

COVER STORY

With marketing and moxie, Robin Burns

FIRST-

is doing a makeover at Estée Lauder.

DEGREE

And like everything she touches, business is hot.

BURNS

By Renée Gearhart Levy

Isn't this a killer photograph?" Robin Burns is in her office on the 39th floor of the General Motors building on New York's Fifth Avenue. While not overly large, the office, like Burns, is striking: pale carpeting, floor-to-ceiling windows overlooking Central Park, a pastel-colored painting by April Gornick covering nearly an entire wall.

Also like Burns, dressed in a short-skirted Chanel suit, it is a contrast in style from the grand lobby of the Estée Lauder offices. Formal, with Oriental undertones and decorated in the signature Estée Lauder blue, the lobby is elegant, yet somehow a symbol of an

earlier—if not stuffer—time.

Burns is showing off an advertisement for Youth Dew, the Estée Lauder Company's premier fragrance, which celebrates its 40th anniversary this September. The photograph, a rich black-and-white by Skrebneski, features model Paulina Porizkova in an elegant, fitted, formal gown, standing next to a carved stone railing in a grand mansion. Inset is a picture of a bottle of Youth Dew, its cinch-waist form echoing Paulina's. The image is classic, yet very sexy. The old and the new converge at Estée Lauder.

Since May 1990, when Burns was named president and CEO of Estée

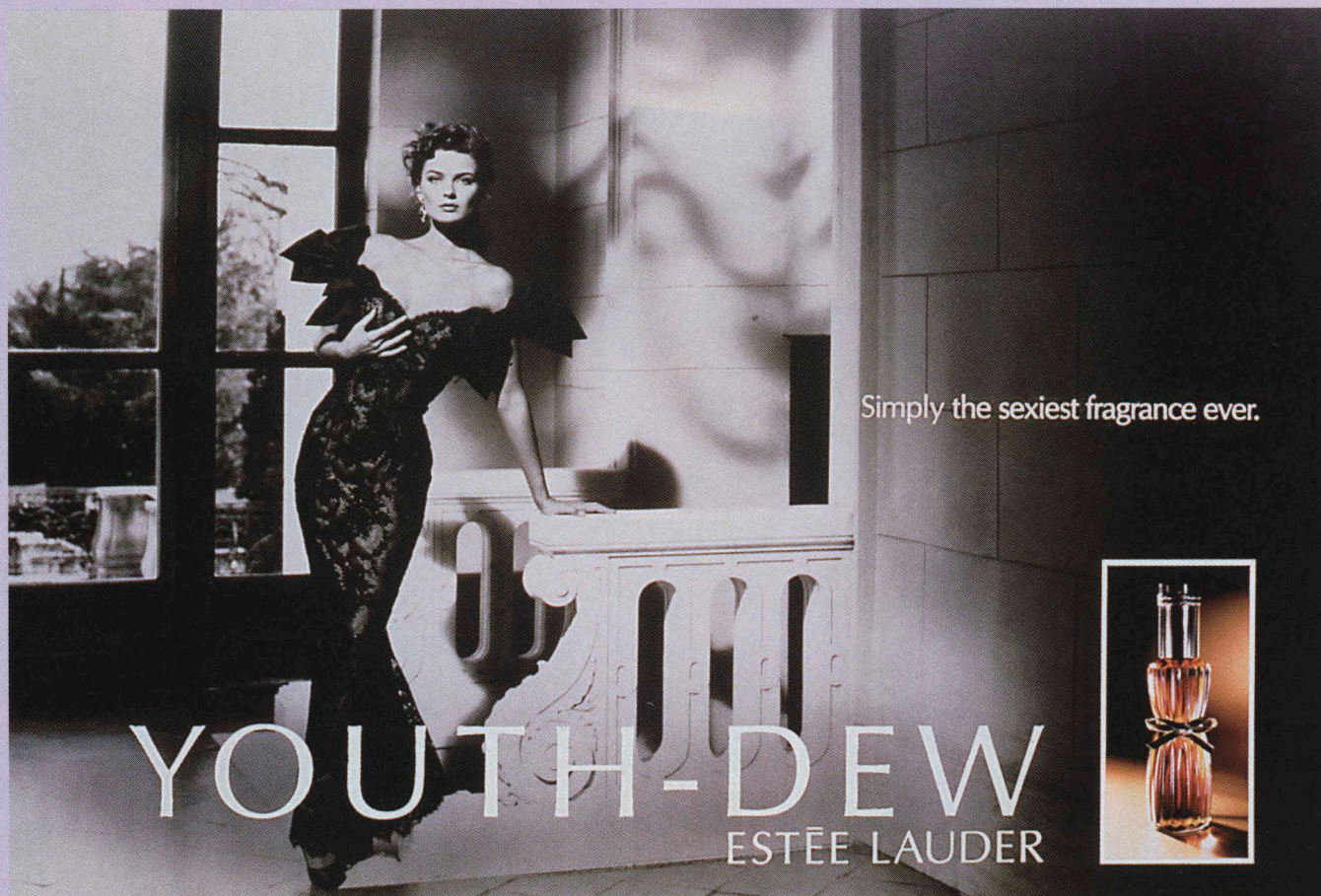
Attracted by Burns' uncanny ability to anticipate the tastes and needs of her customer, Estée Lauder chairman Leonard Lauder recruited her to lead cosmetics powerhouse Estée Lauder U.S.A. to new heights in the nineties.

