

SIXTY YEARS OF Serving Creativity

BY MARSHA MCGREGOR



A young boy busies himself straightening the shelves of notions in his family's shop. It is Saturday, and the store is humming with its familiar sounds: customers chatting while they thumb through patterns; scissors cutting fabric from broad, colorful bolts; children tugging on their mothers' sleeves, asking for a drink of water.

Feeling a familiar tap on his shoulder, the boy turns. A dollar bill and a handwritten note are pressed into his hand. The note bears a cryptic message that he quickly decodes: "Butterick, 5562, size 12." He understands his mission instantly, and darts out

of the store. A customer has requested a pattern, and his grandmother has learned she does not have it in stock. She has quietly dispatched him to buy the pattern her customer seeks from the five-and-dime across the way.

He returns quickly, transferring the package to his grandmother's hand; there is a brief, unspoken exchange of covert victory between the two of them. She will make no money on that sale today, but she has kept a customer happy. Instinctively, she knows this decision is sound business, as surely as she knows cotton from silk.

The boy, watching the customer smile as she thanks his grandmother and pays for the pattern, listens and learns. He has witnessed, again, what lies at the core of his family's business ethic, and it will stay with him always.

The boy in this 1950s story is Alan Rosskamm, current chairman, president and chief executive officer of Jo-Ann Stores Inc. The story is a company legend of sorts. It captures the essence of Jo-Ann's renowned mission of superior customer service during sixty years of business, an anniversary the company celebrates this year. Founded in 1943, the company that would become the nation's largest fabric and crafts retailer was begun by two families, the Reichs and the Rohrbachs, out of a single shop in Cleveland, Ohio.

But who is the grandmother, tapping young Alan on the shoulder? She is the

late Hilda Reich, matriarch of the Reich family and a founding member of the company. "My grandmother was all about doing whatever it took to meet the needs of her customers," Alan Rosskamm recalls, nodding toward the bronze bust of Hilda Reich that hangs on the wall to the right of his desk. She is a constant reminder of the legacy he aims to see reflected in every decision made at the company he runs, from the boardroom to the buyers' offices to the button department.

A MATTER OF "HERSTORY"

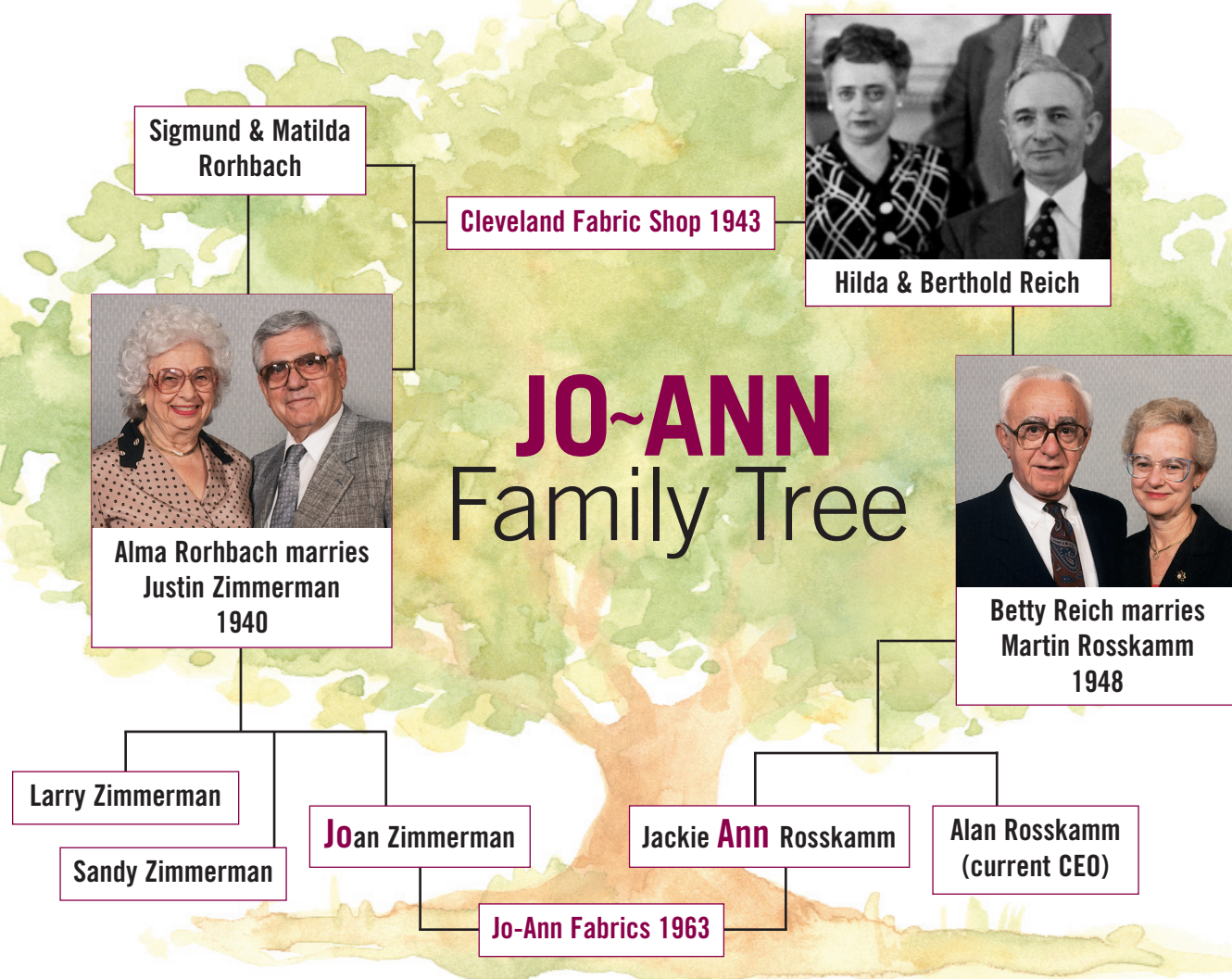
All of the surviving members of the Rohrbach and Reich families give great

