



FORTUNE 500; THE STORIES GAP'S FAMILY DRAMA GAP: DECLINE OF A DENIM DYNASTY

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The inside story of how the Fisher family turned Gap into one of America's top retailers--then pulled the strings as it unraveled.

NO. 144 On a cold September day in 1941, Donald Fisher, the founder of Gap Inc., was fishing on a Northern California beach. Suddenly, 12-year-old Don hooked a bass so big his brother Bob thought it was a shark. "Let it go!" his brother screamed. "No way," Fisher later wrote. "I didn't care if I'd hooked a submarine, losing was not an option." He reeled in the "shark," motivated not by landing a prize fish but by the thought of letting it slip from his grasp. "The fear of losing pushes relentlessly from behind," he wrote.

More than 65 years have passed since that day on the beach, and nearly four decades since Don Fisher and his wife, Doris, opened their first Gap store, a San Francisco shop selling Levi's and records that grew into an iconic American brand. Yet if that fear of losing is still what drives Don Fisher, he must be feeling pretty motivated right now. At 78, an age when he probably expected to be enjoying a few victory laps, Fisher and his family are now struggling to reel in yet another thrashing beast. This time, it is Gap itself.

From its high point, when Gap's classic American style was so ubiquitous that it was worn to the 1998 Oscars and mocked on Saturday Night Live, the company has sunk into a slump that threatens to derail the Fishers' proud legacy. The past five years have featured long stretches of falling same-store sales, a stagnant stock price (down 14% in the past two years alone), and a strong feeling among much of the analyst and private-equity community that Gap has too many stores and its three main brands--Banana Republic, Gap, and Old Navy--may be better off broken up. "Gap has its back to the wall," says Bob Buchanan, retail industry group leader at A.G. Edwards. In the 2007 **Brand Keys** customer loyalty engagement index, Gap ranked 355th of 362 brands surveyed, while rivals H&M and J. Crew ranked 16th and 30th, respectively.

It is all damning evidence that the \$15.9 billion company has lost its way. For a long time now, though, the scribes penning the retailer's saga have spilled most of their ink on the messy departures of two high-profile CEOs: polar opposites Millard (Mickey) Drexler and Paul Pressler.

Yet the fact is that behind every major decision the company has made, the good ones and yes, the bad ones, is the famously private Don Fisher and his family, who hold 34% of Gap's stock (worth over \$5 billion) and three of 12 board seats. Says Drexler, who now runs rival J. Crew: "Don Fisher had two claims to fame: One was hiring me, and the other was firing me. I find it quite ironic." That's not the only irony: Don--who after an early failed venture with his own father vowed "never to partner with family members again"--was part of the board's January decision to name Bob Fisher, Gap's chairman and Don's firstborn son, interim CEO.

How did the Gap get here? To understand that, you have to understand the Fishers. Their story shows how a family banded together to build one of America's most successful retailers--and lays bare what can go wrong when a handful of well-intentioned billionaires run a huge public company like a family fiefdom.

FAMILY TIES

"The Fisher family has a thing for tradition, almost to the extreme," writes Don Fisher in his

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724-page autobiography, *Falling Into the Gap: The Story of Donald Fisher and the Apparel Icon He Created*. Fisher and his co-author, Art Twain, spent six years working on the book, then decided--under family pressure--not to publish it, instead sending out copies only to close associates. Through the book and interviews with 49 people--including 19 former and current executives--*FORTUNE* was able to get a rare glimpse into the family's world. (The Fishers refused to be interviewed but responded to factual questions through a spokesperson.)

It's a tight-knit clan. Don and Doris, who have been married for almost 54 years, and their three sons, Bob, Bill, and John, all own homes within blocks of one another, and everyone skies together at Sugar Bowl, the Tahoe resort the family has a stake in. All three sons attended Phillips Exeter Academy, Princeton, and Stanford Business School; all are married to their first wives and have several children; all have worked for the family in some regard. "If you ask me what their greatest achievement is," says James Steyer, CEO of a nonprofit called Common Sense Media and a family friend, "it's not Gap, it's their boys and grandchildren. It's not even a close call."