COVER AND OPENING PHOTO BY SHONNA VALESKA



ESTÉE LAUDER





"Fragrance is fantasy," says Estée Lauder president and CEO Robin Burns. With a hefty advertising campaign tied to the fragrance's 40th anniversary, Burns is repositioning Youth Dew as the "sexy scent," to appeal to a new wave of younger customers. Although a top-selling fragrance, Youth Dew is currently associated with aging matrons.

Lauder U.S.A., she has been revitalizing the company's image and products to appeal to younger women. The \$650-million company—America's largest cosmetic maker—leads the high-end cosmetics field with a 21-percent share of the market. But its chief loyalists have been generally viewed, according to a *Business Week* article last fall, as "aging women still fond of Youth Dew," women who still equate the company with its founder, Estée Lauder, now in her mid-80s.

As Burns would be first to tell you, there's nothing wrong with Youth Dew. "We've done national test studies, blind-testing men with this fragrance and other top-selling fragrances," says Burns, a 1974 SU graduate. "They choose it again and again as their preference, and always describe it as very sexy." The problem is the image—the scent preferred by dowagers—even if that is inaccurate. Youth Dew is Estée Lauder's number-two seller in bottles among its nine fragrances.

To celebrate its anniversary, Burns

is overseeing a relaunch of Youth Dew, including its first advertising campaign in nearly 20 years. September women's magazines will be filled with the spectacular ad and scent strips created with a new technology. "The scent is actually in powder form," explains Burns. "The powder is laid down on the paper in the same silhouette as the bottle. All you do is rub your finger across to apply the fragrance."

"It's going to be a hefty campaign. This is from nothing. It should be interesting to see what happens."

Burns may not be a household name, but in the cosmetic and fragrance industry, she's known as a *wunderkind*. Her story is industry lore. At the age of 30, she was plucked from a post as cosmetics merchandising manager at Bloomingdale's and named president of the flagging Calvin Klein Cosmetics, a company with two handfuls of employees, losing \$2 million

a year. When she left seven years later, after having launched fragrance sensations Obsession and Eternity, Calvin Klein Cosmetics was a fragrance powerhouse, with 300-some employees, grossing \$200 million annually.

