



Surf Lodge owner
Jayma Cardoso and
George Sotelo.

BUSINESS

The Surf Lodge Opens Concept Playa Shop

- The 300-square-foot shop at the Montauk hotel merges Latin and American beach cultures.

BY OBI ANYANWU

The Surf Lodge in Montauk is reopening with a new retail concept, Concept Playa, developed by founder Jayma Cardoso and George Sotelo.

The 300-square-foot shop is a marriage of Latin culture and design and Montauk summer beach culture. Cardoso, who hails from Brazil, and Sotelo, who has roots in Mexico, paid homage to their respective home countries, bringing together the beach cultures of the coastal cities.

The duo sourced brands from Latin designers such as Caravana and Waiwai Rio; Mykita, one of the main sponsors of the shop; Thorsun, Sotelo's swimwear label, and Deveaux. In addition, the shop offers home décor, which will be staged throughout the Surf Lodge property and available for sale.

Sotelo said, "It's usually a super-buzzy place, but this year the hotel isn't open to guests yet. We weren't sure what we were going to do."

The Surf Lodge historically hosts parties and concerts every year, such as John Legend in 2019. This year, the property will not host concerts in order to keep the locals and tourists safe from the spread of the coronavirus, but the shop will be open to the public.

Cardoso said while the experience is very different this year due to the pandemic, it is more intimate and actually closer to the concept she had for The Surf Lodge in the beginning.

She explained, "I had planned on creating a barefoot-chic, out-of-the-way Posada like the ones in every beach town in Brazil. When we came to Montauk 13 years ago, it was a sleepy fishing village at the end of the world. Never could we have imagined that Montauk, and The Surf Lodge would become such a global hub. So 13 seasons later I get to experience The Surf Lodge like it was originally intended to be."

"It's been really exciting for me, because I've always wanted to move toward hotels," said Sotelo. "When I met Jayma, I was really blown away by her, because she's this powerhouse entrepreneur. She's been involved with every little detail and she approached me with the project and came up with the idea."

Cardoso hosted pop-ups for Sotelo's Thorsun brand between 2017 and 2019, and they partnered in 2018 on uniforms and upholstery for The Surf Lodge. In 2019, Sotelo joined Cardoso as creative director of the beach area and was later named creative director of the entire property at the beginning of 2020.

"I really enjoy working with him and he has excellent taste," Cardoso said of Sotelo. "He spends a lot of time in Brazil where I'm from and I feel he has an interesting take on beach culture there."

Sotelo optimistically said the change in pace allowed he and Cardoso to try out the new retail concept. Cardoso also said they plan to take the concept "on the road."

She said, "We plan to take the concept to our annual pop-up at Art Basel Miami Beach and to our winter location, The Snow Lodge in Aspen."

BUSINESS

To Make Fashion Business Sustainable, Go 'Upstream,' Forum Says

- A virtual sustainability event held by Sourcing Journal sowed a new fashion business model.

BY KALEY ROSHITSH

"Delivering the latest [fashion] is just chewing up supply chains and the companies involved."

So said Rebecca Henderson, a John and Natty McArthur University professor at Harvard University and author of "Reimagining Capitalism in a World On Fire."

In hindsight, it's difficult to argue the benefits of such a model. Boohoo's recent plunging stock due to allegations of poor worker pay and safety is evidence of the financial world's important role in directing accountability, with Henderson and John Thorbeck, chairman of Chainge Capital, emphasizing the importance of Environmental, Social and Corporate Governance measures in their respective speeches at Sourcing Journal's "Fashion's Business Model for Sustainability" virtual event on Wednesday. (Sourcing Journal, like WWD, is owned by Penske Media Corp.)

There were six total sessions — including a peer-to-peer idea exchange to close the afternoon — that reiterated how committed companies will be able to increase both sustainability and profitability, as they are interrelated.

According to Henderson, remaking fashion requires rebuilding purposeful, inclusive institutions and grappling with architectural innovation. Change should be implemented in strides within a procedural approach so a firm doesn't take on too many projects (most firms are about 300-percent overloaded).

Purpose can't be faked either. Thorbeck, in a session on "A Roadmap for Capital, Culture and Change," led with the "Zara Gap" model he and Warren H. Hausman, a Stanford University professor, and Citi Research pioneered a few years ago to explain why fast fashion outperforms department stores and specialty retail.

Of course, the pandemic has caused even the world's largest fashion retailer and Zara owner, Inditex, to suffer significant financial losses.

The "Zara Gap" model applies postponement metrics to inventory risk; it quantifies impact on market capitalization of 30 to 40 percent. For a sustainable fashion business, Thorbeck calls for shared value and shared risk starting with upstream suppliers, instead of low cost and long lead times that have

characterized the business for so long. With better lead time optimization (LTO), data science, strong ESG metrics and emphasis on process innovation in the first mile, retailers and brands can close the gap on Zara, while unlocking excess capital to meet the demand for sustainability.

Regarding the demand for sustainability, Akanksha Himatsingka, chief executive officer, EMEA & Asia Pacific, and creative director of the Himéya Himatsingka Group, noted the sustainability "premium" already shifting in favor of such change, but it "needs to happen a lot more."

Not just in terms of consumer premiums, but February research from McKinsey & Co. found that 83 percent of c-suite leaders and investment professionals say they expect that ESG programs will contribute more shareholder value in five years than today — indicating they'd pay a "10 percent median premium to acquire a company with a positive record for ESG issues over one with a negative record."

"Consciousness" across investors, corporations and consumers is the guiding word, according to Liz Simon, chief sustainable transformation officer at Fashion3, in the same session on "Creating the New Social Impact Narrative."

It wasn't the only session beckoning a reframing of thought. In some fashion businesses, data science often gets scooted off to the IT department, where the discipline would be better-suited to operational roles.

AJ Mak, founder and ceo of Chain of Demand, and Ahmed Zaidi, cofounder and chief technology officer of Catalyst AI, spoke to the value in data science and predictive analytics in operations for unlocking upstream capital and responsiveness to the tune of a 50 percent reduction in excess inventory by year-end, in one best-case scenario.

In another session, Morten Lehmann, Global Fashion Agenda's chief sustainability officer, talked about another "gap" that needs to be addressed: that of a company's short-term and long-term sustainability goals.

His viewpoint matches that of much of the industry's since, with thinning resources and continued fallout from COVID-19, who can earnestly allocate investment to sustainability right now?

"The biggest challenge we are facing with this is how do we close that gap," said Lehmann. He outlined government incentives, among other commitment drivers, as key to increasing industrywide accountability.



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