

The Napoleon of Your Living Room

Gary Friedman, who runs RH (formerly Restoration Hardware), is out to conquer the world, one luxurious sofa at a time. Next stop, Waterloo?



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By David Segal

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Gary Friedman hates meetings. A 66-year-old with apparently limitless energy and a perpetual tan, Mr. Friedman is the chief executive of RH, one of the country's largest high-end furniture sellers, and he never holds meetings. Instead, he convenes “adventures.”

To the untrained eye, these look and sound a lot like meetings. But there is a difference. Adventures can last 10 hours, or more.

That's a typical stretch for Mr. Friedman's adventures with his architecture and design team, a group of about 20 executives overseeing one of the priciest expansions in the history of American retail. The company is doubling the number of stores, called “galleries” in RH speak, with 35 new ones in the works. Many will cost \$20 million or more.

RH sold \$3 billion worth of products last year, but Mr. Friedman's goal is not just to move \$10,000 sectional sofas, most of them in earth tones and a style that could be called California Rich. He wants to forge a brand that is so ubiquitous — RH restaurants, RH hotels, RH clothing — that its impact is global.

“I don’t really talk about our vision for the company to Wall Street because they might lock me up,” Mr. Friedman said one recent afternoon, sitting in an RH restaurant not far from headquarters in a suburb of San Francisco. “But our vision is to create an endless reflection of hope, inspiration and love that will ignite the human spirit and change the world.”



RH San Francisco, which includes retail and restaurants, occupies a former Bethlehem Steel building.
Cayce Clifford for The New York Times

If this sounds a tad grandiose for a guy peddling sideboards and coffee tables, you haven’t spent time with Gary Friedman. He’s not a conventional businessman. He is more like the highly demanding head of a home-furnishings-based cult, complete

with its own Bible (those 350-page glossy catalogs that turn up in your mailbox), terminology (“adventures,” “galleries,” “RH rules”) and catechism (“This is not our job, this is our life,” reads one of the RH rules). Total commitment is required of underlings. Anything less can bring scolding rebukes.

Mr. Friedman became the chief executive of what was then called Restoration Hardware in 2001, when it was a nearly bankrupt seller of midpriced furniture and Americana-themed tchotchkes, like Slinkys and Moon Pies. By driving the brand to “climb the luxury ladder,” as he puts it, he made it a place where aspirational shoppers could reach for furniture a little outside their budget. During the pandemic-era renovation craze, the company was worth \$15.5 billion.

But RH is now suffering through a grinding downturn, its market value off 70 percent since its 2021 peak. Nearly every player in the furniture business is slumping, largely because the great engine of sales — new home purchases — has stalled. While competitors pull back, or lean into online sales, Mr. Friedman is in the midst of a risky, full-tilt building spree. Along with those immense and stately stores, he’s galloping into the real estate business, planning furnished apartments and houses in places like Aspen and Napa.

The point for Mr. Friedman, an inveterate optimist, is to prepare for the boom that he believes will ensue when interest rates go down. He also wants to broaden RH’s appeal beyond the upwardly mobile who are now its core customers and pitch the brand to the ultrarich. Hence more RH restaurants, with main courses that include such decadence-signaling dishes as a \$125 grilled Wagyu rib-eye steak.

And as if to prove that his ambitions are truly Napoleonic, the company is now invading Europe. Last year it unveiled its first store in Britain, a renovated 400-year-old, Downton Abbey-like manse in Oxfordshire, with restaurants, a tea salon, a wine lounge and what appears to be a taxidermy unicorn. Up next are stores in Madrid, Milan, London and Paris.



Mr. Friedman is trying to bring RH to the land of Chanel and Hermes. “We are not from their neighborhood,” he’s fond of saying, “nor invited to their parties.” Cayce Clifford for The New York Times

“Gary is a brilliant guy, but his ambitions have run away with him,” said Pamela Danziger, the founder of Unity Marketing, a market research firm. “To open in England, France and all these other places — I think he’s just put way too much in front of him. Because he’s got problems now in the U.S. market, and that is where he needs to put his horsepower.”

Mr. Friedman relishes nothing quite so much as the suggestion that he’s overreaching. He made this point, and many others, in our interview, which turned into a nine-hour adventure. A largely uninterrupted monologue, it started at lunch in one RH restaurant, ended over dinner at another and covered the story of his life, which began in San Francisco, where he was raised by a widowed mother who struggled with mental illness.

