

Ann Vesperman Olson

Vice President, Customer Service
Lands End

Oral History Transcript

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*Recipient of the 2000 eLoyalty
Award for Leadership in the Relationship
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Lands' End, Vesperman Oral History, 4.7.2000

Dan Morrow: Good afternoon. Today is April 7, 2000. It's Friday--no longer a snowy Friday. We're in Dodgeville, Wisconsin, headquarters of Lands End, a pioneering retailer.

Good morning. Today is April 7th of the year 2000. It's a Friday. We're in Dodgeville, Wisconsin, the headquarters of Lands' End, a pioneering retailer and Internet direct merchant.

We're interviewing today Ann Vesperman, the Vice President for Sales and Service at Land's End, who will, in June, be recognized by the Smithsonian Institution and the Computer World Smithsonian Program for her pioneering work in the use of information technology in ways that are having a profound effect not only on the way people do business with each other but in the long run, on the way human interactions, relationships, expectations of each other are evolving in the information age of this new 21st century.

Thank you very much, Ann, for giving us this time. And I'd like to begin by just having you tell us what your job is here at Land's End.

Ann Vesperman: What my job is at Land's End. Well, officially, you said it was the Vice President of Sales and Service, and what does that mean?

I'm responsible for working with a group of people who take care of our customers. And probably, I think one of the most important things that we do here...we definitely look at it as one of our strategic competitive advantages, taking care of the customer has been paramount and it's one of the things we're known for.

Land's End customer service--when people call, we get letters, we get emails. I mean I've never seen anything like it. People take the time out to send those to us and say what a great experience they had.

So I get to oversee that operation and I get to work with those people and take that forward and really work on maintaining our edge in the marketplace when it deals with taking care of the customer.

Dan Morrow: When you were growing up here in Madison, did you ever imagine that you would be doing this?

Ann Vesperman: No. [laughs] No, really! I didn't. I mean I didn't imagine I'd be sitting here, getting an award like this. It's...

Dan Morrow: Well, what we'd like to talk about now is how you got here. I'd like to start at the beginning rather than working back from where we are now. So you were born here.

Ann Vesperman: I was...yeah.

Dan Morrow: Tell us about when and where you were born and your parents and growing up in Madison.

Ann Vesperman: Okay. I was born and raised in Madison, so I am a native of the area. Back in--what should I say? 1960...I'll tell you, I just turned 40. My parents came from the area--it's really kind of ironic.

My mother was raised in Dodgeville--born and raised in Dodgeville--and my father was from Lancaster, which is a stone's throw down the

road from here. So I'm kind of coming back to my roots, which is strange. And I run into people that knew my parents when they were growing up.

My father went to the University of Platteville and then migrated to Madison. Some of my older brothers and sisters were born down in this area, but I was born up in Madison.

Again, I was raised there, went to high school there. Went to a couple of years of college at the university at Madison. Got a job in Milwaukee working in an accounting firm when I was going of business school.

Kind of found my way there...I don't know how. Just kind of... I think I knew some people that had been in business school that I went to high school with and they were talking about it. And I wasn't quite sure where I wanted to go. You know, those first couple years of college, unless you're really focused--which I wasn't. I took a lot of the kind of general classes--the chemistry and the psychology and those kind of things. I had thought I would go into engineering, which is what my father was.

I strayed toward the business area and I got a job in an accounting firm.
And I went to the University of Wisconsin-Milwaukee, then. And I
worked at that accounting firm while I was in school.

And then when I graduated from school with my accounting degree, I
ended up going to what was then Wisconsin Telephone Company.

So that's kind of a quick overview of how I got to my first career
opportunity, if you will--my first job.

Growing up in Madison, I came from a large family. I have seven
brothers and sisters.

Dan Morrow: So this is Madison in the wild and woolly '60s, you were...

Ann Vesperman: Yeah, actually.

Dan Morrow: Just a little kid.

Ann Vesperman: I was a little kid, but I do remember it. I actually, my parents don't live far from the University, so I can remember like when Sterling Hall blew up. We had louver doors in our house and they all shook.

Dan Morrow: Oh really?

Ann Vesperman: Yeah, the house actually shook. And we're probably a couple miles--at least two, three miles from where that happened. But I do remember that. And I remember...it's vaguer memories but I do remember seeing the riots on TV and the police. It was a turbulent time.

Dan Morrow: For those of us who are watching this a hundred years from now, the University of Wisconsin was one of the more, had one of the more active student bodies--

Ann Vesperman: Uh hmm.

Dan Morrow: Do you remember...you must've been, what? Five, six, seven?

Ann Vesperman: Yeah, five, six--yeah, I was. Yeah. Born in the '60s. So I was a little child, so it's some of those kind of vague memories that...

Dan Morrow: Has the family been here in Wisconsin long? Was your father was the first to come or...?

Ann Vesperman: No, there are a couple generations back. We were just looking at it, I think, a couple of weeks ago. For some reason they brought it out and we were talking about how many generations went back.

My grandmother was born here, but I think one of her parents--her father--came from Germany. So on that side, I know my grandmother was all German, so my dad was...

Dan Morrow: Now, did you go to grammar school here?

Ann Vesperman: I did. I went to grammar school here. I went to Hoyt School. It's over on the west side of Madison. And I went there through grade five. And then they had a middle school system where you go for six, seven, eight. So I went to a different school, which is Van Hise.

Hoyt was close to my home. Hoyt was half a block away. So you'd walk back and forth to school and come home for lunch and things like that.

When I went to Van Hise, that was probably about three or four miles away, so you would take the bus or ride your bike or some other way to get there.

Dan Morrow: Your father was a college-trained engineer.

Ann Vesperman: Uh hmm.

Dan Morrow: Did you learn to read when you started school or had you already read before you got there?

Ann Vesperman: Wow. [laughs] You know, truly, I'm trying to remember whether or not I could read. I know I could count. I think it was more being around all my brothers and sisters, probably.

Dan Morrow: And you have about eight?

