

# THE LEAD

---

## Ones to Watch | Summer 2019

BY Matt Kaden | Managing Director | MMG Advisors, Inc.

### KEY POINTS

- While some believe this to be an apocalypse, retail guru Steve Dennis astutely points out that “Physical retail is not dead. Boring retail is.”
- What truly sets Neighborhood Goods apart is “Its relevant and social experience above all else...We certainly do not operate on a wholesale or seasonal basis. It’s something more vibrant and living than that...” – Matt Alexander, Co-Founder & CEO
- Rachel Bentley, Co-Founder of The Citizenry explains that the choices her company is making are about more than just quality products. “Global supply chains sound boring, but they have more impact on the environment and human rights than anything else happening in the world today.”



Image courtesy of Neighborhood Goods

### NEIGHBORHOOD GOODS

2019 looks to be a record year for retail store closures and according to Coresight Research – as of this writing – year-to-date figures have already outpaced 2018 in aggregate. Department stores, in particular, have experienced a lot of pain of late. While some believe this to be an apocalypse, retail guru Steve Dennis astutely points out that “Physical retail is not dead. Boring retail is.”

“It’s a beautiful day in the neighborhood” for Matt Alexander & Mark Masinter and their start-up Neighborhood Goods. This one to watch is hell-bent on reinventing the department store and taking full advantage of a transformative retail landscape.

Located just down the road from JC Penney's corporate HQ in Plano, TX, Neighborhood Goods is a new breed of department store that features a rotating roster of some of the most interesting brand and product activations. Neighborhood Goods is cultivating a loyal following supported by curated events, food & drink and an in-house editorial team whose rich storytelling is interwoven across its activations, e-commerce site, app, and printed magazine.

According to Matt, who functions as the company's CEO, what truly sets Neighborhood Goods apart is "Its relevant and social experience above all else... We certainly do not operate on a wholesale or seasonal basis. It's something more vibrant and living than that... where it's much more about human connection and contact and doing some playful things in the space rather than focusing exclusively on how we can coerce people into coming into a room so we can extract dollars from their wallets."

With plans to open its second store in New York City later this year, the future looks bright for this rising star.

Neighborhood Goods has raised \$14.5 million of seed funding from lead investor Forerunner Ventures. Revolution, Maveron, CAA Ventures, Serena Ventures, Global Founders Capital, Michael Dubin, Alan Shor, Alrai Capital, NextGen Venture Partners, and other undisclosed investors also participated.



## THE CITIZENRY

Frustrated by the mass-produced retailers churning out uninspired, cheap goods, decade-long college friends – Carly Nance and Rachel Bentley – left the comfort of jobs in corporate America to start The Citizenry and make their difference in the world.

This one to watch is on a mission to transform your home and a problematic global supply chain, offering ethically made home goods that highlight the best makers and materials from around the world. Each season, The Citizenry expands their offering with must-have styles from a distinct corner of the world, recently introducing linen bedding from Portugal, hand-knotted rugs from Morocco, and hand-woven alpaca throws from Peru. This sustainable approach to business, driven by a direct-to-consumer model void of margin erosive middlemen, enables the company to offer luxury quality, hand-crafted merchandise at more affordable prices.



Rachel Bentley, Co-Founder of The Citizenry explains that the choices her company is making are about more than just quality products. “Global supply chains sound boring, but they have more impact on the environment and human rights than anything else happening in the world today.

Images courtesy of The Citizenry

Rachel Bentley, Co-Founder of The Citizenry explains that the choices her company is making are about more than just quality products. “Global supply chains sound boring, but they have more impact on the environment and human rights than anything else happening in the world today.

Less than 1% of home textiles are made in fair trade conditions. This means millions of workers, typically working 12-14 hour days, live in extreme poverty and the factories they work in cut corners, causing tremendous environmental damage.

Progress is only possible if we, as consumers, shift our support to companies that focus on sustainability and pay fair wages for 100% of the products they make (e.g. Everlane, Reformation, Patagonia, The Citizenry), rather than allow companies to whitewash their brand with a tiny handful of well-publicized, socially positive products.”



Matt Kaden is a Managing Director at MMG Advisors, a boutique investment banking & strategic advisory firm to the fashion, consumer & retail industries. Kaden has nearly 20 years of executive & strategic advisory expertise in the fashion & retail industries & is particularly adept at navigating the confluence of fashion & technology. Before joining MMG, Kaden co-founded Matter Strategic Advisors, focusing of growth & exit strategies for client companies, while facilitating strategic partnerships. Kaden is an advisor at The Lead, a member of The Expert Network of New York Fashion Tech Lab, & a mentor for both XRC Labs & The Ember Company. Additionally, Matt has been published in WWD, featured on the Fashion is Your Business Podcast & is a regular contributor to several industry trade publications.