

# coastto **COAST**

MACY'S, INC.  
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*“The things that make  
me different are the  
things that make me.”*

— A.A. MILNE

See pages 6–8



# Success Flows at Macy's

There's no question that listening to our customers, wherever they live, is key to our company's success. Now a new My Macy's initiative, just one of many underway, is fine-tuning that expertise, ensuring merchandise deliveries reach stores at the ideal time for customers to buy.

Optimizing merchandise flow is especially crucial during seasonal transitions across the 10 climate zones Macy's stores span. In this new effort, sales and flow planners scrutinize store deliveries in certain businesses at a granular level across the country.

"It's all about getting the flow and timing right, which for some categories is a really big deal," said Catherine Mirenda, GVP/DPM RTW Climate Strategies. "Sales and flow is another lens to enable better business decisions, supporting our merchant planner function in a holistic way. We get to a level of detail not possible otherwise."

Sales and flow planners might start by ensuring stores in cold climates stock triple the number of sweaters as those in tropical zones, for example, then they go beyond – analyzing fabric weights and percentages of knits and woven tops as deliveries flow through the four quarters of the retail year. Their expertise impacts three main goals:

**Optimize delivery timing:** Planners determine when to start delivering short sleeves, for example, across various regions, when stock levels should hit their peak, and when to exit. In women's shoes, certain regions will stock more booties and closed casual shoes for Q3 and hold tall shaft boots until later. Similarly, complementary merchandise now will be more closely aligned in delivery (boot socks with boots and cold weather accessories with coats).

**Optimize wear now merchandise:** Macy's is working with key vendors to get specialized product when and where we need it. This could include unique color assortments for hot/tropical zones from Polo Ralph Lauren or Tommy Hilfiger. It's also accomplished through adjusted receipt flow by month, with warm weather locations needing a higher percent of receipts flowed during Q4 and Q1.

**Optimize regional business:** Planners balance climate demands (boxers and tank tops vs. heavier weight sleepwear) with style preferences (straight, flare or boot cut jeans) and regional needs. For example, school start times range from July to after Labor Day, greatly impacting kids, juniors and young men's businesses – sales floors can look very different from region to region.

Sales and flow is a great example of My Macy's in action; it's about hearing from our stores – responding to what our associates and district teams learn from local customers. So the next time you have an idea for a merchandise need, speak up – we're listening.

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★macy's  
**backstage**

# THE NEW STAR IN OFF-PRICE RETAIL



It's almost show time! Macy's will officially enter the off-price market this fall with six new pilot stores opening in the New York metro area. This new business, called "Macy's Backstage," is one of Macy's key growth initiatives. We know that two-thirds of Macy's customers already enjoy shopping off-price at stores; now Macy's will be able to serve their needs in this new arena.

Macy's Backstage presents a huge opportunity for the company to expand its customer base, according to Vanessa LeFebvre, SVP/Stores Projects. In addition to targeting budget bargain-hunters, Macy's Backstage stores provide an additional outlet to engage with Millennials, who will potentially grow up to be full-price customers. More than 70 percent

of Millennials currently shop off-price and it's not just because of money; they believe off-price shopping yields more unique finds than they would discover at a department store.

Macy's Backstage stores will offer a substantial selection of women's, men's and children's clothing, shoes, fashion accessories, housewares, home textiles, intimate apparel and jewelry (as well as some cosmetics) from well-recognized brands – all at exceptionally great values, often between 20 percent and 80 percent off of original and comparable prices for similar merchandise.

Additionally, Macy's Backstage will feature clearance goods from Macy's as part of its mix, including exclusive private brand collections such as I.N.C., Alfani and Bar III. According to LeFebvre, this will give our private brands more exposure to new customers. A customer may try one of Macy's brands because it was offered at a great price in a Backstage, but grow into a full price customer because she loves the brand, and thereby becomes more loyal to Macy's. LeFebvre called this "A great synergy for Macy's and Macy's Backstage."

Whether it's the thrill of the hunt, the value or the distinctive merchandise, Macy's is confident its customers will give our Macy's Backstage concept a standing ovation. For more information, visit [macybackstage.com](http://macybackstage.com).

*Chairman Tony Spring accepts an award on behalf of Bloomingdale's at the Child Mind Institute (CMI)'s Change Makers Awards ceremony.*

## Bloomingdale's Honored by Child Mind Institute

Bloomingdale's was among the five recipients of the Child Mind Institute's first Change Makers Awards, recognizing its support of CMI and mental health. Tony Spring, Bloomingdale's chairman and chief executive officer, accepted the award in May. Bloomingdale's is a founding partner of CMI, and has benefitted the organization during the holiday season for the past six years.

# Fulfilling Customer Wishes from Coast-to-Coast

## New Tulsa, Sacramento Fulfillment Centers Bring Macy's Magic to Central, Western States

To keep up with the pace of growth of e-commerce demand and to significantly improve our speed of delivery, Macy's has launched two major additions to our fulfillment network. Our fifth Megacenter opened in Tulsa County, OK, in late June. Similar in scale to our West Virginia location, the site is larger than 2 million square feet and will employ 1,500 associates year-round (with an additional 1,000 seasonal associates).

A ribbon cutting and dedication ceremony took place on Aug. 6, led by Macy's Chairman and Chief Executive Officer Terry Lundgren and many state and local government officials and other dignitaries.

Macy's also recently opened a new and expanded fulfillment center in Sacramento, CA. At 385,000 square feet, the new center is three times larger than its current location and will employ about 150 associates. The new center will add jewelry and decorative home to its core tabletop assortment, providing both capacity and a West Coast shipping point for these categories.

"These two locations represent an investment of \$200 million," said Peter Longo, President/Macy's Logistics and Operations. "Added to our existing fulfillment network, Macy's will have the required capacity to support our growth plus significant improvements in delivery speed, with orders now in a one- to three-day range for our customers. With these two additions, Macy's is well positioned to be a leader in Omnichannel."

## Tulsa by the numbers

**1.3 million**  
square feet  
(2.2 million with mezzanines)

**1,500**  
full- and part-time jobs

**1,000**  
seasonal jobs

More than  
**3.5 million**  
customer  
orders  
to be filled in 2015

**160,000**  
orders in one day

## Sacramento by the numbers

**385,000**  
square feet

**100**  
new jobs

More than  
**500,000**  
customer  
orders  
to be filled in 2015

**40,000**  
orders in one day



# RFID TECHNOLOGY:

## An Omnichannel Star Behind the Scenes

Macy's and Bloomingdale's Omnichannel strategy helps drive the company's growth by enabling us to give our customers what they want, where and when they want it. But first we have to find it! That's where RFID – Radio Frequency Identification – comes in.

Though stores can effectively use barcode technology to identify, count and sell merchandise, the process is slow, costly, labor intensive and operationally disruptive – so much so that we've limited inventory to twice a year.