Today, his net worth is \$1.5 billion, according to a Forbes estimate. Last year, he bought a \$26.7 million oceanfront house in Malibu, Calif., and a few months later bought a second house on the same beach for \$28.5 million. His marriage to an Australian singer was celebrated with 272 guests over four days last summer on the Mediterranean island of Ibiza.

Like his idol, Ralph Lauren, he’s the walking, talking embodiment of his brand, which in his case means dressing like one of his sofas, in muted tones and pricey fabrics. He has an improbably smooth face and dramatically upswept hair that is graying at the edges. He’s partial to Brunello Cucinelli clothing and wears a wristlet engraved with “Believe” — Italian smart casual meets New Age.

Mr. Friedman’s journey from a childhood of food stamps to stratospheric wealth has left him with a finely tuned understanding of the dynamics of striving. It also left him with a bit of a chip on his shoulder. His shareholder letters could be called “Notes From an Underdog,” filled as they are with triumphalist musings about the joys of ignoring his doubters.

“We avoided bankruptcy while being accused of lunacy,” he wrote in a letter last year. “Soon the world will be within our reach.”

The Total Pampering Solution



A showroom at RH San Francisco is a daydreamer's fantasy of a billionaire's home. Cayce Clifford for The New York Times

Few companies are better at exploiting the American obsession with affluence than RH. It sells the kind of sleek, oversize furniture seen on television shows like “Succession” and does it through a singular kind of experiential shopping. With their soaring ceilings and Zen ambience, RH showrooms are a daydreamer's fantasy of a billionaire's home.

Maybe you're not a hedge fund professional, the décor says, but you can buy a hedge fund professional's drapes.

“Gary found a niche that nobody had exploited in the home furniture space,” said Warren Shoulberg, a former editor of Home Furnishings News, a trade publication. “The wannabe rich.”

The twist, retail marketing experts say, is that RH is not actually a luxury brand. In the industry argot, it’s premium, which means it’s more expensive than rivals like Crate & Barrel and West Elm but less than the bespoke offerings sold in designer showrooms where only interior decorators can buy. Those showrooms are filled with handmade furniture, lighting and rugs from Italy, France and domestic hubs like North Carolina. They cost more, last longer and hold more of their resale value. By contrast, RH furniture is largely mass-produced in countries such as China, Vietnam and Indonesia.

“Most people in the design industry look at RH as fancier West Elm,” said Jason Campbell, an interior designer in Manhattan. “But it’s still pretty expensive. I looked for a sectional sofa for a client recently and was shocked to see one from RH for \$14,000. You could buy something similar at a designer showroom for a smidgen more, and it wouldn’t be made in China.”

This is the RH strategy: Sell a premium product in a setting so dazzling that it seems worth near-luxury prices.

The company has zero presence on social media for roughly the same reason that a hip bar doesn’t have a door sign. (“There’s no school for cool” is one of RH’s official principles.) Still, unbidden and unpaid endorsements are regularly provided by celebrities, including Kerry Washington and Kendall Jenner, who have raved in interviews about the Cloud Sofa, an RH staple that currently starts at about \$4,800.



Mr. Friedman, who owns two multimillion-dollar homes on the beach in Malibu, Calif., has a finely tuned understanding of the dynamics of striving. Cayce Clifford for The New York Times

RH is constantly looking for novel ways to build mystique. The company's website does not post photos of the rooms in its first hotel, in Manhattan's meatpacking district, where rooms start at \$2,200 a night. And the only way to book a stay is to inquire via email. On a recent tour, a manager showed off the minibars, which feature crudités, an assortment of sliced meat and a fresh baguette that is replaced every two hours.

Far pricier RH productions are in the works. Its plans in Aspen include branded hotels and RH Residences, the company's first foray into fully furnished stand-alone houses.

"We would sell those homes, but we would also manage those homes," Mr. Friedman said. RH would help rent the houses when buyers weren't using them, and pocket half the rental income.

This is where the true scale of Mr. Friedman's drive comes into focus. He's eyeing the multitrillion-dollar market in luxury turnkey homes and condominiums around the world. RH need grab only a tiny slice of that and its value will soar, he said, to \$70 billion or more.

Analysts are skeptical. "It's extremely unlikely that RH will ever get a material share of this market," Seth Basham of Wedbush Securities said. "Gary's a big dreamer."