She was recruited—courted for several years, really—by Leonard Lauder to run Estée Lauder U.S.A., inarguably the most prominent company in the industry and the flagship line of the \$2-billion, privately held Estée Lauder Companies, which also include Clinique, Prescriptives, Aramis, and Origins.

"Robin brings to the table a new generation of youthful-image marketing, which the Lauder company needs as its traditional customer group grows older," says Gene Grisanti, president of International Flavor and Fragrance, a firm that develops and manufactures perfumes for cosmetic and fragrance companies. "At Calvin Klein she showed she is particularly astute in identifying what will go in

today's market and in executing it extremely well."

"Robin reactivates the entrepreneurial spirit at Lauder that was dormant for some time," says Robert F. Taylor, the former chairman of Minnetonka, which held the license for Calvin Klein Cosmetics. "She's done that not only through advertising, which certainly has had a more youth-directed image, but also through hiring people who have challenged the attitude that at Lauder, 'It can only be done this way.'"

One of the highest-paid women in corporate America, with a reported annual salary of \$1.5 million, Burns now holds one of the most powerful positions in the industry. What is she doing with it? As always, making change and meeting challenges head on.

Change is always difficult, says Burns, and even more so at a company that hasn't experienced much, not to mention the added complications of the sluggish retail market and the shrinking department store world. "Change in everything was happening simultaneously," says Burns of her first years at the helm. "The entire retail world was in upheaval, not to mention the economic condition of the United States. Transition used to be a term about getting from one place to another, and it was followed by completion. Transition today is every day and it's ongoing and forever, in my mind. People are only now just beginning to get comfortable with that, that this isn't going to end. I had people asking, 'When is it going to get back to the old days?' It's not. That doesn't mean you can't seek happiness running a business that requires more focus on efficiency than it used to. It's just different."

Burns knows well the key to the success of Estée Lauder U.S.A. It's understanding the wants and needs of her customers—and potential customers. Naturally, keeping in touch with the Estée Lauder customer is one of Burns' priorities.

Burns travels extensively, visiting the 2,000 Estée Lauder counters in department stores throughout the country, talking with customers and with the company's 10,000 beauty advisers, the sales force that works the counters. One

week its Dillard's in Little Rock, the next its Nordstrom's in Seattle and a spa event at Bon Marché in Portland.

"That's the best thing I do, getting out and traveling," says Burns. It is, she says, where she finds out the dirt: what's good, what's bad, what product requests aren't being filled, what the competition is doing. It is where ideas for many products come from: the new Compact Disc eye shadows, 80 shades sold individually and at a lower price than is typical; a lighter moisturizer for younger skin sold in a pump container; self-tanning products in spray form, providing better coverage for large areas of skin, like legs.

She's already had her successes.

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When Burns joined the company it produced one self-tanning cream. Estée Lauder now produces a whole line of Self-Action tanning products, in several shades, which comprises the company's biggest sales producer.

The biggest single item in company sales history is also a product of Burns' tenure. Fruition, which hit the stores in February, is a skin-care product made of natural fruit acids that improves the texture and clarity of skin, decreasing the appearance of lines and wrinkles. Many cosmetic companies have launched fruit acid products in the last year or so; none have been as successful as Fruition.

Yet Burns is not one to rest on her laurels and soak up credit. "I like to work in a collaborative way, so when final deci-

sions are made, they're usually made by the appropriate group contributing to the product," she says. "I love to work with people who will challenge my direction. Challenge my choices. No one has a lock on the right decision."

Burns may be a natural at marketing, but then, she started early.

Growing up of humble background in Cripple Creek, Colorado, Burns worked a lot of jobs as a teenager: as a baby-sitter, as a secretary to a law firm, in a city planning office. But it was her stint as an elf at Santa's Workshop in the Colorado mountains that was perhaps the most pivotal. "It's like a miniature Disneyland, so there was a lot of merchandising and buying going on. I ended up working in the buying office."

