

The of Warhol Account

BY JAY BLOTCHER

Marketing wiz Roger Schlaifer, already King of the Cabbage Patch, sets his sights on the legacy of America's seminal pop artist.

JAY BLOTCHER is a free-lance journalist, living in New York City, who writes frequently about the arts and politics. He is a 1982 SU graduate, with a dual degree in English and magazine journalism. He last wrote about land-use planning in New York City, for the March 1988 issue of Syracuse University Magazine.

IN THE BEGINNING THERE WAS Andy Warhol, Renaissance Man, an aficionado of America's junk culture, who painted what he knew best: Campbell Soup cans, Sunday tabloid car crash photos, Marilyn Monroe, Howdy Doody.

With his death this past year, Warhol moved into his second phase: Legend. His silkscreen works bring higher fees than when he was alive and his mammoth hodgepodge of fine art, antiques, and cheap bric-a-brac fetched an unprecedented \$25.3 million in bids during a 10-day period this past spring, in the largest auction ever held by Sotheby's—10,000 pieces in all.

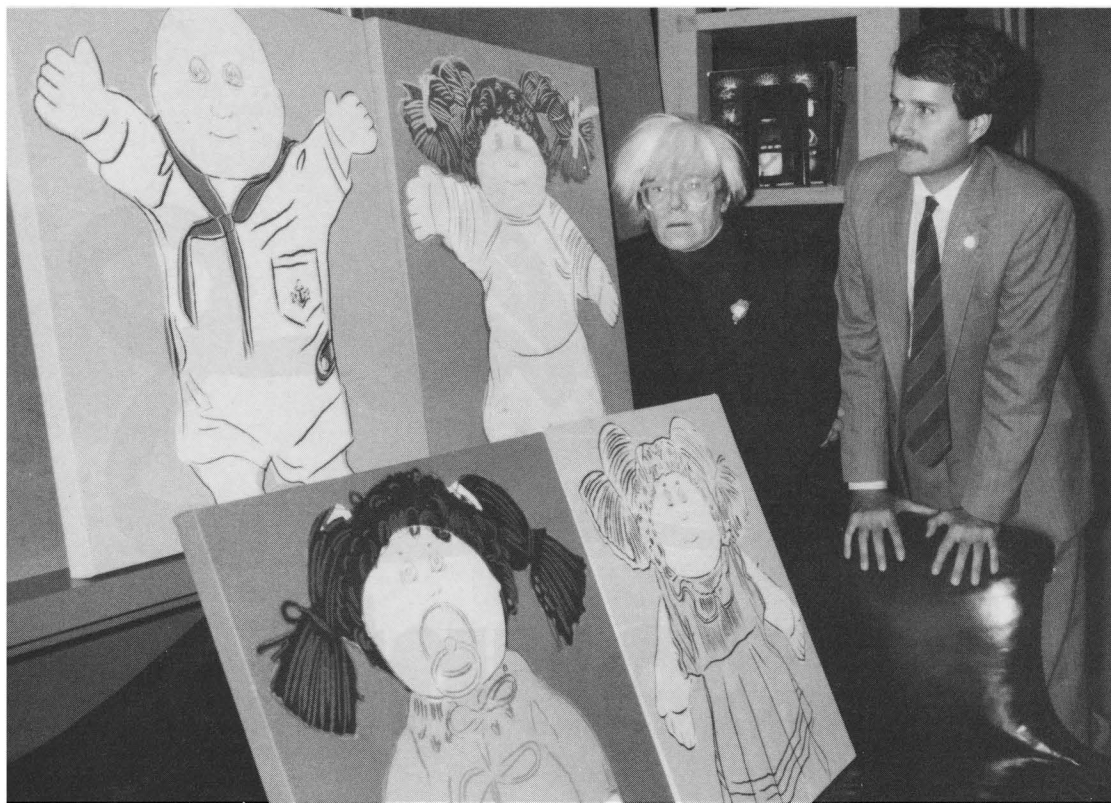
Now enter the artist's third incarnation: Andy Warhol, Trademark. By the end of 1989, Warhol's signature and artwork will grace designer clothes, calendars, bedsheets, and watches. A multi-tiered licensing program is being built around Warhol's entire body of artwork.

Marketing experts have high hopes for the program, not only because of Warhol's reputation, but also because of the man who engineered the deal, Syracuse University

graduate Roger Schlaifer. Six years ago, Schlaifer orchestrated the unlikely international success of a group of round-faced rag dolls called the Cabbage Patch Kids.