Now, through the leadership of a Macy's cross-functional team, the adoption of RFID technology is transforming the way we count – 20 times faster than scanning barcodes, enabling associates to scan 5,000 to 10,000 units per hour.

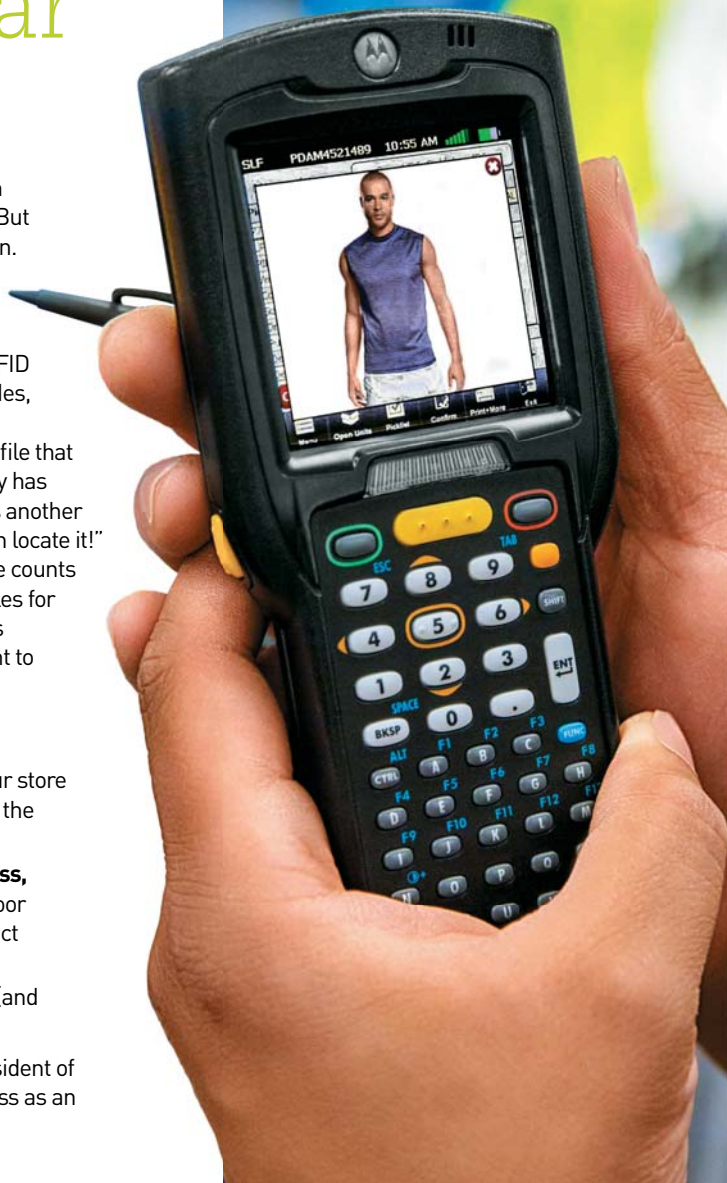
"We now count monthly in RFID areas, giving us a much more accurate inventory file that is used to fulfill customer orders," said Pam Sweeney, SVP/MLO Systems. "Accuracy has improved from 70 percent at the style-color-size level to greater than 95 percent. It's another important tool to close the sale, because we know we have the merchandise and can locate it!"

RFID has been implemented in all stores to allow associates to take monthly cycle counts in areas with high replenishment of color, size and other factors, update inventory files for accurate reorder, and enable a more accurate and efficient display audit in Women's and Men's Shoes. In shoe displays, the missing sample rate dropped from 30 percent to less than five percent!

In the next three years, RFID is expanding to include all families of business with these focuses:

- **Expose "single unit inventory" – Pick to the Last Unit.** Currently, 20 percent of our store inventory is in single last units. RFID will provide the accuracy and ability to locate the single units, opening up this inventory to our customers for Omnichannel selling.
- **Execute a more efficient selling floor merchandise fill-in (Back-to-Front) process,** to ensure merchandise is fully represented at the color/size level on the selling floor from back stock. RFID will allow for a fast scan of the stock room to identify product not represented on the selling floor and generate a pick list to facilitate the fill-in.
- **Allow for easy counting in all areas** to accurately update our inventory, reducing (and eventually eliminating) the need for barcode interim inventories.

"Working through these three elements is our main priority," said Peter Longo, president of Macy's Logistics and Operations. "RFID is the technology that is crucial to our success as an Omnichannel retailer."



### Macy's Receives Retailer Excellence Award, Peter Longo Honored for Career Achievement

Macy's, Inc. received the GS1 Retailer Excellence Award during the GS1 US Apparel and General Merchandise Retail Industry Achievement Awards, presented during the GS1 Connect 2015 conference. The awards honor organizations that deliver outstanding and innovative achievements in the retail supply chain.

"These companies are pioneering the new retail frontier in many ways as the consumer demands a seamless shopping experience," said Bob Carpenter, president and CEO of GS1 US, an organization dedicated to the design and implementation of standards and solutions to improve efficiency and visibility in supply chains. "Their vision and implementation of GS1 standards have produced positive results in community engagement, customer satisfaction and process improvement."

Peter Longo, president, Logistics and Operations, received the industry-nominated Roger Milliken Career Achievement Award. Longo was recognized as a long-time champion of GS1 standards, playing an integral role in Macy's adoption of Universal Product Code (UPC), electronic data interchange (EDI) and floor-ready initiatives. He also was instrumental in helping the retail industry adopt RFID at the item level to deliver on Omnichannel strategies and goals.

Congratulations to the entire Logistics and Operations team!

*Peter Longo, center, with Melanie Nuce, director of the GS1-US retail and apparel vertical, and Bob Carpenter, GS1-US CEO, at the organization's achievement awards ceremony. Longo received the Roger Milliken Career Achievement Award.*



# Stories of Our Lives

Everyone in our company has a unique background and story to tell. When we all work together, our individual diversity creates powerful results.

Diversity is not simply what you can see. It's evident through our heritage, life experience, racial or ethnic diversity, lifestyle, physical abilities and more. When we learn more about each other, we see opportunities to connect.

As an outgrowth of the Macy's, Inc. Diversity and Inclusion Business Council's work, Corporate Communications is pleased to introduce you to some Macy's and Bloomingdale's people you may not have met before. Enjoy their stories.

We also want to hear your story. What makes you unique? What led you to who you are today? How does your perspective make us a stronger company? Email your story (in 300 words or less) to: [Corporate\\_Communications@macys.com](mailto:Corporate_Communications@macys.com). Please include your full name and contact information.



