the most authentic, pure brand DNA, customer loyalty I had ever seen,” he commented. “It was a great brand trapped in a failed operating model and culture.” He was hopeful that there was a way to extract the brand history and customer loyalty and house it in a profitable business model.

Rhee asked scores of questions of employees at all levels and created a start-up atmosphere, shutting down the executive wing. He took the time to listen to people at headquarters and in the field and repositioned roles.
The most important part of building the Ashley Stewart merchandising team started with people. Every person that touches the merchandise must understand who our customer is and what she wants. It was critical for us to build a team of merchants who could work together, help each other out, and be strong enough to give and receive constructive criticism about their assortments. Our customer deserves to be celebrated every day and we do that by giving her the right fashion in the right colors at the right time.

Kristen Gaskins, Chief Merchandising Officer

Reflecting the company’s antiquated approach when he became President, the office did not even have Wi-Fi. He made sure a state-of-the-art e-commerce platform and digital marketing strategy were put in place. He also restructured the senior management team, choosing first to promote from within versus hiring from the outside. Long-time GMM Kristen Gaskins returned to assume the role of Chief Merchandising Officer. The company is now attracting top-flight talent.

After his first few months as President, Rhee was concerned that the company did not have the runway necessary to execute on the rebirth. They prepared for bankruptcy, filing on March 9, 2014. The entire team remained intact and determined. Fortunately, Clearlake Capital stepped in and backed Rhee’s vision. And the rebirth of Ashley Stewart was underway.

Rhee believes that Ashley Stewart, whether online or in one of the 89 stores across the country, provides customers a community where women can shop with their family members and friends in a supportive setting. He truly feels strongly about heritage and authenticity through generations of customers. “Ashley Stewart is a global fashion

“I’ve been with Ashley Stewart for 2 years and working here has been a dream come true! I’m working with top influencers in the fashion industry, recognized for my hard work by my colleagues, and a part of a company that is empowering women to love their curves. I am truly happy and honored to be part of such a wonderful team.”

Tamara Ivey, Marketing Associate

Dress, AshleyStewart.com
brand that was born in neighborhoods across the country," he says. To this end, the approach is very community-centered. This includes having events in-store such as the national #LoveYourCurves tour which launched in January, being involved in charity initiatives with community-based organizations and talking directly to the customer via strong social media campaigns that encourage her to show off her style and be confident about who she is.

Recently, the company funded two scholarships for the United Negro College Fund to be given to rising female stars who are juniors and seniors in college. All 89 stores were empowered to each give $250 to the local charity of their choice in honor of Martin Luther King Jr. Day.

The company is focused on staying connected to the extremely loyal Ashley Stewart customer. The recent successful launches of plus size lingerie (#daretobare) and Ashley TV were born from collaboration dialogue with store associates, customers and bloggers. Customers are encouraged to use the hashtag #IAMASHLEY on social media to show their love and support for their favorite brand.

The Ashley team has turned the company into an innovative start-up with multi-channel distribution and global growth ambitions. With its new positioning, the Ashley Stewart brand is being actively sought after as a distribution and marketing partner by other related consumer-retail companies intrigued by its authenticity, distinctive fashion point of view and growing media capabilities. The company has become a place where team members and customers are empowered to have a voice. “A brand that stands for empowerment has to first empower its own employees and customers,” he notes.

Rhee knows the team still has their work cut out for them. In 2015, the team has ambitious plans of relaunching their mobile site, developing a blog, and creating new content for Ashley TV. “We have rewritten the business model and operations from scratch. We have taken no shortcuts. We are making long-term investments in the most important assets – our people, our customer and our brand. Whatever the future holds, I know that we have a team and philosophy that is finally worthy of serving the brand and our customer.”

Brighter days are ahead for Ashley Stewart.

Visit online at ashleystewart.com

Steve Chang, Co-Founding Partner of Clearlake Capital

Inga Bridgett, District Manager Southeast

I have been with Ashley Stewart for 7 years and I am more in love with our brand today than ever. Ashley Stewart is moving forward in so many positive ways. We recently launched the #LoveYourCurves tour in Atlanta. The tour was a three day takeover with celebrity guests such as rapper Yung Joc and TV Personality Tami Reed of CBS 46. The highlight of the tour was receiving a proclamation from the Georgia House of Representatives for giving back to the UNCF. The response via social media and in-store daily has been amazing. There is no one that does what Ashley does and the fashion speaks for itself.

I have a shared history and a relationship built on trust. I was enthusiastic about partnering with him and investing in the reinvention of the brand.

Steve Chang, Co-Founding Partner of Clearlake Capital