Although the Fishers are relatively new money, they are also old-time San Franciscans in a culture that abhors showiness. Their social circle includes everyone from Dianne Feinstein to Charles Schwab to George H.W. Bush, Fisher's onetime campmate at Bohemian Grove, the annual all-male gathering of the power elite. Don and Doris's home, while stately and situated in Presidio Heights, with a view of San Francisco Bay and the Golden Gate Bridge, boasts no Corinthian pillars or sweeping staircases. Bob Fisher's home--in the same neighborhood--looks a lot like his dad's. That's no coincidence: Don not only talked Bob into buying it but also helped design the floor plans. (He scouted out locations for his other sons' homes as well.) Board member Doris, now 75, still shows up at Gap headquarters behind the wheel of a decades-old wood-paneled station wagon. And Don, the plainspoken patriarch, never misses a chance to save a buck: Anne Gust Brown, Gap's former general counsel, remembers seeing the Fishers at a gas station, a mattress tied to the top of the car because Don was outraged by the \$25 delivery charge. "They looked like the Beverly Hillbillies," she laughs.

The comparison to the Clampetts, however, ends with the Fishers' taste in art. Between Warhols, Gerhard Richters, and other important works, the Fishers have "one of the great collections of contemporary art in the world," says Neal Benezra, director of San Francisco's Museum of Modern Art. SFMOMA houses the Fisher Family Galleries on the museum's fifth floor, and, *FORTUNE* has learned, the Fishers are in talks about building a museum in San Francisco's Presidio.

Gap's Embarcadero headquarters, overlooking San Francisco Bay, is a tribute to the family's love of art--and of real estate. The \$136 million Robert Stern-designed limestone building was completed in 2001 and is dotted with valuable Lichtensteins, a monumental Richard Serra sculpture, and other works from the Fishers' private collection. (Asked the name of one metal sculpture, a receptionist says, giggling, "I call it 'Pieces of My Car.'") The Fishers pay Gap \$892,000 a year in "rent" to show their art, according to the proxy.

Although the building's opulence gives it the feel of a company on the rise, the opposite is true today: Gap has become a mass-appeal retail company that is more about discounts than distinction, with stores that A.G. Edwards's Buchanan characterizes as drowning in a "sea of markdowns." It is exactly the vision that Don Fisher sought to avoid back in 1983, when his 550-store chain fell victim to price wars and poor-quality merchandise. "I wanted a clean, classy full-price business," writes Fisher, "not the schlocky off-price operation we had become." It is a fate that, for all Fisher's success, has come back to haunt him time and again.

PANTS AND PROPERTIES

Don Fisher was never much of a clotheshorse--and in fact didn't get into retail till just shy of his 41st birthday. He was a businessman who actually did fall into the Gap. The oldest of three brothers raised in a comfortable San Francisco family, Fisher was a great swimmer and a party boy whose nickname at the University of California at Berkeley was the "Horny Fish." He was also a jokester who ended up in jail for such antics as driving his car through a casino's open doors and throwing a can of beer at a Mexican matador. After college, the prematurely balding Fisher did what was expected of him. He married Doris, a childhood friend, and went to work in the cabinet business his mother, Aileen, had inherited and his father, Sydney, was running. "I didn't have much choice," writes Don. "I had no money, and I didn't want to disappoint him."

"Symphony Syd," as Don's friends called him for his silky demeanor, wasn't much of a businessman; he had a knack for sales but always bid low to win the job. Eventually, when he was forced to sell the business to pay off creditors, Don persuaded him to convert the factory into an office building. Next the two, along with Don's brother Bob, began building luxury homes together. But their differing approaches drove Fisher crazy. "I couldn't stand working for my father any longer," he writes. "I was on the brink of seeing him as my enemy and had to be my own man."

Don displayed a deft touch for real estate, buying up old flophouses and converting them into low-end residences. It was the undervalued asset, the undiscovered angle, that got his blood pumping. As Gap's corporate mythology holds, in 1969, when Don couldn't find a pair of jeans to fit his lanky frame, he came up with the idea of opening a store with the best selection of Levi's anywhere. Since Levi Strauss, a San Francisco institution, zealously protected its prices to discourage discounters, he figured he could build a business with stable profits and little competition.

Gap grew quickly, and Fisher thrilled in seeking out potential sites and haggling over leases, leaving the merchandising to Doris and others. "Don could spot a corner with homeless people sleeping in the doorways that smelled bad, and he would know that it could be a fabulous retail location," says Jeanne Jackson, former CEO of Banana Republic and Gap Direct. Fisher was also a "decision-making machine," says another ex-Gap executive. "For him business was a game, and he liked to play to win." And once he had made up his mind, he usually wouldn't budge.