At Syracuse University she majored in retailing and education. She also worked a zillion jobs to help pay expenses—cocktail waitressing, clerking in the bursar's office—and was heavily involved with her sorority, Kappa Kappa Gamma.

"I was rush chairman first," says Burns. "I was in the recruiting business, selling a way of life that I thought was wonderful."

This was the early seventies, when Greek life was at an all-time low ebb, yet Burns was undaunted. "They were still trying to market sororities the way they had always done, which was this series of tea parties," she explains. "It was the only night you were going to wear a dress and you were going to invite people into the house and chat. I thought it was really strange because it had nothing to do with the way we lived. Why would anyone want to join? And if they did, thinking that's what we did all the time, they'd be really disappointed."

Burns joined forces with a fraternity across the street and set out to project the best of what the house had to offer. Rush consisted of a hayride, a ski trip, and various other events typical of the group's activities. "We ended up with the largest pledge class on campus," says Burns, who was elected Kappa president for the following year.

Preparing for her 1974 graduation, Burns had definite ideas about her

career plans. Teaching was out ("The kids were great but I couldn't stand the politics of the educational system," she says), retailing was a real interest, but what she really wanted was to get into an executive training program with a career ladder.

"I wanted a career with a company that would offer a woman a sincere opportunity," says Burns. "There were a lot of companies interviewing women because they had to, and it showed in the process."

Burns found her sincere opportunity in retail after all. She was hired at Bloomingdale's as a buyer in the housewares department, a position she took on with gusto. She climbed the ladder in home furnishings quickly and after five years asked for a change of assignment. She was named men's fragrance buyer, a part of the store totally foreign to her.

One of her first big assignments was to organize a major launch of the men's fragrance Calvin, which included coordinating floor promotions, display, advertising, and counter merchandising throughout various departments of Bloomingdale's. Her aplomb at carrying it off eventually changed her life.

"I remember a meeting in the main board room at Bloomingdale's, attended by the chairman and the senior vice presidents," says former Minnetonka chairman Taylor. "Everyone was talking, and pretty soon it was just Robin talking and giving out assignments, telling people what to do very matter-of-factly. It was like she was talking to a third-grade class."

"The power and importance of the people didn't impress or intimidate her. If someone would object to something, she would still get her point made without putting the person down. I thought, 'My golly. What an unbelievable capability she's got of managing without any authoritarian kind of attitude.'"

The event went off without a hitch. "She pulled together a group of male models who put on a great show and made for an exciting launch," says Traub, former Bloomingdale's chairman. "It was clear this was a woman who was going to go places."

Recruited by Taylor, Burns went to Calvin Klein, although it wasn't an easy decision.

"She was concerned she wouldn't be able to do the job," says her friend and Syracuse sorority sister Julia Horowitz. "I asked her what was the worst that could happen. She said, 'I'll fail.' I said, 'So you'll go back to Bloomingdale's. What's the best that can happen?' She said, 'I'll learn a lot and really build that company up.'" Which is exactly what happened.

Burns was the force behind Obsession, an instant success, thanks in part to its steamy advertising campaign and her ability to convince the reclusive Calvin Klein to make personal appear-

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ances. She scored another hit three years later with the fragrance Eternity, having correctly anticipated a shift toward more romantic relationships and marketing it appropriately.

In 1990, Calvin Klein Cosmetics was acquired by Unilever, and Burns took a new look at the professional courtship by Leonard Lauder. "Initially, I was still very happy and involved and learning at Calvin Klein and didn't feel ready to leave," says Burns. By the time the company was acquired, however, Burns had developed Obsession, Obsession for Men, Eternity, Eternity for Men, had begun the next fragrance, Escape, and knew the long-range strategy was to develop more fragrances. "I wanted to expand my own knowledge of the business,"

she says. "I figured if I was going to learn the rest of the product mix, Estée Lauder was the place to do it."

Julia Horowitz remembers her first encounter with Burns clearly. It was the morning of her Kappa Kappa Gamma initiation.

