



# PURSES and POSITIVITY

## Inside Vera Bradley's Success

By Symone C. Skrzycki

It was not on the job, but in a random get-together when a new employee at Vera Bradley saw a side to one of the company's co-founders that would stay with her for years to come.

She was babysitting the grandchildren of Barbara Bradley Baekgaard. The youngsters were riding bikes, feeding ducks in a pond when one of them exclaimed, "Let's go to Grandma Birdie's house!"

Nervous about showing up uninvited, Holly Davis – just out of college – walked with the kids to Baekgaard's home.

Opening the door, Davis recalls Baekgaard smiling and saying, "Shoot! You just missed waffles. You'll just have to come in for a cup of coffee and sit in the porch."

*EDITOR'S NOTE: Third of a 2019 series on people and organizations that have made a dramatic impact on Indiana.*



Timeless – and ageless – appeal. Customers range from ages 8 to 80.

Nearly 15 years later, it's one of Davis' favorite stories to tell. The two have remained close and join *BizVoice*<sup>®</sup> for a phone call just days before Vera Bradley's epic Annual Outlet Sale (more on that later).

The recollection is just one example of Vera Bradley's "person-first" employee culture. Baekgaard emphasizes positivity in the office, in the community and in the company's business philosophy.

What started as a small business in Baekgaard's home in 1982 has grown into a \$500 million enterprise specializing in bags, fragrance, luggage and accessories. She co-founded the company with friend Patricia R. Miller.

Vera Bradley partners with powerhouses such as Disney, Macy's, Barnes & Noble, Starbucks and others. Celebrities have helped bring the colorful, bold patterns into the limelight. Fans of the *Grey's Anatomy* television show may have noticed characters brandishing the bags. Taylor Swift has been photographed carrying products.

Vera Bradley breakdown:

- Over 150 full-line and factory stores
- Roughly 2,800 stores carry merchandise
- Approximately 3,000 employees
- Over \$32 million raised by the Vera Bradley Foundation for Breast Cancer
- Outlet sale brings over 45,000 people to Fort Wayne
- Ranks No. 3 (industry wide) in backpacks sold

"Vera Bradley has something special. Call it a sisterhood or ... when people are carrying Vera Bradley products, it's like a wink," Baekgaard reflects. "You know they get it and you get it. I received many letters from people about connecting them with someone because they were carrying a Vera Bradley bag."

### Fashion and function

Vera Bradley was named after Baekgaard's mother, a former model. Her father worked in the gift industry.



Pat Miller (left) and Barbara Baekgaard began raising money to fight breast cancer in 1998. One of Vera Bradley's signature events is Ticked Pink, a "gathering of girlfriends" at Vera Bradley's headquarters.

Baekgaard's childhood was full of sibling fun (she's the second oldest of six), summer camp and social gatherings.

"I always loved anything visual. I remember going to dinner parties with my parents or something and everybody was talking about the food. I was always looking at the décor!" she notes, chuckling. "I could tell you everything about the house and what the lady's bedroom looked like and the furniture. I'm still kind of that way. I'm all about ambiance."

That's evidenced at Vera Bradley's corporate headquarters in Roanoke, about a 15-minute drive from Fort Wayne. Sunlight streams through the open layout. Bold colors bathe the walls.

In fact, when I remark on the beautiful orange walls on a tour with Davis (who's grown her career to community relations and media manager), she grins.

"We laugh because Barbara likes change. So this will change in no time! She's a big fan of change. She does not like things to stay the same. She doesn't like to get bored."

Meeting rooms showcase pattern names (Baroque, Animal Kingdom, Zebra among them). Photos of past marketing campaigns are on display. The building houses sales, customer service, accounting, marketing and design. There's also an on-campus distribution center. Across both facilities, there are approximately 650 employees.

A bright pink phone booth bearing these words – "Getting in tune with the voice of the customers" – stands outside the customer service center.

"You can hold the phone and listen in on calls that are actually happening in our customer service area," Davis explains. "For us to all know what the customer needs, what she's (collective term for the typical Vera Bradley customer) wanting, we actually physically go and listen in. It's cool.

# Our story

continues in Fort Wayne, IN

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“You’re not calling in and being transferred to some call center. It’s right here. We have all of the digital signage on the wall, which helps us know, ‘How long are the phone calls taking? How many calls are in the queue? How long are the calls in the queue waiting?’”

Jenna Leffers joined the organization nine years ago as a store associate. Since then, she’s advanced to her current role as public relations specialist. She calls members of the leadership team, who sought to find the perfect job fit for her by allowing her to explore different positions, her “cheerleaders.”