Restaurants that serve decadence-signaling dishes as a \$125 grilled Wagyu rib-eye steak are a growing part of the RH brand. Cayce Clifford for The New York Times

RH has taken on a significant amount of debt, leaving it with little margin for error, Mr. Basham added. Three years ago, the company took out a \$2 billion loan and used it to buy back its own shares. “We’re making a bet on ourselves and our

future,” Mr. Friedman said.

If sales fall and spending continues, Mr. Basham said, the company’s future could start looking dicey. But Mr. Friedman has never shied away from risk, and he can’t stop barreling into all kinds of new ventures. It’s an impulse that has yielded some memorable flops.

Like RH Contemporary Art. In 2013, the company leased a 28,000-square-foot space in the Chelsea neighborhood of Manhattan and recruited a roster of artists. Artnet called it “one of the more curious incursions into the art sphere” when it closed about two years later.

“Tough business model,” Mr. Friedman said in our interview. “You’ve got this great thing, but you can only sell one of them.”

‘Love Us or Leave Us’

Mr. Friedman takes a marathoner’s approach to work, and he expects colleagues to match his stamina.

“He’ll meet me at 1 a.m. at one of our factories in Vietnam,” said Nicholas Condos, whose furniture company, Harbour, has sold more than a dozen collections through RH. “And he’ll want to work until 5 a.m. No one is willing to say, ‘Can we go home?’”

Veterans of the company say they quickly adopt a new sense of what hard-core dedication means. Eri Chaya, who is RH’s chief creative and merchandising officer, figured this out at her job interview with Mr. Friedman in 2006. The discussion lasted three hours and included this surprising question: What are you willing to fight and die for?

“I had a feeling when I first met him,” Ms. Chaya said, “that this is a human like no other.”

For years, the annual leadership meeting included a ceremony wherein executives signed a contract affirming such sentiments as “I will continuously destroy my own reality to create tomorrow’s future for myself and my teammates,” then described ways they might have fallen short.

That ceremony has been replaced by the Daily Values Adventure. It starts at 10 a.m. every day and is shaped by topic sentences such as “Share a time when your ego got in the way of finding a better way.”

Among some executives, Mr. Friedman’s nickname is “The Sun” — a person who gives off a warm glow on good days and burns you on bad ones. The company’s workplace culture earned a D-minus from Comparably, which collects anonymous ratings from current employees. Just 22 percent of respondents said they would recommend the company to a friend; 67 percent said they would not, placing it in the bottom 10 percent of companies of similar size.



Mr. Friedman wrote maxims for RH to live by, including “Love us or leave us.” Cayce Clifford for The New York Times

Mr. Friedman is unbothered by this kind of feedback. The maxims he wrote for the company include “Love us or leave us.” Plenty of people, he noted, stick around for years, and others who have quit later returned, having found life elsewhere a little dull.

When underlings have come up short, he has been known to lash out, a tendency he claims to dislike and candidly acknowledges.

“Generally, I don’t yell at people — I yell at the problem,” he said. “If you step in front of the problem and defend the problem, you might feel attacked.”

‘Gary Gap’

By his own account, Mr. Friedman is an unlikely arbiter of high-end home furniture taste because he grew up without furniture.

Mr. Friedman’s father was a onetime merchant marine and barber who died of a heart attack when Mr. Friedman was 5. His mother, now deceased, struggled with schizophrenia and bipolar disorder, Mr. Friedman said, and was often unable to work. He said the pair had lived in more than a dozen tiny apartments by the time he was 16.

“Our prized possession was a little black-and-white TV with big bunny ears,” he said. “It’s the only thing that always went with us.”

At 18, he enrolled at Santa Rosa Junior College and flailed badly enough in his first year that a counselor told him that he was wasting taxpayer money. He dropped out and became a full-timer at a Gap store where he was so dutiful and eager as a stock boy that colleagues called him “Gary Gap.” On days off, he often drove an hour and a half to the corporate headquarters in San Bruno, Calif., to fold shirts and sweep the floor at a small showroom called Store One.

He was there one day in 1983 when Mickey Drexler, who was the Gap’s president, gave an impromptu speech in the lunchroom. Mr. Drexler asked the roughly 200 assembled employees a question, and Mr. Friedman blurted out the answer.