When the Federal Trade Commission accused Levi's of price fixing in 1976, and it became clear that discounted jeans would flood the market, stock of the newly public Gap plummeted. It didn't help that Gap posted its first loss after 26 profitable quarters. Fisher became the target of an SEC action, which he settled in 1977, and a class-action suit, which he vowed to fight but ultimately settled in 1979 "They tried to strike fear in us," he writes, "but we weren't buying." The stock didn't return to its IPO price until 1981

Fisher needed a new concept. He began experimenting with lower-margin Gap-branded clothes, but like his father, he kept finding himself on the low end of the chain. "Discounting brought us lots of dollars but no joy," he writes. In hopes of going upscale, Fisher partnered with a young Ralph Lauren. But Fisher wasn't able to manufacture clothes that fit Lauren's specifications. "It was an amazing beginning, but the products didn't come in on time and the jeans didn't fit well," says Lauren. "Having a failure for me in an area where I had no control was upsetting."

In another attempt to boost margins, Fisher bought Pottery Barn. Confident that he could work the same growth magic he had at Gap, he kept expanding as the losses mounted. "I figured it would be only a matter of time until we caught on," he writes, "and so we continued to open new stores." It didn't work, and he sold it in 1986 at a \$14 million loss, according to the book. Around the same time, he also bought a small chain of safari wear called Banana Republic.

MOVER AND SHAKER

In 1983, Fisher finally found the creative spark he lacked, in Mickey Drexler, the son of a Bronx button buyer, who had just completed a remarkable turnaround of Ann Taylor. "[The Gap] had great real estate and a famous name," Drexler says in Fisher's autobiography. "I knew the business was going to hell with horrible goods--cheap goods. But I think we knew we each had what the other wanted." To lure Drexler to San Francisco, Fisher once again turned to real estate, playing on the biggest fear of any Manhattanite--being priced out of an apartment. If things didn't work out, he agreed to pay the difference in the average price rise of three-bedroom apartments in New York City.

At the outset it looked as if Drexler might need his old place back. He wanted to slash all the low-quality inventory and start over, but Fisher resisted such a big hit. "I said, 'You can't do this! If you don't want me to take another markdown, I'm moving back to New York,'" Drexler says in the book.

Fisher agreed, and the breathtaking success that resulted has been well documented. Drexler junked everything not made from natural fibers and developed comfortable, long-lasting clothes that felt fresh and fun, such as colored fleece and buffalo plaid shirts (Gap stopped selling Levi's in 1992). The company grew to 2,428 stores by 1999; the stock split eight times and returned over 46,000%. Whereas fashion had traditionally been something that originated in Europe and then was tweaked to fit local tastes, Gap offered an original, truly American

style that was both appealing and affordable. Gap was a store, yes, but it was also a culture, a touch point for men and women, kids and babies, boomers and teens, foreigners and locals. "What Mickey did was revolutionize casual wear," says retail analyst Janet Kloppenburg of JJK Research.

Still, in many ways Gap continued to be run like a small-scale family business. The family owned more than a third of the stock, an effective majority, and the board was insular, packed with childhood or college friends of Don's and executives on whose boards Don also sat, such as Charles Schwab. In such a clubby atmosphere, it didn't seem strange that, for example, Fisher's brother Bob's company, Fisher Development, was the primary builder of Gap stores for most of its history. (In 1999 alone, Gap paid Fisher Development \$485.3 million. By 2005, after criticism from governance experts, that amount had dropped to \$21 million.) "It was Don's board," says a former director. "He was basically running a family company that had hit the bigtime with an entrepreneurial retail genius."

Fisher and Drexler presented a united front, but the merchandiser and his boss sparred over everything from whether or not to create Gap Kids (Drexler yes, Fisher no) to expanding abroad (Fisher yes, Drexler no). One epic battle occurred over what to name Drexler's concept for a cheaper brand of clothing: Drexler fought for Old Navy, the name on the sign of a café he'd seen in Paris, but Fisher thought it too military. He suggested Expectations or Excitement, then brought in a naming company that suggested things such as Forklift and Elevator.