credit to the business savvy and expertise of their men, but the stories they share reveal that the roots of Jo-Ann Stores Inc. lie in a story about women.

It was strong, creative women, undaunted by challenges and with a bent for hard work, who ran the business for many years. They built a large base of loyal customers who were and are, for the most part, also women. The business itself was eventually named for two daughters of the founding families, Joan Zimmerman and Jackie Ann Rosskamm. And women in large numbers continue, both inside and outside the company, to steer the company in its mission to serve and inspire creativity.

Strong, hardworking women with a passion for customer service are at the roots of Jo-Ann Stores' heritage.

ILLUSTRATION BY RACHEL DEUTSCH



Seen in this light, Jo-Ann's is a matter of "herstory" as much as it is "history."

MOTHERS AND DAUGHTERS, HUSBANDS AND SONS

Hilda and Berthold Reich were running a small cheese and fancy-food business in Cleveland when they were approached by Sigmund and Matilda Rohrbach, who inquired about selling fabrics in the shop. The families decided to move fabrics to the front of the store and eventually, the food business moved to a different location. In 1943 the two couples celebrated the opening of what was then called the Cleveland Fabric Shop.

It was a year when the presence of women in the work force was unquestioned. With men at war, all hands were needed on the home front. Later, of course, women were urged to return fully to their domestic duties, but Hilda, Betty and Alma were not among them. They were busy keeping up with customer demand in the business in which they and their husbands were partners.

SOMETIMES A GREAT NOTION

Sigmund and Matilda Rohrbach's daughter, Alma, would grow to be a significant contributor to the success of the business, as would her husband,

the late Justin Zimmerman, who would eventually serve in the role of executive vice-president.

Alma Zimmerman recalls thinking, during the store's early years, "As long as the customer is in here buying fabric, why not sell them patterns and buttons and so forth?" She persisted in her idea to add notions to the store's offerings. "Nobody else wanted to do it, so I got stuck with it," she smiles.

She is being rather modest.

"Alma was renowned in the industry," says Alan Rosskamm. "She built our entire notions department from nothing to a huge part of our business."

Alma Zimmerman's life, too, has been shaped by her family's powerful work ethic. She recalls her youth in Germany, which she left at age 22 to come to America: "I took a lot of training, because it was hard to get work, so whatever you knew was helpful. My father had approached the owner of a very fine fashion, fabric and lingerie store, and asked if I could work there, not for pay, just to learn. At the end of six weeks, the owner said to my father, 'You asked me not to pay your daughter, but I must. You see, she does better than some of my employees.'" Alma worked there for four years while going to school.

