

# **The Golden Goose: How Dani Reiss Became A Billionaire Turning Canada Goose Into A Luxury Brand Powerhouse**

On a snowy, blustery day in Toronto, Dani Reiss is safe and warm inside one of his Canada Goose factories, demonstrating how to get piles of ultra-lightweight Hutterite goose down into a jacket without making a mess. He steps on a worn pedal and braces for impact. With a jolt and a loud whir, five grams of white fluff shoot out of a metal pipe and into an unfinished sleeve, like a bullet exiting a gun. “I used to do this for fun as a kid,” he shouts over the hum of the machine.

A lot has changed since he was a child helping out at the factory. Back then, his family owned a small manufacturer of high-quality outerwear. They didn’t advertise because they didn’t need to. Metro Sportswear, started by his grandfather, mostly made coats for retailers like L.L. Bean and Eddie Bauer. It had also started its own brand of parkas, Snow Goose, which had developed a small but loyal following among people who worked in the planet’s least hospitable climates: Canadian Arctic rangers, Ontario’s police, a few notables like Laurie Skreslet, who was the first Canadian to summit Everest, and scientists at McMurdo Station in Antarctica.

“We had gathered a cult following in the coldest places on Earth,” Reiss says, plucking bits of down from his blue-and-black-checked sports coat. “But we were selling to a really small population.”

At first, he had no intention of running the business. “It was the last thing I ever wanted to do,” says Reiss, 45, who dreamed about becoming a writer. As a kid, he was more comfortable in fictional worlds, particularly the expansively drawn one in *The Lord of the Rings*, than he was in the world of dollars and down that his parents occupied.

But when he did take over the company nearly 20 years ago, he revealed a talent for implementing Tolkien-size marketing ambitions and pushed the business, which he renamed Canada Goose, out of its comfortable niche. He took the brand upmarket, boosting the price of his down coats to \$1,000 and targeting wealthy city dwellers in cold climates with a heavy dose of influencer marketing—before the concept even existed. The company took wing. Canada Goose did \$460 million in sales in 2018, more than triple the number from four years earlier. Its clothes have become fashion items, and celebrities like Angelina Jolie, Daniel Radcliffe and Ben Affleck are regularly seen wearing the coats.

Canada Goose’s customer base may have changed drastically, but its core line of coats, which now sell out at stores like Nordstrom, remains largely the same. This has helped the

company maintain envious operating margins of 23%, nearly double Columbia Sportswear's and higher even than those of luxury giants like LVMH, Burberry and Prada. Two years ago, Reiss and investor Bain Capital raised \$250 million in an IPO. Canada Goose's stock, listed on the New York and Toronto stock exchanges, has soared to stratospheric levels despite a series of stock sales by Bain and [Reiss, who has become a billionaire](#).

Now that Canada Goose has entered the pantheon of global luxury brands, Reiss must deftly navigate an unforgiving retail marketplace. Fashion's bargain bin of brands—from True Religion to Uggs to Aéropostale—is brimming with once-hot has-beens. In an era of fast fashion, rampant counterfeiting and hypersensitive Millennials who are already looking askance at Reiss' fur-lined coats, he must keep Canada Goose's premium cachet from flying south permanently.

The company that would become Canada Goose was founded by Reiss' maternal grandfather, Sam Tick, a Holocaust survivor who arrived in North America shortly after World War II and eventually got a job cutting fabric in a factory in Toronto. By 1957, Tick had saved enough money to start his own company making wool vests, raincoats and snowsuits. In the mid-1980s Tick sold the business to his son-in-law David Reiss, who put his penchant for tinkering to good use, inventing a machine that automated the messy, manual task of filling jackets with down.

With Dani's father at the helm, the company started selling gear under its own Snow Goose brand, but the bulk of its revenue came from making coats for catalog retailers like L.L. Bean, Eddie Bauer and Lands' End. The coats were warm but had a boxy, utilitarian appearance, and young Dani refused to wear them.