Drexler won, and from Old Navy's launch in 1994, it became the fastest retailer ever to achieve \$1 billion in annual sales, hitting that target by 1998. In 1995, Fisher ceded the title of CEO to Drexler, becoming Gap's chairman.

Yet tensions continued, in part because Drexler's success blocked the rise of Don's sons Bob and Bill, both of whom had joined the company in the 1980s. Although Fisher writes that he didn't want to put the same pressure on his kids that his dad had on him, he couldn't help himself. "I certainly remembered how much I disliked working for my father. At the same time, it bothered me to have so much invested in this business and not have a family member involved in it," he writes.

While Bill worked his way up to run the company's international division, Bob climbed the ranks at home to become, eventually, head of the Gap brand stores. There the low-key, firstborn son was respected for his focus on the company's culture and morale and for his refusal to put on airs, flying his family coach to Hawaii when he easily could have chartered a jet. "He was immensely involved in cultural issues and the squishy stuff and was good at it," says Jackson. "People responded to him and loved him."

Bob was a hard worker, yet his heart didn't seem to be in retail. Rather than walking the floor and touching the goods, he preferred to stay in his office. He was passionate about the environment and loved to focus on natural fabrics and Gap's recycling programs. Yet when it came to making tough management decisions, Bob struggled. He was infamous, for example, for interviewing job candidates as many as eight or ten times before deciding whether to hire them. "Bob was a nice guy but not a decisive guy," says another ex-executive. "He would just agonize." It didn't help matters that Drexler showed little respect for the younger Fisher. "Their lack of compatibility made it difficult for those around them at times," says Jackson.

The pressure intensified in 1998 when the company came under fire from environmentalists because of an investment the family--not Gap--had made in a redwood-timber company. That concept was anathema to some anti-logging activists, who staged an embarrassing and costly public boycott of Gap. Don, as usual, held firm on the decision. But for Bob, the attacks--in addition to the family pressure he faced--must have been particularly painful. In 1999 he abruptly quit one day, agreeing to remain on the board.

"At that point it was just not where his heart lay," says one executive who worked closely with him. (Through a spokesman, Bob says the resignation was solely for personal reasons. "I owe a lot to [Drexler] and to what he taught me," he says.) Released from his khaki straitjacket, Bob spent time fly-fishing with his children and increasing his involvement with environmental groups such as the Natural Resources Defense Council and Conservation International.

Don took the departure hard, especially since son Bill had also left the company the year before. "The worst thing I ever did was make my sons too rich," Fisher later said, according to an acquaintance. "It was a real big deal," says a former board member. "You could just feel the resentment." That resentment found its way to Drexler--at almost exactly the same time the merchant's creative mojo began to falter. Basics were no longer trendy, so Drexler bet big

on fashion, going for sexier styles that were supposed to appeal to teens--but didn't. At the same time, new COO John Wilson, with Don's support, was undertaking a dramatic store expansion, signing deals for over 1,000 new stores in a 2 1/2-year period in the late 1990s.

Taking advantage of the leverage he now had, Don squeezed landlords, capping common-area charges and sometimes forcing them to pay before construction had started on some new stores. "We did a lot of things we get the blame for," says Alan Barocas, a real estate consultant and former SVP of real estate, "but we were tough but fair." Malls like Dallas's Galleria featured all three major brands, sucking up 120,000 feet--and the size of the stores, too, grew dramatically, with total square footage up 31% in 2000. In a 1998 FORTUNE story, COO Wilson summed up the strategy: "To see how high we can go," he said, "we will throw more stores in until the last one fails."

END OF AN ERA

It was a perfect storm. "The dangerous combination of Don and Mickey in the late 1990s was that Mickey had huge confidence and Don had grandiose visions about real estate," says another executive, who quit last year. "When the merchandise stopped being competitive, we had the big albatross of too many stores close together," the executive says, using the example of the three huge and outrageously expensive Gap-brand stores on London's Oxford Street (one is set to close at the end of April).

Debt ballooned to \$3.4 billion from \$587 million in 1998; same-store sales slumped for ten straight quarters between the end of 2000 and 2002, and the stock collapsed from over \$50 to a low of \$8. On May 21, 2002, Fisher abruptly fired Drexler--and in the classic tradition of fighting the last battle, went off in search of his antithesis.