MID-MARCH. THE ANDY Warhol Studio, known as the Factory, on East 33rd Street in Manhattan. The lobby of the converted Consolidated Edison power station is lined with Warhol's own creations, wrapped in plastic. A stuffed Great Dane stands in one corner near an eight-foot-high phonograph record. A white elephant sculpture by Keith Haring perches on a shelf overhead. A huge photograph of the Master, white hair askew and waxy features almost menacing, commands the reception area. Fame and Fortune, a pair of homely pug dogs, yip across the cement floor towards visitors.

Fred Hughes has been rushing all afternoon to meet appointments. But his tailored suit remains crisp, his slicked-back hair still in place. From the red-walled office on the second floor, Hughes oversees the operations of Andy



“It took a lot of guts just to walk in and say he wanted a painting.”

Schlaifer’s first negotiations with Andy Warhol weren’t over marketing or licensing, but rather Warhol’s four-part tribute to the stars of the Cabbage Patch.

Warhol Enterprises. Hughes sets aside his walking stick and sits behind an oaken desk. An oversized dollar bill, a Warhol original, hangs on the wall behind him. Magazines memorializing the artist are scattered on either side. For many years, Hughes was Warhol’s closest friend, party companion, and business advisor. When Warhol was shot in 1968 by a berserk feminist, Hughes breathed life into him until the ambulance arrived. From that day on, his influence in Warhol’s world grew. As expected, Hughes was named estate executor in Warhol’s will.

The first time that Hughes negotiated a deal with Roger Schlaifer was in the summer of 1985, by which time the Cabbage Patch Kids were already a toy-industry phenomenon. Schlaifer, an avid modern art collector, wanted his billion-dollar playmates immortalized by Warhol. On one of his many trips to New York, he made an appointment to drop by the Factory.

“There was a sense of uneasiness, not knowing what to expect,” Schlaifer says, recalling those tentative first steps into the large lobby. “It’s a strange environment to begin with. It encourages that sort of uncertainty.”

Hughes was both amused and impressed by Schlaifer’s manner. “It took a lot of guts just to walk in and say he wanted a painting,” Hughes says of Schlaifer. “I thought he was very nice, very reserved. He was nervous.” Hughes chortles. “You walk into the Warhol

Studio and you don’t know what you might find, right?”

Warhol walked in and sized up the four Cabbage Patch Dolls that Schlaifer had brought. He grinned shyly. “Oh gee, they’re really great.” Warhol said he was willing to paint the dolls and listened quietly as Schlaifer, now more at ease, explained the wall space in his office where the paintings would hang. Warhol estimated that the project would take a couple of months.

Returning early in the fall to check on the paintings, Schlaifer also found a new business prospect for his Atlanta-based licensing firm, Schlaifer Nance & Company. Propped up around the workshop were a number of original Warhols. Many of them—portraits of Chairman Mao, Mount Vesuvius, endangered species—were less known than the signature Campbell’s Soup cans and Brillo boxes. Schlaifer suddenly imagined these images on sweaters and shirts.

“It just hit me,” Schlaifer recalls over breakfast at New York’s Mayfair Regent Hotel. “The Warhol name, the magic and the mystery, the whole aura, the cachet surrounding his persona, his name. They could be turned into a fabulous licensing program,” Schlaifer says, his boyish grin brighter than his red paisley bow tie.

AT FIRST, ANDY WARHOL was reluctant to share Roger Schlaifer’s vision. The artist was notorious for hedging on business matters, explains Henry Geldzahler, curator of the first 20th Century Art collection for the Metropolitan Museum of Art in 1966 and a close friend. “Andy had a way of sticking his big toe into something carefully a few times before he stepped in,” Geldzahler explains. “He did that with film, he did that with many aspects of his life. As it became more comfortable, he would commit himself more completely.”

Schlaifer faced the same problem. “Andy was not what you’d call an aggressive, wildly enthusiastic type of person in a traditional sense,” Schlaifer recalls. “‘Gee, this is interesting,’ was his first reaction.”

