



Case Study: BWP Network Intelligence Nets 200 New Jobs for Boston

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SUMMARY: *BWP's network captures valuable intelligence – like the information that Rue La La, an innovative, fast-growing e-commerce company, was outgrowing its Downtown Crossing office, and was seriously considering leaving Boston. BWP intervened, using its network to source targeted data on the segment of Boston's talent pool that would be critical to Rue La La's growth, and to expand Rue La La's understanding of their full range of Boston real estate options. As a result, Rue La La remained in Boston, signing a 43,000 sf lease and retaining all 115 of its employees. Since that time, Rue La La has hired 100 new employees – and is now hiring another 100+. At an average salary of \$70,000, BWP's efforts yielded \$14M in direct salary for Boston's economy (not counting the 115 jobs retained). Using the Regional Economic Model (REMI), these 200 new jobs translate to a total of 362 jobs created and a total of \$38M in statewide spending, of which \$26M is in Suffolk County¹.*

KING OF PRUSSIA, Pa., and BOSTON, Mass., Oct. 27, 2009 – GSI Commerce Inc.

(Nasdaq: GSIC), the leading provider of e-commerce and interactive marketing services, today announced it has signed a definitive agreement to acquire Retail Convergence Inc. ("RCI"), a Boston, Mass.-based company that operates RueLaLa.com, a leader in the private sale space. [...] The transaction is valued at up to \$350 million...²

Nineteen months prior to the distribution of the above press announcement, Rue La La introduced consumers nationwide to an entirely new way to shop. Today, with more than 1.6 million members, Rue La La is a leader in the private sale marketplace, offering consumers access to premium brands in an engaging environment unfound in any other shopping experience.

Rue La La's unique business model drove the company's rapid growth, quickly making its existing Downtown Crossing office space obsolete. Within months of launch, management knew they would need more space. CEO Ben Fischman described what happened at that point in time:

"Our first reaction was that [the right space] wasn't going to be available [in Boston]. Very quickly though the mayor and his different agencies stepped in and said don't give up on us yet. Come look at what the city has to offer."³

BWP was the intervening agent, having heard via its network about Rue La La's exciting early growth and its need for new space. Demonstrating what Mayor Menino has described as "aggressive advocacy and quiet teamwork," BWP involved the Boston Redevelopment Authority to provide detailed demographic data that would demonstrate the value of access to creative and technical talent that various Boston-based sites would offer.

¹ Source: Boston Redevelopment Authority

² GSI Inc. press release, October 27, 2009: "GSI Commerce to Acquire Retail Convergence and Enter Private Sale Space with Addition of Rue La La"

³ Blog post "Retail Convergence Keeps Growing in Boston" posted on BostonWorldPartnerships.com on March 23, 2009.



Boston Mayor Thomas M. Menino, who founded and serves as Board Chairman of Boston World Partnerships, told the story this way:

“Boston World Partnerships brought this lead to the BRA, and they worked together behind the scenes to provide compelling data that helped quantify the real bottom-line value of Boston’s workforce.”⁴

Simultaneously, BWP arranged for Rue La La executives to see two unfamiliar South Boston Waterfront sites, prompting them to shift the focus of their site search. The proximity to the airport and public transportation combined with the unique feel of this emerging neighborhood met Rue La La’s specific needs. In March 2009, Rue La La executives signed a lease for 43,000 sf in the Fort Point Channel District. Among the many benefits that this decision yielded for Boston, it meant that Rue La La would maintain 115 jobs in Boston. Also, the company anticipated adding more jobs at the new site.

Following the lease-signing, BWP staff coordinated a small celebratory event with Mayor Menino, members of the media, and others in the shell of the new space to celebrate Rue La La’s exciting growth and its successful site search. Seeing the space firsthand helped to build Rue La La staff’s excitement for the new location and what it would mean for the company’s future.

Indeed the site has served Rue La La well, as the company has come to be recognized as an employer of choice for top talent in Greater Boston. They completed their build-out and moved into the new space in August 2009, all the while growing the company and aggressively hiring new talent. Five months later, GSI announced its \$350 million acquisition deal.

At the same time, Rue La La’s location decision has been great for Greater Boston. Since its March 2009 lease-signing, Rue La La has added 100 new jobs at its Channel Center site. They continue to attract top talent, hiring aggressively with the intention of adding 100+ *additional* jobs. The company’s EVP/CFO/COO puts the average salary for these jobs at \$70,000, meaning that they will yield \$14 million in annual salary for the Boston economy. Using the Regional Economic Model (REMI), that translates to 362 total jobs created and \$38 million in statewide spending. These numbers do not take into account the 115 jobs retained.

BWP’s work with Rue La La is representative of our strategic approach. First, this intervention began with the intelligence that only a robust network of Connectors can provide. This is a perfect example of how, by building and activating our network of Boston influencers, BWP can harvest economic leads out of that activity. The only way Greater Boston’s government officials and civic leaders can successfully intervene to retain and support such important, fast-growing companies is if we know about them and build credibility with them. BWP’s Connector network is a part of the business community in a way that traditional economic development marketing efforts just are not.

Also, our success story with Rue La La, like everything BWP does, is built on the bedrock principle of mutual benefit. We never made a hard sell here. We simply asked what mattered to Rue La La’s future, and then sourced our network to find it.

Greater Boston is rich in competitive advantages. By knowing about companies considering key decisions, BWP gains the opportunity to raise their awareness of Boston’s assets and opportunities, and to connect them to whatever resources will drive their growth in Greater Boston, or in partnership with local businesses and institutions.

⁴ Blog post “Retail Convergence Keeps Growing in Boston” posted on BostonWorldPartnerships.com on March 23, 2009.