The search went on for months, until Fisher's fellow Rosewood Capital board member Meg Whitman (who would join Gap's board in 2003) threw out the name of Paul Pressler, who ran Walt Disney Parks & Resorts, as the best marketing person she knew. Pressler wasn't interested, but "Don called him and convinced him to have breakfast in Anaheim," says A.G. Edwards's Buchanan. By the following Tuesday, Pressler had changed his mind.

By all accounts, Don and board member Bob were thrilled with the new hire, in part because he was in many ways the anti-Drexler. He was analytical rather than intuitive, measured rather than voluble. He liked to back up ideas with research, do his homework, ignore his gut. He was a lot like ... Don Fisher. "Don responded to Paul because Paul was like Don," says a former executive. "That's exactly the reason that he shouldn't have hired Paul. There was no yin and yang."

Pressler started with a bang, working to reduce the company's leverage and finding ways to cut costs, including a program to close some underperforming stores. He convened focus groups on graphic T-shirts (what should they say?) and used store data to predict future demand. (Pressler wouldn't comment to FORTUNE.) It seemed to work: Gap stock rose over 30% in 2003, debt fell, and same-store sales increased four quarters in a row, although with the lag time in retail, they were based on Drexler's last collections.

Gap looked to be on the mend--and Fisher finally felt comfortable enough to step back. "I believe that running a business is like riding a horse," Fisher writes. "If the horse behaves, you give him his head. If he doesn't behave, you pull back on the reins. That's how you manage people." So in December 2003, the 75-year-old Don announced that he would remain on the board but that Bob, still a director, would replace him as chairman.

Though Don would still show up to eat at the cafeteria and look over leases, more and more the founder spent his time riding horses, collecting art, and helping build the well-regarded charter-school organization Knowledge Is Power Program (he and Doris have pledged over \$45 million to the group since 2000). With KIPP, Don was eager to share what he had learned about the pressures of growth at Gap. "There is a focus on the values and the culture," says Michael Feinberg, KIPP's co-founder, "and how it becomes more of a challenge to keep it consistent as you grow." True to form, Fisher watched every extra dollar. On a KIPP outing to Washington, Feinberg chuckles, remembering dining with the benefactor. "I'm with Don Fisher so I think I'm going to get a nice meal out of this. He hands me two hot dogs and says, 'You want mustard on these?'"

Meanwhile, Fisher also ramped up his interest in San Francisco politics, flexing his muscles behind the scenes along with son John to help defeat liberal causes like California's Proposition 82 (the Robert Reiner-sponsored plan to provide preschool for all children in 2006). He also co-founded a controversial organization (with Feinstein and F. Warren

Hellman, founder of investment bank Hellman & Friedman) called SFSOS to address "quality of life" issues like homelessness in San Francisco. Feinstein and Hellman later quit the group for its aggressive tactics against people and policies it opposed. "We did not think we were creating a right-wing sort of attack vehicle," says Hellman, who remains a close friend of Fisher's. "He has this rich person's megalomaniacal concept that he can control the politics in a democracy," charges Aaron Peskin, chairman of San Francisco's Board of Supervisors and a frequent foe. "I can sit down with [other prominent San Francisco businessmen] any day of the week, but with Don, it's 'my way or the highway.'"

CREATIVE COLLAPSE

Back at Gap, clothes had once again been relegated to secondary status. Pressler swung the cultural pendulum, changing Gap from a place that was frantically entrepreneurial to one that subjected the creative process to only one boss--the calculator. "He asked questions like, Why do we need merchants and not just planners?" says one former executive. "It was like asking, Why do you need actors in a movie?" Stores weren't regularly renovated because no one could prove in advance that sales would improve; an ambitious move to centralize purchasing only created confusion. "Everything had to be measured," says another former merchandiser. "There was literally an ROI for every idea."

The creatives--many of them Drexler protégés--headed for the exits in droves. Board members like Steve Jobs of Apple and Whitman of eBay also resigned. Morale at the once-proud company plummeted along with same-store sales.

Don and Bob seemed, at least in public, oblivious to the problems, expressing firm support for Pressler well into the second year of falling comps. "Any other guy, [Don] Fisher would have fired a year ago," says analyst Kloppenburg. "He held on because he wanted to show Mickey he was right." But when 2006 holiday comp sales fell 7%, the board finally voted to remove Pressler and named Bob interim CEO. In March it hired search firm Egon Zehnder International to search for a new leader, citing specifically the need for someone skilled at harnessing creativity.