**Samar Aboshareef**

**Men's Sales Supervisor  
Macy's Orland Square, Chicago**

**How has your background shaped who you are as a person?** I was born in Kuwait, the oldest of eight children. My father passed away when I was only 15 and I shared responsibility with my mother in raising my seven siblings. I moved to Jordan, and then to the United States in 2000 with my husband and three children.



My husband moved to the United States for career opportunities, but I was afraid of moving and leaving my family in Jordan. After arriving, the adjustment for our family was actually quite easy. I loved the structure of life in the United States; life is easier here, with fewer complications. The most challenging part was leaving my family behind.

**How has your background shaped who you are at work?** As the oldest, leadership, responsibility and hard work have been a part of who I am since my childhood and teenage years. I approached my career at Macy's as a learning opportunity. I started here five years ago on the recovery team, then became recovery lead. I was promoted to the I.N.C. specialist in RTW, and became a sales supervisor this year. As my sales manager invested in my development, I felt appreciated and that I had a voice to share suggestions and opinions to drive results and improve processes.

**What understandings do people come to have when they get to know you, in contrast to assumptions they might have originally?** I would not want people to assume that based on language barriers, someone is not capable of being successful in a corporate or professional environment. Not true!

**What else would you want others to know about your story?** I feel that hard work and determination is necessary to be successful and having personal faith in oneself.





## Kahlil Zulu Williams

Design Director, Men's American Rag  
Private Brands, New York City

**How has your background shaped who you are as a person?** I'm deeply embedded in multiple cultures. I spent a lot of time with my mom's Asian family in Los Angeles, with my dad's African-American family in Mississippi, and in Harlem where I grew up. My uncle was an artist, and as a child, I remember thinking what power he had in drawing whatever he wanted to. I started doing graffiti in high school, painting trains in the 80s. After that era ended, we needed a place to direct our energy, so we decided to get our messages out through tee shirts. I worked on graphic design in college and at night, we hand-printed blank tees. Clothes replaced graffiti and I realized that's what I really wanted to do.

**How has your background shaped who you are at work?** The design elements in fashion and graffiti are very similar – starting with a sketch, patterns, color, being meticulous in the details. Seeing someone in an American Rag design gives me the same feeling as when I saw my design on a train. I'm still influenced by the kid on the street, and how what he has on his feet is so important. That dictates what he wears from the bottom up.

**What understandings do people come to have when they get to know you, in contrast to assumptions they might have originally?**

I found my way to Macy's when American Rag design moved in-house. People are sometimes surprised when they discover I've been in the industry for 25 years. Sometimes I hear assumptions like, "This trend was way before your time." I love the business and I learn something every day. We always get curveballs – problems



that we work to solve. It's similar to my past experience with my start-up; I enjoy the challenge.

**What else would you want others to know about your story?**

So much of what I learned in my past I use today. For as long as I can remember, I wanted to be able to do something creative every day. My background helps me to be in tune to trends that I see around the world so we're ahead of it, not chasing it.

I was strongly influenced by my grandmother's saying – "build bridges, not walls" – when I developed my team. I wouldn't be surprised if I had the most diverse team at Macy's, but they're united in the talent and passion they bring to the table. I always believe in mutual respect. People overall treat you the way you treat them.



## Jeremy Davis

Customer Service Phone Representative  
Credit and Customer Services, Clearwater, FL

**How has your background shaped who you are as a person?** I have cerebral palsy, caused by a lack of oxygen at birth, and it has affected my mobility. At work, where I have to move across distances, I use a wheelchair, but otherwise, I walk with crutches. This has given me great patience because I'm not always able to do things the first time I try them. But having this disability has given me other abilities – the skills to plan, to think ahead two or three steps – to compensate for the things that are not as easy for me. Now, as I have my own home, I plan ahead in all aspects of my life. When I was growing up, it was frustrating to see other kids doing things I could not do, things other people take for granted. My parents instilled in me the goal to enhance my abilities in different ways.

**How has your background shaped who you are at work?** Patience helps me with my job, too; you've got to have that in customer service! When customers call us, they may not be happy at the beginning. Our job is to help resolve the issues, but also turn around their experience. I can anticipate what might make them happy.

**What understandings do people come to have when they get to know you, in contrast to assumptions they might have originally?**

Sometimes people do make assumptions – but it's not as prevalent

now. Up through the middle of high school, some people would see me in a wheelchair or with crutches and think somehow that my mental capacity was affected. But now, when people get to know me, that's far from their thoughts – that makes me proud.

**What else would you want others to know about your story?**

I thank my family for building virtues into me. They did not assume things needed to be done for me. They pushed me to be the best person I could be first, then offered to help if I needed it. We moved to Florida from New York when my parents learned that my mobility would be limited. The retirement capital of the world is more adaptive with ramps and access. Older people who have come before me have made my life much easier!





## Gardea Christian

Loss Prevention Manager  
Bloomingdale's 59th Street, New York City

**How has your background shaped who you are as a person?** It has shaped me well, starting from the values that my parents hold dear – integrity, being honest. Then the U.S. Naval Academy reinforced those principles. I had a leadership position as a regimental commander for 2,000 midshipmen when a peer came up on charges of cheating. I could have ignored it because he was a classmate, but I needed to be truthful to my position. I got flack for it, but it's who I am as a man. Later I joined the Marine Corps, living out what I was taught.

**How has your background shaped who you are at work?** I came to Bloomingdale's as one of the first two members of the Loss Prevention Manager Military Intensified Program. Here, my core values are the same; I do what is right. I think people are the most important part of any job. You can have systems and processes, but if you don't take care of people, then processes won't run. That's Bloomingdale's focus, too. As advanced as we are technologically, people are still the backbone. That value I take to heart.

**What understandings do people come to have when they get to know you, in contrast to assumptions they might have originally?** Some people might think that because I've seen multiple deployments to combat, I might be erratic. People come to see that I'm disciplined and enforce the rules. Then there's the perspective of being a black man in America. My mother is from Africa and my father is American. There



are stereotypes there, but I don't want people to see me simply because of race or background. I want them to say, "There's Gardea" – then get to know me based on interactions.

**What else would you want others to know about your story?** Diversity is not race or color, it's your experience. It's partly where you grew up, but it's mostly about your experiences. I was an infantry officer in the Marine Corps. Most of our unit was white, but they came from all different states, and when you add in economic differences – people are not typically what you would expect. In New York, there's huge diversity in the boroughs, then within that, in the neighborhoods. You could live five blocks from someone and have a totally different experience. Diversity is your experience.



## Aida Dragovic

VP/Capital Planning,  
Cincinnati Central Office

**How has your background shaped who you are as a person?** Growing up in Bosnia during the war, where opportunities were limited, my childhood memories are much different from an average American. Yet, my values align with those of many people at Macy's. I did much of my school homework in dingy basements, hiding from grenades or snipers. My background taught me to never give up, to adapt to changes quickly, to figure out things on the go, and to be independent.

I came to the States by myself when I was 18 years old, with one suitcase. I came to play basketball for Xavier University in Cincinnati, which recruited

me after seeing me play on the Bosnian National team. My parents could not afford to come with me, to help get me settled, to see me play in college. I did not speak much English. But it did not matter. All these things made me stronger and helped shape me into the person I am today. I embraced the new culture, appreciated the opportunities and created strong friendships. My best friends are American, foreign, white, black, multi-religious, young and old. In the end, it doesn't matter where we come from or what we look like. What matters is what we stand for and how we treat other people. This is what brings us together.

**How has your background shaped who you are at work?** Everything I've learned through my experiences - dedication, work ethic, appreciation for differences, ability to adapt to changes and reinvent oneself, think creatively, be loyal and care for others - are the things Macy's values as well.

**What understandings do people come to have when they get to know you, in contrast to assumptions they might have originally?** I have many passions besides work. I want to be a good mother; I play sports; I love fashion; I enjoy travelling and experiencing new cultures; I LOVE Cincinnati and its people; I appreciate suburban life and all its comforts; yet I crave urban living; I love fine art. I'm a philanthropist beyond Macy's United Way through my donations to Bosnian charities; I am committed to helping people back home – my parents still live in Bosnia – and my family is my priority. I am simple and humble, yet multifaceted just like everyone else.

**What else would you want others to know about your story?** The best lessons are the ones learned through real life experiences, not in a classroom. I hope that people can learn from me and my experiences, and I'm looking to gain the same from them.



Aida, below  
in red.





# Macy's Gandolfo Lends Expertise to Hispanic Association on Corporate Responsibility

The 23rd annual Hispanic Association on Corporate Responsibility (HACR) Symposium, held in Atlanta in April, brought together influential Hispanic community and corporate leaders to discuss best practices and solutions for Hispanic inclusion through HACR's four pillars – Employment, Procurement, Philanthropy and Governance.

Laurene Gandolfo, pictured far right, Macy's EVP/Men's and Kids Private Brands, joined the expert panel, including leaders from Microsoft, Coca-Cola, General Motors and The UPS Foundation.

"The panel highlighted the breadth of careers in which Latina executives are successful," said Dineen Garcia, Macy's VP/Diversity Strategies. "As Laurene detailed her extensive career in retail, it became clear that corporations that invest in and promote diversity and inclusion will remain significant and prosper."



## Retail Council and Macy's Sponsor Symposium on Shopping Equity

The Retail Council of New York State joined forces with key retailers in June to open a dialogue on race and retail. The Retail Symposium on Shopping Equity brought more than 100 retailers, community and law enforcement leaders together at John Jay College of Criminal Justice for a full day of panels and a town hall meeting to address the complexities of racial profiling and strategize ways to create a shopping culture that is welcoming to all customers.

The symposium, co-sponsored by the Retail Council and Macy's, connected the wide-ranging groups to share their unique perspectives and to develop a series of in-depth discussions about race, crime and justice. In addition to Macy's and Bloomingdale's, representatives from more than 15 leading retailers were present as well as Black and Hispanic community and civil rights leaders, including Reverend Calvin O. Butts of The Abyssinian Baptist Church in New York City.

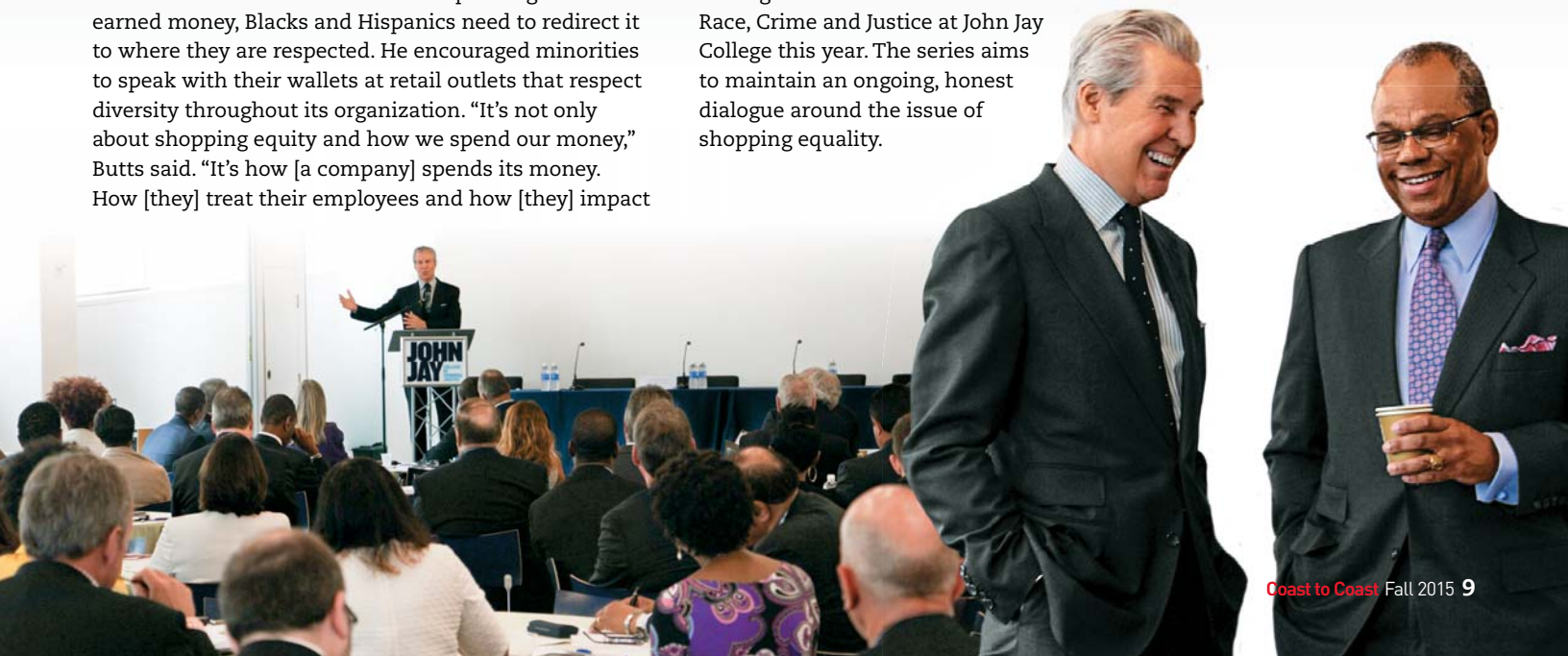
Butts said that when it comes to spending their hard-earned money, Blacks and Hispanics need to redirect it to where they are respected. He encouraged minorities to speak with their wallets at retail outlets that respect diversity throughout its organization. "It's not only about shopping equity and how we spend our money," Butts said. "It's how [a company] spends its money. How [they] treat their employees and how [they] impact

diversity in terms of their staff. Those messages of inclusion need to come from the top down."