Her eyes light up when talking about Vera Bradley’s Annual Outlet Sale. “I’m an identical twin. We’ve carried the brand our entire lives,” she shares. “It’s fun to be here in Fort Wayne and have the memories that it’s still as much of a brand as it was back then. You were pretty much the coolest person if you had anything that was Vera Bradley when we were younger . . . when the brand was still new.”

The products have a timeless appeal.

Backgaard credits the 1982 college crowd with helping to launch the business as her two daughters at their respective universities shared the bags with friends.

“I’d send the bags and they would say, ‘Everyone loves these bags. Send more! Send more!’”

“That’s where we got the inkling that this could be something,” she declares. “(Even though) we weren’t thinking this could be something huge. In those days, I was doing it to have fun! Every penny we made we were putting back in the company.”

### **Patterns: Keeping the pace**

A trip to Atlanta served as a catalyst for Vera Bradley’s inception.

As Backgaard and Miller looked around, “We didn’t see beautiful, pretty luggage. Everything was dark. All very masculine. Nothing feminine. That was part of the lightbulb going on, saying, ‘Well, we’re not the only ones missing this in our life. Nobody has it.’ ”

Today, thousands upon thousands of people do.

Vera Bradley is known for its colorful, floral prints. Along with pink, blue and purple hues, Davis points out that mainstays also include “some of the fun and whimsy.”

“Typically, our flowers never look like how a flower would actually look,” she differentiates. “It has that little bit of fun in it. We know it’s florals and it’s going to be paisleys. She (customer) loves paisleys from us. We’re known for it, but now it’s a matter of . . . how can we make it different?”

Solids are also popular. There was even a period when black was the company’s No. 1 color.

All of the pattern work takes place at Vera Bradley’s headquarters. An expansion two years ago doubled the building in size.

What a contrast to the early days, when Backgaard and Miller set up shop on a ping pong table in the former’s home.

Backgaard cites moving the business out of her house as a defining moment.

“I liked it there. It was in my basement and I could put on a load of laundry. Watch dinner. Walk the dog. Now all of a sudden, I’m going to an office every day and that was life changing to me.

“That was the second or third year of Vera Bradley – maybe the second year. I’d been a stay-at-home mom for all of those years. Actually, Vera Bradley was the first real job I ever had.”

### **Believing in Vera**

Additional milestone moments involve two early supporters.

The first caught Backgaard off guard during dinner at a couple’s home.

“Somehow the conversation turned to what I was doing and (after the meal, the gentleman) called me into his office and said, ‘I really

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Fashion frenzy: The Annual Outlet Sale, first housed in a 10-foot-by-10-foot tent in 1983, features retail store items and made for retail pieces. Shoppers receive a color-coded map to navigate aisles of savings.



think you have a good idea.’ He opened a big checkbook and said, ‘I’m going to give you some money. If you’re successful, I want to be paid back. It’s a loan. If you’re not, it’s a gift. Just forget it. But I believe in you.’

“It was very *Shark Tank*-esque where they believe in the person maybe more than the product even. That was a really good vote of confidence. Positivity is the greatest encouragement you can tell anyone. I’ve always believed in that, and he was certainly the big vote of confidence. We were friends until the day he died and he was proud of us.

“Most of the career lessons are from positivity like that.”

Another encounter was almost a case of mistaken identity.

“We went to New York and somehow I end up in the office of the vice president of VIP Fabric, which is a huge thing. He thought I was there to buy for another company, which would be thousands of yards. I was there to buy 25 yards, if that, at wholesale because (at that time) we were buying from JOANN Fabrics.”

He also believed in Vera. It paid off.

“We were so tiny and we became their largest customer! We (ultimately) printed millions of yards and he could have so easily said, ‘I’m not selling it.’ But we got along. It was a relationship. For some reason, he knew I wasn’t bullshitting him. I was there in a very honest way. He knew I wasn’t in there to con-

him or anything.

“Again, until the day that man died, I became friends with him and his wife,” Baekgaard emphasizes. “We have quite a history.”

### Giving back

Vera Bradley employees are encouraged to donate eight volunteer time off hours each year toward a service project.

“They want us to be out and to be good corporate citizens, which is so cool,” Davis observes. “That’s becoming a little more (common) across a lot of organizations, but it’s always been special about us. It’s always been encouraged. Obviously, we make great products that I love and that I stand behind, but I’m proud to say where I work.”

Signature events include Quilt with a Cause; Tickled Pink (inviting 500 of “our closest girlfriends into our home office”); and Turn the Town Pink.

The Vera Bradley Foundation for Breast Cancer Classic® brings together 2,500-plus people for golf, yoga and pickleball. It generates \$1 million in funding.

