

ETHAN ALLEN MOD ERN MASTERS

It's more than art. It's a brand.



Farooq Kathwari in Ethan Allen's Danbury headquarters.

MOST COMFORTABLE SURROUNDINGS

Farooq Kathwari leads Ethan Allen with classic style

BY MARY SHUSTACK
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IT'S PERHAPS NATURAL TO IMAGINE THAT MEETING THE CEO OF AN INTERNATIONAL CORPORATION AT ITS GLOBAL HEADQUARTERS MIGHT BE A STIFF AFFAIR FILLED WITH POMP, PROTOCOL AND PRETENTIOUSNESS.

But that is far from the case on a recent afternoon when WAG is spending time with Farooq Kathwari of Ethan Allen Global Inc., in Danbury.

In fact, in a generous hour-plus visit, we get a glimpse into the singular way this longtime CEO operates.

Sure, there are impressively decorated surroundings – no surprise – and assistants and associates on call. While the atmosphere is unwaveringly professional, it's also disarmingly friendly and pleasantly relaxed.

And it all seems to begin with Kathwari, low-key and attentive, warm and welcoming.

Kathwari's power seems tied to a style that reflects the furniture company's approach – classic with a modern twist. It's much like the way his vibrant magenta tie enlivens his understated business attire.

Within moments of meeting, Kathwari's launched into a captivating tale that takes us through his earliest days in the business and by the end of the visit, he's taken us on a tour of the place, a sprawling complex that includes corporate headquarters, a flagship Design Center and an adjacent hotel. He's also talked us through most every step of what the staff does and caps it off by sending us home with a handful of fresh apples from his country retreat.

The fruits of the previous day's employee apple-picking excursion to his Columbia County, N.Y., farm are evidenced not only in the executive suite but also in bushels of apples dotting the campus. From the top down, one thing is clear.

"My philosophy is the captains have to play with the team. They have to be a part of the team," Kathwari says.

And Ethan Allen is quite the team, an 82-year-old company that designs, manufactures and sells furniture, accents, textiles and other home fashions through a network of nearly 300 Design Centers in North

America, Europe, Asia and the Middle East. Its stylish goods can be found from Hartsdale to San Diego, Belgium to Romania, Dubai to Tokyo and as a particular point of pride for Kathwari, in China where American-made products take center stage.

FROM THE START

Kathwari has been both team player – and leader – from the start.

He arrived in New York in the 1960s and would begin graduate work at New York University's business school, studying marketing.

"I was born in Kashmir, which is quite known for art and accessories and wool," he says. A surprise delivery of goods from his grandfather back home – "He said 'Sell them and send us the money'" – found Kathwari suddenly also working in the import business.

During a stint on Wall Street – he rose to CFO of Rothschild Inc. by age 27 – Kathwari met one of Ethan Allen's founders and was soon selling his imported goods to the furniture company. A relationship grew, based in a bowling alley-turned-warehouse in Larchmont.

In time, Kathwari would become an official – and integral – part of the company that traces its roots back to the 1930s. It was 1932 when brothers-in-law Nathan Ancell and Theodore Baumritter founded the Baumritter Corp. to sell small housewares. They would go on to purchase a Vermont furniture factory four years later and begin manufacturing a line of Early American-style home furnishings, renaming the company in honor of the Revolutionary War hero Ethan Allen.

"They then pioneered what was called the gallery concept," Kathwari says of room settings featured in department stores. "Furniture was sold at that time like a commodity ... lined up."

Sourcing accessories for Ethan Allen, Kathwari says, had a start as unexpected as his entry into the import business. The company wondered, upon seeing his small operation, if it could work with him on a larger scale, importing goods from around the world.

"I said 'Absolutely' ... and I had no idea," he says with a laugh. "That's



A vignette featuring some of Ethan Allen's latest designs.

how I got my start.”

Kathwari's confidence, backed by his innate skills, saw him succeed.

“I traveled all over the world,” he says, including Italy, Portugal, China and India.

That early joint venture with Ethan Allen ended with Kathwari coming on board. Kathwari would become the company's president in 1985 and CEO in 1988. In 1989 he was involved in purchasing Ethan Allen and taking it private. In 1993, it went public again. Today, it's featured on the New York Stock Exchange.

A key strength, Kathwari notes, is that the company is “vertically integrated,” taking care of every aspect of the product from concept to manufacturing to retail and delivery.

Throughout, he says, there has been an awareness that fuels his every move.

“You have to be relevant,” he says.