Macy's, Inc. CEO and Chairman Terry Lundgren addressed the audience, too. Macy's and Bloomingdale's, he said, have a long history of incorporating diversity and inclusion into all facets of its business. However, he said, he is aware that a "trust gap" exists between the retail industry and many customers who are people of color. "If they feel there is mistrust on the part of the retailer ... then we have to fix that," Lundgren said. "We have to be responsive to that and decide what we have to do to adjust so the consumer doesn't have to adjust."

Lundgren outlined steps Macy's is taking to advance progress on racial profiling. For example, this summer Macy's worked with Mayor Bill de Blasio to create a program to provide summer jobs to 15,000 New York City underserved youth. Macy's also established its Distinguished Lecture Series on Race, Crime and Justice at John Jay College this year. The series aims to maintain an ongoing, honest dialogue around the issue of shopping equality.

*Macy's CEO and Chairman Terry Lundgren and Reverend Calvin O. Butts III, of The Abyssinian Baptist Church, following the "Perspectives from Community Leaders When Profiling Allegations Arise" panel at The Retail Symposium on Shopping Equality at John Jay College of Criminal Justice. Photo credit: Sam Ramirez.*



# The Allure of the Beauty Business

With our company's recent acquisition of Bluemercury, known for its innovative selling model, we are on pace to change the face of beauty retailing.

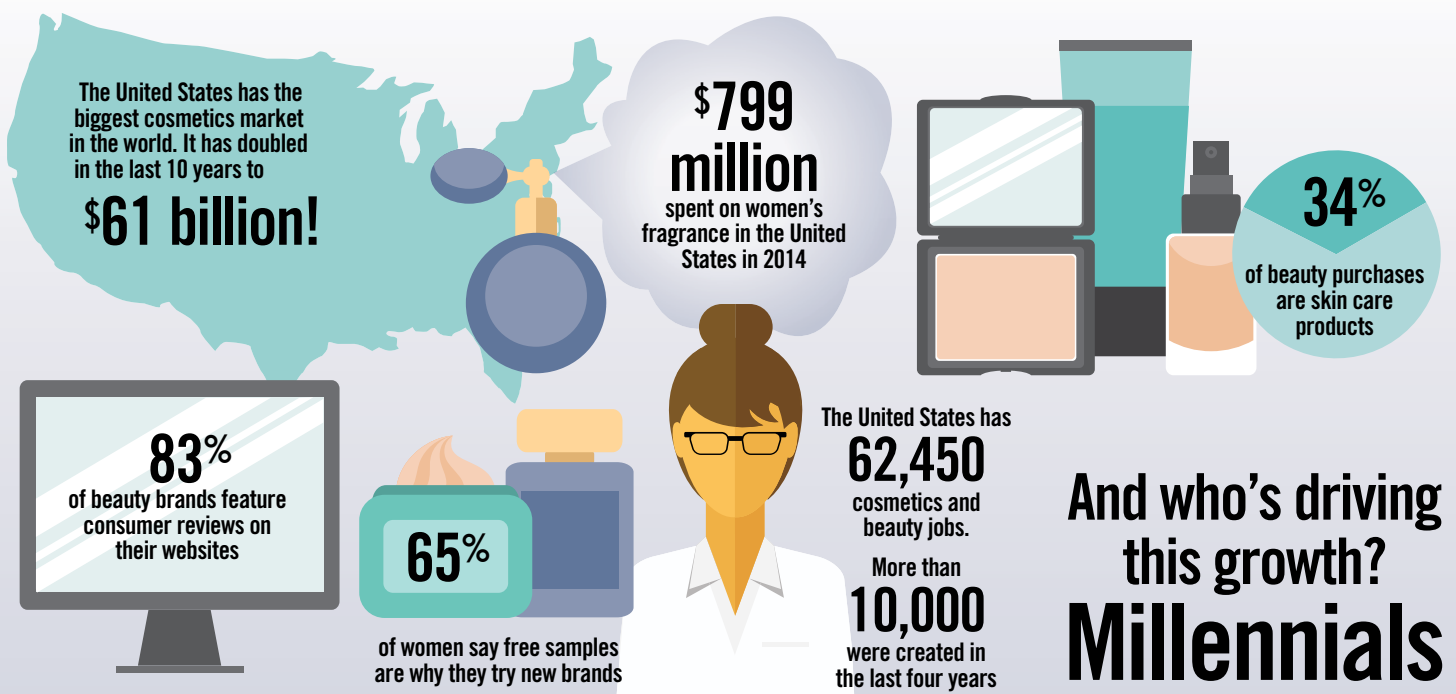
Founded in 1999 by husband and wife team Barry and Marla Beck, Bluemercury now includes 62 specialty stores in 18 states as well as [bluemercury.com](http://bluemercury.com). Here is *Coast to Coast's* exclusive interview with Marla, pictured left, the visionary behind the brand.



**Bluemercury provides curated content and customized beauty tips. How important is curation to the success of the business?** Bluemercury's mission always has been to be the best at giving beauty advice. It isn't only about the brands we carry; we place the importance on our beauty experts who can offer the right products to our clients. With that in mind, when we look at new products, we try to find selections that meet a merchandising gap, or are new and innovative, bringing something different to the client experience.

**Beyond being a co-founder and CEO, you are also the voice of the Bluemercury blog. How did you establish yourself as a trusted source in an industry that is so personal?** I have always been a beauty junkie. I had facials when I was in high school back before anyone knew what facials were. When MAC was a new brand, I was in graduate school in Boston and I would drive 45 minutes to the one place MAC was sold. The blog is an extension of my passion for great beauty products; it's about beauty in real life. The content is not planned. It is simply about the products I'm using, what I see or what I'm intrigued by. Sometimes it's about interesting products that hit my desk or it's about a shopping trip I take to my stores. Sometimes it's just about how to use and try products. Historically, I've felt that beauty content has been out of touch with day-to-day life and how to use products to make you feel good. I wanted to change that.

**What's next for Bluemercury?** We are continuing to open freestanding stores and will experiment with shop-in-shops in Macy's all while growing our digital business. We are also expanding our proprietary brand business which includes the skincare line M-61 and a new cosmetics brand, Lune and Aster, launching this month [August 2015]. We are thrilled to be part of the Macy's family, which enables us to continue to be entrepreneurial and innovative.



# BROWN BAG 101: Peek Inside the Plain Brown Wrapper for Healthy Lunch Options

Whether you're a dedicated brown-bagger or a busy parent with school-age children, you know there's an art to packing lunch. If you're hungry for ideas beyond the traditional sandwich, chips, cookies and soda, read on to learn how you can live up the lunch bag with healthy choices.

