

“China ain’t cheap anymore.... I think this is a transformation and if they succeed at this and they are able to service business at their level with much faster turns.”

Andrew Postal, managing partner at MMG Advisors Inc.

help the new supplier ramp up quickly if things work out. The company’s apparel sales rose 8 percent to \$4.75 billion for the year ended May 31 – accounting for 32 percent of total revenues. New Holland already counted Nike as well as Under Armour and others as customers and the new umbrella company led by Apollo plans to continue to sell to a number of active players in the market, not just Nike. (The specifics of Nike’s commitment to the venture are not public).

The sports market lends itself to this type of near shoring. Technical, high-performance gear sells at higher prices making absolute cost less of a factor and there are lots of opportunities to be had for the supplier that can do an ultrarapid turn on jerseys for the new championship team or the hot player who’s having a good run on the court or field.

“Nike, I think, strategically said to itself, ‘Look, we’re doing in excess of 50 percent of our business in the North American market and we have 12 percent of our sourcing in this hemisphere,’” said Andrew Postal, managing partner at MMG Advisors Inc., who served as financial adviser to New Holland and ArtFX in their deals with Apollo. “This has been at least a year, year and a half in the building. Before Apollo got into this, Nike was conceptualizing the need for this.”

(A Nike spokeswoman did not comment on the new venture and an Apollo spokesman declined to comment).

Nike and Apollo are trying to replicate some of the magic that helped build the fast-fashion giants, which have created supply chains designed to get hot looks into the store quickly and inexpensively, letting newness and trends sell the goods instead of the price promotions that have dragged down traditional retailers.

“The fact of the matter is a lot of people have looked at what [Zara-parent] Inditex is doing and they think that to the extent that they can delay the assortment decision...until the last possible moment, they are able to match what they produce to demand,” Postal said.

Activewear might lend itself most readily to this quick-turn model given the connection to sports teams, but it’s an idea that is bubbling up in other areas of the apparel world as well.

“They’re all talking about this,” Postal said. “China ain’t cheap anymore.... I think this is a transformation and if they succeed at this and they are able to service business at their level with much faster turns, less reliance on inventory...it’s going to have a ripple effect across the apparel business.”

If it works, those are ripples that other brands, retailers and consumers will welcome. ■

Briefs: Retail & Markets



Gigi Hadid in a new ad for Reebok’s #PerfectNever campaign.

**#PERFECTNEVER
Gigi and Reebok
Accepting Imperfections**

Reebok tapped model-of-the-moment Gigi Hadid to pick up where UFC fighter Ronda Rousey left off and spearhead the next phase of the brand’s #PerfectNever movement, which will work to help women accept their setbacks and imperfections by embracing their inner strength. The fitness-minded Hadid might be an unorthodox standard bearer for imperfection, but Reebok noted she is “no stranger to the pressures of perfection placed on women.” The 21-year-old model has fought body shaming online, posting a message on Instagram that declared, “Yes, I have boobs, I have abs, I have a butt,” and has received 334,000 likes over the past year.

**ACTIVE OUTSIDE
Bass Pro’s
\$5.5B Bid for
the Big Time**

Johnny Morris started Bass Pro Shops in 1972 with eight square feet of space in the back of his father’s Springfield, Mo., liquor store. Now he oversees and is majority owner of a fishing- and boating-supply empire with 20,000 employees, 99 doors – mostly in the eastern U.S. and Canada – and even bigger outdoor dreams.

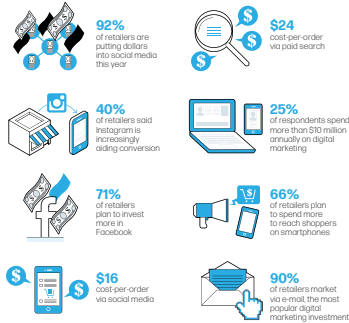
Morris’ \$5.5 billion deal to acquire the publicly traded Cabela’s will bring him credibility in the hunting sphere, \$3.5 billion in revenues and 85 specialty stores, which are mostly situated in the western U.S. and Canada, geographically complementing his base.

While that market share gain will no doubt help Morris expand his power base in the outdoor market, he’s also looking to flex his newfound power in the area of conservation and how natural resources are managed.

“By combining our efforts, we can have a profound positive impact on the conservation challenges of our day and help foster the next generation of outdoor enthusiasts,” Morris said.

**CLICK AND COLLECT
Digital’s Hold on
Marketing Solidifying**

A National Retail Federation and Forrester survey of executives at large and mid-sized retailers showed that brands are finding and marketing to customers where they live. On their digital devices.



**THE SKIING CEO
Adidas’ New
Team Captain**

Kasper Rorsted just took the lead at Adidas AG as chief executive officer and was lauded by chairman Igor Loshakov as “the perfect candidate” with “extensive international experience.” Here, his stats on and off the field.

NAME: Kasper Rorsted
AGE: 54
NATIONALITY: Danish
ASSUMED CHIEF EXECUTIVE OFFICER ROLE: Oct. 1
SUCCEEDED: Herbert Hainer
BUSINESS CRED: Held senior roles at Hewlett-Packard, Compaq and Harleil, where he was CEO.
ACTIVE CRED: Avid runner, skier and football fan

Hadid photographed by Corinne Weiss/Courtesy of Reebok; Revised by Rebecca Pappalardo