On his first day as CEO, with Don and Doris watching, Bob made an emotional speech from the company's headquarters. He spoke without notes, and his talk was videoconferenced to director-level employees around the globe. The memo that went along with it, titled "How we'll be great again," oozed with caring. "We'll let creativity flourish," he wrote. "Our future is only possible because of our talented, passionate people. Let's never lose sight of that again." Employees, at least, seem to feel a little bit better. "It was comforting to have someone from the family there," says one current executive.

Over the past two months Bob and Don have reached out to former employees in hope of wooing them back (no high-profile names have returned so far), and Don and Doris have traveled to Chicago and New York City to visit stores and encourage workers. Bob has also begun what he hopes will be a turnaround plan for the company, moving longtime loyalist Marka Hansen, former head of Banana Republic, to head up the Gap brand; closing some distribution centers; and shutting down both the Old Navy discount outlets and Pressler's boldest experiment, the Forth & Towne chain for older women.

In classic Fisher tradition, Bob is also betting on real estate by pushing forward on Pressler's \$300 million plan to remodel 80 of Gap's existing stores. On San Francisco's Flood Street, the 37,000-square-foot Gap flagship is partway through a makeover that will be completed in May. Gone are the white walls, blond wood, and open spaces, and in their place are dark wood floors, seasonal tones, prisms lighting, and a more "boutique" feeling. (The markdowns, however, are still abundant.)

With the stock down 8% since Bob took over and \$2.6 billion in cash on its balance sheet, parts of the company are enticing to some private-equity players. "For Old Navy, I know of five or six buyers," says Gilbert Harrison, chairman of retail investment bank Financo. "And for Banana they would be lined up outside the door." But the sticking point is consistently the same--the family's involvement and control, which few think they'd be willing to relinquish. Although the Fishers have been selling stock over the past two years, Gap has spent over \$4 billion in the past four years on stock buybacks, so the family's ownership remains steady at 34%. "I think that Don and Doris Fisher have a tremendous pride in what they have built," says Harrison, "and that they desperately want to see it continue as a viable public company."

The family's tight grip is making the search for a new leader equally difficult. Gap needs someone who has the retail bandwidth to run a struggling \$16 billion company and doesn't mind being second-guessed by a controlling shareholder who has billions on the line. There

is, however, one candidate who seems comfortable with Gap as a family affair. Though Bob has insisted to friends he doesn't want the job permanently, "it would be a nice set of epaulets to say Don started this company and Bob rescued it," says family friend Hellman.

Might that be what Don has in mind too? When Gap was still a small local chain, Don writes that he would leave work early to watch Bob's tennis and Little League games. "I memorized the mistakes in his technique as well as the good things he did on which I could help him build," he writes. "I stood on the sidelines, calm and composed outside, but living and dying on the inside."

Fifty years later the playing field has changed. But the patriarch, one imagines, is still on the sidelines, studying, cheering ... and doing everything he can to avoid the bitter humiliation of a loss.

RESEARCH ASSOCIATE Marilyn Adamo

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[SIDEBAR]

face=**JEAN-E-OLOGY: THE FISHER FAMILY TREE**face=-**;**

SYDNEY FISHER Died 1981 An eternal optimist who took over his in-laws' cabinet business. Married

AILEEN FISHER Died 1990 A third-generation San Franciscan known for her no-nonsense approach.

The three sons of Sydney and Aileen Fisher

JIM FISHER Age 72 Retired, lives in Nevada with his wife and keeps a low profile.

ROBERT FISHER Age 75 Runs Fisher Development Co., which has built many of Gap's retail stores.

DONALD FISHER Gap board member Age 78 Champion swimmer; started Gap in 1969 with wife Doris. Married

DORIS FISHER Gap board member Age 75 Stylish, art-loving matriarch and longtime Gap board member.

The three sons of Donald and Doris Fisher

JOHN FISHER Age 45 Runs Pisces, the family's investment arm. Co-owner of Oakland A's.

WILLIAM (BILL) FISHER Age 50 Runs private-equity firm Manzanita Capital. Worked at Gap until 1998

ROBERT (BOB) FISHER Gap board member Age 52 Chairman of the board and interim chief executive of Gap Inc.