"Robin was president and I had heard her name, but because she was always working, I had never met her," says Horowitz.

Rousted out of bed in the early morning, Horowitz entered the ceremony in a daze, she recalls. "It was in a secret room and I looked up and there was this beautiful woman with long blond hair and a flowing satin gown. It was very dream-like," she says. "I poked the girl next to me and said, 'Who is that?'"

The next year Horowitz moved into the house, and although she was a sophomore and Burns was a senior, they clicked. They remain close friends to this day.

"Robin is just like that," says Horowitz. "She has a small circle of close friends she's had for a long time."

Even Burns' relationship with her husband, Gregory Rubin, whom she married in 1990, stems from her Syracuse days. She and Rubin, a 1972 SU law school graduate, met and first dated while they were students at SU.

Friends and colleagues say she is amazingly down to earth. "She's not caught up in the money and fame thing," says Horowitz. Indeed, she seems to eschew the celebrity of her role, declining most interviews and avoiding the party circuit when possible. Work is nearly all-consuming; relaxation is a day out of the city at her home in the Hamptons on Long Island. Vacations are rare but active: skiing, fly-fishing, salmon fishing. "Colorado things," Burns says.

Burns also is integrally involved with the Look Good, Feel Better program, a joint effort of the Cosmetic, Toiletry, and Fragrance Association, of which she is a board member, and the American Cancer Society. The program provides cosmetics and training to people suffering the after effects of cancer treatment. It is funded through the

annual gala Dream Ball in New York City. For several years, Burns has been donations chair, raising between \$900,000 and \$1 million each time.

It's nearly impossible to find someone who has known Burns at any level—personal or professional—and doesn't wax poetic over her charm and skill.

"She has an unusual gift for motivating people and encouraging them," says Traub. "It's an enormous talent, being able to handle people and make them feel good about themselves."

"In addition to the exceptional talent she represents in marketing and business, she is a joy to work with," says Grisanti. "There is no pretense about her, no posturing, no arrogance. She's a smart, shrewd businesswoman who has an exceptional marketing talent but also happens to be a particularly nice person."

"She was so good with us and did so many things well that everybody in the company loved her," says Taylor. "It was hard when we sold the business because then I lost my association with her. But she is the best. The best."

Burns first met Estée Lauder when she was the men's fragrance buyer at Bloomingdale's. One of her fragrance promotions included a black-tie dinner where Mrs. Lauder and her husband were guests. Burns was given the responsibility of escorting Mr. Lauder through the men's department. "They were lovely people," she says.

