

# Edina-based Evereve is opening shops, even as other retailers close stores

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By **John Ewoldt** Star Tribune  
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A record 12,200 retail stores closed in the U.S. in 2020, according to Fortune. The hardest-hit sector? Apparel.

From Abercrombie & Fitch to Zara, specialty apparel retailers are shuttering stores, downsizing spaces and in cases such as Ann Taylor and Plymouth-based Christopher & Banks, declaring bankruptcy.

One notable exception: Edina-based Evereve. It is leaning in on brick-and-mortar retail.

Anticipating a strong second half in 2021, Evereve will move its flagship Edina store at 50th & France in September to the nearby larger space formerly occupied by Steele Fitness and Tooth X Nail workout gear.

Eveve also plans to open six or seven new stores around the country, including new markets in California and Florida. The chain opened 17 new stores in 2017, a move co-founder Mike Tamte admits was too aggressive. Six stores opened in each of the last two

years.

By the end of this year, the retailer will have 100 stores in 30 states.

"Adding stores at this time is not at all common these days, especially at a time when fashion specialty stores are closing stores and reducing store sizes," said Craig Rowley, a retail analyst at Korn Ferry in Dallas. "But Evereve is young and fresh, and they still have not reached market saturation."

The chain, like its counterparts across the country, was hurt by the coronavirus pandemic. Sales were down 11% last year.

But Tamte remains bullish for a 2021 turnaround.

"We believe customers will come back to our stores after COVID," he said. "Humans crave connection, whether it's touching the clothes and trying them on to getting validation from a stylist. We're expecting sales to surpass pre-COVID."

The new Edina store will almost double in size from 3,800 square feet to 6,400 in selling space. The selection of women's shoes, outdoor jackets and denim will be augmented as well as backroom space.

Most retailers have eliminated backstock space, but Evereve is expanding it to satisfy the in-store or curbside shopper who expects her size to be in stock and doesn't want to wait.

"Any new stores or remodels should take into account flexible store fulfillment with perhaps larger backrooms or dedicated pickup areas for customers, given that over 20% of all retail sales now take place online," said Carlos Castelán, managing director of the Navio Group, a management consulting firm in Minneapolis.

The list of mature retailers closing thousands of stores is long: Chico's, J. Jill, Francesca's, Guess, Wilsons Leather and Victoria's Secret.

What keeps Evereve opening doors when so many others are closing theirs? Staffing, its managers and one consultant said.

"When Evereve started as Hot Mama in the early 2000s, it was a place for a woman in her 30s, but now they've grown up a little to women in their 40s and 50s," said Mary Van Note of Ginger Consulting in Minneapolis. "It's still apparel with a fun vibe that's meant to be noticed, and the staff makes women look fashion aware, not fashion tragic. Their sales associates are key to their model."

The sales staff, although noncommissioned, has been central to the company's continued success since Tamte and his wife, Megan, opened their first store in Edina in 2004.

Even during the pandemic, Evereve, like any nonessential retailer forced to close during the pandemic, did trim staff. It laid off 3% of its 2,000 employees, still fewer than many other retailers.

Although sales in 2020 decreased to \$120 million, the company is expecting sales to rebound to \$170 million this year with the six additional stores. Unlike most chain operators, Evereve continues to fund its expansion like fiscally conservative Midwesterners do — without going into debt.

"Even though we lost so much money during COVID, we didn't borrow money or qualify for PPP loans," Tante said. "And our expansion will be debt-free too."

**John Ewoldt** is a business reporter for the Star Tribune. He writes about small and large retailers including supermarkets, restaurants, consumer issues and trends, and personal finance.