**PLAN, THEN PACK.** Think you don't have the money or time to make healthier lunches? Think again. A little planning can help make packing healthy lunches an easy part of your daily routine. Just follow these tips:

- **Stay focused on your health goals.** Keeping track of calories will help you decide not to waste them on fast food when you can pack a healthy alternative.
- **Love your leftovers.** Put leftovers in a lunch container immediately after dinner and before cleaning up so they're ready to go into the lunchbox the next morning.
- **Grab-and-go.** Cook a large batch of one of your favorite healthy dishes and store lunch portions in the freezer in single-serve containers.
- **Make a list** of items to pack in your lunch for the morning and put it on your refrigerator door so you won't forget anything.
- **Buddy up.** Invite a co-worker to pack and eat with you a few times each week.
- **Stock your desk.** Keep essentials such as napkins, cutlery, chopsticks, salt, pepper and other seasonings within reach to make it easier to eat in.

**MAKE YOUR LUNCH GOOD TO GO!** Visit your nearest Macy's or [macys.com](http://macys.com) to add one of these items to your brown bag list:

- **OXO Good Grips Locktop Lunch Set** includes three containers – one with a divider to separate sandwiches and salads, one for sides of veggies or fruit, and one for dips and dressings.
- **Martha Stewart Collection's Soup to Go** container features an airtight lid and steam vent that make it easy to enjoy soups from chicken noodle to clam chowder. The collection also includes a **Salad to Go** set with a separate container for dressing and a reusable knife and fork.



## PLENTI PROGRAM GETS PLENTY OF ATTENTION

### Macy's associates and customers have made Plenti a success!

Plenti is the innovative loyalty program that brings Macy's and other powerful brands together to give customers the chance to earn and redeem points where they choose. Since its debut in May, Macy's associates have signed up about 6 million members in our stores – and about 20 million people total have enrolled at partner locations across the country!

"We're off to a fantastic start," said Mike Bacha, GVP/Credit, POS & Gift Cards. "Store associates are doing a great job of enrolling customers, so we have succeeded far beyond our expectations. And, since we offer 10 times the points when customers pay with a Macy's credit card, we've seen an increase in our credit card usage."

Bacha notes it's important for associates to remind customers to complete enrollment at [plenti.com](http://plenti.com) or to download the Plenti app so they can activate offers and redeem the points they earn.

### Want to get in on the fun?

Signing up is free and easy – visit a Macy's near you and ask an associate to sign you up, or visit [macys.com](http://macys.com) and sign up online – and don't forget to download the app!

## Women's Half Marathon Partners with Bloomingdale's for "Yoga for Runners"

Bloomingdale's iconic B-Way in its flagship New York City store was lined with 200 More/Fitness/Shape Women's Half-Marathon runners equipped with branded yoga mats for a private yoga class before the store opened to the public on an April Saturday. The class kicked off race weekend for one of the largest women-only half-marathons in the country, which *More*, *Fitness* and *Shape* magazines co-host in conjunction with *New York Road Runners*.

Following the class, participants were invited to visit the Bloomingdale's cosmetics floor for Beauty Benefits, where they enjoyed makeovers and gifts with purchases from their favorite beauty vendors.

The early morning "Yoga for Runners" class generated buzz across many press outlets and social media platforms. Bloomingdale's will keep the momentum going by rolling out in-store yoga classes to all stores this fall.

*Bloomingdale's 59th Street store hosted a private yoga class for More/Fitness/Shape Women's Half-Marathon runners in April.*



# Food for Your Mind, Body and Soul

Fall is back-to-school time for many, and though most of us no longer attend classes, we will always be learning! We asked a few Macy's and Bloomingdale's associates to share the sources they turn to for enriching mind, body and soul.

## YOUR MIND

**businessoffashion.com:** Global news and editorials on all aspects of the fashion industry.

**12inc.com:** Benchmarking site with updates on digital trends through weekly emails.

**"The Empress Has No Clothes" by Joyce M. Roché:** This book, by a Macy's, Inc. board member, is insightful and inspiring. Her success story encourages self-reflection and analysis.  
*Mara De Los Santos, Thalia RTW Product Manager, Private Brands; MBA Candidate 2016 - New York University, Stern School of Business (learned part-time while at Macy's full-time)*

**"Lean In: Women, Work and the Will to Lead" by Sheryl Sandberg:** Offers compelling, common sense solutions that can empower women to achieve their full potential. Inspirational!

**"Inside the Box: A Proven System of Creativity for Breakthrough Results" by Drew Boyd and Jacob Goldenberg:** Everyone can innovate and we are our most creative when we work within constraints.

*Sherry Hollock, SVP/Human Resources, Talent Development, Macy's*

## YOUR BODY

**Meetup.com:** My Know Your Numbers screening results said I was 99 percent fit – but not working out enough. I joined a meetup group for tennis, qualified to play mixed doubles, and we won the U.S. Tennis Association state tournament!

**Classpass.com:** I can experiment with new fitness programs without a long-term commitment.

*Jennifer Lam, Manager of Executive Recruitment, bloomingdales.com*

**Give Back:** I'm inspired to participate in runs to help good causes and for the social aspects (Macy's 5K benefitted Ronald McDonald House New York).

*Kathy Kramer, Director/Lease Services and Administration, New York Central*

**FITBIT app:** I discovered it through a Macy's Live Healthy program and increased my runs to several miles a day. I trained for the 5K and got my best time ever!

*Anthony C.S. Grow, Project Manager/Facilities Management, New York Central*

**Women's Running:** This magazine is filled with inspiration on fitness and nutrition for female athletes.

*Maeve Evans, Assistant Buyer, Updated Dresses, New York Central*

**Jog.fm, Mapmyrun.com:** The right music and tracking programs make a huge difference!

*Nicholas Blodis, Color Manager, Macy's/macys.com, New York*

## YOUR SOUL

**"Doing Business by the Good Book: 52 Lessons on Success Straight from the Bible" by David Steward and Robert L. Shook:** Includes serving others, integrity, dealing with adversity and giving.

*Mike House, Senior Manager, Benefit Finance, Macy's; Co-Leader Macy's ONYX Employee Resource Group, Cincinnati Central*

**"To Kill a Mockingbird" by Harper Lee:** Standing tall in the face of challenge – inspirational!

**"Tuesdays with Morrie" by Mitch Albom:** A reminder of the unseen impact we each can have on others.

*Carl Goldberg, VP/Law Compliance and Ethics; Chief Ethics Officer*

**"The Road to Character" by David Brooks:** A focus on the deeper values that should inform our lives.

*Jim Sluzewski, SVP/Corporate Communications and External Affairs, Cincinnati Central*

Congratulations to Kathy Kramer, Anthony C.S. Grow, Maeve Evans and Nicholas Blodis, our winners of Macy's 5K Run/Walk in June in New York City.