Alma, an emeritus board member who served as a director for more than thirty-five years, still keeps regular office hours at Jo-Ann Stores' corporate headquarters. She recently celebrated her 90th birthday. She remembers without hesitation the circumstances, as well as the address, of her family's first place of business in Cleveland: "We first set up at 12708 Superior Avenue. I was pregnant, helping a customer on Sunday, the day before the store even opened. On Monday morning, my daughter Joan was born."

During their journey toward prosperity, the Rohrbachs and Reichs thought less about greatness than the important matters at hand: "We simply came to work each day and did what needed to be done. Hours didn't mean anything. We learned what we had to learn and did it," Alma says.

MOVING HEAVEN AND EARTH

Hilda and Berthold Reich's daughter, Betty, worked in the store from its early days. She later met and married Martin Rosskamm, who encouraged his father-in-law to expand the business, and would join it full time in 1966. Martin Rosskamm served as president, chairman and CEO for many years. He retired in 1985, and died in August of the same year.

"I was 16 when my family got involved in the business," Betty recalls. "I started by typing invoices after school. I've always enjoyed working."

Her values, too, were shaped in great measure by her mother, Hilda.

"My mother ran the messiest store we ever had," recalls Betty in her forthright manner. "But she would move heaven and earth to take care of a customer. She did more volume per square foot than any store we've ever had. She lived till she was 87, and she was still running the store five days before she died."

EMBRACING CHANGE AND TECHNOLOGY

Poised and polished in a bright red jacket, today Betty Rosskamm sits in a dark paneled conference room and speaks vividly of the early days. But she is clearly more riveted by the present than the past. At 75 she continues to put in full days as senior vice-president and director of special orders at the company's headquarters in Hudson, Ohio. Like Alma Zimmerman, she recently completed more than thirty-five years of service on the board of directors and retains an emeritus board position.

Undaunted by change, she regularly puts technology's power to work for her. "The potential of technology is incredible; we can't even imagine yet how our world can change from it," Betty Rosskamm asserts. "I can look at numbers on computer-generated reports and pick up problems. Last week I earned my keep by finding something no one else found; I told Alan I earned my year's salary that day." She smiles, then adds modestly: "But I have the time that others might not."

WORKING MOTHERS IN THE '40s AND '50s

Both Alma's and Betty's memories of motherhood are intertwined with their

work lives. "When the third store opened, I was pregnant with Alan, and I ran that store," Betty recalls. "Then we opened our fourth store, our first shopping center location. A week before Alan was born, I was trimming the window of that store."

How did they manage? Like the working mothers of today, they cobbled together a way of life that was part juggling act, part serendipity, part hired help, and a large measure of personal commitment and family support.

"When I wasn't working, I was home with my children," remembers Betty. "I cooked big meals every weekend. We celebrated every holiday together. We had good family time. I don't think my children suffered because I worked."

Alma Zimmerman echoes similar memories. "If I wasn't working, I was home," she says. "I went to all the PTA meetings. I had my mother at home—she lived with us for thirty-six years. She was like a parent to my children while I took care of the business. That was a huge blessing. Then, when we moved out of the apartment and into a house of our own, I had help, so there was always someone for the children to play with."

It wasn't always easy.

"I knew I was different from the other mothers, the mothers of my children's friends," says Alma. "I wasn't playing bridge. I never ran around at night. No, I don't think my children suffered from my working, either. They think they did"—she laughs at this candid admission—"but at least they'll talk about it honestly."

Betty's husband, the late Martin Rosskamm, was particularly supportive of his wife's business skills, especially for a man living in 1940s America. "Right before Alan was born, my husband said to me, 'Just in case you want to return to work, I want you to have full-time help,'" she recalls with a smile.

MARRIED TO THE BUSINESS AND EACH OTHER

Betty and Martin thrived together as business partners, each balancing out the other's strengths and weaknesses ("I was up; he was down. I was the optimist; he was the pessimist," she says). After Betty convinced her husband to give up his lucrative career as a vice-president of a sweater mill, Martin came on board full time and the business became their shared passion.

"Our whole life was built around the business. On vacation, how did I entertain him? I'd drive him around to see all the fabric shops. He would start waiting on people." She smiles at the memory. "But we had a good time."