Schlaifer launched a campaign to win over Warhol and Hughes and prove the potential of a licensing deal involving the artist’s work. He invited the pair to a Thanksgiving Eve bash at the posh Pierre Hotel on Fifth Avenue. More than 150 people came to celebrate the success of Cabbage Patch Kids. The Father of Pop Art and his business partner arrived in time for the cocktail party. Warhol was the star of the event, surrounded by businessmen and art connoisseurs. As he drank in the attention, Hughes hobnobbed with happy licensees, asking questions about their in-

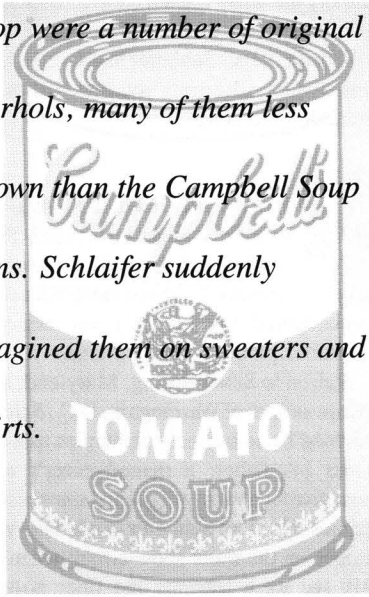
volvement with Schlaifer Nance. After a while, Warhol slipped out unnoticed. But Hughes stayed the evening, sitting down to dinner with Schlaifer at the head table. Later in the evening, the most successful licensees were awarded lead crystal obelisks from Tiffany. Hughes watched the ceremony with mounting interest.

Negotiations progressed, although Hughes says he sensed that “Andy was faking.” Warhol liked the idea but he confided to Schlaifer doubts that Midwesterners would recognize his name or his art. More to the point, he worried about losing control of his images.

Benjamin Liu served as Warhol’s assistant from 1982 to 1985, a position which included every conceivable task from helping produce monthly issues of *Interview*, Warhol’s nightlife magazine, to accompanying him on daily shopping sprees and holding the umbrella when it rained. Liu, who once worked with Halston, would often speak with Warhol about fashion. Warhol would bring up the proposed Schlaifer deal and talk enthusiastically about his artwork applied to a clothing line. Mass-market exposure for Warhol’s work, Liu says, “was his dream.” But the indecision persisted.

On the verge of receiving a flat refusal, Schlaifer played his hand. On June 13, 1986, his marketing agency formally presented ideas to Warhol and his entourage. A film detailed Warhol’s life and reputation; a series of sketches transformed Warhol silkscreens into clothes and bedsheets. The main attraction

Propped up around the work-shop were a number of original Warhols, many of them less known than the Campbell Soup cans. Schlaifer suddenly imagined them on sweaters and shirts.



was a sweater emblazoned with the eagle from Warhol’s Endangered Species series. Schlaifer projected five-year sales of roughly \$1 billion. “It got a great response,” Schlaifer recalls.

Nevertheless, Hughes turned down the proposal at the last minute, pleading that he and Warhol had their hands full with too many other projects. “[Andy] loved the idea of it,” Hughes recalls, “but I could see that it would bother him doing licensing things, so we pulled away.”

Schlaifer, to put it lightly, was crestfallen. Now that Warhol and Hughes had turned him down, the whole idea was doomed. Substituting Jasper Johns, Andrew Wyeth, or a celebrity from a field other than art was out of the question. “One of our dilemmas was that when Fred put off our agreement,” Schlaifer says, “there wasn’t anyone to replace him. We had this fabulous presentation, but there wasn’t any other combination of name and talent that could replace Andy.”

Still, Hughes had been impressed by the soft-spoken but persuasive businessman with the moustache and glasses. Schlaifer, in turn, enjoyed the company of the native Texan with the Noel Coward affectations. The pair often dined together at Mortimers, an upper East Side bistro that was Hughes’s favorite haunt, whenever Schlaifer passed through New York. Inevitably, conversation crept around to The Deal. Hughes hadn’t closed the door completely. Schlaifer sensed Hughes was just looking for more information.

ON FEBRUARY 22, 1987, ANDY Warhol died unexpectedly of a heart attack in New York Hospital, following gall bladder surgery. Immediately, attention turned to the artist and his legacy. Fred Hughes had to work fast.

He transformed Warhol’s name into a registered trademark, in order to protect his

Schlaifer enjoyed the company of the native Texan with the Noel Coward affectations.

That being Fred Hughes (right), Warhol’s longtime business manager and later executor of the artist’s will. It was Hughes who eventually struck the licensing agreement with Schlaifer Nance.



artwork and any products using the images; already pirates were churning out unauthorized goods. Another priority was to fund the Andy Warhol Foundation for the Visual Arts, a project only vaguely outlined in Warhol's will; to do this he would sell off Warhol's assets, including his significant collection of art by other notable artists. And, to benefit the foundation, Hughes would at last consummate *The Deal*.