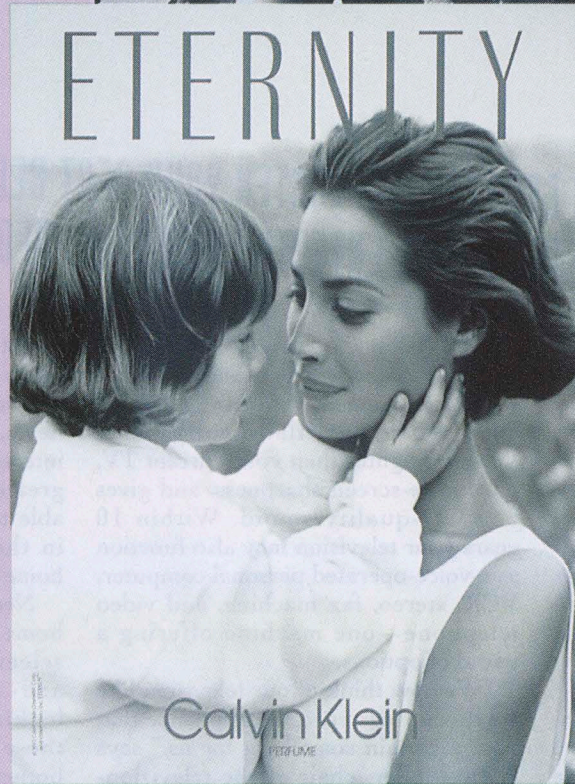
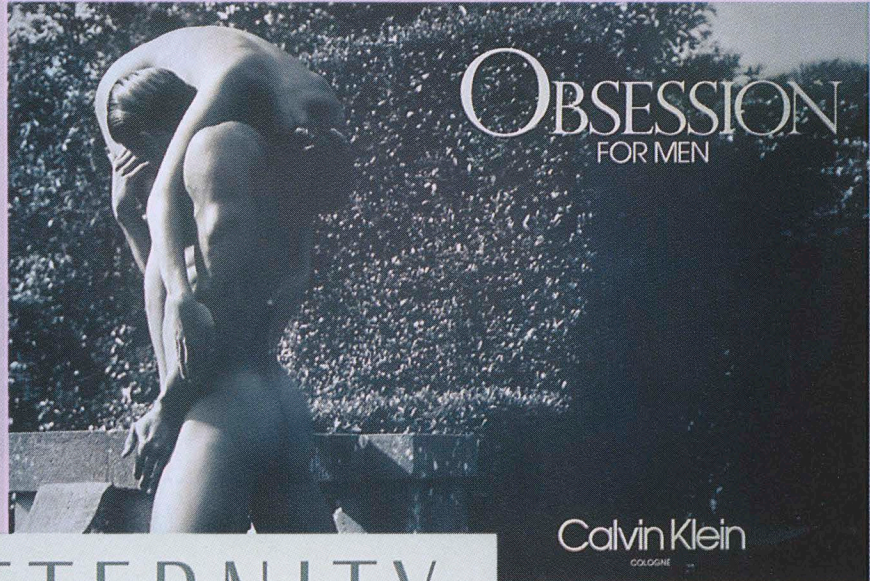
Her next encounter was shortly after Burns took the helm at Estée Lauder U.S.A. After her second day on the job, Burns was at home waiting for a Chinese food delivery, when the phone rang at 10 p.m. It was Mrs. Lauder calling from Palm Beach.

"How'd it go?" she asked.

"The next words out of her mouth were, 'Don't you think we need a new fragrance?'"

"She's got energy I wish I had," says Burns. "Her knowledge and enthusiasm are like having an encyclopedia of the business at your fingertips."

Lauder, says Burns, was not only a



Burns' marketing of Calvin Klein's Obsession as a sensual, sexual fragrance struck a chord with consumers when it debuted in 1985, making it a top seller within a year. Three years later, she correctly anticipated a shift toward long-term relationships with the positioning of the fragrance Eternity.

decline. The unique thing about Lauder fragrances, says Burns, is that their sales grow slowly, steadily, and over a long period of time.

Youth Dew, which has sold more than 200 million bottles, is no exception. "A lot of women have been buying it for a very long time," says Burns. It even has two different bottles: the pretty cinch-waist glass bottle, tied in the middle with a gold bow, as pictured in the new ad; and a funky, retro, turquoise-blue bottle, the original packaging for the scent. "You can't discontinue the blue one because there's a lot of people who love that."

What she can do, through Youth Dew's relaunch, is steer the name image away from the blue-haired old lady syndrome. "We're reaching out to a brand new generation of women," says Burns.

The new tag line says it all: "Youth Dew, Simply the sexiest fragrance ever."

"Nothing can be sexier than a gorgeous evening gown on a woman if you look like Paulina," says Burns. "Fragrance is fantasy." ■

pioneer in the cosmetics industry but with her fragrances as well. In launching Youth Dew in 1953, she became the first American to create a fragrance that would have worldwide impact.

"Fragrance demands a positioning that's centered around fantasy," says Burns. "Each brand has an identity, its own name, and must project a personality."

In the industry, it's standard for a scent to peak in sales during the first two years after its launch, then slowly