Ann Vesperman: I have seven brothers and sisters, so there's eight kids. So you learn a lot just from your experiences with them.

But my mother was at home. She was a homemaker. What do they call it now? Domestic engineer. [laughs] Anyway.

Dan Morrow: Do you remember any of your grammar school teachers--

Ann Vesperman: I do. I do, actually. There's...I can remember a couple. Actually all three. I remember a first grade teacher--her name was Mrs. Overland, and she was the nicest lady. For years I think I remembered her and I think just because she was such a good teacher. She was just so nice and brought you along. I just had good memories of her.

Dan Morrow: Well, the reason I ask you [unintelligible] I didn't start school until I was in the seventh grade and my first grade teacher actually taught me to read.

Ann Vesperman: Wow.

Dan Morrow: So...I'm sorry. Go ahead.

Ann Vesperman: I remember her. I remember a third grade teacher--her name was Mrs. Price. And you know what? It's funny the things that come back. But I remember being in her class and we were making bread. And everybody, you got an opportunity to come up and knead the bread, you know? I knew how to knead the bread because I had done that with my mom.

Dan Morrow: Oh, that's great!

Ann Vesperman: And she was like, "Wow! You must've done that before!" and I was really proud. One of those moments that I don't know why it sticks, but it sticks.

And there was a fifth grade teacher--Mrs. Todd. And she was--I remember her. She was a white-haired lady--real white hair and she had glasses. She was...she was a little more...maybe I remember her because she was just a little more stringent type teacher, but a good teacher, I think, and brought me along. I learned easily.

Dan Morrow: I think in the fifth grade you're actually beginning to learn [unintelligible] stuff.

Ann Vesperman: Yeah. So maybe that's the point. It just got a little more serious and you got more in-depth into things. She was somebody I think that really kind of pushed me more to do better.

Dan Morrow: Are there any Ann Vesperman stories that your parents or your siblings tell about you when you were a little that give any hint of...

Ann Vesperman: [laughter] I'm trying to think of any specific stories.

Dan Morrow: You weren't blowing things up?

Ann Vesperman: I wasn't blowing things up, but I was into things, I think. I was busy. I like--my dad being an engineer and having a large family, he always did things himself...fixed things or made things. And I enjoyed being with him doing that. So I learned how...I mean I was around cars and woodworking and just that kind of stuff from a very early age.

Dan Morrow: I think this is really going to seem strange from a perspective of 100 or 200 years from now. But it was rather unusual for a little girl in the '60s to be doing that, wasn't it?

Ann Vesperman: Yeah, it was. I mean that wasn't girl stuff. But our family, there never really was a "this is a girl--you can't do this," or "you're a boy, you do that." I never remember hearing that ever. So it was pretty open, fair game.

I can remember after doing that...I mean, I knew how to do it. I was the type of person if I knew how to do it, I at least wanted to try to do it. I can remember changing the oil on my own car just because what the heck? Riding motorcycle.

Dan Morrow: As you grew older, did your friends ever give you any grief about that?

Ann Vesperman: [laughs] Actually, they did. It's kind of funny that you would bring that up. I was pretty knowledgeable, actually, about cars--which is kind of funny--just from being around my brothers and my dad and learning those. He would fix it and they got into cars and got some old cars and

they redid it. That made me more confident around them, I think, and I was confident driving.

And I can remember being in high school with my friends. They'd call me AV Auto once in a while as a joke because I'd say, well, no, you got to do this, or you got to do this.

Dan Morrow: This is great!

Ann Vesperman: Oh, okay.

Dan Morrow: If only they had known.

Ann Vesperman: If only they had known.

Dan Morrow: So you went to high school [unintelligible]?

Ann Vesperman: I went to high school at Madison West, which is on the west side of Madison. That makes sense. Grades nine through twelve. I think I did better in my last two years than my first two years. I mean I did okay,

but as I reflect on it, I didn't have to do a lot to get good grades, so I didn't always apply myself.

I liked to have fun. I was an active person. Let's say that. So I found lots of ways to have fun. I can remember having a girlfriend that was a couple of years older than me. We had a group that we ran with.

She decided one year she was going to take all her savings and buy a car. She didn't have a driver's license, but she was going to buy a car.

So she went out and bought this car and then others of us that had driver's licenses would drive it around--one of these horror things your parents never want to hear. And of course it didn't have insurance. And we'd go and ride around in the car--take us to McDonald's at lunch and...

Dan Morrow: Who were your heroes when you were growing up?

Ann Vesperman: When I was growing up?

Dan Morrow: Yeah, who did you model yourself [after]? The '60s, well, I guess the Kennedys, all that tragedy would've occurred when you were three, four years old--

Ann Vesperman: I was pretty little. I mean I vaguely remember Bobby Kennedy--that tragedy. And I don't know if I model myself after--I was probably too little at that point.

But as I think about that, I mean it's probably more my parents--I mean probably more my dad than anybody else. My mother's the softer side and my father's probably more the doer, kind of technical side, if you will.

Dan Morrow: And you said your family was very close?

Ann Vesperman: They're very close. Sometimes you see families that aren't. And we've gone out our different ways. It's actually all the girls have wandered out.

My sister lived in Seattle for about nine years. My other sister lived in Texas and then she lived in the Sound up on Orcas Island for a while. They lived on a boat. They were free spirits and they managed a resort.

And they've all come back. So we all live in the general area now. Kind of migrated back to the homestead, if you will.

There's a great quality of life here, so that's I think one of the reasons. And family is here. And we do all get along very well.

Dan Morrow: Sounds like your dad has had quite an influence. You said that you had seriously considered doing engineering.

Ann Vesperman: I did. My older brother, who's a year older than me, is an engineer. And we were on campus kind of at the same time. We'd help each other sign up for classes and things. You kind of think, well, maybe that's what I should do. So I was thinking about it, and you take those aptitude tests that say where you might go. I was on the technical side of that as well. It was kind of steering me that way. And I have two younger brothers now that are engineers.