Gap board member

Married

[PULLQUOTE]

"DON FISHER HAD TWO claims to fame," says ex-Gap and current J. Crew chief Mickey Drexler. "One was hiring me, and the other was firing me."

[PULLQUOTE]

"I COULDN'T STAND working for my father any longer," writes Don. "I was on the brink of seeing him as my enemy and had to be my own man."

[PULLQUOTE]

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[PULLQUOTE]

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"RUNNING A BUSINESS is like riding a horse," wrote Fisher. "If the horse behaves, you give him his head. If he doesn't behave, you pull back on the reins."

See also introduction on page 81 of same issue.

The FORTUNE 500 | Copyright (c) Time inc.,2007. All rights reserved. No part of this material may be duplicated or disseminated without permission. | JENNIFER REINGOLD | | Marilyn Adamo | [ILLUSTRATION BY EDDIE GUY]; ILLUSTRATION | | [ILLUSTRATION] | | [BILL YOUNG--SAN FRANCISCO CHRONICLE]; generation gap (clockwise from top) An early San Francisco store; Don with Banana Republic founder Mel Ziegler in 1987; with wife Doris (who coined the name Gap) in 1970; PHOTO | | [MIKE MALONEY--SAN FRANCISCO CHRONICLE]; [See caption above.]; PHOTO | | [SAN FRANCISCO CHRONICLE]; [See caption above.]; PHOTO | | [FAMILY SAGA | Don Fisher and a co-author spent six years on this privately published autobiography.]; PHOTO | | [TEN PHOTOS] | | [ED KASH]; KHAKI CLASH Drexler (top) was a gutsy merchandiser who pioneered casual American style. He was replaced as CEO by Pressler, a Disney-trained marketer who lasted four years.; PHOTO | | [BEN BAKER--REDUX]; [See caption above.]; PHOTO | | [FORTUNE CHART/SOURCE: CITIGROUP INVESTMENT RESEARCH]; SHOPPED AND DROPPED | In the late 1990s Gap's three biggest brands were on a tear. Since then, fashion miscues and vigorous competition from new rivals have put the hurt on same-store sales. | Annual change in same-store sales (North America, fiscal year) | ; CHART | | [THOMAS GIBBONS (2)]; SOCIAL STUDIES | Don and Doris (top) at a 2005 dinner for Prince Charles in San Francisco; Bob with daughter Alexandra at a 2005 cotillion; TWO PHOTOS | | [DOUG MENEZ]; CHARITY CASE | Doris and Don (above and left) have given generously to the arts and KIPP charter schools.; PHOTO | | [KIM KOMENICH--SAN FRANCISCO CHRONICLE]; [See caption above.]; PHOTO | | [MARK COSTANTINI--SAN FRANCISCO CHRONICLE]; Mind the gap | Just outside Gap's opulent headquarters, completed in 2001, is Claes Oldenburg's "Cupid's Span." It was a gift from the Fishers to the city of San Francisco.; PHOTO | Document FORTU00020070418e34u0000a

[Top of page](#)

[Return to Headlines](#) | [Next Article](#)

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Gap's decline. " by Angie. on January 23, 2007. The Gap is definitely having a hard time defining its position within the retail sphere and sales are eroding because of it. Whether it can be rescued remains to be seen. What would you do to save the chain? Is it a teeny bopper that will wear a crotch high denim skirt or a yuppie willing to pay \$98 for a knee length gored denim skirt? The crotch length skirt doesn't cut it for some AND \$98 is too much for a mall brand typical skirt. And as much as everyone loves Audrey Hepburn and those skinny little pants, her tiny frame is not the average American shopper. GAP: Decline of a denim dynasty. August 2007 Strategic Direction. J. Reingold. In this article, the main is to design an intelligent method to detect and compensate road gaps remained on the early result of road detection algorithms. The proposed algorithm consists of five main steps as follow: 1) Short gap coverage: In this step, a multi-scale morphological is designed that covers short gaps in a hierarchical scheme. 2) Long gap detection: In this step, the long gaps, could not be covered in the previous stage, are detected using a fuzzy inference system. for this reason, a knowledge base consisting of some expert rules are designed which are fired on some gap candidate