

Executive Insights: An Interview with Scott Harris Shapiro, CEO Europa Eyewear

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Abstract

Scott Harris Shapiro, CEO of Europa Eyewear, discusses the current state of the optical industry and Europa Eyewear's unique approach to servicing Independent Optometry. Scott learned the value of communication at the beginning of his career where he was featured on and produced radio shows. Those skills have served him well as he leads an entrepreneurial company with the largest eyewear manufacturing facility in North America. Scott talks about the unique challenges in setting up this state-of-the-art factory outside Chicago, and how being "Made in America" is a source of pride for Europa and its customers. As the new Chairman of the Vision Council of America, Scott looks ahead to how emerging technologies impact Europa and the optical industry.

How did Europa get started, and what is its unique positioning in the eyewear industry?

Europa started, like many great businesses, out of a garage, this one in Chicago. My parents started the business together. My dad had been in eyewear sales before, so he sourced six frame styles, put them in a briefcase and hit the road. My mom handled customer service and inventory management. They valued the determination to succeed, supporting the independent eyecare professional, helping them grow their business, and building relationships, not contacts.

The values they started with are very much what separate us today. While many of our competitors have built their businesses on licenses and other marketing directions, our portfolio of brands is all independent, and thus all native to the optical industry. That, along with our commitment to

employing the best salesforce and customer service professionals in the field, have garnered us the type of good will with our customers that's allowed us to grow our business year after year.

Another big part of the Europa success story is that we have the largest manufacturing facility in North America at 30,000 square feet, employing 65 craftsmen who take great pride in building frames for independent optometry.

What are the core founding principles behind Europa?

Our industry has been recently dominated by a handful of mega-corporations that characteristically struggle to create the same culture and personal environment that come natural to a company like ours. We know we can't compete with these larger companies when it comes to designer licenses and marketing budgets. But what we can do is treat our employees more favorably, so that they represent our company more favorably. We can keep our employees for a longer period, so that they can develop deeper relationships with their customers. And most importantly, we can treat our employees and our customers as if we need them more than they need us; because that's the reality.

One of the things that makes Europa special is the family-focused nature of your business. How do you balance the needs of the business and your commitment to your employees?

That can be difficult at times, but what we find is that the needs of our employees are in-line with the needs of our business far more often than they are in competition. Again, there are some exceptions, but we try to live by the notion that if we treat our employees well, they'll treat our customers well. That's not just good for business, that is our business.

Your background is quite interesting as a radio personality. How did those experiences prepare you to lead Europa?

It prepared me in ways I never would have imagined. First off, I was lucky to work with radio professionals who looked at their careers as businesses, so I was trained to do the same. More importantly, radio taught me invaluable communications skills that I use in every aspect of my job today.

Europa has always been proud to have a portfolio of independent non-license brands and focused on being a business partner for the independent optician- independent for the independent as you say. How do you support independent optometry and help them to be successful in a space filled with chain retailers?

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Most obviously, avoiding licensing fees allows us to pass savings onto our customers and offer them higher value. But freeing ourselves from those licensing agreements also allows us to focus on the one relationship that's most important: the relationship with our customers. Those licensing relationships can be very cumbersome and very demanding. Without licenses, we have one less master to serve. Also, the fact that our brands are all native to our customer's industry garners us a great deal of good will.

Most importantly though, we support our independent customers by finding ways to say yes to just about any request they come up with. Because we're much smaller and more nimble than those huge competitors, and because we've streamlined our stakeholder relationships, we have the freedom to avoid policies that might not be in their best interest. Being able to service each individual customer exactly how we see fit - that's true independence.

One of your brands, American Optical, has a unique history. Could you tell us a little more about AO, as well as other brands in your portfolio and how they address the needs of today's optical consumer?

Our brands basically fall into two categories; brands that fill a specific demographic or price point need, and brands that come with a deep and rich story. AO is most certainly the latter.

American Optical is the oldest optical company in the US, founded in 1833. It was the first eyewear manufacturer in America, and responsible for innovations like rimless eyewear, aviator sunglasses and fiber optics. American Optical provided eyewear to US soldiers in both World Wars. The astronauts on the Apollo 11 Mission also wore American Optical sunglasses on the moon, now housed in the Smithsonian Museum in Washington, D.C. American Optical eyewear has been worn by athletes, artists, actors, the Pope and American presidents including President John F. Kennedy. It is the most storied optical brand in America, and the fact that our team gets to work on it is an absolute honor.

