

## FASHION

# Everlane 2.0 : The San Francisco Brand Unveils a New Strategy and Creative Director

● CEO Andrea O'Donnell speaks to WWD exclusively about the new direction and planting a flag at New York Fashion Week.

BY BOOTH MOORE

## Everlane is getting a new look.

Nearly a year after joining the San Francisco-based, direct-to-consumer sustainable basics brand, chief executive officer Andrea O'Donnell spoke to WWD exclusively about her strategy and planting a flag at New York Fashion Week.

The new direction includes injecting more fashion into the product assortment through whimsy, color and print; taking a collection approach rather than individual items; amping up storytelling around the brand, and increasing distribution through wholesale for the first time.

O'Donnell was formerly president of Fashion Lifestyle at Deckers Brands, where she transformed Ugg, a mostly wholesale label, from a sleepy cold weather boot business into a fashion player through buzzy designer collaborations and influencer campaigns featuring Telfar, Molly Goddard, DJ Peggy Gou and the late fashion editor André Leon Talley, among others.

To help bring fashion cred to Everlane, she's hired a new global creative director, Mathilde Mader, a Central Saint Martins graduate who worked with Kim Jones during the formative years of his namesake brand, as well as with Vanessa Bruno, Sonia Rykiel, Marni, Mulberry and By Malene Birger.

Mader joins global brand creative director Shu Hung, the former creative director of Uniqlo, who oversees the Los Angeles design office that opened last January, where the e-commerce studio is located.

O'Donnell and her creative directors will be touching down in New York on

Wednesday, hosting a dinner on the eve of New York Fashion Week, to celebrate the new Everlane Editions Power of 10 capsule collection of wardrobe essentials. Everlane founder Michael Preysman, board member and investor Natalie Massenet and Ella Emhoff are among those expected to attend.

"New York is our opportunity to reengage the press and key buyers," O'Donnell said during an interview at the San Francisco headquarters, where the brand's promise of "radical transparency" extends to the open floor plan. Not even the CEO has an office.

"We're introducing the idea of a forever wardrobe, and connecting that to the fact that people only wear 10 percent of the clothes in their closet, so if it is that 10 percent you return to time and time again, what would those pieces be?"

An oversized '80s blazer in blue and brown houndstooth, a slouchy recycled cashmere turtleneck sweater, and a pair of Way High draped corduroy pants, perhaps, or Way High sailor jeans, the perfect boxy stripe oxford shirt and a houndstooth gathered trenchcoat, all with prices topping out at \$288.

"The fact that we've got this special combination of style and sustainability in a collection of product that's versatile, timeless and of high-quality is something to be proud of. We have a great recycled cashmere collection. When people talk about recycled, it can be multiple ideas. From consumers' points of view, sometimes it's not synonymous with quality. But the process we go through is craft. They source vintage cashmere garments, cut them into squares, comb those into yarn and reknit it together.

"Across the board, our knitwear collection is great. We've got everything from entry price point GOTS-certified cotton crewnecks and cardigans, to some new excitement we're calling 'Superfuzz,' which is a combination of alpaca, merino and wool," she said, pointing to the fun and furry blue-stripe sweater she was wearing. "We're doing stripes and color in a different way, with a bit more fashionability in the yarn."

Preysman, who comes from a private equity/tech background, founded Everlane in 2010 with the mission of selling ethically made clothing with transparent pricing. The elevated daywear had a minimalist appeal, and some pieces, including the Wide Leg Crop pants, ReWool coats, Day Glove leather flats and Market Totes achieved cult-like status thanks to fans like Meghan Markle.

But the brand has also come under fire.

When O'Donnell started at Everlane last year, she had to confront a tense company culture after a group of former employees told *The New York Times* the brand's image did

Mathilde Mader in the oversized Stroopwafel turtleneck in ReCashmere and Andrea O'Donnell in Everlane's Superfuzz crewneck sweater and Way Wide jeans.



Everlane Editions Power of 10 '80s ReWool blazer.



not match their experiences in a bombshell story that included allegations of racism, size bias and union busting. Everlane was also named a sustainability "offender" by the Remake fashion advocacy organization for falling short on transparency and worker well-being initiatives.

Since then the company has been working with two outside experts in diversity, equity and inclusion – Converge and Out of Privilege – to build more diverse candidate pools and teams. In 2021, 49 percent of new corporate hires identified as Black, Indigenous or people of color and in 2022 the company is aiming for 50 percent. Monthly town hall meetings have been instituted, where employees can submit anonymous questions for leadership and vote up issues to be addressed.

Efforts are also being made to increase the size range in brand imagery; current sizing goes from 00 to 16, XXS to XL, 25 to 35 for denim and up to XXL in active and swim.

And in April, Everlane released its first environmental impact report, pledging to move from 66 percent organic cotton to 100 percent by 2023, to work on eliminating the last 10 percent of virgin plastics from its supply chain, and touting the 13,333 acres of farmland converted from conventional to regenerative in 2021, among other accomplishments.

Meanwhile, Preysman has stepped back from the CEO role to become executive chairman and climate activist.

"We wanted to get the absolute best person to scale the business and found



Everlane's Cozy Luxe collection pieces out in October.

Historically Everlane operated more like a tech company with new product drops, but is transitioning to collections. "It's hard to tell a story if it's not cross-category and connected with a design thread. Mathilde has done a good job of building connectivity without it feeling too trend-driven," the executive said.

"What's so amazing about Everlane is all the building blocks are there, everyone has done their homework, and found new materials and the right factories and you just come in as a designer and dip into that," said Mader on a tour of her design space, previewing some of what's coming for 2023, including cool bubble leather clogs, colorful high-top sneakers, drip print viscose dresses, waist-tie T-shirt dresses, laser bleached or tiger stripe denim, mismatched stripe camp shirts and updated tailoring, including sleeveless jackets and city shorts.

"We're daring a bit more. We're still the Everlane from before, but we want to have a bit of fun. We're owning our femininity and it's a bit more put together," said Mader.

Everlane's San Francisco origins are moving more front-and-center in branding, as on the label for a new tote that reads "Made From Organic Cotton. Designed in San Francisco."

"San Francisco and California are both aspirational places globally known for innovation, entrepreneurship and creativity. Respecting and honoring that heritage is what we should do," said O'Donnell.

"And it's always been hard to find [out] about all the efforts that go into producing our low-impact product – you really had to dig on the website. I want to make sure those efforts are easily identifiable," said Mader.

For 2022, the goal is to get the women's business back on track, then in 2023 to build back shoes and accessories, and in 2024 to focus on men's, which currently represents just 15 percent of revenues, versus 65 percent for women's and 15 percent for accessories.

Brand expression is another work in progress. "Seventy-five percent of our business is digital, so it's how to tell a story in a six-second video and email," the CEO said.

As a start, O'Donnell introduced a "Conscious Consumer" campaign, photographing thought leaders like Oakland retailer Sherri McMullen and sustainability-focused stylist Tara Swenon in their own homes, wearing Everlane pieces they styled themselves.

Like all apparel brands, Everlane faces headwinds due to inflation, materials costs and supply chain woes. The brand has not released any financial information, but industry insiders estimate the business to be \$100 million to \$200 million in size. The last funding round was in 2020, when it raised \$85 million from LVMH Moët Hennessy Louis Vuitton-backed L Catterton.

O'Donnell would not comment on revenues other than to say "we are not

losing market share, and for a primarily online business we're doing better than most."

Everlane has 10 stores, with two more opening this year, and two to five in 2023. "Medium- to long-term, we're thinking 30 to 40 stores," she said.

The brand has increasing competition when it comes to accessible, minimalist-styled clothing, ranging from H&M brand Cos, which is making its own splash on the runway at New York Fashion Week this season, to up-and-comer Alex Mill.

And sustainability doesn't necessarily make it special anymore, now that it's expected in some form from every fashion brand.

But Everlane still has an edge, said Polly Wong, president of marketing firm Belardi Wong, which works with more than 400 premium fashion brands, 90 percent of them d-to-c. "They've done a great job of expanding product assortment and they are checking the box of increasing their distribution through wholesale. Over 50 percent of apparel sales in the U.S. are still in physical stores. So if you don't have your own stores, or if you aren't on the floor at Nordstrom, you are missing out on over 50 percent of your market potential."

She also pointed to Everlane's large customer file, acquired over a decade in business – and the opportunity to reactivate it – as an asset.

The average customer age is 35, and even though she's introducing fresh product, O'Donnell doesn't feel the need to skew younger – yet. "We know we have a lot of opportunity with the customer we've got. We are well penetrated in New York and San Francisco, we want to increase awareness, category choices and capsule collections. Once we've gotten further

down the road, we'll work out whether there is a young persons' opportunity."

The brand's future could include a road to an initial public offering.

In a vote of confidence, O'Donnell has put her Southern California home on the market, taking up residence in Eureka Valley, which is within walking distance of Everlane headquarters.

Leading the company has been challenging but intensely gratifying, she said.

"It might be an Everlane thing, or a Bay Area thing, or a generational thing, but people expect their leadership to have admirable values and walk the talk. And if you fall or falter, they hold you accountable," she said. "If issues are raised, we respond...This turbulence, COVID[-19], the recession, economic challenges, has affected us all. As a business, we are trying to do the right thing."

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ANDREA O'DONNELL, EVERLANE

that in Andrea," he said at the time of her hiring in September 2021.

"Michael is the chairman and founder, he is entitled to an opinion, and I admire him. I come with 30 years' experience in an industry where there is a certain way of doing things. He has none of that," said O'Donnell. "So he may come at me with an idea that's contrary to everything I've been taught but I'm intrigued by it and challenged by it. I like people to challenge the status quo, to ask why and to be thinkers and Michael is all of those things. I see him very frequently. He's a good partner for me and carries the history of the brand. It's in his mind and his heart.

"In terms of brand direction and product strategy, he doesn't get involved in that. He challenges us on what we are doing in terms of climate. If we aren't moving far enough or fast enough, he will have opinion on that."

O'Donnell is charting the brand's growth from "d-to-c darling and e-commerce business, to what we're thinking more of as a fashion lifestyle brand," she said. "We want to be intellectual as the brand formerly was, but we want to add more of an emotional edge."



Everlane's ReCashmere cropped sweater.



Oakland retailer Sherri McMullen in Everlane's "Conscious Consumer" campaign.