Dan Morrow: You were starting at the University of Wisconsin at Madison for those first two years. About the same time Lands' End was introducing its first 800 telephone number.

Ann Vesperman: Yeah.

Dan Morrow: Tell me about Madison in the late '70s, early '80s. What was it like going to college? You'd sort of been part of that community--

Ann Vesperman: Yeah. Well, I graduated early from high school. I had enough credits at mid-semester, so I ended up deciding to take some classes at the local technical college.

I had a guidance counselor who--I mentioned my second couple years in high school I applied myself a little more. It was almost a challenge. I remember his name was Mr. Olson--David Olson, that was his name. I had talked with him a little bit--a little career planning. And he had kind of made this challenge to me about doing a little bit better.

So my second, you know...it's a challenge. So I thought, okay, I can show you--I can do this. So I got better grades and had the credits to graduate.

I went to MATC, which was the local vocational and technical school, and took some classes there in preparation for college the next year--full year or term. And I stayed kind of involved in the social activities with my friends, the high school.

Dan Morrow: University of Wisconsin in Madison--is there anybody there that played a significant role...?

Ann Vesperman: I'm trying to think. I took some more general classes. I started to look at the business school. But you know, I just...

Dan Morrow: The first two years are the years of the required courses anyhow.

Ann Vesperman: Yeah, they were the more required...trigonometry and... Yeah, yeah. So it wasn't anything terribly exciting. But the campus was fun--a great environment. The University of Madison campus is known to be quite a party campus. All these good things.

Dan Morrow: University of Wisconsin is known on both sides. Academic--

Ann Vesperman: Academic. Uh hmm.

One of the things we didn't touch on that I think goes along with it that I still kind of stay involved with today is the football games at the university. It's a great tradition in the sports world around the university. I mean you're talking about a town of 200,000 today. Back then it might've been, I don't know...130, and there's a campus of 40,000. So the campus had quite an influence on the community as a whole.

But I always used to go to all the football games. I can remember being in seventh grade and the tickets were a dollar.

Dan Morrow: Fabulous. Those days are--

Ann Vesperman: Saturday morning. Yeah, girlfriend and I--Karen Schmitt, who's a longtime girlfriend--we'd go to the football games. It was fun.

Dan Morrow: That's great. Now, you started...you actually were working just before your junior year.

Ann Vesperman: Uh hmm.

Dan Morrow: Tell me how you got into accounting. Did you take courses you took in the technical school?

Ann Vesperman: No. I had some friends from high school who were going toward the business world and had been talking about it. And I thought, oh, that's interesting. And I kind of really didn't know what it meant, because I hadn't had a lot of exposure to really what it was all about. And I just said, well, you know, I'm going to try that.

And I actually had a contact in Milwaukee through my aunt. My Aunt Mary who was very close to us had a friend who was a principal at an accounting firm. And I had been talking about the business and going into the business area in the accounting field, and so I got a job there--a kind of internship, if you will.

So I said, well, that would probably be a good thing to do. Do that when I'm in school and then go and get my degree in that.

So I moved down there and I had that job for two years while I was in school. And then I went through the accounting programming at the University of Wisconsin in Milwaukee.

Dan Morrow: What was the state of information technology at the [unintelligible]? It's okay to [omit] the firm.

Ann Vesperman: The firm's name was [Nankin Schnoll] at that time. And they were a large, local firm--I think they had about 125 accountants on staff. And I started out doing some proofing and basic stuff and worked my way into actually having a couple of my own customers that I took care of. So it was exciting; it was a good experience.

Dan Morrow: Were they very computerized when you went to work for them?

Ann Vesperman: They did have a general ledger system and everything was keyed in through data entry. Actually, I can remember my first experience on a computer was there, and it was with VisiCalc on the Mac.

Yeah, I'm taking it back. And that had to be--because I graduated in '83--so that had to be about '82, '81, right in there. We were doing spreadsheets.

Dan Morrow: Working at the accounting firm, got your bachelor's degree in accounting. Who were your professors [unintelligible]?

Ann Vesperman: Fisher--Bill Taylor and...I'm trying to think of his name...Fisher, Fisher, Fisher.

Dan Morrow: And you were learning in school all the techniques using paper accounting systems?

Ann Vesperman: Everything was written. Those spreadsheets that fold out and fold out?

Dan Morrow: All the exams?

Ann Vesperman: All the exams were manual--you betcha. Doing consolidations on a manual spreadsheet. Ohhh.

Dan Morrow: But this early VisiCalc experience...I mean for so many companies the first infiltration of automation and computers came through the financial side. So invaluable experience learning how do to that spreadsheet work.

Ann Vesperman: Uh hmm.

Dan Morrow: So you graduate from college and you go to work for...?

Ann Vesperman: Wisconsin Telephone Company. I interviewed for a number of jobs and then I had some offers in the insurance area--Blue Cross, Blue Shield, [Chris Dayton] Accounting or Wisconsin Telephone. And I kind of was thinking, what's the best career move? The money was alluring-- Wisconsin Telephone paid the most money. So I should say that was kind of a factor!

But it was also working not in the traditional accounting sense, but it was a new opportunity because I actually worked on the systems side more as a business analyst in the accounting systems end. So I thought, well, that will be a great experience to learn this side of the business.

I mean I had taken computer science classes in college. They were still teaching Fortran then, you know, when you were doing punchcards.

Dan Morrow: Oh yes.

Ann Vesperman: The whole stack and put them in the reader kind of thing. I thought this was a great experience for me to kind of learn how to support the systems end of this. Because I had had the financial piece.

Dan Morrow: Yeah. And the telephone companies [there were] cutting edge technology in those days.

Ann Vesperman: Uh hmm.

Dan Morrow: Who was your first boss?

Ann Vesperman: Phil Davis was the name of our district manager, and my first boss' name was Arvid Gehrke. The telephone company's kind of an interesting place, because at that point in time even, there were so many people that had been there for a long, long time. That was a place where you went from- -they called it cradle to grave. But you went there and you stayed there forever. It was a great company to work for and it was a lifetime job if you wanted it to be.