With so many emerging marketing technologies, how does Europa prepare to be competitive in the future?

We must balance our current obligations and opportunities with those we foresee in the future. Unlike companies much larger than ours, we don't have the budgets or the bandwidth to invest heavily in gut predictions. We're just not going to be the company that invents or pioneers world-changing technologies, and that's ok. We don't have to be the first, but we do need to be educated about emerging technologies and nimble enough to incorporate them when we can.

Unlike many eyewear companies that rely on offshore manufacturing, Europa is the only eyewear company with an American factory. Can you talk a bit about the eyewear manufacturing facility you have in Illinois and how that sets Europa apart?

There are a few other companies that have developed small factories, but no one is doing it to the scale we are. We built our factory in 2014 when very few other optical companies were making anything in America. Everybody told us we were crazy. And in fact, making eyewear in the US is very difficult. We've faced obstacles we never even considered. But there are several reasons we're proud to make our products domestically, and strategically, doing so creates a story for our products without having to pay for a license. It gives us a valuable story to tell, while remaining independent. And we believe there's no better story than "made in America."

We have heard about the supply chain issues facing many American businesses. How did Europa navigate through these issues?

Supply chain issues have affected our operations and bottom line in a very real way. Our domestic manufacturing is not immune either. In fact, in many ways supply chain issues are even more impactful on a business that requires raw goods from other sources, than finished products. When you're waiting on a finished pair of glasses, your customers might get frustrated and you might have backorders, but when you're waiting on raw materials for domestic manufacturing, you have a factory full of employees who can't be working to their capacity because they're waiting on parts or components. Although we've come up with some clever strategies to try to offset those difficulties, like all our peers, we've had to raise our prices to compensate.

What are your predictions for the future of the optical industry in America?

Our industry has seen a great deal of consolidation in recent years, and I expect that to continue, but slow. There will also be some new technologies that will change our business, most obviously AR glasses. But the optical business has proven to be incredibly stable over the last many decades, and I expect that won't change. In fact, as the American population continues to get older, more people spend time staring at screens, and populations around the world become more educated about eye health, there's plenty of evidence to suggest that the demand for our products will continue to increase over time.

Executive's Bio

Scott Harris Shapiro grew up in the eyewear industry and is the namesake of the multi-million-dollar eyewear brand, Scott Harris. His parents founded Europa Eyewear in 1977, and for more than 40 years the company has been designing, importing, and distributing eyeglasses and sunglasses. In 2014 Scott teamed up with a small group of innovative entrepreneurs to build a first-of-its kind American eyewear factory and produce a new luxury brand called STATE Optical Co. In 2018, he and his team uncovered a unique opportunity to acquire a legendary eyewear brand that was a household name just a generation ago - American Optical (AO Eyewear) - and bring their manufacturing process to Chicago. Today he serves as CEO Europa Eyewear and is Chairman of the Vision Council of America. According to Scott, "We don't just want to make eyewear in America. We want to make truly American eyewear."

Interviewer

*Alexandra F. Kunish is an Assistant Professor of Professional Practice in the Marketing Department at Rutgers Business School, and Faculty Chairperson of the Marketing Advisory Board. Her areas of Marketing expertise include global brand management, product development, licensing and acquisitions, and strategic planning. She has spent over 20 years in various roles in the Fashion & Beauty industries working on some of the most recognizable, powerhouse consumer brands in the world at companies like The Swatch Group, Johnson & Johnson, Avon, The Estee Lauder Companies. Now, Alex brings her real-world experience to the classroom at Rutgers Business School. In addition to her passion for teaching students in the classroom, she is the Faculty Chairperson of the Marketing Industry Advisory Board in which she works closely with senior marketing executives across a variety of industries on key marketing education initiatives like marketing curriculum modernization, experiential learning opportunities for students as well as the planning and execution of the Jerome D. Williams Marketing Summit, an annual event at RBS. Alex recently joined the Board of the Marketing Club of New York, and she is also a member of professional organizations CEW and FGI.
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