Alma and Justin Zimmerman, too, married business with pleasure. For years, Mr. Z, as he was known to many, bought candy to hand out to his customer's children. Vendors and customers alike were proud to call him a friend.

"We had fun while we worked," says Alma. "We didn't know any better. We didn't have as many other hobbies as other people we knew."

She adds an expression of gratitude about her husband: "We've had a wonderful sixty-three years together." Her recollections now seem particularly poignant. Just one day after she retold these stories in an interview, Justin Zimmerman died, at the age of 90.

THE VISION CONTINUES TO EXPAND

Jo-Ann Stores Inc. continues to grow and refine its abilities to provide women with the resources they want and need to pursue their creative endeavors. And Betty Rosskamm and Alma Zimmerman remain as passionate as ever about the future of the company they forged with their families.

They urge team members at every level to base their actions on the values that allowed a tiny shop in Cleveland to grow into a thriving network of more than 900 stores serving the creative consumer.

Betty Rosskamm sums it up this way: "Everything you do in business must take care of the customer, and the customer is not just the lady in the store. It's anyone in the company who needs something from you. We are all serving a customer. The end result filters down to the lady in the store, but there are a million steps in between to get that customer's need filled."

That, in essence, is the heritage of Jo-Ann family members who carry the company into the future: doing whatever they can do to serve and inspire our creative dreams.

When visiting a Jo-Ann Store to choose a luxurious fabric, craft a gift in someone's honor or assemble supplies for a project with the help of a Jo-Ann employee, the customer continues a venerable tradition—joining the long line of women being celebrated for sixty years of passion, hard work and creativity.

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1969

1929-1930s

Several members of the Reich, Rohrbach and Rosskamm families, fleeing Nazism, emigrate from Germany to the United States.

1943

Hilda and Berthold Reich team up with Sigmund and Matilda Rohrbach to open a 1,400-square-foot store in Cleveland, Ohio, naming it the Cleveland Fabric Shop. Over the next five years, Hilda and the Rohrbach's daughter Alma (married to Justin Zimmerman) become the mainstays of the business, doubling their space and adding a drapery workroom in the basement.



1943

1948

A second store is opened in Cleveland. The Reich's daughter, Betty, and her new husband, Martin Rosskamm, are active in day-to-day store management and deliver bolts of fabric every Saturday.



1963

1963

There are eighteen Cleveland Fabric Shop locations in Ohio, and the families, ready to expand out of state, combine the names of two daughters, Joan Zimmerman and Jackie Ann Rosskamm, to form the new company name of Jo-Ann Fabrics. In 1966, Martin Rosskamm joins the business full time.

1969

The business grows to 169 stores in twenty-eight states and becomes a publicly held corporation on the American Stock Exchange under the name of Fabri-Centers of America, Inc. (In 1999, the corporate name is changed to Jo-Ann Stores Inc.)

1976

Fabri-Centers of America, Inc., joins the New York Stock Exchange.

1970s–MID 1980s

Joining the trend towards shopping malls, Jo-Ann opens its own 4,000-square-foot stores in regional malls. In 1980, the company opens its 500th store.

LATE 1980s AND EARLY 1990s

Jo-Ann Stores leave the malls for larger stores and strip shopping centers. Some stores add crafts and floral products to their mix.

1994

Fabri-Centers acquires Clothworld, a 342-store company based in the South.

1995

Jo-Ann opens a 46,000-square-foot test store, adjacent to its Hudson, Ohio, headquarters, stocked with a huge array of items to “serve and inspire creativity.” This store becomes the pilot operation for the larger-format Jo-Ann superstores.

1997

The joann.com Web site is launched to give customers twenty-four-hour access to creative products and projects.

1998-1999

Fabri-Centers of America, Inc., acquires House of Fabrics. When the corporate name is changed to Jo-Ann Stores Inc., all of its stores have grand openings under the Jo-Ann name. In 1999, the magazine *Jo-Ann* is launched.

2001

The company's new 630,000-square-foot West Coast distribution center opens in Visalia, California, dramatically cutting shipping and handling costs.