# Winning the Generation Game

**M**any generations have entered Macy's doors through the years. Whether they are young Millennials, established Generation Xers or Baby Boomers with 30+ years of career experience, our employees collaborate and work together as part of Macy's family, leveraging the strength of their varying perspectives. To learn more, *Coast to Coast* asked representatives from these three cohorts about their careers at Macy's and what keeps them motivated.

**WHAT BROUGHT YOU TO MACY'S?** **BC:** I was recruited on campus at the University of Virginia. I wanted to work in retail and I wanted to work in NYC. **AD:** I was working at Abraham & Straus as a Planning Manager when we merged with Macy's. **AW:** I had been working for a leadership development consulting firm when a mentor recommended that I consider pursuing an open role on Macy's leadership development team. He had worked with the team before, really respected its work, and thought I would be a good fit – so I applied. A few weeks later, I moved from Boston to Cincinnati to start with Macy's.

**WHAT HAS BEEN YOUR PROUDEST MOMENT IN YOUR CAREER THUS FAR?** **BC:** My proudest moments are when my team members shine - whether it is on a visit, when they are recognized or when they achieve personal goals. Talent development is the part of my role that I enjoy the most. **AD:** Professionally, it was the first time I was able to promote one of my team members and follow them through their successes along the way. **AW:** I led a research team for Harvard's Center for Public Leadership on the America's Best Leaders project. Our work was published in *U.S. News and World Report*, which was pretty exciting.

**HOW DO YOU DEFINE SUCCESS?** **BC:** By learning from each experience and applying it to the next situation. You don't always get the best result, but you always get the chance to learn from it. **AD:** Making a positive difference in my team and our customers' lives. **AW:** When people leave one of our programs or finish one of our eLearning resources and feel more equipped, enabled and empowered to lead and advance the business, then I think we've done our job. Leadership development is all about helping others to become the best versions of themselves.

**WHAT'S THE BEST PIECE OF CAREER ADVICE YOU'VE EVER RECEIVED?** **BC:** Be open and flexible to new ideas and opportunities. **AD:** Treat people the way you would like to be treated. Never pass up an opportunity to learn. **AW:** A mentor of mine once said, "Be thoughtful." He didn't mean to be caring and kind (though that's important, too!). He meant reflect, be intentional and act wisely.

**HOW DO YOU RELAX AND DISCONNECT FROM YOUR WORK?** **BC:** I love the beach. I hit the sand, listen to the waves, and get perspective and time to think. Lucky for me I live 10 minutes away! **AD:** I spend time with my husband, Joe, and dog, Wallace, at the beach. **AW:** Hiking is my favorite way to disconnect, so I try to get out on the trail as often as I can. Outside of hiking, I love to cook and read.



## Thank you to all of our Macy's and Bloomingdale's associates for participating in our 2015 United Way Campaign!

Whether it is through creative fundraising or volunteering your time – your participation in our annual campaign is making a difference in YOUR community.

Across America and around the world, United Way focuses on education, financial stability and health because these are the essential building blocks for a good quality of life – but your pledge goes even further.

United Way also works with nonprofit groups and other organizations to address complex challenges at the local level. The grassroots nature of giving back to United Way allows our associates to designate their pledges to directly benefit high-impact projects in their communities.

Together, we're making a change and creating opportunity. Thank you.



**Diane McKee (center), 8th grade Language Arts teacher from Williams Middle Magnet School in Hillsborough County, celebrates after being named the 2016 Macy's/ Florida Department of Education Teacher of the Year at the awards gala held at Hard Rock Live at Universal Studios Orlando. She is joined by Darlene Hanes (from left), Macy's Executive Vice President, Florida Governor Rick Scott, and Pam Stewart, Florida Commissioner of Education.**

# ENGAGEMENT AT WORK



## Jan Shuart

**MACY'S VP/STORE MANAGER,  
LANSING, MI  
NORTH CENTRAL REGION**

*Jan Shuart was discussing empowerment and magic with her team when Sales Supervisor Jennifer Rice said, "We all need to ask ourselves, 'What would Jan do?'" The team got together and ordered customized green bracelets embossed with "What Would Jan Do?" for every associate. Associates loved the bracelets, which helped remind them that they are empowered to make the customer No. 1. In addition to an Engagement score of 89 on the 2015 Engagement Survey, the Lansing team scored a perfect 100 percent on the question, "My manager trusts me to make the right decisions to deliver quality work or service."*



## Heather Burris

**MACY'S VP/STORE MANAGER,  
PUYALLUP, WA  
NORTHWEST REGION**

*Heather Burris focused on empowerment to help drive engagement in her store. "As an executive team, we decided to focus on 'Being the Hero.' We dressed up in superhero costumes and used morning rallies to drive home all the ways we can 'be the hero' to our customers and co-workers." Burris also ensured associates felt supported when dealing with difficult returns and picking up shifts in different areas. Rallies were held in various families of business, highlighting unique elements to educate associates, such as teaching associates how to tie a tie and measure for a dress shirt. "We always follow up with recognition and thank them for putting the customer first," added Burris. The store saw improvement in this year's engagement survey, specifically in customer focus and enabling performance.*

# No Phishing!

## Macy's, Inc. Information Security Awareness

As Macy's and Bloomingdale's associates, we are essential to maintaining the security of our company's information. Actions we take, or do not take, help to protect our customers' personal data and our own professional data.

This summer, the company began a phishing awareness program to educate all of us about recognizing phishing emails which could quickly allow unauthorized access to company information ... or to our personal or financial information at home.

According to the Federal Trade Commission (FTC) – when internet fraudsters impersonate a business to trick you into giving out your personal information, it's called phishing. **Don't reply to email, text or pop-up messages** that ask for your personal or financial information. **Don't click on links within them, either** – even if the message seems to be from an organization you trust. It isn't. Legitimate businesses don't ask you to send sensitive information through insecure channels.

As part of our company's awareness program, you will periodically receive simulated phishing emails that imitate real attacks, enabling you to become familiar with and more resilient to tactics used in real phishing. Should you be "hooked" – read and learn from the education material that is presented afterward. Together, we'll increase our phishing awareness and be better able to spot phishing attacks.

### Report Phishing Emails at Work

If you do receive a simulated or real phishing email at work, don't delete or ignore it. Instead, report the email to our Threat Monitoring and Response Center by forwarding it to [BadEmail@macys.com](mailto:BadEmail@macys.com) or [BadEmail@bloomingdales.com](mailto:BadEmail@bloomingdales.com). More than 90 percent of security breaches begin with phishing emails. By being proactive and learning how to spot and report potentially dangerous emails, we can keep our organization safer.

