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David Jaffe,
CEO, Ascena Retail Group

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David Jaffe

Ascena Retail Group

When the second generation gains outside experience on Wall Street, it may be inevitable that the next phase of growth at the family business will come about through acquisition. This was the route taken by David Jaffe. He has turned dressbarn, the company his parents started in the early 1960s, into a multibillion-dollar business through an acquisition and integration strategy. But that growth has not come at the expense of the company's original values. These values remain at the core of a business that has been nurtured by two generations determined to keep the best family business practices alive well into the 21st century.

The great American shopping mall has given rise to some iconic brands over the years – names such as Macy’s and J. C. Penney spring to mind. But, in malls across the US, brands such as dressbarn, Justice, Lane Bryant, maurices and Catherines have increasingly been capturing consumers’ attention. All five brands belong to Ascena Retail Group, a retail holding company with strong family business values.

Fifty stores within 20 years

Ascena’s President and CEO is David Jaffe. He is the son of Elliot and Roslyn Jaffe, who founded the apparel retailer dressbarn in 1962. Today, dressbarn and the other brands owned by Ascena have revenues of nearly US\$5b. Ascena operates over 3,800 stores throughout the US and Canada, and employs more than 50,000 people.

dressbarn, like so many family businesses, was set up as much out of frustration as inspiration. David’s father was working at a large New York-based department store, but had grown disillusioned. As David explains: “One day my father came home

and said: ‘Honey, we’re going to start a business.’ But my mother, the more pragmatic partner in the family, told him to keep his ‘day job’ and she would start the business.”

Working all day and in the evenings, they opened their first store in Stamford, Connecticut. A year later, with the store up and running, Elliot left his day job and joined the new business full-time. The Jaffe’s opened their second store in 1963, and the dressbarn chain was born. The business grew steadily and, in 1983, the company went public. At the time, dressbarn had around 50 stores and was valued at US\$50m.

Joining the family business

David’s own journey into the family business was not straightforward by any means. Growing up, he had worked at dressbarn during his summer vacations, but had no intention of working for the family firm. And, even if he had, his parents were not going to make it easy for him. “My father said, ‘I don’t want you to come in being the lucky sperm and make mistakes on my nickel. Go and get your experience somewhere else, and if you’re interested afterward, then we can talk’.”

So that is what he did. After gaining an MBA from Stanford and then working for seven years as a venture capital investor, David changed his mind. He also felt that he had more than met his father’s preconditions for joining the business.

David becomes CEO in 2002

“I loved what I did on Wall Street, but I got to a point where I thought that, although it was great being the investor, I wasn’t driving the train,” he says. “I wasn’t the guy who was making it happen.” It was this desire to make things happen that led to his decision, in 1992, to join dressbarn.

In those early years, David learned the business, moving up gradually to more responsible positions. “I had nearly every job in the business,” David said. Over time, his father moved aside and, in 2002, David was appointed CEO of dressbarn.

Up until then, the family had grown the business steadily, opening around 30 stores a year. “It kept growing like clockwork. As my father use to say, it was about ‘putting’ more beads on a necklace.”

After taking the helm, David says it took a while before he and his team worked out a strategy that would take the business

forward at a faster rate. “We tried to start a new business in-house and to make investments in other businesses, but neither strategy worked,” says David. “Eventually, we thought – why don’t we just buy a business we believe in.”

And that is what they did. dressbarn’s first big acquisition was a Midwest based-apparel chain, maurices, which at the time had



David and the executive team of ascena



The Ascena Retail Group, formerly known as Dress Barn Inc., got listed on NASDAQ in January 2011



The Ascena Retail Group employs more than 50,000 people



The Jaffe family: David's parents Roslyn and Elliot founded the company in 1962



David together with Georg Goldfarb, who has been President of maurices since 2011

400 stores across the US. The acquisition firmly put David's mark on the business – and he was to continue to use his Wall Street experience to acquire similar companies.

However, it was the financial crisis of 2008 and 2009, and the economic downturn that followed, that really gave David the chance to make his mark on the business. "The crisis presented a once-in-a-lifetime opportunity to buy something cheap," he says. "There were really solid companies out there at really good prices." So in 2009, dressbarn acquired Tween Brands, a clothing retailer that targets the age 7-to-12 girl's market. And in 2012, it acquired Charming Shoppes, a plus-size-clothing retail holding company that included well-known brands in the US, such as Lane Bryant and Catherines.

Creating long-term values

Since taking over, David's other big innovation has been the creation of a shared service model, whereby most of the behind-the-scenes services are shared among all the brands. He says that it has helped the business enormously: "We can now do things faster, smarter and better. And we've achieved significant savings."

David's deal-making skills and astute acquisitions have been crucial to taking the business forward, but the culture established by his parents in the early days of dressbarn remains strong. "We may be listed on the stock market, but we still believe we are creating value for the long term for our associates," he says. "We see managing this business as a responsibility to the 50,000 associates we have. I think it makes us different from and stronger than many of the non-family businesses in the sector."

His parents still play an active role

This sense of responsibility is encouraged, no doubt, by the presence of his parents. They still play an active role in the business. Elliot is the Non-executive Chairman and he oversees much of the governance of the business. And David's mother

is Director Emeritus for life. "Both of them still come to the board and general company meetings," he says. "To have that connection, 50-plus years later, is extraordinary and outstanding."

What about the next generation? In his mid-50s, David still has plenty of time to consider the future with his family. But he admits that bringing the next generation – he has four children, the eldest at college age – might be tricky. "The whole next-gen thing is fun to talk about, but I think it's going to be a long shot bringing them in."

Whatever happens, the strong entrepreneurial and family business culture remains a powerful force within the company created by two generations of the Jaffe family. It is a business that has created thousands of jobs and has grown rapidly under the stewardship of a family believing in and achieving the American Dream.

David Jaffe President and CEO

Company name:	Ascena Retail Group Inc.
Generation(s):	2nd
Founded:	1962 in Stamford, Connecticut, US
Industry:	Retail
Employees (2013):	More than 50,000
Revenue (2013):	US\$4,714.9m