Another cause is Blessings in a Backpack, which helps provide food on the weekends for elementary school children across America who might otherwise go hungry. Vera Bradley donated 25,000 backpacks in 2018. This year, it plans to double that number.

Kathy Miller joined the faculty at the

Vera Bradley Foundation Center for Breast Cancer Research at the Indiana University School of Medicine in 1999.

“This is very much an international company, but they are still really invested in Indiana where this company started,” she asserts. “That’s very much how we feel about the Vera Bradley Foundation Center – the work we do is in Indiana, but it impacts women around the world with the new treatments we develop, the new understanding of the disease that we find from the research we do here that is shared with researchers around the world.

“I spend a lot of my time in the clinic. I take care of patients. But a lot of my research is in clinical trials. (Vera Bradley’s support) allows us to focus on research without fear of failure. Nobody likes to fail, but not all of our ideas work. We’ll never know what’s helpful and what works if we’re not able to test it.”

Mayor Tom Henry, a Fort Wayne native, asserts, “To me, the one thing about Pat and Barbara and Vera Bradley that stands out is that they made a deliberate decision to give back to the community where they grew up. That speaks volumes about them as individuals. Not everyone does that. They could have taken their profits and run. But they didn’t. Not only did they stay in the community, but they gave back to the community.”

Reflecting on breast cancer research,

Continued on page 78

## Vera Bradley

Continued from page 18

Baekgaard says, “That’s probably the most rewarding thing of all of Vera Bradley – because I can honestly say, had there been no Vera Bradley, there would be people who would not be on this Earth today.”

She’s also excited to work with the Fashion Institute in New York on designing products for the disabled.

“We’re making bags for people who can’t manipulate a zipper or carry (one). I’m working with students and that’s very rewarding for me.”

### Traditions and savings

The five-day Annual Outlet Sale, held at the Allen County War Memorial Coliseum, brings \$5 million in revenue to Fort Wayne.

“As these thousands of visitors come into our community, many of them stay for more than a day,” explains Mayor Henry. “They’ll stay for two or three days. They stay at the hotels. They go to the restaurants. And right next to the Coliseum, we have one of the largest shopping malls in the state. When they get done doing their shopping at the Vera Bradley outlet sale, many of them go over to our mall and do additional shopping. There’s a number of ways that they contribute to the economic base of our community.”

Indianapolis resident Rachel Stotts has attended the event with a group of college friends for more than 15 years. Those who live too far away send lists of items they’d like others to pick up on their behalf.

“Once you get in there, immediately you smell the roasted nuts,” Stotts relates. “While you’re waiting in line, when you get in there, they’re roasting those sugary roasted pecans or whatever they are. I equate that smell with that sale for some reason, kind of a comforting smell.”

### Lasting impact

Among Vera Bradley’s top sellers today are a large duffel, tote bag, throw blanket, zip ID case.

Stephanie Muehlhausen, women’s accessories senior fashion director for Macy’s, comments on the company’s appeal.

“Macy’s has long been a fan of Vera Bradley. The signature of the brand is playful and colorful, and we are thrilled to carry everything from handbags to bedding to swimwear. Our customers love the vibrance.”

Miller, honored in 1997 as the Indiana Chamber’s Business Leader of the Year and later the state’s first CEO of the Indiana Economic Development Corporation, is retired from Vera Bradley. She still sits on the boards of both the company and the foundation.

Baekgaard continues to embrace change. A new \$122 million boutique hotel in Fort Wayne (a project of hers, not Vera Bradley) is slated to



The 2018 Blessings in a Backpack event featured reality star Danielle Jonas. She is the wife of Kevin Jonas of the Jonas Brothers rock band.

break ground in May.

What is Baekgaard’s favorite product?

“I’m a backpack person,” she responds without hesitation. “Because first of all, I’m in New York a lot and I like to be able to carry something over both shoulders and be able to walk and keep my hands free. Recently, we made a mini velvet backpack. I carried that to a very formal event in New York and I just loved it. It’s a velvet, small backpack with mini quilting.”

She shares a memory related to writing her book, which was published in 2017.

“We were with all the big publishers in New York and the agent who was taking me to meet (another) publisher. We walked in and we meet with the publisher and I didn’t even need to say a word. Within two minutes, they’re pulling stuff out of their purses saying, ‘Oh my gosh! I got this pattern when I graduated from (college).’

“This agent was kind of sitting there like, ‘Oh my gosh.’ It was kind of funny – that all of these people in New York that we were supposed to be in awe of meeting (and I was), they connected on that level.”