

Fashion Forward

Payless CEO talks about how — and when — to innovate

by Mary Reed

Matt Rubel, BSJ '79, has been a media darling of the footwear industry for the past year, and for good reason. Since he became CEO and president of Payless ShoeSource in 2005, he's given the company a complete makeover, from the orange-and-yellow shoe store for cheapskates to a gathering place for footwear fashionistas.

Rubel accomplished this transformation largely by re-imagining Payless, acquiring and licensing well-known brands such as American Eagle, and establishing high-profile relationships with New York fashion designers. While overseeing rising profits for Payless, Rubel also acquired two other footwear and brand licensing companies (Stride Rite and Collective Licensing International) to form Collective Brands, now the largest non-athletic footwear shoe company in the Western Hemisphere.

Along the way, *Footwear News* named Rubel Person of the Year for 2007 and *Fast Company* magazine's March issue picked Payless as one of the world's 50 most innovative companies. Rubel talked with *Ohio Today* about how to foster innovation — and when it is the appropriate approach.

A word often used to describe you is “innovative.” Why is that?

What makes me innovative, I think, is a desire to continuously do better. To do better leads to innovation. It's kind of like creativity. Creativity is taking something small and making it big.

How do you foster creativity?

First of all, try to walk into an idea without parameters, in terms of just saying, “What's the thing that's going to make something better?” and do it without all the inhibitors that initially shackle ideas. Then you have to become pragmatic and add those things back in. Let people go through visioning sessions



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without those shackles. So basically, open and free thought.

Is that how the creative process typically works at Payless?

Sometimes the most organized situations can be the most creative, where everybody has a clear understanding of what's needed. Creativity can come out of that structure. We make sure the right people are there in those structured development processes. Creativity can be realized in both open and free thinking or through process. We do both in our organization.

How did your journalism education influence your approach to creativity?

I think journalism is a great example of what I call structured creativity. There is

a definite structure to journalism, but how you use that structure can enable you to be quite creative. I think at OU they fostered an understanding of that structure but promoted a platform for students to work together to be creative.

What did you learn as a student assistant in the university athletics department?

I was given a tremendous opportunity by former wrestling coach Harry Houska to direct the Mid-American Conference Wrestling Championships (and later did so for track and field). This gave me an understanding of how to pull together a team, organize it for activities, and to understand that you as a manager can't do it all; you need defined duties and a clarity of mission.

Can an organization that is not traditionally innovative change and become so?

Being creative is not in and of itself always the right thing. Some things are better stable. Innovation plays a role, but one shouldn't overuse it or underuse it.

What has worked best for Payless?

Understanding the marketplace and respecting the consumer. What we have is a great platform of 4,600 stores and the ability to bring product to customers rapidly and at great prices. And what we had to do was make sure we elevated that and bring shoppers great design and great aspiration and respect their desires and not just their needs. Our vision to democratize fashion and design in footwear became our vision for the company.

Any other advice you'd like to share?

No one moment will define you; it's constant and continuous listening, partnership and hard work that ultimately move you ahead.

Mary Reed, BSJ '90 and MA '93, is the editor of getoutzine.com.