So he had been there a long time. He knew a ton about how the systems worked and the cost flow and the plant costs were recorded. Because he

had come from the plant side. He had come in as a telephone repairman and worked his way up into that role. So he had all that knowledge of how all that worked.

Dan Morrow: So your first job was?

Ann Vesperman: Was doing the business systems analyst. They called it methods and procedures, but it was really supporting a production system. You would work with the programming group to say here's the business application, here's how I want it to work.

And then when it went in, we'd run a production test system, or a test system that mirrored the production system. And then we'd test the output, and then we'd make sure it worked the way we wanted it to work, and then we'd implement it so that it would go into the production.

Dan Morrow: And you were actually working with punchcards?

Ann Vesperman: At that point, I wasn't. Actually, in school I was, but in that sense, they weren't working. They were working online, on terminals.

Dan Morrow:

So do you remember any of the equipment you were [using]?

Ann Vesperman: Oh, they were those old Dataspeed 40 terminals and keyboards. Click, click, click--the keys go. Have you ever seen those? They were black. Click, click, click, click, click. I just remembered the keys clicked like crazy when you used them.

Dan Morrow: And the tape in these systems?

Ann Vesperman: Tape, yep, they had tape systems. And they had--they didn't use them so much anymore, but they had--what were they those called-- comptometers? You know? Adding...yeah, they had a long history. So they obviously had some old equipment, although some of it wasn't used in production anymore.

Dan Morrow: Well, you were at Wisconsin Bell, which I guess eventually became Ameritech for 14 years.

Ann Vesperman: Yeah.

Dan Morrow: Tell me a little bit about your progression .

Ann Vesperman: It's interesting because I still have a good friend--actually, she just quit there. She was working in Copenhagen and decided to come back and do something different. But she worked with me when I first started there and was a few years older than me.

And I remember talking when I first came there. And we were both going, ah, we'll be here a couple of years. This is just a stepping stone to much better things. We both looked at each other about ten years later--you're still there; I'm still here.

Getting back to the career, I guess, at Wisconsin Telephone is that--that's what you asked me, isn't it? I kind of lost my train of thought.

Dan Morrow: Yeah, I was just asking about [your career]. It was a pretty exciting time for the telephone business.

Ann Vesperman: It was very exciting times. And it changed a lot from when I first started. When I started, I was on the accounting side and systems side. I then transferred down to Chicago. They had just been starting to set up Ameritech at that time.

And I transferred down there and I worked in what they called the functional accounting area. And I worked on the uniform system of accounts rewrite. It was an okay experience, but it wasn't real exciting or invigorating.

I worked down there for a few years--decided I wanted to come back. I talked to my old boss--Phil Davis--said I really would like to come back. He said, sure, you can help us out on this end with this uniform system of accounts rewrite and I'll help you find the ultimate end job you want. Because I wanted to come back to Madison and I had been working in Milwaukee.

So I came back and I worked in Milwaukee for about six months. And they helped me find a job which then was an account executive job in the marketing area.

Dan Morrow: So thus begins your relationships...well, your experience with customer relationships?

Ann Vesperman: Uh hmm, yes. So that was my transition, and a whole new world opened up for me. I mean the accounting side and the systems side was great,

but you didn't get exposed to the whole picture of the business and what was really happening.

I got into the marketing side, I started working with customers. I got training on all the products and services. The light bulbs started. I go wow! This is kind of neat. I started to go on and I started to really understand the business a lot better.

And I did that for about eight months. I learned that and I worked with general business accounts. The gentleman I worked for then--Randy Pickering--wanted to take over major accounts and work with the state of Wisconsin. And he said, "I'd like you to come with me." I said, "Great. That'd be fun."

Dan Morrow: So you'd move up to state level?

Ann Vesperman: Yeah, yeah.

Dan Morrow: We're going to take a break right now while they change the tapes.

Dan Morrow: When we changed tapes, you had just left pure accounting and had become involved in marketing and relationships with real customers, real people were using the products. So tell me how you were trained and the kind of IT that was around it.

Ann Vesperman: I'm trying to think back about the training. The people who took you through the product training and how the products were done explained that. That's one thing I'll say about the Bell system or Ameritech-- everything is documented. Tons of documentation, tons of practices. But they gave you lots of training.

And they had developed so many in-house--I mean they really relied on themselves, so they had all these resources in-house that could teach you about the technology and teach you about the marketing practices and how you go forward in that.

So I went through a training program. And part of that actually was going through, right then, the service rep training program--which is about a 40-hour program. I remember they said this will be valuable for you to understand what they know and what they do.

So I went through that training as well, I mean in addition to the professional training and the other more specific product training.

Dan Morrow: Do you remember who your first real live customer [unintelligible]?

Ann Vesperman: To go out with. You know, I went with, I had some veteran people there that I worked with. Paul Beloungy was a great guy. He'd been around for a while and he was very nice to me and helped me come along and went out on calls with me and things.

And I remember one of the first accounts I went out to was a company called Harlan Sprague Dawley. They do rats. Do you know what they are? They're lab rats. They produce lab rats. All kinds of skinless...

Dan Morrow: Serious rats!

Ann Vesperman: Rats--real rats. So we walk in this place and walk in this office. And it's a fair sized company--I don't remember how big. They needed a new-- they had an old PBX. It was an old AT&T--I don't know what it was...Dimension or something--I can't remember. The big black panel with all the buttons on it and everything.

Paul had been exposed to a lot more of the equipment side than I had, so I would learn from him as we would do some of this.

I remember going out there saying, "Oh, my God. We're going to a rat farm." And they had pictures on the wall in the waiting room of rats. And they had a hairless rat. It was just awful. And I'm like, oh, my God--I can't believe this. Would you like a tour? I said, "No." [laughs]

Dan Morrow: This is Ann's early calls.

Ann Vesperman: My early calls. This was one of them. And they were a multi-site Centrex opportunity at that point.

Dan Morrow: Heavens.

