

HENRI LANDWIRTH

A SPECIAL INTERVIEW WITH HENRI LANDWIRTH

**Holocaust Survivor, Accomplished Hotelier
and Founder of *Dignity U Wear***

On September 11th of this year, I flew to Jacksonville, Florida to interview Henri Landwirth, Holocaust survivor, Hotel magnate and remarkable philanthropist whose Dignity U Wear (DUW) is supported by both Off Price Show exhibitors and its retail community. Since its inception in 2000, Dignity U Wear has collected and distributed 4.5 million pieces of brand new clothing worth \$70 million to 370,000 poor and homeless people in 31 different states. He has eight other foundations, including Give Kids the World (GKTW), a special village in Central Florida for terminally ill children and their families who wish to visit Disney World and Orlando's other theme parks. It is estimated that he will have helped more people through his philanthropic efforts in his lifetime than were killed in the Holocaust.

His enormous success as a hotelier was largely attributable to his intense focus on customer service and his clever promotions and public relations strategies. By treating his customers like family, he developed very close friendships with celebrities like astronaut John Glenn and newsman Walter Cronkite.



How Retailers and the Rest of the Industry can Truly Profit by Supporting Charities like Dignity U Wear. Plus, Great Tips on Promotions and Customer Service from a True Giant of the Hospitality Industry

By Don Browne



In this special interview, Henri shares with us how retailers and apparel industry professionals can grow their businesses – even in a down economy – by partnering with Dignity U Wear to help families in need in their own communities. He also reflects on his experiences in hospitality, and how apparel retailers can profit from his example of “knock your socks off” service and promotions.

DB: Dignity U Wear, like Give Kids the World was inspired by your experiences as a Holocaust survivor. Tell us more.

HL: I didn't realize at first how both charities were very much connected with my past. When it comes to DUW, I came to Jacksonville nine years ago (where my daughter and two granddaughters) live with one thing in mind – to retire. After about six weeks I got bored. I didn't know what to do with myself. And I found out about the homeless center here in Jacksonville which is called the Sulzbacher Center. And I called them and asked if I could talk to about 10 or 12 homeless people.

It was very unusual for them. They never had any requests like that. 'We don't do that; we don't let anyone talk to our clients.' And I said I would like to talk to them, and I would like your permission to do it. I gave them some endowments to show my resolve for helping them. So they brought 12 people to a room, and there was a social worker who was taking down every word. I told them that I would like to help them and I wanted them to tell me what they wanted. Nobody said one word. They would not tell me anything. At one point, I said – and I took my daughter with me – I said what do you need? I can help you. Nothing. They would not say one word. Then I said 'let me tell you something. I have been like you quite a few years ago. I didn't have a home. I didn't have anything to wear. I was in very bad shape. Just like you if not worse. So you better open up because I can help.' When I said that, one guy stood up and pulled his pants down – and my daughter's sitting there – and he said I never wear any underwear because I don't have any. And another guy said I don't have any socks. 'Well, I can make that happen. It is no problem for me to do that. I

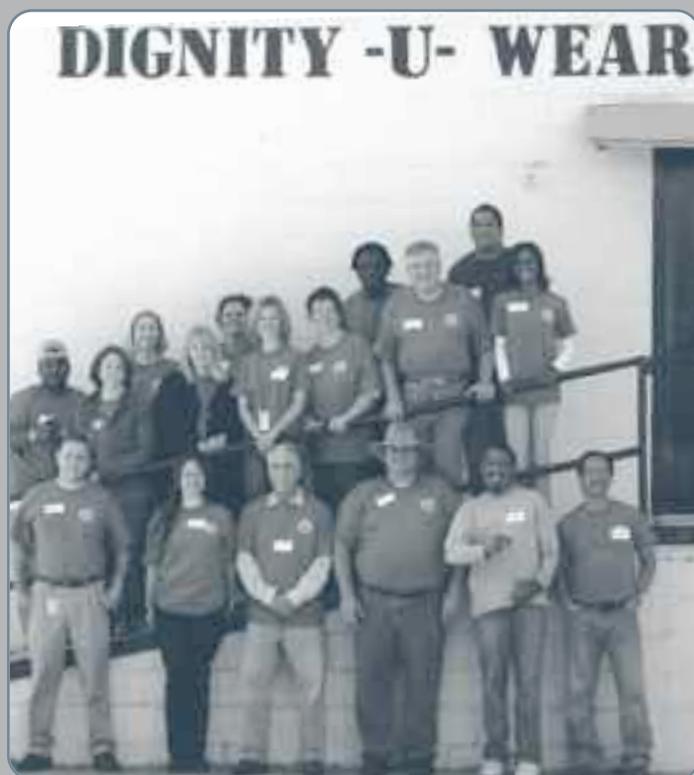
had some very good friends at K-Mart at the time. K-Mart was very involved and was still doing well. They were selling me the underwear and socks at very reduced prices. A lot of their customers were opening the packages to see if the underwear sizes are right. And they left the opened packages on the store shelves. And K-Mart can't sell it once it's out of the packages. So I was buying it for very little money from all the K-Marts and that's how we started DUW. And then it got so busy that all this merchandise started coming in.