As an adolescent, Reiss had two passions: reading fantasy fiction and following sports. "Waking up every morning and looking at box scores was my life," Reiss says, recalling his ability to recite the stats for any baseball player on any given team.

In 1992, Reiss enrolled in the University of Toronto, intent on studying English literature and philosophy. During summers, his parents paid him to do odd jobs at the factory: mopping floors, filling coats with down, sewing labels on sleeves, packing shipments and loading trucks. Working the front desk, he fixed typos and poor grammar in company letters. After graduation in 1997, he planned to travel the world and write short stories, but a lack of funds forced him back to the family business in Toronto, where he worked in sales, cold-calling to drum up business. One group he found success with was airlines. Snow Goose down coats were already well known among pilots and ground crews working on the frigid tarmacs of Canadian airports.

Their devotion to his coats gave Reiss an idea. It was the late 1990s and there was a rapid rise of brands like Dr. Martens and Juicy Couture, otherwise-ordinary items that had developed cult followings willing to pay premium prices. In 2000, when Reiss turned 27, he pitched his dad the idea of going upmarket—selling to well-heeled urban dwellers who were already paying extra for the North Face and Patagonia coats. He thought they might pay even more to walk around in the garment that Arctic explorers wore. He devised a plan to price the coats around \$1,000, above the North Face but below Italy's chichi Moncler outerwear. And if Reiss was going to move forward with his idea, he didn't want to toil

under his dad's thumb.

So, at the same time he was telling his dad that he'd stick around, he asked him to step down as CEO. "I said to him, 'Look, I'm prepared to do this, but you're going to have to let me do things. This is the vision I have. It's different from the one you had,'" Reiss says. "To his credit...he let me take the reins."

As the new CEO, Reiss set out to ditch the private-label business and build his own brand. Revenue stood at just \$2 million. There was only one problem: Canadian urbanites weren't interested. When he took his catalog to the shop owners on Queen Street in downtown Toronto, every single one turned him down.

He decided to try his luck abroad, bringing his wares to trade shows in Europe and Japan, where he persuaded several high-end retailers like Collette in Paris and 14 oz. in Germany to buy his coats, now renamed Canada Goose because Snow Goose was trademarked in Europe. Before long, the owner of Vice, a downtown Toronto boutique, had spotted the coats in Europe and called to put in an order. The store sold 300 coats one winter. "That was huge at the time," Reiss says. More important, it gave the brand credibility in Canada. Other retailers followed suit. "We, ironically, reimported it back to Canada," Reiss says.

By 2008, the company was doing better, with some \$17 million in sales. But Reiss was just getting started. He couldn't afford a large marketing campaign, so he began handing out free coats to people who were easily visible working outside in frigid conditions—nightclub bouncers, hotel valets, sports-ticket scalpers. At Toronto Maple Leaf games, he gave parkas to the players to take home. The few sponsorship dollars he had would go to polar explorers, who he hoped would end up in the pages of, say, *National Geographic* wearing Canada Goose.

"From my side, it played a key role in keeping me safe in Antarctica," says Ben Saunders, who is most famous for successfully completing a 105-day round-trip trek to the South Pole. "From their side, it was a chance to tell a story."

Even with all this effort, Reiss was having a tough time breaking into the Lower 48. Hollywood would be his way in. Film crews had been wearing Canada Goose since his dad's tenure, and the coats had appeared on camera in 2004, worn by Dennis Quaid in *The Day After Tomorrow* and Nicolas Cage in *National Treasure*. In 2012, Reiss began sponsoring film festivals like Sundance, the Berlin International Film Festival and the Toronto International Film Festival and gave out coats to hundreds of filmmakers and festival attendees.