Ann Vesperman: It was a pretty exciting account.

Dan Morrow: Did you close it?

Ann Vesperman: Eventually, we did. Actually, I didn't at that point, but as I moved on and later, they did, so...

Dan Morrow: Do you remember who the first account you closed for Ameritech [was]? [That's] really hard.

Ann Vesperman: That is really hard. When I worked in general business, because there were so many small customers you were working with. Maybe six, ten, twenty line customers. That one sticks out in my mind because of the rats, but...

Dan Morrow: There's a very different kind of tension when you're doing [that] kind of marketing than sales. I'm sure--you're [unintelligible], that must've been good preparation for [unintelligible].

Ann Vesperman: It was. But I enjoyed being around people. That's not the typical accountant, I guess, or stereotypical accountant. I enjoy social activities,

so this was actually kind of fun for me, to be out and working with the customers and the people.

I like to learn the technology because I need to know--I'm more comfortable with what I'm talking about. I mean that just gives me that comfort level in dealing with the people.

Dan Morrow: So you were in marketing and sales for Ameritech for how many years?
And then you started your own company?

Ann Vesperman: Yeah. Actually, well, my then-husband and I--I kind of missed that part.
[laughs]

Dan Morrow: So you married during all this?

Ann Vesperman: I got married shortly after I graduated from college. So my husband worked in Chicago at that point in time, too. We both decided to come back. And one of the things that he wanted to do was open his own business.

So we kind of worked together in putting together a business plan for what would be a direct marketing, telemarketing type company.

Dan Morrow: Telemarketing company in a new, exciting field of television entertainment.

Ann Vesperman: Yeah. Yes, HBO, Showtime--we had those types of clients. It was cable clients, Disney--selling premium services.

Dan Morrow: Which was all very radical and new at the time?

Ann Vesperman: Yeah, it was pretty new. I mean call centers were around, but they weren't huge. So we decided, well, this would be easy to do. Look at this--this would be easy to do.

Dan Morrow: [Because] of your experience?

Ann Vesperman: Yeah. Well, I had some background in it, but we went out and recruited money from people close to us--my parents, my aunt who I mentioned earlier--my Aunt Mary--my parents, and my friend Sherry who...Sherry

Schmitz, who was the one that I mentioned was in Copenhagen. We said we want to start this business--we don't have a lot of cash.

I have to tell you, we started it with \$20,000.

Dan Morrow: [So advance] early venture capital [experience].

Ann Vesperman: My venture capital experience. \$20,000. I can remember when we were setting up stations...we started in the house. And then from the house we went to some office space in Madison--it was the Old Town office space on Odana Road--got a suite there and started to build up stations. And initially I think we maybe put up 20 stations.

And my oldest brother does custom cabinetry work. So we called on him to do the stations--like a Formica-like station--and put panels on them. And then we wired them up ourselves--made the wires and put the connectors on the end and...

And ended up buying the Centrex service through Paul--who I then worked with later. I mean it's all connected.

Got that set up. The entrepreneurial experience, you drive and you go by the seat of your pants. And we just developed things as we go--training.

We had some small contracts then--small things we were doing.

And as it grew, I mean the first computer we bought was an AS 400.

And it ended up, when I finally.... And then, eventually we had to switch and got out of the Centrex, and had about 150 stations. So it grew to a pretty good size out of that investment.

But I have to tell you there were times that were very nerve racking, and I think any person who goes the entrepreneurial path will tell you those moments where you think you're going to go under, and you're looking-- especially when you're undercapitalized. Where is that money going to come from and how are you going to make it? And it's amazing how you can scrounge and do things differently to get there.

Dan Morrow: The highs are ten times higher and the lows are ten times lower and more scary.

Ann Vesperman: They are, they are.

Dan Morrow: What's the name of the business?

Ann Vesperman: It was called The Charlton Group.

Dan Morrow: So you worked for the Charlton Group for how many years?

Ann Vesperman: Well, I was involved, I was still doing my job. I was involved in both.

Dan Morrow: This was consulting experience?

Ann Vesperman: Yeah! I was working at Wisconsin Telephone--he was doing that full-time. And on the side, I was helping set things up and meet with the bankers and try and build those relationships. You know, a few customers here and there to help kind of try to land the contract.

Dan Morrow: So Lands' End is on the horizon. Did you find them or did they find you?

Ann Vesperman: Well, it's kind of interesting. I was on a state account we talked about for a while--worked with the state of Wisconsin, who was the largest customer here in Wisconsin, and worked on new applications development.

So when I moved over there, I had the opportunity to go through what was then called the Advanced Data Network Institute Ameritech had. And it was a training program, actually, on data networking. And it was a week a month for nine months, so it was pretty intense--but a great opportunity. I learned a great deal. I mean we had a whole week on packet switching. We had a whole week on ISDN. So all the different technologies.

I can remember out of that is just the sync, sync bi-sync--the IBM rule. [laughs] I mean that sticks in my mind, for some reason.

We got down to bits and bytes and how all this stuff works. We did get into the net bias of a PC and loading things and did that. I mean that was first touchy feely kind of stuff I did with that. So that gave me great background.

Came back and worked with the state. They were usually on the forefront. We put in some of the first ISDN in Wisconsin with them. So that was great experience for me.

Did some contract negotiations when their contract came up, so that was also real good experience. And worked with the Department of Administration, so a lot of relationship building there. I mean we met with them regularly, had meetings.

Dan Morrow: Who at Lands' End gets the credit for hiring you?

Ann Vesperman: Who at Lands' End gets the credit for hiring me? I guess my boss, Phil Schaecher. And another guy, Scott Treadwell. He isn't here anymore, but he was in the direct marketing area.

And how I got connected with Lands' End--I had decided when I was at Ameritech to come back to school. The university had a program, they had just started up an executive MBA program. And I went, you know, I want to do that. Because I need to do something different and kind of get outside the company here and just learn. I like to learn, like I said before.

