

It takes one statement to sink you



You know you're not a great leader when you lose your job—and your company's stock soars 7 percent on news of your departure. That's what happened to Mike Jeffries. In late 2014, Abercrombie & Fitch parted ways with Jeffries, its longtime CEO. Jeffries, 72, hurt his credibility by making gaffes and controversial statements.

When an interviewer with Salon asked Jeffries why Abercrombie & Fitch refused to carry women's clothing over a size 10, the CEO's tactless response went mostly unnoticed at the time. "That's why we hire good-looking people in our stores," Jeffries said in 2006. "Because good-looking people attract other good-looking people, and we want to market to cool, good-looking people. We don't market to anyone other than that."

Seven years later, the interview resurfaced online and triggered a firestorm. Jeffries apologized, but in a legalistic manner that didn't sound heartfelt.

"While I believe this seven-year-old, resurrected quote has been taken out of context, I sincerely regret that my choice of words was interpreted in a manner that has caused offense," he said.

As a strategist, Jeffries made missteps as well. He expanded aggressively, opening too many retail stores when teenagers were flocking to lower-priced rivals such as H&M and Forever 21.

Finally, he failed to take the brand in new directions and his botched efforts to expand proved costly. In 2004, he introduced Ruehl, a concept to attract young professionals who had outgrown the namesake brand. But sales never took off and Abercrombie & Fitch closed Ruehl's 29 stores after spending over \$50 million.

— Adapted from ["3 Huge Reasons Abercrombie CEO Mike Jeffries Lost His Job,"](#) Brian Sozzi.