Reiss' shrewd guerrilla marketing to influencers worked. The coats became a hit among entertainment's elite. The parkas, with their distinctive red-white-and-blue emblems of an "inverted" map of the North Pole, began appearing in paparazzo photographs of celebrities such as Meg Ryan, Nicole Kidman, Drake, Liv Tyler and Hugh Jackman. In 2012, department stores like Bloomingdale's began to carry Canada Goose. A year later, Kate Upton graced *Sports Illustrated's* cover in a Canada Goose—and little else. Sales crossed \$100 million in

2013.

With Canada Goose's momentum in full swing, Reiss sold 70% of the company to Boston's Bain Capital in December 2013, raising much-needed funds for expansion and ultimately fast-tracking the company for an IPO, which took place in March 2017. Ryan Cotton, the Bain managing director who led the private equity firm's investment in Canada Goose, says, "Even if we had invested when it went public, it [still] would've been a hell of a deal."

Reiss is holed up in Canada Goose's New York City showroom, on the 17th floor of an expansive converted freight warehouse overlooking the Hudson River, discussing the growth that has taken place over the past few years. Despite his resistance to chasing fashion trends, he is surrounded by an array of variations of his classic coats. There are parkas that nearly reach the ankles and short, closer-fitting bombers as well as coats in new colors like plum and camouflage.

Reiss is most excited to talk about a new line that has nothing to do with feathers or fur. Last year Canada Goose purchased the rugged Ontario bootmaker Baffin for \$25 million. It's "a dream project," Reiss says, acknowledging he's years away from putting Canada Goose boots on shelves. In fact, it took ten years into his tenure as CEO for Canada Goose to release a lightweight collection that included vests (starting at \$425) and rain jackets (\$550). Six years later, in 2017, he introduced knitwear, including \$525 cardigans and \$625 hooded sweaters.

All the products check the same boxes. They have classic, understated designs, are incredibly warm and carry the distinctive Canada Goose logo. "Reiss has figured out how to take a functional thing and make it beautiful," says Lululemon founder Chip Wilson, who transformed his Canadian brand of yoga-wear in much the same way and now has annual sales of more than \$3 billion. "Why wouldn't you want something technical that looks good? You can double the price of a garment."

While Canada Goose attempts to follow in Lululemon's footsteps by expanding its product line with innovative new offerings, Reiss is also pursuing international growth in Europe and especially in brand-obsessed China, where the company launched in 2018. And as shopping malls languish under the weight of their bricks and mortar, Reiss is making a big direct-to-consumer push. E-commerce and the 11 company-owned stores in cities like Boston, London and Tokyo now account for 43% of revenue, up from 11% in 2016.

Reiss aims for 20 retail locations by 2020 but says the company will never have a huge physical footprint. "We see a lot of people closing a lot of stores, and we don't want to be that company one day," he says.

Like all entrepreneurs in the tastemaker business, Reiss will face his biggest challenge in preserving Canada Goose's exclusivity while greatly expanding revenues.

"There's a tuning fork deep inside Dani as to what is true and authentic to the brand and what is not," says Bain's Cotton.

Just in case the winds of fashion do change, Reiss and Bain have been taking advantage of Canada Goose's hot stock, which trades at a whopping 77 times earnings and has a near unanimous chorus of Wall Street analysts recommending it. Since the company's IPO, when Reiss and Bain offered 19% to public shareholders, the duo have sold stock in two secondary offerings. More are likely, according to Bain.

One nagging problem in Reiss' plan of world domination has been constant protests outside the company's stores and calls for boycotts from animal-rights advocates like PETA, which objects to the company's use of goose and duck down to fill the parkas and coyote fur in the hood linings.

"We disagree with them. They are a small and vocal minority," says Reiss, who insists the company adheres to all local and international standards in sourcing materials. Reiss knows that when it comes to the consumption habits of his status-conscious customers, the welfare of a small population of woodland creatures and farm critters will always play second fiddle to a glamorous selfie.

<https://www.forbesmiddleeast.com/the-golden-goose-how-dani-reiss-became-a-billionaire-turning-canada-goose-into-a-luxury-brand-powerhouse>