I looked into that program and I said, this really looks good. You go every Friday and Saturday every other week. And it takes two years to get through the program and you're working with other people who have been out in the business world for at least eight to ten years. So that in itself is a nice learning environment and networking environment.

So I went back after my first year. I was talking to Scott one day. He was in the program. And he said, "We have an opening out at Lands' End. You should come out there. You'd do really great there." And I said, well, I'd come out and talk to you--I'm really open to anything.

I came out here and they were hiring for the corporate sales area-- actually a manager in their call center. And at the time, I was managing customer service operations at Ameritech. I kind of missed a little--there are a couple of segments in my Ameritech career. But anyway, I was managing customer service operations for medium and large business segments.

Dan Morrow: I see. So between that and your experience with the firm you and your husband had started, you were just what they were looking for?

Ann Vesperman: Yeah. I had that mix. If I look back, having been able to change jobs throughout my career at Ameritech was one of the best things that I ever could have done. It gave me the greatest exposure to different areas. I got that technical experience; I got the customer experience; I had the business experience from my accounting background. So it was a nice mix.

Dan Morrow: Lands' End had only been live on the Internet for less than two years when you joined.

Ann Vesperman: Yeah.

Dan Morrow: Although they had been doing 800 numbers since...

Ann Vesperman: Long time. And they were known for having a premier customer service operation. I knew Lands' End from being in the area, and thought hmmm...I've heard good things about Lands' End.

When I came out here and interviewed, the corporate sales job wasn't exactly what I would've left Ameritech for. But the timing was just ironic. Because Phil Schaecher,, who was the executive vice president

here of operations, said, "Can you come and talk to me?" I guess the person in HR had said, "I got this person. Maybe they should talk to you."

And I sat down that day and I talked to Phil, and started talking about the strategic projects I was working on and revamping the call centers at Ameritech. And he was just like, "Wow! That's exactly where we're going."

Dan Morrow: We've got some stuff we are going to want to do.

Ann Vesperman: Yeah, it just really clicked. And I walked around the campus and I met a number of people and I just went, it's time.

Dan Morrow: And so you got to Lands' End and you found out they were just terribly slow moving, right?

Ann Vesperman: [laughs] No. I found it was exciting. Ameritech's a pretty big ship. Doesn't move quite as fast. It's just a big company. And Lands' End is smaller. And I found that you can effect change quicker. It's just a different culture and environment.

Dan Morrow: And they're starting to integrate the Web with an incredibly powerful telephone-based service organization.

Ann Vesperman: Uh hmm.

Dan Morrow: And they were--I was joking, of course. All sorts of extraordinary changes here.

Tell me about the major projects, personal model, Lands' End live, shop with a friend--those sorts of things. Tell me about how those projects affected your life.

Ann Vesperman: [laughs] We're going to do it and we're going to do it now!

Dan Morrow: Which [thing] really kept you awake at night? Which was the hardest?

Ann Vesperman: You know, I guess in the midst of it, none of them really strike me as hard. We did them and we did them successfully. And I just feel like we could do almost anything at this point.

But the personal model was easier, because although we had to support it and maybe work with a customer that was having a problem on it, it wasn't quite as interactive. I'd say that--

Dan Morrow: It was mainly technical.

Ann Vesperman: Yeah. The biggest challenge is when you started hooking into, I think the people part of it--the personal interaction with the customer, the Lands' End live, and making sure that we could that just as well as we did our other service. That there wasn't any hiccups in our level of service that we provided to a customer that was on the Web versus a customer that was calling in on the 800 number.

Dan Morrow: That personal relationship with customers and the quality of it is of course one of Lands' End's trademarks.

Ann Vesperman: Uh hmm.

Dan Morrow: What's the hardest part of keeping that level of service in an environment which just technologically changes so incredibly quickly? How do you do that?

Ann Vesperman: You know, to me, the technology is the easy part. And I shouldn't say that--the IS people would be choking me! The technology, really, you get that in and you implement it and you work through that. But it's the people side and getting your people prepared and ready and through the change. And we try and do a lot of communication up front about what's coming, where we're going. We're very committed to training. We do a lot of training and we do regular training with our people--on not just technology but on product, about customers--so that they're knowledgeable. I mean that's the key.

Your people who are dealing with your customer have to be knowledgeable in order to give the customer good service. So we're really committed to that.

Dan Morrow: Where do you recruit?

Ann Vesperman: We recruit in Dodgeville here from about a 60-mile radius. We have people from all around the small communities. And then we have a center up in Reedsburg, Wisconsin, which is another small community. And that's about 60 miles north of here. And then right outside of Madison, we have a center in Cross Plains.

So those draw from all the communities around, but they're all in small communities.

Dan Morrow: We were talking a little bit with Bill about your rationale for small community as a headquarters environment and as an operating environment. What are the advantages of being in a small town?

Ann Vesperman: It's not just a lower cost structure. Where we are--I mean Gary Colmer, who founded this business had, I think, a great vision. Because when he

came in here, his business is counter-seasonal. When he started it and now. It's counter-seasonal to what these people do. They farm. So what a great opportunity.

Dan Morrow: Sure.

Ann Vesperman: Yeah. They're farming in the spring and summer and then, what our traditional business was, was over the peak period--October, November, December, January--in that time frame they aren't out farming. So it gave the an opportunity to get a job with benefits, insurance and an opportunity to have year round work.

So it worked out fantastic. Not only that, the people here are very genuine. They have a great work ethic. I was at a conference one time and a gentleman walked up to me and he says, "I have to know. How do you make your people so friendly?" And I kind of laughed and I thought, we give them friendly pills. But I didn't say it.

And I just went, "You can't make people friendly. People are what they are. Our people are very genuine and that is just the way they are. And

they've been allowed to do what they need to do to take care of the customer."

You know, a lot of companies talk about that. They talk about we're customer focused--take care of the customer. Lands' End lives that. Those people are empowered to do whatever it is they need to do to take care of the customer.

