



JULY/AUG/SEPT 2013



## Labor of Luxe

Thanks to **Saks Fifth Avenue's** in-house construction team, even the brand's renovation process is chic

By Matt Alderton

The shopping experience at Saks Fifth Avenue is like being hugged by velvet arms. Just visiting the city? The store offers complimentary delivery of purchases to your hotel. Feet tired? Take a break in the clothier's living room, furnished with sofas, TVs, Internet access, magazines, and free beverages. Hungry? Let an in-store concierge make dinner reservations and arrange for a taxi or limo to pick you up from the store and take you to the restaurant.

Such service has been synonymous with Saks since the 1924 opening of its flagship store in Midtown Manhattan. Today, however, with 46 stores in 22 states, the brand's embrace extends from Fifth Avenue to discerning customers in cities hundreds of miles away. For that, shoppers can thank Saks's in-house construction team, which personally oversees the design and development of new and remodeled stores across the country. "We have always handled all of our construction management in-house," director of construction Randy Pannell says. "It's all about control. We feel better able to control the schedule, budget, and quality of the product by using our own resources."

Pannell leads a staff of project managers and administrators who, in turn, manage a network of best-in-class contractors charged with building Saks's stores. "The level of quality that we expect from our contractors is equal to the level of quality that we provide as a product to our customers," Pannell says.

Saks's high construction standards are especially evident during store renovations, which have been the company's principal focus since 2005. "We are pretty much in all the market areas that we feel we need to be in right now, so the construction department primarily does renovations of existing full-line stores," Pannell explains. It's Saks's policy to keep stores open while they're being remodeled, and Pannell collaborates with store managers to plan renovations in about eight phases.



Although it would be easier and more cost-effective, closing stores for weeks or months at a time for remodeling would be incompatible with Saks's service reputation. "Our focus is on the customer," Pannell says. "We believe in giving our customers what they want, and if they want to come in and shop, they get to come in and shop—despite what we're doing to the building."

Of course, construction dust wouldn't be consistent with the Saks brand, either. So, when engaged in a renovation, Pannell's team designs construction barricades to match the rest of the store's interior. "They're dressed, they're painted, and they have graphics," he says. "Sometimes they even have fixtures and lighting. So, it doesn't appear that we are under construction. Our goal is to appear invisible to our customers."

In addition to preserving the customer experience, the construction team also faces distinctive material challenges. Because most

fashion trends begin on runways in Europe, Saks stays in vogue by importing many of its decorative elements—including marble flooring, wall coverings, fixtures, and furniture—from overseas, which is often logistically difficult. And there's also the dilemma of how best to showcase luxury products, but Saks has found a good solution in LED lighting, which "has many benefits, from the initial cost of energy to the type of light it provides," Pannell says. "That's especially important in our jewelry areas, where a whiter light shows the product better than a yellow light."

As it tackles challenges, Saks's construction team remains committed to crafting stores as fine as the products inside them. "The ultimate goal," Pannell says, "is to construct a building that's beautiful, that's luxurious, and that evokes the product we sell." **ABQ**

### Meet Randy Pannell

#### Did you always want to work in construction?

Initially, my goal was to be an architect. Although I didn't go to school for architecture, I spent a lot of time pushing a pencil back when they actually used pencils to draw plans. My first job was as an architectural draftsman when I was 16 years old. That's how I started.

#### What was your first construction job?

I worked for the General Mills Restaurant Group—now Darden Restaurants—for 10 years. I started there in the design department and worked my way up to design manager before I switched over to the construction department there. I am also a licensed general contractor in Florida, so I spent a few years in the '80s building houses and small commercial projects.

#### How did you wind up at Saks Fifth Avenue?

Right before Saks, I worked for a company out of New York called the Melville Realty Group, which was a holding company for 13 different retail stores. I worked there for eight years as a construction manager. My boss left Melville to go to work for Saks and hired me shortly after. That was 15 years ago.

#### What personal goals do you have in your current role?

Anybody who's been in this business a long time can manage construction. My passion is managing people. I enjoy managing this group of people to do what we do, and that is to help create the finest luxury brand in the world. It is quite rewarding to see the finished product, a result of a lot of hard work by a lot of very talented people.



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