


Edina's Evereve enlists experts to expand brand

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Several years before Megan Tamte started the women's apparel chain now known as Evereve, she was a young mom in a funk who decided to do something about it.

"I took a part-time job at Crate & Barrel in Walnut Creek, Calif., to get some me time and the employee discount," she said.

Today, her professional life has gone full circle. Tamte and her husband, Mike, who co-founded the store, are positioning Evereve for a massive expansion with help from Gordon Segal, the now retired co-founder of Crate & Barrel.

They met after a partner at Winona Capital Management of Chicago, a private equity firm, thought the Tamtes reminded him of Segal and his wife, Carole. Segal subsequently invested an undisclosed amount in Evereve and now regularly advises the Edina-based company.

"At our second meeting with Gordon, while he was still doing due diligence on Evereve, I said to him, 'I worked for you 15 years ago,' and I showed him a picture of me working there," Megan said.

The Tamtes want to explode the size of the chain, now 62 stores, to 300 or more in neighborhoods across the country.

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Evereve CEO Megan Tamte and her husband, Mike,
in their corporate offices in Edina.

To make it happen, Segal quickly homed in on Evereve's leadership team, which he believed was stretched too thin. He helped bring in a fashion director, a chief operating officer, a director of planning and a chief of store operations.

To boost her efficiency, Segal suggested Megan Tamte reconsider her need to visit each store personally and have the 11 regional directors come to Minneapolis for meetings instead.

"What's important is leadership," Segal said. "You can't teach passion to people. You can't make them a great retailer, but Megan is a passionate leader."

He's lent a hand in visuals, too, suggesting stores be consistently sized for merchandising. He's suggested adding wood panels behind the displays and tidying up store fronts.

Another investor, the Lewis family, which owns 350 London-based River Island fashion stores in Europe, is giving specific numerical advice from the number of fixtures per store to the number of items that should hang on each fixture arm.

Beth Perro-Jarvis, a retail analyst and co-founder at Twin Cities-based Ginger Consulting, thinks even more decluttering is warranted. "The racks are too crowded with too much merchandise," she said. "They're getting better. It's more spare and organized than it used to be."

Evereve is poised in the enviable sweet spot of selling to women ages 30 to 50. "That's a big demographic and broader than when they used to sell missy and maternity," said Perro-Jarvis.

The company was founded in 2004 as Hot Mama. But it changed names two years ago to avoid being pigeonholed as a store selling only maternity clothes or apparel for young mothers. "Now it's become a place for a woman who wants to look fabulously casual with her premium denim, zippy heels and statement necklace," said Mary Van Note of Ginger Consulting.

Still, Van Note thinks Evereve needs a stronger point of view. "Women know what to expect at Free People, Anthropologie, J Crew or the Gap, but they aren't always sure what the deal is at Evereve. They need a tighter definition," she said.



Less edgy than it used to be, women won't find Rag & Bone or Current/Elliott at Evereve. Shopper Brenna Edman said she doesn't mind that the clothes are a bit conservative as long as they're on trend. "I'm a teacher, so I look for clothes that I can wear to work," said the 26-year-old as she shopped at the Edina store. "I'm not a mom, but I find their clothes fashionable."

Another shopper, Jessie Hammerberg of Eagan, could easily represent a prototypical Evereve shopper. The mom with a 7-year-old and a 3 ½-year-old loves what the founders call its secret sauce, customer service. "The salespeople remember me, they're super personable, happy to help, and they remember my kids," she said.

While one member of the sales staff ("stylist" in Evereve-speak) keeps Hammerberg's kids engaged with toys or a Goldfish snack, she can try on clothes in a rare moment of solitude. "It's low stress with quality, personalized service that justifies the price," she said.

In January, Evereve launched another time saver for busy mothers, a subscription service called Trendsend. It's an online service in which stylists send out three outfits to women periodically, based on a completed profile. It's been a solid success. Tamte said the volume is equivalent to opening seven stores in a year. "We expect it to generate over \$10 million next year," he said.

Segal wants the Tamtes to do more to intertwine their retail and internet network marketing. Internet/digital and Trendsend sales are currently 15 percent of revenue. That's expected to rise to 20 percent by 2020.

Overall, Segal and other investors have helped free up the purse strings.

Mike Tamte said Evereve has always been fiscally responsible, with the company earning a profit every year. "They want to take our business to the next level, and that requires hiring expertise we don't have in technology or advertising," he said of the investors.

A look at Evereve

Revenue: \$80 million estimated for fiscal year ending Oct. 31

Founded: 2004 by Megan and Mike Tamte

Stores: 62 in 22 states. Six more to open in fall, 13 more in 2017.

Employees: 1,069 (109 full-time, 960 part-time)

Ownership: Privately held by the Tamtes. Investors include Prairie Management, Winona Capital and the Lewis family.

For instance, the company just signed with Minneapolis advertising agency Carmichael Lynch to raise brand awareness. "It's hard to spend money we didn't budget for, but it's within reason and it's paying off," Tamte said.