A few days after Warhol's death, Hughes was back in the office, streamlining the Warhol Empire. Long-time employees were dismissed, stocks sold off, and most of the belongings in Warhol's Upper East Side townhouse categorized, appraised, and shipped off to Sotheby's for the upcoming auction. Warhol's name was removed from the *Interview* masthead. In its place: Publisher/Editorial Director, Frederick W. Hughes.

In April, Hughes sent out invitations to a Warhol memorial service at St. Patrick's Cathedral, featuring a postcard-sized reproduction of Warhol's final piece, an adaptation of da Vinci's *Last Supper*. The cathedral was decked out in red tulips and forsythias. Guests included Grace Jones, Liza Minnelli, Halston, and a group of Warhol disciples not assembled since the early 1960s. Yoko Ono and critic John Richardson were among the eulogists.

In a pew near the back sat Roger Schlaifer. Schlaifer and Hughes kept in touch. By late spring, Hughes says, he was flying down to Atlanta to talk business again.

"I went back to Roger," Hughes said, "when I felt it was appropriate to say, 'Let's see if we can't pursue this further. . . . because I need to protect these things and it makes sense

now. It's not going to interfere with Andy.'"

In November 1987, Hughes and Schlaifer finally did what Warhol hadn't—they signed a contract. For the second time in less than a decade, Roger Schlaifer had scored a landmark deal. Business journals nationwide heralded the coup.

FEW PEOPLE COULD HAVE PREDICTED that Roger Lawrence Schlaifer would clinch the Warhol arrangement or make Cabbage Patch Kids an unprecedented toy industry success story. Schlaifer planned to be an artist.

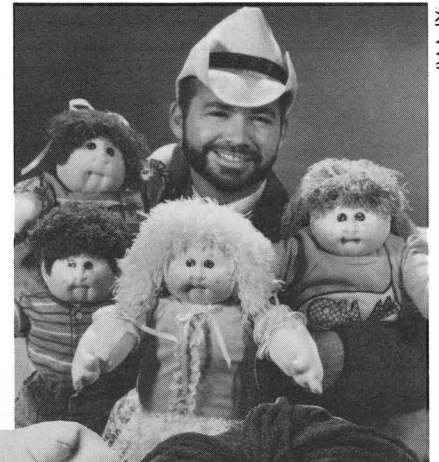
Raised in Silver Spring, Maryland, an affluent suburb of Washington, D.C., Schlaifer learned basic business principles as a child from his father, a manufacturer's representative for a variety of gift and souvenir companies. Norman Schlaifer would take young Roger on the trade show circuit when boys his age were learning the finer points of softball.

Schlaifer absorbed the information, but deferred it to pursue his artistic career. In 1963 he enrolled in Syracuse University's School

of Visual and Performing Arts. When Schlaifer attended classes, he did very well, but very often he cut classes to indulge a high school pastime: playing pool.

Syracuse was pool-crazy at the time. Babe Cranfield, reigning world champion in pocket billiards, lived in the city. His presence attracted pool sharks from all over the country who passed through town with cues in leather cases tucked under their arms. Schlaifer, though not a player of quite that caliber, haunted the amusement hall once located in South Crouse Alley or ventured downtown to polish his combination shot. The way he tells it, Schlaifer probably also honed his future business instincts there. "I wasn't out there hustling anybody. I was playing for money, but I was playing the best players for serious competition. The real thrill wasn't conning somebody but just beating them straight out."

Schlaifer found it easier to make money from perfect bank shots than from painting



"It was ideal timing for us. Smurfs had had their day. E.T. passed quickly. Strawberry Shortcake was on the wane." When Schlaifer's daughter fell in love with her new Little People doll, then produced by Xavier Roberts (at right), Schlaifer knew he was onto something. He renamed them Cabbage Patch and the rest is toy history.

canvases. Pushing aside fine-art aspirations, Schlaifer explored commercial illustrations and graphic design. He put in time at the Rhode Island School of Design and, after his graduation in 1967 from SU, at the Art Center in Los Angeles. Stints at ad agencies and art studios followed before Schlaifer decided to start his own shop. Wife Susanne Nance, whom he married in 1972, became his partner. Schlaifer Nance & Company was born.

Their first licensing concept was "Hot Rollers," inspired by a \$65 pair of roller skates designed to cash in on the late 1970's roller disco craze. But its success, like the fad, was short-lived.

THEN, IN 1981, SUSANNE brought home a Little People doll named Lavinia Merle for daughter Jessica. Schlaifer thought the creature "ugly and expensive." But his child cuddled her homely new baby while prettier playmates gathered dust. Schlaifer was intrigued.

Little People were handstitched dolls created by a backwoods craftsman from Cleveland, Georgia, named Xavier Roberts. Employing the German art of fabric sculpture, Roberts had been making the limited edition dolls since 1977 and selling them for \$125 apiece. Each doll came with an individualized birth certificate and adoption papers.

Schlaifer pitched an advertising program to Roberts's company, Original Appalachian Artworks (OAA). OAA turned him down. But when he outlined a Little People licensing scheme, OAA bought it. Schlaifer's agency peddled the wide-eyed children to toymakers across the country, suggesting spin-off products to build the dolls' regional popularity. It was a hard sell. Hasbro and Fisher-Price felt youngsters would find them too homely. Finally, it was Coleco who saw the dolls' marketing potential.

"It was ideal timing for us," Schlaifer says. "Smurfs had had their day. E.T. passed quickly. Strawberry Shortcake was on the wane. We saw a vital opportunity, timing-wise, to position Cabbage Patch Kids. All the psychological factors were right. It wouldn't have happened, I don't think, three or four years earlier."



At the peak of the fad, more than 2,000 products bore the Cabbage Patch kids name, from underwear to vitamins, lunch boxes to swimming pools. In 1985, sales totaled \$600 million.

Alfred Kahn, then senior vice-president of marketing at Coleco, visited BabyLand General, the OAA factory and showroom, where sales clerks are dressed as doctors and nurses. Coleco took hold of the reins. They would develop a mass-market version of the doll and share in the subsequent profits of the OAA-Schlaifer licensing program. Schlaifer renamed the dolls Cabbage Patch Kids.

Coleco heralded the February 1983 debut of Cabbage Patch Kids with a barrage of press conferences where reporters were given dolls and asked to take an oath of adoption. But the best exposure came from toy store stampedes. Product shortages sent the price (\$34.99 to 39.99 retail) soaring as high as \$100 in some cities. Psychologists competed to reach the definitive explanation for the appeal of these homely playthings. Johnny Carson snickered at America's latest obsession in his monologue. A Cabbage Patch Kids float glided down Fifth Avenue for the Macy's Thanksgiving Day Parade.

Requests for licenses flooded Schlaifer's offices. At the peak of the fad, more than 2,000 products bore the Cabbage Patch Kids name, from underwear to vitamins, lunch boxes to swimming pools. Coleco launched many spin-off products, including Cabbage Patch toddlers, twins, babies, preemies, bathtub dolls, Kids with cornsilk hair, animal companions, and clothing accessories. In 1985, their sales totaled \$600 million. Schlaifer estimates that the final tally of five years of business by all licensees is more than \$4 billion.

As the craze wound down in 1985, a well-received Christmas Special hinted that the Cabbage Patch phenomenon could be recharged by television, and Schlaifer considered offers for a regular Saturday morn-

ing series. (He had created a number of animal characters to flesh out Roberts's original story, including an evil old woman and a protagonist named Xavier.) However, OAA nixed the projects, and, in Schlaifer's opinion, missed a major opportunity to revitalize the waning appeal of the Kids.

More contract disagreements followed. This year, the tenth anniversary of the birth of Little People, Schlaifer Nance & Company ended its connection with the Cabbage Patch Kids dynasty by selling its contract to OAA for "a substantial sum." The two companies no longer communicate.

WHAT MADE CABBAGE Patch Kids successful," Schlaifer says, "is that we believed in the concept of the Kids and the whole endearing quality, the positive aspects of adoption, the responsibility and the psychological benefits of the kids loving something that was homely, versus some pretty, fake kind of thing.

"In the same respect, I think we bring the same absolute conviction to Andy Warhol. We're doing it because we feel so strongly towards the work and its fantastic quality."

In the Schlaifer-Hughes arrangement, compatibility is a plus. Hughes uncharacteristically warms up when evaluating his new business partner. "I just like [Roger] the way you instinctively like people. That's the only way I can go about life. He's honest and he has taste, which is very helpful in this sort of thing. He's just a nice honest guy. And he has a certain charm."