'What a lot of people don't know is that if manufacturers have an excess of merchandise many of them throw it away or burn it. They can get 150% from the government if they give it to charity.'

Based on that we started Dignity U Wear. And big companies like IZOD, Calvin Klein and a lot of companies out there were supporting us. With that I went to Stein Mart who is headquartered locally and I know their Chairman Jay Stein. I had lunch with him in 2003 and said, 'Jay I need for you to get your buyers to identify DUW and ask the Manufacturers if they have any leftover merchandise.' He said that's no problem. 'We'll do that right now.' He called the head buyer and said he wants all the buyers at Stein Mart to talk about DUW and see if any manufacturers have any overruns of merchandise.

A few months later, they did such a good job collecting merchandise that we really needed to get on our own, with a bigger warehouse. I thought if I got a 5,000 sq. ft. warehouse I figured I was done. Every time I went to look at a place it was too small. A friend of mine had this warehouse that was a freezing place for fish. They had coolers and air conditioners all over the place. So they brought me here and everybody thought I was completely crazy. I told them I wanted to lease it from him. How much? He said I'm not going to lease it to you, I'm going to sell it to you. I already depreciated most of it there's no reason to sell it. He said Henri I can sell it to you for \$200,000. That same week, when he said \$200K, I got a call from a group in New York that wanted me to come to

HENRI LANDWIRTH



Japan to talk to 8,000 women about the philanthropy world in the United States. They will offer you \$200,000 if you come over to speak to them. The very same week! I went to my friend and said I'll be back in three weeks to buy the warehouse with cash. I had a handshake deal with him. That's how we got this warehouse. I didn't want the profit. When I got back, he says Henri, you can double your money if you want it because the city of Jacksonville wants to buy the land and they're willing to give you \$400,000. And I said I don't believe this warehouse is for sale. This warehouse will have to stay here. That's how we got here to this location. We started in 2000, and have collected 4.5 million pieces worth about \$70 million that serve 370,000 people. We are now in 31 states.

DB: Explain in greater detail how the Stein Mart relationship has developed into a true partnership.

HL: We were having such a good relationship that I went back to Stein Mart and I came up with an idea, a formula that you can really benefit from. If every one of Stein Mart's 280 stores can find a local charity that they want to support, they would get the credit and publicity for being a good corporate neighbor who gives clothes to the needy. The execution of all the merchandise would still come from DUW. The only thing I asked is that Stein Mart gets all of their 10,000 employees – or associates as they are known –

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to raise funds for DUW. Up to now, they were able to raise \$500,000 a year roughly. This has never been done as it should have been. But we have a good record, we have a good reputation. Right now, because we are recognized by the Charity Navigator (an agency that measures a charity's effectiveness at keeping expenses in check. DUW spends less than a penny for every dollar raised!) and we are wonderful.

DB: As someone who works in hospitality and event planning, I was rather impressed with your PR strategies and promotional ideas to drive business. What recommendations do you have for apparel retailers for driving business with promotions and PR?

HL: For one thing, they can benefit from the 150% tax break. If you're a corporation – a 'C-Corp' – you can write off 150% of the cost so you can benefit from that clothing that you otherwise would throw away. Doesn't bring revenue but gives them a higher cost basis to write off their expenses. In other words, the 50% reduces their profit which lowers their taxes.

Another program we do with Stein Mart and Phillips-Van Heusen (PVH) is that if you buy a men's IZOD shirt at a Stein Mart store, both Stein Mart and PVH agree to

HENRI LANDWIRTH'S HOLOCAUST EXPERIENCE

As a teenager, Henri Landwirth survived five Nazi death and labor camps, including Auschwitz, escaping death on several occasions. He tells of his experiences in rich detail in *The Gift of Life* (his autobiography which includes a foreword by Walter Cronkite and an afterward by Senator John Glenn) and *Love & Hate: The Story of Henri Landwirth* (written by Bill Halamandaris). Both books are available through contacting Dignity U Wear at 904.636.9455.