And when they know the product and they know the company, they just feel compelled to talk to you about what you're buying and if that's the best thing for you, and there's another thing over here that you need to know about. If the customer wants to talk about the weather, they'll talk about the weather with them. So we take a very different approach. We certainly try and manage the business efficiently, but we don't focus in on the number of calls the person takes as a driver--their talk time as a driver.

If we can look at them being outside of a norm, we might monitor them to see if they're cutting customers off or if they need more training or what's going on. But that's how we manage it.

The typical call center, they're really focused on those metrics and they really drive things. We really try and use that as a tool, but we don't want it to drive us to not take care of the customer.

Dan Morrow: Do you tape and coach...tape conversations and coach from them?

Ann Vesperman: We don't tape right now--we don't have that technology to do that type of monitoring. But we do monitor calls regularly for people and then give them feedback.

Dan Morrow: You've got a very interesting...since this is such a young industry, you have a pretty lengthy set of experience with people who are on the other end of a wire, expecting good service. Have expectations of service gone up from the customer side over the years?

Ann Vesperman: I think definitely they have, and I think they'll go up even more. A big part of it is everything's moving so fast. People's lives are hectic. They've got a lot going on. You know, you and I have a lot going on. They want you to make their life easy.

I know when I go out and I do something with a company, the easier they can make it for me, the better experience I have, I'm more apt to come back again. And that's what it's all about, is how I build that loyalty with the customer to where they're going to come back and say, "I really want to shop there again because I had such a great experience."

Dan Morrow: So in a sense, your good service drives up those expectations.

Ann Vesperman: Uh hmm.

Dan Morrow: I guess from a loyalty point of view, that makes it difficult for your competitors to take folks away.

Ann Vesperman: Uh hmm.

Dan Morrow: One of the things that's been written about this technology is that the Internet makes it so easy to shop around and switch. Everything's going to become a commodity. Brand loyalty, company loyalty is going to fade away. I would guess that you would feel differently about that.

Ann Vesperman: Yeah, I think we do. I do. I mean when you look at where you can go with personalization, you as a customer, like Lands' End's products--you like the service. If we can keep things on file for you here, we can look at your closet of things that you've purchased, we can tell you what colors you have, we can coordinate those for you, we've got your sizes online, your kids' sizes, your husband's sizes. We can match your measurements with our product profiles and pop up a recommended size. We can do all this really quickly. We can utilize all this information to help you make it easier for you to either do with a service rep or do it online. What a great thing.

And I think those are the things that are going to make somebody more loyal in coming back.

Dan Morrow: Being an innovator in this business, everybody's looking for the roots of it. You've done some really innovative things in your their career. Is innovation an art--a talent that you're born with? Or is it a science, something that you've learned?

Ann Vesperman: Wow. That's a good question. I think to some degree it's built into your personality.

Dan Morrow: So more of an art?

Ann Vesperman: More of an art. I think, you know, some people just tend to be more comfortable with openness and...what's the word I want?...things being unsure. They tend to be more comfortable with that. It doesn't bother me a lot to not have everything black and white. Some people, it just builds in their personality that they need that structure and they need that definition.

Dan Morrow: Where do you see this revolution going?

Ann Vesperman: Ah...

Dan Morrow: We were talking about loyalties. You're doing business all over the world now. What do you see as the future of things like international boundaries? Do you think they're going to go away in 100 years, 200 years?

Ann Vesperman: They are even more. I mean think about it. Five years ago, everybody was going, "Go global. Go global. Go global." I mean you have to be a

global company, or being working toward that, I think, to be a viable competitor in the future. At least in our arena. It's so far-reaching. You can be dealing with anybody in the world. What an opportunity. You couldn't do that before.

I mean the vast marketplace that we can tap now, with the Internet, is incredible. And for Lands' End, it's even more incredible. We're positioned perfectly to jump into that arena like we have and much more quickly than a lot of other competitors.

And I think the way we're doing it--I mean we know that we have to present one Lands' End to the customer.

Dan Morrow: Is it your impression that the same kind of civility and good service that works here in the United States is pretty much a global norm?

Ann Vesperman: Hmm. You know, I can't say I know specifically. My inkling is no. I think customer service levels differ all over the world. And so I suspect there's some countries where customer service really doesn't exist in a sense--I mean what we think of it as.

Americans probably are very demanding in terms of customer service-- probably more demanding than a lot of other places. I think it will evolve, though.

Dan Morrow: I was thinking of the seductiveness of it. Being [world traders], it's very seductive. And the technology gives you the opportunity to be seductive not only here...

Ann Vesperman: Anywhere.

Dan Morrow: ...but on a global sphere. I was wondering...your operations in Japan, Germany and England--you recruit the same kinds of service people in all those countries.

Ann Vesperman: Uh hmm. And in smaller communities. Yeah. It's really the same strategy.

A couple of years ago--it's interesting, because there were certain companies out there on the Web who were doing very well, but you couldn't find an 800 number if you tried. And the whole idea was we're

going to go out there--this is great. This is a lower cost model and we're going to just, you know, light the world on fire.

Well, today, I can tell you, I hear from quite a few of those companies who are looking to set up customer service operations and distribution operations.

So it's a little bit different than I think a lot of people thought it would be on the front end. I think they thought that they wouldn't need that. And now they're finding out that, in fact, that's a critical factor. Which I think we here at Lands' End knew and never would've abandoned. Which is why we've extended to the Lands' End Live. I mean we just need to extend what we've done for a long time into the Web space--that personalization.

I'm working on a project here--customer relationship management, if you've heard the buzzword.

Dan Morrow: Yep.

Ann Vesperman: Sponsoring that project here at Lands' End. Loyalty, obviously, is a driver of that project as well. And our whole idea is to continue to provide that great level of customer service--that personal level. And one of the things, when I'm explaining it to people--especially our front line people--we've done it for a long time. We've done having a personal relationship with the customer.

When you guys all talk to them, I say, you have these nice conversations.
They aren't scripted--we don't script anything.

Dan Morrow: Ah! So your conversations aren't scripted?

