

By Alexandria Sage – Analysis

LOS ANGELES (Reuters) - The world's largest apparel retailer, which just lost its boss, is looking for someone to fall into the gap, though that won't be easy given the company's size and persistent sales woes.

Chief Executive Paul Pressler left Gap Inc. (GPS.N: [Quote](#), [Profile](#), [Research](#)) on Monday struggling to reestablish its All-American brand and the board is seeking an experienced retailer to take his place.

But candidates with the leadership experience and vision to convince millions of skeptical shoppers that the Gap is worth a second look are few and far between, industry watchers say. "The challenge the Gap's board is facing, the challenge of finding a merchant, a visionary for the Gap, is daunting, and that's evident in Gap's efforts the last four years," retail analyst Richard Jaffe said.

The sheer size of Gap, which operates more than 3,000 stores under its Gap, Old Navy and Banana Republic brands, puts it in a league of its own among retailers.

Jim DeFilippo, head of the retail practice at executive search firm Christian & Timbers, named as possible contenders former J.C. Penney (JCP.N: [Quote](#), [Profile](#), [Research](#)) CEO Allen Questrom; Vanessa Castagna, who oversaw the turnaround of Mervyn's; Roger Farah, president and chief operating officer at Polo Ralph Lauren (RL.N: [Quote](#), [Profile](#), [Research](#)); and fashion veteran Rose-Marie Bravo, who made Burberry (BRBY.L: [Quote](#), [Profile](#), [Research](#)) hip again.

The company would be wise also to consider less-experienced executives such as Ken Hicks, the No. 2 at J.C. Penney, or Ron Johnson, who leads Apple's (AAPL.O: [Quote](#), [Profile](#), [Research](#)) retail strategy, he added.

[Ann MacCarthy, who runs the retail practice at executive search firm Cook Associates, said the Gap board should give newer people in the apparel business a shot.](#)

["It's not like there's no talent out there," MacCarthy said. "All of those \(retail\) companies have been grooming a next level down. A lot of time retail tends to frankly recycle the same people over and over."](#)

WHO'S ON BOARD?

But the success of Gap's search will depend on a board that some see ill-prepared for the task. "This is not ... a well-rounded board," said one former Gap employee who declined to be named. "It's a board that put up with Pressler for two years for too long and done nothing."

Gap seems to have lost its reputation for quality and an easy, clean style of clothes that made it famous. Analysts say this inattention to fashion fundamentals -- crucial given the crowded apparel marketplace -- may be in part due to the relative dearth of apparel merchandising vision on the board.

Jaffe said he expects little innovative thinking from Gap's board, which includes former executives from such non-apparel companies as Starbucks Corp. (SBUX.O: Quote, Profile , Research), Dell Inc. (DELL.O: Quote, Profile , Research), Coca-Cola Co. (KO.N: Quote, Profile , Research) and Procter & Gamble Inc. (PG.N: Quote, Profile , Research), as well as executives from an energy company and an investment group.

Besides the Fisher family, who founded the San Francisco-based company and control 37 percent of the shares, the retail experience on the board comes from a former Wal-Mart (WMT.N: Quote, Profile , Research) executive, the chairman of The Body Shop International, and the former CEO of Gucci Group (PRTP.PA: Quote, Profile , Research).

The average age of the board, including the Fishers, is almost 60. Gap customers are generally in their 20s and 30s.

Jaffe said Chairman Robert Fisher, the son of founder Donald who will act as interim CEO, lacks the expertise and desire to lead the company and that the others with retail backgrounds are not likely to take an active operational role.

"These guys are not going to do anything more than punch the proverbial clock," Jaffe said.

But a Gap spokesman scoffed at the idea that the Gap board lacked merchandising depth. "How much more merchandise experience can you need?" said Gap's Greg Rossiter. "These are four guys with collectively well over 100 years of experience running four of the top brands in retailing."

Pressler was only Gap's third CEO -- Donald Fisher stepped down in 1995 and Millard Drexler served until 2002 -- and he was seen as skilled in operations rather than as a savvy merchant.

While he was applauded for making the company run smoother and more efficiently, uninspired apparel at Gap stores led to a streak of falling sales at established stores and once-loyal Gap customers jumped ship.

The board said in a statement it preferred to have someone with apparel experience as the next CEO.

Pressler's departure is just the latest, and most disruptive, example of executive turmoil at the retailer.

Most recently, the president of Gap Adult, Denise Johnston, left the company in January after only four months, as did Ivy Ross, executive vice president of product design for Old Navy.

Old Navy President Jenny Ming, a retail executive widely respected for her merchandising know-how, left the company in the fall of 2006. Another top merchandising executive for Gap, Julie Rosen, left early last year.