The first product, to appear in late summer, will be a full-color 1989 Warhol calendar priced at \$9.95, produced by Harry N. Abrams. The New York-based publisher also produces a Cabbage Patch Kids calendar, which has sold well for the past five years.

The complete licensing program falls into three categories:

- "The Andy Warhol Signature Collection." High-quality designer goods, including scarves, ties, and tableware.
- "The Warhol Brand." Bedding and housewares. And
- "The Andy Warhol Out Collection." A young contemporary fashion line that includes footwear and accessories.

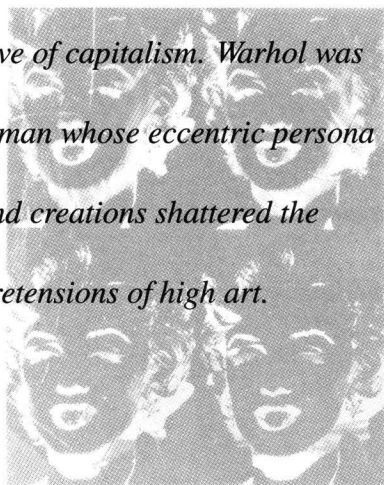
Schlaifer says that trademarked Warhol creations will not be typical, "unimaginative" souvenir shop cups and keychains. Moreover, exposure will not only generate profits, he says, but also increase Warhol's circle of admirers. "The more people see an artist's work, the better the likelihood they're going to ap-

preciate it, understand it, and be influenced by it, versus something that is squirrelled away in corridor of a museum.”

Geldzahler, who introduced the Metropolitan Museum to Warhol two decades ago, agrees: “It could bring some people up through the ranks [of art appreciation] back to the actual Andy work.”

PURISTS MAY CRY FOUL, BUT they overlook Warhol’s unabashed love of capitalism, his paintings of dollar bills and dollar signs, and the cache of money hidden under his mattress. Warhol was a man whose eccentric persona and creations shattered the pretensions of high art. In a 1973 documentary, Warhol proclaimed department stores the new museums of our age; art museums, he continued, should operate as supermarkets, selling paintings right off the wall. Warhol’s first post-college assignments in New York were not silkscreen portraits, but shoe ads and Fifth Avenue window displays. In his 1975 book, *The Philosophy of Andy Warhol*, he upheld the value of commercial art, commenting, “Business Art is a much better thing to be making than Art Art, because Art Art doesn’t support the space it

Purists may cry foul, but they overlook Warhol’s unabashed love of capitalism. Warhol was a man whose eccentric persona and creations shattered the pretensions of high art.



takes up, whereas Business Art does.”

John Vargo, head of Syracuse University’s illustration program (and Schlaifer’s former professor), says Andy Warhol was opposed to “this hierarchy of art that prevails through critics and collectors. He didn’t care what term people used for him—court painter or court jester. He was certainly an artist of the time.”

Don Monroe, who produced Warhol’s cable television show *15 Minutes* (based on Warhol’s quote that in the future everybody will be famous for fifteen minutes), says the deal, “is great, great, great, as Andy used to say. I’m sure he’s saying it right now.”

Geldzahler says he feels confident that Hughes will exercise both good business judgment and respect for Warhol’s memory in his deal with Schlaifer. He testily dismisses the suggestion that marketing demeans an artist’s reputation. “I don’t think we’re back in the 1950s where we’re so pure that we’re terrified of just a little bit of nastiness in the arts. The arts are lustier than that, thank God; they’re lustier and they’re more vivid. There’s more energy, both to accept and reject. So I’m not worried about it. I’m actually looking forward to seeing the first new things.”

Even with Schlaifer and Hughes running the show, Warhol will have posthumous input. Before he died, Warhol designed a limited edition watch. Movado will craft 250 models later this year at \$10,000 apiece.

At Warhol’s memorial service, one eulogist repeated a classical Warholism: When he died, he hoped to be reincarnated as a ring on Elizabeth Taylor’s finger. Roger Schlaifer promises to take the idea to Tiffany.

“We bring absolute conviction to Andy Warhol. We’re doing it because we feel strongly towards the work.”

The Schlaifer Nance team includes (clockwise) design director Tim Dove, account executive Georgia Graves, property development director Marcia Watts, Schlaifer, his wife Susanne, and illustrator Marie Jackson. The first fruit of their labors: the 1989 Andy Warhol calendar.