In the 2nd Quarter issue of our 2005 magazine, there was a Jobber Profile written by former Editor Bob Nordstrom on George Vine of George Vine Associates in Bloomfield Hills, Michigan. Entitled "George Vine...Celebrating a Life Well Lived," the story covers George's experiences, including his tribulations as a Holocaust survivor who spent four years in Auschwitz. I brought a copy of the article to my interview with Henri, who naturally was very intrigued to read. DUW has since reached out to George's son Allen Vine, and both feel confident that a positive relationship is in the works. Anyone interested in a copy of the George Vine article can contact us at 262.754.6910 or dbrowne@offpriceshow.com.



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CLEVER PROMOTIONS AND PUBLIC RELATIONS THROUGH A PHILANTHROPIC PARTNERSHIP

- Adopt a local charity that needs clothing for their poor and homeless clients. Dignity U Wear will distribute the clothing, pending an approval process, but your store will be credited in the community as supporting this worthwhile cause. This has been very profitable public relations for Stein Mart.
- Partner with a Brand to donate proceeds of sales on that product in your store to Dignity U Wear. Stein Mart does this with PVH, who makes a tag for the selected product indicating the partnership between the two entities and their support for DUW. Consumers feel even better about their purchase knowing that they are supporting a worthwhile cause.
- Throw a wine & cheese party at your store. Stein Mart employees sell \$10 tickets for a tasting reception at their store on a slow night. Local restaurants are recruited to donate food and beverage. Between 100 and 500 customers and prospective customers come to the store to enjoy the fares and support Dignity U Wear, and they also get to shop!
- 150% Tax Credit when you donate excess clothing to Dignity U Wear. In addition to the positive PR spin your in-kind donation creates, retailers and manufacturers are also eligible for a 150% tax credit, which reduces their profit and lowers their taxes.

contribute a portion of their profits (1% each) back to DUW. It's collaboration between the two of them that generates about \$100,000 a year for us. And when you go in the store, there's a tag on the shirt that mentions DUW and talks about the program. We've been doing this for about 4 years.

Another interesting fact about the Stein Mart relationship is over \$2.5 million has been raised through their employees. In reference to your question about marketing, just from talking to Julia (Taylor, Stein Mart's Boutique and Agenda Director) yesterday, the activities the associates do in the store have turned out to be fund raisers that drive customers to the store, so the associates are energized to do something creative to get people to come into the store. It's a win-win.

Some examples of the way their fund-raisers work is for \$10 a piece they'll sell you a ticket. That \$10 goes back to DUW. And that ticket gets you in the door at a Stein Mart's store on a Sunday evening. The area restaurants donate wine and cheese for a tasting. So you can come in and shop while you enjoy the fares and DUW wins because you've sold 500 tickets or 100 tickets to people to come to the store in the name of a charity. It's a fund raiser like we have all the time, but instead of having it at a restaurant or at a private home; you have it at the store so you get to shop. A lot of people are introduced to the store that way.

DB: What distinguishes Dignity U Wear from other organizations that distribute clothing to the poor?

HL: The surprising thing about what I found out is that nobody in this country is doing this. No other retailer. The way we send the merchandise out to individual charities is based on a list (i.e. inventory sheet) of individual sizes for boys, for girls, for children, for grown-ups. We give merchandise according to the size that they are requesting. Nobody else is doing that. Some charities send (assorted) merchandise by the truckload. The shelters we support can get rid of that merchandise immediately because they are getting exactly what they are asking for. Nobody is doing that in this country which is most surprising. Do you know anybody who does that? It helps us validate the charity, too. Say a group in Seattle has 23 teenage boys in these specific sizes. We then send out clothing that's seasonally appropriate, age appropriate and size appropriate.

HL: The other thing which is very important is stores that we have that the charities are working with. There are 280 stores. They are our eyes in that town, so that charity will not sell goods we send in the flea markets. Thus, all our merchandise goes directly to people in need. Many of the charities will sell merchandise, and if our supporters were to find out that our partner agencies were doing this, they wouldn't support us. We ensure that people in need get the merchandise they need.