Ann Vesperman: No. No, nothing is scripted. So it's a nice little chat. They talk to the customer. We train them on the products, but we don't script.

You've been kind of stepping out and doing this personal interaction for a long time. We're now going to leverage technology to take it to another level.

Dan Morrow: So that again goes back again to your idea that this is more of...this relationship building using this technology can be more of an art than a science. Because you've got to have the basic ability to make use of the tool.

Ann Vesperman: Uh hmm. It's a tool; it's an enabler. Technology is an enabler.

Dan Morrow: A paintbrush on the relationship palette.

One of the questions that I always find difficult to ask people difficult to ask people who are 20 years my junior is the one I'm going to ask now.

Ann Vesperman: [laughs] Uh oh!

Dan Morrow: And that is, given that you're a really young person and extraordinary things are going to be happening in the next 20, 30, 40, 50 years--how would you like to be remembered now for your role in this revolution? If people look back and say, "Ah, yes. Ann Vesperman. I remember."

Ann Vesperman: Wow!

Dan Morrow: "I remember her because she did" what?

Ann Vesperman: Oh, that's a hard one.

Dan Morrow: Yeah, that's hard.

Ann Vesperman: You know, it's my softer side coming back. I guess I'd like to be remembered--because I have a lot of responsibility for people--I'd like to be remembered for the fact that I did contribute significantly to...and I'm

speaking about Lands' End now, maybe not personally. Were you talking more personally or just...

Dan Morrow: Personally or professionally.

Male voice: Can you hold that thought just a second?

Dan Morrow: Oops! We'll hold that and change tapes. And you think about it.

Ann Vesperman: Yeah. I wasn't getting real far, so it was a good breaking point!

[laughter]

Ann Vesperman: Can I go back and talk about that? And then I went and managed customer service operations. So I had more technical stuff there.

Dan Morrow: Before we talk about how you want to be remembered, let's go back for a minute. Offline we were talking about your career at Ameritech. Before you went into customer service, you were doing some interesting work in switching. Tell me about that.

Ann Vesperman: Uh hmm. I--

Dan Morrow: How you got into that.

Ann Vesperman: How I got into that--

Dan Morrow: [You were getting] more and more technical [then].

Ann Vesperman: Well, it was interesting. I mean they always, with career counseling and coaching and where do you go next, again, I was fortunate to have the opportunity to change my job regularly to get different experiences.

And my boss and one of the people from the switching area said it would be great for you to come over here and have this experience managing these switching operations.

At the time I kind of went oh man, field operations. I don't know, you guys. A bunch of technicians and people out in the field and central offices.

They convinced me that that would be a good stint. I'm always of the feeling, too, when you do something, nothing's forever. I think people tend to think, oh my God, I do that and I don't see--I don't think about, oh, I might do this for a couple of years and try something else.

That's what I did. I went and I managed switching operations--which was managing the central offices. I worked for a woman then--her name was Sue Reinhold. And she was a ball of energy. She was actually the person who was in the executive MBA program before me that got me connected with that. She was looking into it and graduated a year before me.

So I did that for a couple of years and learned a lot more about technology--just in terms of the operations and network that the telephone companies have. From the other side--not from the marketing side. So I could appreciate a little bit when they go, oh my God, you can't do that? [laughs]

And then I went to managing customer services operations. I went back to the customer side. I said, I really like the human interface. I got some here, but it's different--the customer interaction--that piece of the equation.

So there was an opportunity that came open, managing the medium and large business market customers in Wisconsin, and I took that opportunity. And that was my last assignment.

Dan Morrow: Again, before we get back to how you want to be remembered, [in canon, 300 years], one of the things I think is going to be interesting to people looking back on this period is the incredible change in the role of women in information technology. And fair or not, or whether we like it or not, you're rather unusual in that regard.

It seems to me, from what you've said, that the telephone companies in general and Ameritech specifically were really helpful in that regard. Do you think that's true?

Ann Vesperman: Yeah. If I reflect back on the opportunities that I had, I learned a great deal there. They gave me an opportunity to learn a great deal. But I'm also a great believer in that you are responsible for a lot of your own destiny. I tell my people that all the time. You need to be responsible for your career.

So I sought out opportunity, too, I think at the same time, but they let me do that, or enabled me to do that. The training I went through--the Data Network Institute--that was a pretty big investment at that time to put into somebody.

So they did give me a lot of the exposure I've had to technology. And I guess the affinity toward it. I like it--I enjoy it. It's challenging and it's exciting--especially today. The Internet changes everything.

Dan Morrow: That's another question I want to ask. What is it about this revolution that you find the most exciting?

Ann Vesperman: It's just changing the way life will be for everybody. I think...it's so hard to keep up with everything that's going on. I find that a challenge. You want to know, but you're always learning something new every day. And I think it's just changing our lives completely. I mean what will our lives be like five years from now with the Internet? Sitting in front of your TV shopping, having your groceries delivered--whatever it is you're doing. It's going to change it significantly.

Dan Morrow: Scanning your eyes, your body, everything.

Ann Vesperman: Yeah. Scanning your body in so that we have your measurements. Who knows? That's the most exciting thing, I think about it, is that it's going to change the complexion of the world, our society, the way we do things, how we interact.

I guess that's one thing that does concern me when I think about it, though. You hear people talking about it now--the human interaction and losing that. And I think it's important not to lose that in future generations, to still make sure we keep that element.

Dan Morrow: That's one of the important things you're doing with Lands End, is rather than using the technology solely to cut cost, to use it as a tool to enhance those relationships.

Ann Vesperman: Uh hmm. And ultimately, it enhances your business.

Dan Morrow: Indeed. Well, so let me get back to my final questions. How would Ann Vesperman like to be remembered?

Ann Vesperman: I think on a personal note, I'd like to be remembered as a good person, a friendly person that tried to do what was right, all those nice things.

And professionally, I think as an open, innovative, fun person. All around. I like to have fun, too.

Dan Morrow: Well, I think you'll be remembered as all those things.

Thank you much.

Ann Vesperman: You're welcome. Thank you.