Mickey Drexler, a Gap executive, gave Mr. Friedman, then a stock boy, a big break in 1983. “He had good energy,” Mr. Drexler said. Michael Cohen/Getty Images

“For the life of me, I can’t remember what he asked, but the spirit moved me,” Mr. Friedman said. “And Mickey said: ‘That’s right. That’s exactly right.’”

Mr. Drexler asked for this chipper young man’s name and job title, and the next day his secretary called to invite Mr. Friedman to a C-suite meeting. Mr. Friedman arrived at headquarters 45 minutes early wearing a freshly steamed white shirt. In a wood-paneled room filled with the company’s top executives, Mr. Drexler gave his new charge an assignment.

“I wanted an objective person’s experience with real customers,” recalled Mr. Drexler, who today is chief executive of Alex Mill, a fashion brand started by his son. “So I said, ‘I want you to be the feedback person on these executive meetings.’ He had good energy, I felt the energy and I liked him.”

Mr. Friedman became, at 25, the youngest regional manager at the Gap and was later recruited by Williams-Sonoma as a senior vice president of stores and operations.

He soared at Williams-Sonoma. During his years as president of Pottery Barn, a Williams-Sonoma subsidiary, the company grew from a \$50 million-a-year operation focused on tableware and kitchen accessories to a more than \$1 billion-a-year seller of home furniture.

But 13 years into his run, Mr. Friedman, then 43, was passed over for the job of chief executive. “It broke my heart,” he said.

In a matter of days, he joined Restoration Hardware as chief executive, and helped raise a badly needed infusion of \$15 million from investors, including nearly \$5 million of his own money. At the time, Restoration was a publicly traded company that was flirting with bankruptcy. Soon, Mr. Friedman was phasing out the vintage staplers and phasing in the upscale daybeds.

“He always had a very clear point of view,” said Bonnie Orofino, who joined Restoration Hardware the year before Mr. Friedman and stayed on until 2016 as chief merchandising officer. “We spent a lot of time talking about ‘the white space’ — something above Pottery Barn but below professional designers.”

For years, the company tottered close to financial peril and went private in 2008. Four years later, it went public again, an event that overlapped with a public relations disaster. In August 2012, Mr. Friedman stepped down as co-chief executive after an internal investigation found that he’d had an inappropriate relationship with a 26-year-old female employee.

In Mr. Friedman’s telling, he didn’t do anything wrong. “I was single, I met somebody at work, God forbid,” he said. “A lot of people meet at work and fall in love.” The woman, he said, left the company after they started dating.

Mr. Friedman would not name this woman, nor would any of his current or former colleagues. Her version of these events is not publicly known. After a 10-month hiatus, Mr. Friedman returned to his job.

In the 2010s, the company pivoted from regular stores to extravagantly renovated landmarks — the onetime Museum of Natural History in Boston, a 60-room Palladian-style villa in Indianapolis — without a cash register in sight. It was a decisive step toward becoming a lifestyle rather than just a retailer. Investors spotted a winner. In 2019, shares were trading at \$150, and by August 2021 they had climbed to \$750, as Covid incited a home renovation craze.

But like many retailers, RH had supply chain issues, and it raised prices too aggressively, the company said an earnings call. Shares fell below \$214 late last year. The Europe plans were already in motion, though, and Mr. Friedman has not backed off them.

At RH headquarters, there's a full-scale model of the rooftop restaurant for an RH store set to open sometime in 2025 in Paris, near the Champs-Élysées. This version is made with Styrofoam tables and lots of place-holding silverware, glasses and chairs. Immense photographs of the city are plastered on walls, designed to reproduce the view that diners will see. It's basically a rough draft you can sit in.

“You don't get a second chance to make a first impression in Paris,” Mr. Friedman said.

RH hopes to prosper in the same thin air breathed by Chanel, Hermès and Gucci, a realm that seems downright hostile to American brands. Other than Tiffany and Ralph Lauren, few have succeeded in the cradle of luxury retail. And RH emerged from the least refined of settings. It has roots in the U.S. mall, where it offered decorative accessories and affordable nostalgia. Mr. Friedman is pretty sure those storied European brands are looking down on the company.

“We are not from their neighborhood,” he's fond of saying, “nor invited to their parties.” If the past is any indication, he's not waiting for an invitation. He'll throw a shindig of his own.

David Segal is a business reporter for The Times, based in New York. More about David Segal