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The Innovator

For nearly 30 years, Iraklis Karabassis has quietly pulled the strings of Washington's retail scene. Here we reveal the man behind the curtain.

"PURE CHANCE." AFTER GIVING IT SOME thought, this is how retail genius Iraklis Karabassis explains his arrival in Washington, DC. It was 1983, and the Greek entrepreneur was living in Paris, working for megabrand United Colors of Benetton, when the company asked him to identify markets in America where the Benetton label could take hold. His instincts led him to Washington—but Karabassis never planned to stay. And he certainly never imagined he would base his international retail and fashion business, IK Retail Group, here. But Washington is just the sort of place where a guy like Karabassis can fly under the radar in the high-stakes world of fashion. "Also," he amends his answer, "Washington is a fantastic location, with so many international residents, so many visitors. And it's easier to manage the business from here."

Getting back to the business of his business, Karabassis is one of the biggest names in fashion you've never heard of. From his Georgetown office, he and his trusted group of operatives, including his wife, Yasmine, guide millions of dollars of retail business—consulting on management, operations, marketing and, most importantly, branding. "We're a very unique case for the United States," says Karabassis in his thick Greek baritone. "We are contacted to help analyze potential expansions of retail concepts." Karabassis's team ably sets up infrastructure, opens the concept and then either steps aside or joins in, depending on the partnership with the particular retailer. At present there are several brands in his portfolio, mostly partnerships, although there are two he owns outright: G-Star Raw and DNA 2050, both contemporary brands that sell several labels in each store. "It's an incubator," says Karabassis of the stores. "We can see which-ever brands are doing well with us in the store, and then we can take those out and do them separately. That is very unique." (He is right, of course; you can't test-market another brand inside, say, a J.Crew brick-and-mortar.) Other ventures include Max Mara, Billionaire Italian Couture and Piazza Sempione—which, for example, operates via a joint venture between Karabassis and a division of luxury empire LVMH. "Every time I get a new concept, I assign a brand manager, and this new person reports to me," he says. "And together, with that person, we build the business."

Karabassis's success has bred more success. There are European retail giants who will not expand to American shores without first consulting

Karabassis. Louis Vuitton, Bulgari, Gucci—all would never have a retail presence in Greater Washington were it not for the influence and guidance of Karabassis. "We understand them," says Karabassis of European fashion houses. "The fact that we saw so many things come at one time with Benetton also helped." To this point, Karabassis is speaking about the enormous growth of the brand in the United States; at one time in the early 1990s, he oversaw more than 250 shops. "I was in every state, and in every state I had a shop, and with every shop I knew the shopping mall," he says. "All of that gave me a lot of experience and a lot of confidence that I knew the markets better." (Karabassis personally chose the locations—"Good selection of the location is 50 percent of the success," he says—and also handled the economic specifics of each deal.)

To ensure a smooth transition to the American market, IK Retail Group provides a platform for every aspect of a retail operation. "If a European company wants to be in this country," explains Karabassis, "they just come to us; they don't have to hire their own people. We operate all of that: We do the work, and the store will get the visual, the accountant, the operations.... It's easy, cost-effective and a highly recommended way to do business."

Ever the entrepreneur—and a taste-maker in his own right—he eventually moved beyond the fashion industry to dabble in restaurants. "I thought Washington needed a more vibrant atmosphere and higher service standards," he explains. He developed a concept and, in 1992, opened Café Milano with partner Franco Nuschese, and the DC dining landscape was forever altered. Karabassis lets it slip that he is looking to build on its success at some point in the next year—that is, if he finds the time. He jets to Europe seven or eight times a year; he is a globetrotter, endlessly hunting trends. He has just returned from Amsterdam, where he has found a strong connection with a retailer he believes shows much potential. He is excited about this one, and it is palpable. "This concept definitely has an innovative aspect. It must," he says. "One of the secrets to this business is that you have to be able to find the next big thing."

With the help of men like Karabassis, those on the cutting edge, Washington has transformed itself into the stylish cosmopolitan metropolis we always knew it could be. "Washington has had an incredible growth in the past 20 years," he affirms. "It has helped us be very successful. We're not going anywhere."

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