A few months ago, we found out we had a lot of extra merchandise. So we found a new avenue to support and that's the Boys & Girls Clubs of America. In a few weeks, every stitch of about \$15 million worth of clothes this year went to The Boys & Girls Clubs' national distribution center in Atlanta. It's such a large operation that they also send to schools. And the beauty is they don't have to pay any transportation of the clothes. There's a company here in Jacksonville called CSX Intermodal but they're one of the best of the best. The guy from CSX whose making that happen is 'Mr. Parker' (General Manager Parker McCrary, who serves on DUW's Board (**PMc noted below**)) over here. They provide the transportation of all this clothing for the Boys & Girls Clubs all over America. Trucking is very expensive; it must cost around \$6,000 per load for those 18 wheelers.

PMc: CSX has actually taken the relationship here and we found that one of the things that we could do to help charitable organizations in other categories. So we've rolled out a program in which a charitable organization can request transportation services from us and if it's an organization that we can support then we will provide trucking services. And it was founded off of the partnership that started here. Anyone can apply. Without wanting to be a little bit careful about what I say, we have a selection process and the request does need to fit our network in terms of what we can provide. We recently moved a couple loads of toys from Chicago down into Florida.

HL: This is something that is completely not only free but people don't have to worry about bringing the trucks. CSX is very wonderful.

PMc: In terms of the items we procure, the primary focus is clothing items, but now that we have a relationship with the

Boys & Girls Club, if we find a manufacturer that's willing to give, you're providing them a service as well. Having an outlet allows us to provide a better service. Right now we have a couple pallets of candles. We bring the candles in because they came with the package, then we give them to the Boys & Girls Clubs and let them distribute them.

HL: Boys & Girls Club is a very good organization.

PMc: What's great is that we don't know we're in Buffalo, but through the B&GC we are distributing a lot of clothes in Buffalo so it gives us a greater reach in terms of service we are providing that really comes back to a lot of collaboration. Why do we do it – we do it because Stein Mart raises a lot of money for us; because the manufacturers have warehouses that need to be cleared, we have transportation services that can help make this possible and we have agencies like the Boys & Girls Clubs that help us distribute.

HL: We also have locally 78+ charities in Jacksonville. We are finding out that when the children have nice clothes, somehow they stay in school and they learn better. And we know for a fact that this is happening. We know from here how much good we are doing for these children. We are also giving for grown-ups, the homeless people we are talking about and the other adults that go. The beauty is we do not deal with any second hand clothes it's all brand new clothes. We do not have a single piece of cloth here in our warehouse that's been used second hand.

DB: Why is it that second-hand is not a resource for Dignity U Wear?

HL: The thing is that the manufacturers don't want to get involved in second-hand stuff and don't want it in their showrooms. The second is the 'dress for success' factor that the manufacturers enable. We give our adults brand new clothes for them to wear for job interviews. It gives them a bit more dignity – a good feeling when they walk in with brand new clothes.



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HENRI LANDWIRTH'S AMAZING CAREER IN HOTELS

Henri starting managing the Starlight Motel in 1954 which was built to house the astronauts and others associated with the space program. The relationships he developed – through proactive customer service with key people in the space program and the media. When John Glenn became the first American to orbit the earth, Henri had a 900-lb. cake made that was patterned after Glenn's ship, Friendship 7. Henri even got NASA to forego security by revealing the name of the ship (with a verbal promise not to tell the media) so that he could have it iced on the cake.

While managing the Holiday Inn, Henri convinced Walter Cronkite and his other friends from the media to do their televised reports on the space program in front of the hotel. This did more for Holiday Inn's franchising efforts than any other marketing initiative at the time. Henri then went over his supervisor's head – to the Chairman of the Board – to get permission to spend \$600 on flags of the world that would hang in front of this Holiday Inn just in time for John Glenn's historic flight. This attracted even more media to conduct their reports in front of the hotel. Henri kept his promise and sent the flags back to Memphis where they line both sides of the Holiday Inn's corporate headquarters.

Because of his success at Cape Canaveral, Holiday Inn promised Henri the property of his choice. At this time, Henri learned that Disney would be developing a theme park in Orlando. He took his partner John Glenn to Memphis to apply for a franchise license and came away with several for the Orlando area.

You get people that get excited when there is still a tag (on the garment). And we get support from a lot of brand name merchandise that is trendy and fashionable at schools and other places that kids really are excited to wear.

These are clearly items in which they would not be able to go into the stores and purchase for themselves. We do receive from Disney Stores, Abercrombie & Fitch, Armour, Ladies, Madonna Castor and others that want to make sure that it gets into the right group.

