How Eileen Fisher became a model of sustainability in the fashion industry

This week’s episode of Fortune’s Leadership Next podcast zooms out a bit from the coronavirus-related coverage that has rightfully consumed attention over the last few weeks, and again shines a spotlight on a singular CEO who typifies the changing rules of business leadership.

Host and Fortune CEO Alan Murray does note that the pandemic has forced a moment of truth for many companies, where they must have a serious conversation about who they want to when they emerge from the crisis. They might be re-evaluating their core tenets, but values such as sustainability and environmental responsibility have guided how designer Eileen Fisher has done business since she founded her namesake fashion line in 1984.

Fisher has retained control for more than three decades over a brand that earns over half a billion dollars in annual revenue and has about 1,200 employees. She made an early decision to share ownership with those workers: “As soon as we started making money, the first thing I thought of was to share it with the people who help do the work and make it happen,” she explains to Murray at the five-minute mark.

Even at the expense of growth—which tends to top the list of priorities for most corporations—Fisher has let her instincts be her guide and is proud to say she isn't beholden to outside investors.

“I don’t know that growth is what makes it better. For me, it’s always what makes it better?” she says. “I’m much more interested in growing in what we call a circular way, like how do we grow this company in a way that it's taking full responsibility for its impact on the environment, on the people working?”
Fisher is a creative at heart, which might make it a bit easier for her to lead with these concepts at the core. But she mentors up-and-coming designers on how they can do the same. Later in the episode, the founders of award-winning streetwear brand Public School speak volumes of the best practices around sustainability they learned from Fisher via an accelerator program. She also provides concrete examples of how it looks to choose the right thing over the (immediately) profitable thing.

“Sometimes we pay more. Organic cotton, it costs 15% more, so we pay it, and it’s hard to pass it on to the customer,” she explains. “It does cost more, but we believe it’s really important. Some things end up in the long run costing less.”

Hear more of the robust conversation with Fisher on the new episode of Leadership Next now: