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Universities teach future retail execs

Young people see new chances in neglected field

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NEW YORK - Elizabeth Schweitzer represents the future of retailing.

When the 21-year-old graduates from Wharton's undergraduate program at the University of Pennsylvania in May, she won't be following most of her classmates to investment banking or consulting. Instead, she'll be joining the executive training program at Bloomingdale's, a job that many could perceive as less financially attractive.

But her goals will be at least as lofty. Someday, she wants to be CEO of Bloomingdale's parent, Federated Department Stores Inc.

"This is a time ripe for young talent to come up in the world of retailing. And I feel lucky," said the Larchmont, N.Y., native, who learned the ropes of merchandising at age 13 while working at a clothing store.

Schweitzer is part of a small but growing group at Wharton who are taking advantage of a program that aims to attract top students to retailing through a strong partnership with the industry. The University of Pennsylvania, the first Ivy League university to offer a retail concentration for undergraduates, follows similar moves by other universities as well as efforts from large retailers to sell the industry as a place of long-term rewards, not low pay and long hours.

Schweitzer, who took a buying internship at Bloomingdale's last summer, said that she has made many contacts in the industry through the program. The board consists of industry leaders like Burton Tansky, president and CEO of Neiman Marcus Group Inc., and Roger Farah, president of Polo Ralph Lauren, who have given lectures on campus.

The retail industry has struggled over the past two decades, losing throngs of bright young people to other more highly paid industries as it cut back on management training. But it can't afford to lose out any longer. Strong competition and the rise of behemoth retail companies amid consolidation demands the new breed of leaders have more than just a passion for merchandise. They need to be adept in finance and technology.

For this fall, Syracuse University will be officially folding its retailing program under its school of business management; it had been in the visual and performing arts department. The University of Arizona has doubled the number of requirements in business math and accounting for a retailing major over the past two years, according to Melinda Burke, director of the Terry J. Lundgren Center for Retailing. It's also adding a retail real estate development course. And under Alan Kane, the new dean of the School of Business & Technology at the Fashion Institute of Technology, the school will be expanding internships with retailers and strengthening its curriculum. Kane founded the retailing program at Columbia University's graduate school of business.

Meanwhile, in 2003, Polo Ralph Lauren Corp. started an executive-training program to attract entry-level talent, while J.C. Penney Co. Inc. just hired a human-resource executive charged with recruiting on college campuses.

"We didn't do a good enough job as leaders to show that there was a terrific future, that you can run your own business," at an early age, said Jay H. Baker, the former president of Kohl's Corp., who donated \$10 million to start the Wharton initiative

three years ago. "There's this huge need for talent. ... When I started out in retailing, you had to be a good merchant." Now, he said, you also have to be a "good businessman."

In fact, because of consolidation, the average buyer buys \$25 million worth of goods, compared with \$5 million 15 years ago, said Craig Rowley, vice president of the retail division of Hay Group, a global consulting practice.

"Young people are starting to see a renewal of opportunity in the retailing industry," said Bob Kerson, chairman of Kerson Partners Ltd., an executive search firm in Greenwich, Conn., who is a board member of the Wharton program.

Retailing is one of the oldest areas of marketing, said Ruth Bolton, chair of marketing for the W.P. Carey School of Business at Arizona State University. "It's funny to hear it's the hot new thing when it's really the old hot new thing," she said. "It's been there, it's just being repackaged."

Many universities, including NYU and Texas A&M, have run retail centers for years. But the changing landscape of retail, as direct mail and Internet retailing grows, has created a renewed interest in the subject. Some schools are creating new labels to stand out, she said.

ASU is not among them.

"We view ourselves as equipping our students, not pigeonholing them," she said. At the same time, the school is considering a certificate in retailing, she said.

Michael Gould, chairman and CEO of Bloomingdale's, noted that the young people the company is hiring from various universities are of "increasingly higher quality."

In fact, at Wharton, a total of 80 undergraduates and MBA students took either full-time or internship programs in retailing during the 2004-2005 school year, up from 27 in the prior year, according to Bill Cody, managing director of the retailing program.

All Wharton undergraduates receive a bachelor of science degree in economics and can also concentrate in such areas as marketing and, starting with the graduating class of 2006, retailing. The concentration requires taking at least four courses in core retailing skills such as Principles of Retailing along with relevant electives like courses on urban studies or real estate. Schweitzer, who is working on a senior honors thesis on Kohl's, planned to have a concentration in retailing, but ended up with marketing because the proposed requirements changed.

Still, bigger starting salaries from investment banking and consulting firms are very tempting. Wharton undergraduates are paid from \$36,000 to \$46,000 for an entry-level retail management trainee job. Investment banking jobs, with bonuses, could pay up to \$100,000 in the first year, Cody said.

Includes information from Republic reporter Yvette Armendariz.

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