From the start, he saw ways to make that happen.

“Ethan Allen stores were run by independent dealers. I thought that didn't make sense. We had the opportunity of creating a national network.”

Throughout, there have also been constants.

“One of the major challenges in our business is logistics,” he says. “Delivering furniture is not easy.”

Constantly streamlining delivery and updating the product line and the look of the design centers have all contributed to Ethan Allen's longevity, Kathwari says.

EVER FORWARD

“We are known for classics but classics for today,” he says of the company's reputation.

This autumn, for example, the company unveiled 600 new designs – arriving through the year's end and billed as “The Next Classics.” The website has also been redesigned.

Kathwari's walk through the facility reveals just how much is done by the company itself. There are in-house real-estate developers and architects, graphic designers and social media experts, a television studio, customer-service center and classrooms.

A printing press, for example, isn't there on a whim but serves a very specific purpose.

“What it gives us is the flexibility of doing things fast,” he says, checking over a stack of in-store promotional materials.

Kathwari might burst into a closed-door conference room with a “Hey there. What's happening?” at one moment, chat with a security guard the next. He'll ask for a progress report from a design team soon headed overseas.

So does Kathwari vet every single product or design?

“I do,” he says. “I do at the beginning, the middle and the end. Three phases.”

It's all part of the “the Ethan Allen DNA,” which he says will be summed up in a 300-page book, its proposed pages devoted to muses, from art to history, filling the walls of another room.

“This is not a catalog,” Kathwari says. “It's a question of inspiration.”

As Kathwari continues the tour, he quietly observes a social media meeting, catches up with the chief architect and talks to those styling vignettes with the next generation of designs.

These latest pieces would soon get reviewed, as a week after our visit the headquarters would host an annual conference and awards ceremony for hundreds of the company's top interior designers. Their sneak peek would serve more than one purpose, Kathwari says.

“For us we get the input and they get the excitement.”

DESIGN, FRONT AND CENTER

Kathwari eventually guides the tour to the flagship Design Center where all new products debut. The latest include artwork from The Ethan Allen Modern Masters Collection, an introduction of limited-edition lithographs hand-framed in Ethan Allen's workshops.

At every turn in this oversize showroom, there are interactive elements – customization stations and rows and rows of more than 1,000 fabric swatches. A new Sleep by Design mattress program is featured, as well. The playground for design fans is staffed by interior designers rather than sales clerks.

Kathwari pauses to check in with interior designer Manuella Moreira, asking what project she's working on and how a recent large effort turned out. Designers here could be working on everything from a beach house in the Hamptons to a local hospice.

Throughout, the space shows off how the majority of the collections are made in North America and also spotlights the eco-friendly initiatives incorporated into much of the work.

It's also where the latest simply shines – literally and figuratively. Kathwari points to a new retro-glam bedroom vignette anchored by a bed with a metallic-finished headboard.

“This is a very classic design but we changed the finish,” he says. Throughout, Kathwari says, “We focused on what we would call fashionably casual.”

And of course, there are trends.

“People want color,” he says, adding that the “mixing of styles is also important.”

But, he says, “it's got to be done in a way that works together.”

Today, shoppers know what they want, influenced by constant exposure to shelter magazines and design shows on television.

“The consumer has become much better informed,” he says. The shift, he adds, puts Ethan Allen “in the fashion business.”

AT HOME WITH STYLE

While clearly cultivating thoughtful relationships with his employees, Kathwari is not one to boast of his personal achievements, though he is a member of the American Furniture Hall of Fame and has been honored by the National Retail Federation, among many accolades. He's also widely recognized for his philanthropic and humanitarian efforts, having received the Eleanor Roosevelt Val-Kill Medal and served as a member of President Obama's Advisory Commission on Asian Americans and Pacific Islanders from 2010 to 2014.

At work, Kathwari simply seems devoted to Ethan Allen's continued growth.

“Our advantage is the fact that Ethan Allen is an iconic brand,” he says. “When we look at it, we just don't look at it as an item. We look at it all put together. It has to be livable.”

So in the New Rochelle home he shares with his wife, does Kathwari live with Ethan Allen designs?

“We do, of course,” he says. And just like the homes his customers would have, “the objective is relaxed.”

After all, he notes, “We've got four grandkids.”

Kathwari speaks of his adult children, a son and a daughter, proudly detailing their business success.

“They're both entrepreneurs,” he says with a smile.

And, it seems clear, influenced by something Kathwari has said earlier, “If you don't take initiative, nothing happens.”

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