HL: These special relationships that we talk about are kind of a "win-win" for everybody. That's the best way of fundraising – of feeling like they are part of it, and they are proud to be a part of it. We have an excellent reputation we have nothing to hide. There is nothing that we try to do that is for us. A lot of people try to do stuff for self-interest that is good for them. We have no agenda. If you just do one page for all the people that are truly helping us. Is that something that you would be interested in? We want to be known as one of the 'good guys' in the charity world. We want your guys to really think (of our) charity instead of burning their clothes. And if you could be part of us, they would be part of us.

HL: The way we treat our partners is also important. We don't go to competition, we prefer not to.

I started 9 foundations and they are still in existence. Every one of them, and they are doing very well because of the respect we give our partners.

DB: In the general service industries, it seems that you don't see the showmanship anymore – it's much more about cutting costs. You are going to get poor service even if you have to go out of your way to pay for it. How do we teach retailers that they are in the hospitality business, too?

HL: It's so simple that people don't think about it. They think it's a very complicated formula. But being in the hospitality business, I will tell you what my success was. First of all, I want them to look at me and to get to know me. I was very honest about my

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dealings with my people that were actually my guests and served them to the fullest doing all kinds of things for them that they felt like they were coming to their own home. I never worried about the competition as long as my place was doing what it was supposed to do.

There are too many people that don't put the personal touch to the hotel business. Once you start to make money, the managers and the ownership are on the golf course. There's no way they're watching the business or supervising or watching the customers. If you just keep the customer in mind – nothing else matters – all the different dressings and décor, the marble stuff and the expensive walls don't mean a thing. It's the direct involvement with the customers. One of my hotels was for commercial customers and we had everything for them. We had hair dryers and ironing boards and the women that were traveling for the companies were treated especially well. When they came to the dining room they never sat in the middle, they always sat in the corners. We put a big table for 12 in the dining room that enabled commercial clients to exchange ideas.

DB: When I was reading *The Gift of Life* I was learning about your experience with the Space program, it seemed that – in spite of your tribulations that your timing was excellent. What advice do you have for retailers and hospitality professionals?

HL: “Try to get to know the customers and be very honest with them. They will come back. Make them feel very special. Not only you yourself, but with the room perks and the housekeeping staff. You want the place to feel like their home away from home.”

DB: You made some very close relationships with very influential people. How did you leverage those relationships for business while still maintaining close personal ties?

HL: “John Glenn was my partner but I didn't tell anybody. I didn't want them to know. I wanted them to rate the place not based on who owned it. I'd been extremely successful because the timing was perfect. Disney was just opening up and I had the first Holiday Inn rooms for them. We still talk quite a bit – at

least twice a month. He's the godfather of my daughter.”

DB: It's no coincidence that I wanted to see you on September 11th because as a native of New York State I felt very helpless on that day, especially not living there anymore. I also think that a lot of personal and political decisions that have been made in reaction to this day have been fueled by feelings of hatred. My question for you as a survivor is how do you learn to overcome hatred and what recommendations do you have for the rest of us?

HL: For one thing, you cannot hate each other all our lives. We have to forgive each other. If we don't do that we just continue to live our lives with anger. What I'm saying is, I was able to forgive the Germans for what they did to me. I had to as I was walking around with pain. Constant pain. And I couldn't live a normal life. So, I don't say we should ever forget 911. Never should we ever forget. But we should not go on living and hating who ever did it. Try to forgive anyone who would do such a terrible thing. It's a terrible terrible thing. This country never expected it. Never did they think that anyone could come here and start killing people. It's going to happen again. There are holocausts going on in the world today. That's my life now. My life is going to schools and telling them about *The Gift of Life* in America. I go to the high schools and the colleges and talk to the young people. And tell them to stop hating each other and start trying to forgive each other. Because their lives are in bad shape. I went to one school and 80% of the kids raised their hands when I asked how many of you hate each other. And how many of you are willing to forgive each other? You are the one that's really suffering if you cannot forgive. I created a curriculum that deals with this hating and forgiveness, adversities and holocausts. It's called *Hate Hurts, Love Heals*. (Go to www.hatehurts.org to learn more.) Two colleges in Jacksonville here UNF and FCCJ created this curriculum with the help of 7-8 professors and they are going to use it in the schools. NEA (National Education Association) is also adopting it with their membership of 3 million teachers.



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