Karl Lagerfeld CEO Pier Paolo Righi on showing at Pitti, booming worldwide and the house becoming custodian of Karl’s legacy

By Godfrey Deeny - 9 January 2020

Few stands in Pitti were more crowded this week than that Karl Lagerfeld, whose magical connection with fashion continues to be magnetic.
It comes at a moment of remarkable growth for the house of Karl Lagerfeld, whose turnover grew by 50% last year according to company President and CEO Pier Paolo Righi.

Eleven months after the great German designer passed away, the house presented a capsule of arguably his greatest single invention, the thoroughly chic customized white shirt, in a strategically placed space at the gate to Pitti’s nerve center, Fortezza da Basso.

“Pitti is a great connection point with the menswear world, but also to also show the whole world of Karl Lagerfeld. And, strangely, sometimes the consumer has a better understanding of the brand than many retailers,” Righi told FashionNetwork.com in an exclusive interview.

Besides a score of white shirts, the stand included a dozen menswear looks – mostly in Karl’s signature black and white Expressionist style - and four “rejuvenated archive” designs styled by Carine Roitfeld. Two walls also carried over a score of sneakers and sporty footwear, a key growth era for the brand, that are made under license by Stephen Palmer for Overland.

The shirts were an initiative created by Carine Roitfeld where more than 50 friends and family of Karl invented avant-garde dress shirts that were first shown in Paris.

The house sold out 77 examples of seven selected shirts at 777 euros each, proceeds going to the charity C’est la Vie which Karl always had supported. Lagerfeld’s lucky number was seven.

This shirt collection has already been shown in Dubai, Moscow and New York. The selection in Pitti included designs by everyone from Cristiano Ronaldo or Away Lee to Righi’s personal favorite, Takashi Murakami.

“The white shirt will become a legacy item in our collections for men and women. It’s an iconic element in the house. Karl always said that if he invented anything in fashion it was the pure white shirt,” stressed Righi.

The house is now considering making these shirts into a semi-permanent exhibition in Paris. But there no immediate plans to return to the runway with a collection. “Maybe one day, it has been a continuous conversation. But even Karl, who was the master of staging fashion shows, didn’t want to go back into the catwalk show business model with his own label. And he didn’t want to compete with the Chanel show!” winked Righi.
"Our future growth will not be significantly different in the post-Karl era. We have been growing very rapidly, by 30% annually at a compound rate for the past five years, and last year we grew by more than 50%," the CEO stressed.

As a brand, including licenses, Karl Lagerfeld is close to 700 million euros at retail. While the annual sales on the company books are approaching 200 million euros.

Moreover, since Karl’s death, the royalties from his perfume licenses flow into the fashion house. Historically, Lagerfeld collected these personally.

The house is now registered legally in Amsterdam, with a diffuse shareholding. The two principal shareholders are Fred Gehring and Silas Chou, while G3, PVH and Tommy Hilfiger – who first introduced these investors to Lagerfeld - also own smaller stakes.

The house’s success under Righi has been remarkable. Younger fashionistas will probably not know that the house of Lagerfeld was for many decades a loss-making proposition, whose four previous owners, including luxury giant Richemont, all bled money into the business.

“What we tried to do for the last 10 years, from when I first began talking with Karl, was that decide we should not try to be a copy of Chanel or Fendi or whatever. Karl said that when he worked for Chanel he had to interpret Chanel, whereas here he didn’t want to interpret anything. So we defined very clearly what the attributes of Karl’s world were along with its iconic and ironic elements. Then connected that to Karl’s world,” explained Righi.

There was one other ingredient needed; accessibility, as Karl even began producing dolls of himself and his famed cat Choupette.
So, instead of the exclusivity of Chanel or Fendi, Lagerfeld became hyper-inclusive. Moreover, they significantly reduced the price position and began connecting digitally to invite in a younger audience.

“I think in the past they remained in the luxury sector, which we did not,” notes the CEO.

Today, the house’s retail network encompasses some 100 franchise boutiques and nearly as many directly operated boutiques. Plus, it works with department stores like Galeries Lafayette, bringing the total doors to over 300.

Elsewhere, digital sales rapidly accelerated, and now encompass nearly 30% of total turnover. The house works with Yoox and also with Zalando and LuisaViaRoma.

The house is "nicely profitable," said Righi, but does not release the exact figures.

Looking ahead, Roitfeld will remain very active at the maison.

"Her aesthetic is very close to the Karl identity. He first brought her in for a capsule collection. And she will continue to work closely as a style advisor with our creative director Hun Kim, a Korean who began with Karl five years ago," explained the CEO.

The healthy business has allowed Lagerfeld to open new headquarters in central Amsterdam, at 82 Herengracht, on one of the city’s most beautiful canals.

“It’s a beautiful old bank from 1850. Karl saw it a year ago, when he came to the Christmas party and he loved it!” notes the CEO.

Back on February 18, 2019, Righi was about to head on a private trip to South Africa, when he got the news that Karl had passed.

“I was at the airport in Munich, and I immediately came back. It was very tough. Of course, we knew that this was about to happen. It was very difficult on a personal level. But also as the CEO you have to be responsible and stand in front of your whole team and have a clear message about the future. I had been thinking about this for a very long time and I was very nervous. It was the biggest possible experience. Yet, it turned out to be extremely easy as a CEO, because our people where standing shoulder to shoulder and feeling the pride of being the sole custodian of Karl’s legacy. All of sudden, we were the only house that had Karl’s name on the doorbell. And the team immediately took on this task in a very positive way,” he recalls.
Lagerfeld had been visibly weakening over the final two years of his life, and as he approached his end, his closest cohorts recalled that he never liked to speak of his departure.

“He did and he didn’t. He actually gave a lot of positive feedback and response in terms of how we did things and by giving his approval he directed us, and me where he wanted to go. At the end, he was very proud that the brand had become an independent and successful house,” says a clearly moved Righi.

Lagerfeld also hooked up the brand with star influencer Olivia Palermo, and is planning further collabs.

Moreover, Karl’s confidant Sébastien Jondeau will also continue with the house, as a brand ambassador. Jondeau has already designed several well-received sportswear collections.

"Sébastien has a great feeling for the house and he learned so much from Karl. Plus, we look a little bit at ourselves as a family business, and Carine and Sébastien are family. So we want that to continue,” he stressed.

Given the strong performance, is a stock market floatation on the cards?

"It’s not on the agenda. But at some pint that might be asked. But as we are enjoying a lot of growth lets see in a few years."

Prior to joining Karl Lagerfeld, Righi worked for Nike running markets in Africa, Middle East and Europe. He too up his current job as CEO in October 2011. Plus, he and Karl could both speak German. Despite his name, Righi speaks excellent English with a Teutonic accent. Half-German and half-Italian he grew up near Stuttgart.

“To be honest, I think Karl rather liked me coming from a very different environment,” he smiles.