### Report Phishing Emails Received at Home

If you receive a suspicious email at home, forward it to [spam@uce.gov](mailto:spam@uce.gov) – and to the organization impersonated in the email. If you might have been tricked by a phishing email, file a report with the FTC at [ftc.gov/complaint](http://ftc.gov/complaint) and visit the FTC's Identity Theft website for steps you can take to minimize your risk.

## Macy's, Bloomingdale's to Welcome Chipped Credit Cards This Fall

For most of us, making a purchase is as easy as swiping a credit card. But this fall, more consumers across the country will trade swiping for inserting as EMV, a global technical payment standard for credit cards, takes effect.

Large credit card issuers are bringing the standard's added safeguards to their cardholders by reissuing cards with an embedded computer chip to help combat counterfeit cards and credit card fraud.

"Retailers must have the appropriate equipment, including different signature pads and readers, to scan the chip," said Mike Bacha, GVP/Credit, POS and Gift Cards. "Our customers and associates will notice a difference at the transaction level. "Customers will insert their cards at the bottom of the signing pad and leave it there so the chip can be read and the transaction verified. A series of prompts throughout the transaction will assist them."

To encourage the migration to chip cards, the card brands have implemented a fraud liability shift that will take effect on Oct. 1, 2015. "Currently, if a credit card fraud occurs in a store, the credit card issuer is liable," said Bacha. "Going forward, as long as the credit card issuer provided the customer with a chip card, the store could be held liable if new devices were not installed and able to accept them."

Credit card readers in Macy's and Bloomingdale's stores already have the technology. "We will be programming the system to enable that hardware, and we are well down the road on installation," said Bacha.

Macy's and Bloomingdale's will issue new co-branded cards this fall. Look for them!

# Employee Resource Groups Empower the Macy's Community

Macy's Employee Resource Groups (ERGs) are employee-led, grassroots groups bringing together associates with common interests to network, develop professionally and personally, give back to the community, and share diverse points of view. Participation encourages innovative ideas which have a positive impact on our inclusive culture and our business.

This summer, Macy's ERGs in Cincinnati Central, Credit and Customer Services and New York Central/Private Brands created multiple events to showcase their benefits to associates.

Individual ERGs are organized by leaders from various departments and are supported by local Human Resources teams. If you are interested in ERGs, please contact your local HR representative.



*Clockwise, from top left: Embrace, a diversity and inclusion ERG, sponsors "Walk with a Leader" events; Bill Tompkins, SVP/Human Resources and Total Rewards, was recently invited to meet with the group. At Credit and Customer Services near Cincinnati, the FITfluence ERG helped to create a Live Healthy Fair for thousands of associates. In addition, senior executives have addressed and networked with its ERGs this year - Karen Hoguet, EVP/Chief Financial Officer spoke to the REACH women's and professional development ERG and Jim Sluzewski, SVP/Corporate Communications and External Affairs, met with the Millennial Forum ERG. Events for additional Credit locations are in the works! Attendees show their support and enthusiasm at the Private Brands Black History Month potluck sponsored by the Onyx ERG.*



# ENGAGEMENT AT WORK



## Macy's Star Shines at Macy's Plaza Las Americas

**SAN JUAN, PR  
SOUTHEAST REGION**

*The Southeast Region is committed to Giving Back to the community, something they feel engages the stores' associates. At Plaza Las Americas, associates used their day off on Good Friday to give back to the Albergue el Paraíso (Paradise Shelter), a local shelter that provides two meals each day to the homeless. In addition to donating water and canned goods, 65 associates prepared and served lunch and participated in fun activities with individuals from the shelter. It was a proud moment for everyone involved and associates said they felt the Macy's star shine that day!*



## Diversity Flourishes at Macy's Topanga

**CANOGA PARK, CA  
SOUTHWEST REGION**

*The Topanga store lives by the motto, "always smile; that works in any language." The store brings together associates with diverse backgrounds to build engagement and encourage strong bonds of friendship. Associates strive to learn and celebrate different cultures. Last year, they made their annual LA North video, which showcased associates representing more than 30 countries. The melding of cultures and an immense pride in heritage, America and Macy's makes Topanga a very special place to work.*

## Macy's Provides Stylish Support for Scholarship Program

*Macy's brought the latest trends to the runway at the 33rd annual fashion show and luncheon hosted by the Brentwood Community Foundation Scholarship Committee in Houston in May. For more than 15 years, Macy's has served as corporate sponsor of the fundraiser that supports the Foundation's scholarship program, which provides merit-based scholarships and grants to graduating applicants in the Houston metro area.*



## FOODS AT MACY'S:

# A STORIED PAST AND A BRIGHT FUTURE

Macy's Foods Services is having a big year. From celebrating 125 years of continuous food service (a record in the entire world of retail) to expansions across the country, and now bringing our signature Taste Bar Café into new Macy's Backstage stores – the teams are busy celebrating (and planning) their successes. Coast to Coast spoke with Cathrine Schmidt, Foods Area Director, to get all the details of this milestone year – and a glimpse of what's to come.



### ■ 125TH ANNIVERSARY CELEBRATION

In May, the Macy's Foods Division celebrated its 125th anniversary with a bash at the historic Walnut Room in Macy's State Street store in Chicago. Four of Macy's Culinary Council Chefs – Takashi Yagihashi, Cat Cora, Tom Douglas and Johnny Iuzzini – along with our foods team prepared an outstanding spread of new and old favorites, including our iconic chicken and lobster pot pies. The meal had the world's largest baked potato bar (with 125 different toppings!).



### ■ MACY'S BACKSTAGE

So what's next for Macy's Foods Services? Schmidt shared some exciting news about the partnership with Macy's Backstage and our strategy on rest and refresh. "Our off-price location in Sheepshead Bay in Brooklyn will be the first to feature our signature Taste Bar Café right in the store," Schmidt explained. "The Taste Bar Café is the perfect grab-and-go service for our customers to rest, refresh and even grab a Starbucks coffee in order to keep on shopping." In today's omnichannel environment, we know that providing a memorable in-store experience is more crucial than ever before, and our foods teams play a major role in this. So the shopping experience in our new Macy's Backstage stores wouldn't be complete without a "craveable" treat for our customers.

### ■ HERALD SQUARE RENOVATIONS

Macy's Foods Services has come a long way from our famous traditional restaurants like the Walnut Room and Stella 34 at Macy's Herald Square, to the open, "food truck" design concept that will be opening in our new Herald Square lower level soon.

## TASTE BAR CAFE

Did you know that our food and beverage customers spend nearly triple the amount in net purchases in-store compared to non-food and beverage customers? Food and beverage customers also visit our store much more often!



Taste Bar Cafe  
Macy's Ridgedale  
Minnetonka, MN