2003

Jo-Ann Stores Inc. celebrates sixty years in the industry with more than 900 retail locations specializing in sewing, crafting, decorating and floral products. More than 20,000 team members are employed nationwide. By the end of 2003, almost 100 stores will be transformed to the approximately 35,000-square-foot superstore format, while constant upgrades will be implemented in the remaining additional 14,000-square-foot stores.

War Rations, Miniskirts and Working Women

THROUGH SIX DECADES OF SOCIAL CHANGE, A COMPANY THRIVES

When hemlines rise and fall according to fashion, most of us see it only in terms of our own wardrobes: Can we make do with last year's little black dress? But what seems like a minor detail to the average consumer—what's a few inches of fabric, after all?—can become a major issue of commerce.

Even small shifts in attitude, lifestyle and buying habits affect the ebb and flow of trade. Only the companies that stay ahead of and respond well to change will survive and thrive, and Jo-Ann Stores' history illustrates that fact.

In the 1940s, as the Reichs and Rohrbachs embarked on their retail venture, World War II brought shortages, war rations and pricing restrictions. Even in that climate of austerity, however, women learned they could still be fashionable by sewing their own garments, at about a third of the cost of their ready-to-wear counterparts, and the store flourished.

The postwar 1950s boom added fuel to the economic engine. As families grew and industries blossomed, sales at Cleveland Fabric Shops steadily rose, allowing for expansion.

With the 1960s "do your own thing" cultural revolution, fewer women were sewing their own clothing out of budgetary necessity, but many realized that creating one's own wardrobe afforded creative options and design possibilities that department store racks could not always provide.

While economy and value still mattered, fabric customers were demanding the latest designs and quality, too. Jo-Ann Stores' management became keenly aware of the importance of keeping pace with the fashion world and forecasting accurately what colors and textures women would want to wear the following year. (Fortunately, for fabric sellers, the advent of the miniskirt was offset, materially speaking, by the almost simultaneous

emergence of the maxiskirt).

Other influences kept business growing. Fabric buyers welcomed the introduction of polyester and double knits, fabrics so easy to work with that many women previously intimidated by sewing decided to give it a try. Also, sewing classes became part of the home economics curriculum in many public schools, training a whole new generation of students in the art of needlecraft.

The 1970s and 1980s brought some of the company's biggest challenges. Although Jo-Ann Stores' sales typically remain brisk in lean economic times—more customers return to the thrift of sewing their own clothes and making their own gifts—severe recessions in those decades tightened the belts of most Americans. Also, growth management required a difficult transition to more sophisticated operational systems.

But another, larger factor began to play a major role in industries everywhere: the unprecedented and permanent influx of women into the workplace.

Many women no longer had the leisure time or economic necessity to sew their own wardrobes. On the other hand, the increased pace and stressful lifestyles of working Americans, coupled with the invasion of impersonal technology, eventually led to a corresponding need for creative down time and "cocooning" in the comfort of home, a trend first coined and predicted in the late 1970s by business forecaster Faith Popcorn.

That trend continues to be reflected in American lifestyles and buying habits. People are returning in droves to home-based, high-touch activities like needlework, crafts, gardening and floral design, hand-made gifts and home-decorating projects. In the two-year period from 2000 to 2002 alone, industry-wide crafts and hobbies revenue rose from an already healthy \$23

billion to \$29 billion. Studies show that 60 percent of Americans in 2002 participated in some kind of craft activity, up from 54 percent in 2000.

Attuned to these social changes early on and driven by the desire to serve all of the creative needs of their customers, Jo-Ann Stores in the early 1990s began to experiment with much larger superstores, maintaining their focus on fine fabrics while branching out into the floral and crafts markets. Customers immediately responded favorably to the mix, and as this century unfolds, the company is gradually transforming many of its more than 900 retail locations to this "superstore" con-



cept. Traditional stores will emphasize increasingly high standards of quality merchandise and customer service.

"I would like Jo-Ann to earn the status of 'premier resource' for the creative consumer," affirms Alan Rosskamm, Jo-Ann's chairman and CEO. As the company pursues its mission to follow the needs of its customers, look for exciting developments in new merchandise and enthusiastic service in the Jo-Ann store nearest you.

Adapting proactively to sixty years of change and market challenges has left one thing unchanged, however. Jo-Ann Stores Inc. has kept at its nucleus the principle that guided the founding families to their initial success: The customer must always leave the store satisfied.