

THE INDUSTRY SPEAKS



The key to *SUCCESS*

Assia Benmedjdoub
chairs a discussion on
longevity in the designer
retail space.

Assia: Anthony, can you tell us about the process of launching The Academy Brand during such a difficult period as the global financial crisis?

Anthony: Well it wasn't very smart was it? Now look, it's a question that often a lot of people ask me. I actually come from an advertising background – I'm more of a brand guy than a fashion guy. Obviously, I love fashion but I don't think that alone has set up the business to survive a tough time and give us longevity. First of all, when I was in advertising building people's brands, we always investigated who we were selling to, who we were talking to. That's exactly what I did with The Academy Brand. First, I saw a gap in the market and that's obviously a key – you've got to find a gap in the market to go through. But spending all of that time developing who we were enabled us to develop a range that could sell. Here, at the time when people were so conscious about spending a dollar. I think secondary to that, we really targeted where we wanted to sell. If someone says, "I want to take your collection," it's very tempting to give it to them. But I really spent that time finding the people I wanted to sell to; where that target market would be from the very start. There was a couple of stores in particular that were very hard to get into but I persevered and did all sorts of deals to get in there.

Assia: Was that David Jones?

Anthony: No. David Jones came after this. It was actually Tuchuzy down at Bondi Beach, when they had a menswear offering which was kind of known as one of the best fashion retailers in the country. Now it's just got womenswear. But getting in there instantly gave us credibility from a brand point of view, straight away. What Australia didn't have at the time was menswear that was accessibly priced and I just knew that guys – I mean I live in Bondi – no longer did we want to pay \$400 for a t-shirt. I mean, it was just ridicu-

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lous. The GFC actually helped us and gave us the traction we needed. I know it sounds crazy, but it did, because we came in with a brand that looked incredibly polished from the start. I wanted people in our first season to think that we had been around for 10 years, so we went to a lot of effort in putting the collateral together, like the catalogues. People thought we had just dropped in Australia from California. That really, really helped us because people thought that because of the GFC, no one's got the money so we had a very accessible price point and we sold in the right places.

Assia: *How did you get in those doors because every designer would love to be stocked in David Jones, Glue Store, The Iconic?*

Anthony: Well David Jones basically saw us in Tuchuzy, so there's a big lesson there by selling to the right people and not just anyone with a cash register as tempting as it is when you're starting out. So they saw us in there and that's how we got the call.

Assia: *And you're national now, in every store?*

Anthony: Yes. All David Jones stores and we've got some concepts rolling out too. David Jones has been amazing. Basically now they've given us a national platform to put our brand out there but it's the alignment. From the start, you've really got to choose in terms of the department store, whether it's David Jones or Myer – yes, you'd like to have both but it doesn't happen any more really. And yes, David Jones saw us there, but I thought it was the right fit and they too had a gap in the market for what we were trying to offer. Yes it was the GFC still but as I said, it actually really helped us get the traction so it's quite strange.

Assia: *What has helped Ellery grow into a successful designer brand?*

Chris: I think the first thing is that it didn't happen overnight. The rise of Ellery over eight years has been nothing short of remark-

able – it's the third Australian designer ever to be invited to show at the official schedule of Paris Fashion Week. Distribution to the world's leading luxury retailers – everyone from Dover St. Market, Lane Crawford, Net-A-Porter, Matches, Browns and the list keeps growing. Export business – that far exceeds domestic sales, all underpinned by robust balance sheets and a growth rate that's very hard to arrest. What has been the catalyst for that story really comes down to three key points: product, people and values. On the product, consumers aren't schmucks. They don't buy crap, you have to be differentiated from your peers, you have to be able to communicate value and that value has to be obvious. For us, it's our silhouette and our handwriting is unmistakably ours. It's our signature, it's clear, it's evident in everything that we do. We're very proud of the product that we take to the market and we really stand alone in that sense. On the people front, we pride ourselves on going through the market and finding the best expert in their field, recruiting them, retaining them and growing with them. Our story, in part, is due to the incredible people that we work with. We've got 23 people in our organisation today and only two years ago, that was six and we have come a long way to really ground our values, which is our third point. Our values underpin every single decision and behaviour that we do in our business. They're clearly defined and they reflect in everything we do and most importantly they dictate where we're heading and how we're going to get there and those three attributes are the driving force for us behind the success.

Assia: *You've talked about staff number growth in the past two years, what other key milestones has the brand had in that time?*

Chris: Well, just in the last sales indent we added another 54 luxury retail doors globally. We are truly an international brand in that sense. We act globally, we think globally and that is one of our values. What has been the catalyst of that? It's about who you reject, it's about who you want to associate with. It's

very easy to take everyone that comes knocking on your door that has a till but sometimes you need to reject the advances to be able to get the right deal for your brand. There are a lot of doors that we're in now that we actually said no to because they didn't have the right complementary mix. We're very protective of our brand – we know who we talk to, we know what we represent and we don't compromise that.

Assia: *Inventory management is important domestically and internationally. What are the common mistakes designers make in their supply chains?*

Joe: I guess first and foremost, we have clients that we have ongoing relationships with and if we look at our client base and see who we have the most successful relationship with, it's with the clients that actually engage us to really get involved in their business, because a lot of people can discard international freight as a commodity based business. But we actually are more consultative in terms of what we can do for our clients and it's all a matter of speed to market and we can find ways to do things faster and better and certainly save price along the way. I guess the things that people overlook are...designers and fashion importers are very focused on their product but they don't look at things holistically and the international side is a very key component. The supply side is very important but if they're not buying the right product from the right supply base in the terms that they use, a lot of money can be wasted and I see too often that money can be wasted up to 20-30% in addition to what they need to be paying. Packaging is also very important because again, at the end of the day, people obviously want product to be sent and flown here in a particular way but air freight is very expensive and often cartons are coming with a lot of empty space in it. It's okay if you're paying for sea freight because the cost of sea freight is very minimal, but particularly with air freight when you're paying a lot of money, a huge amount of money can be wasted.

MEET THE PANEL



ANTHONY PITT is the founder and creative director of menswear label The Academy Brand.



CHRIS BUCHANAN is the general manager for womenswear designer Ellery.



JOE CARBONE is the sales director at Magellan Logistics.



BIANCA SPENDER is the founder and designer of her namesake designer brand.

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Assia: How much does that add onto the cost?

Joe: Well, obviously it depends on how much space they're not using but it could be anywhere from 10 to 50%. Often we arrange shipments anywhere – China's a perfect example – and we get shipments booked in with us and we see a huge variation between the weight of the goods and the size of the goods and after we consult with our client and ask them to check with the supplier on the packaging, very quickly they can be condensed down and the end result is that they save a huge amount of money.

Assia: Bianca you manufacture mainly in Australia – is that correct?

Bianca: Yes. At the moment it's 100% in Australia.

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Assia: Does that overcome the challenges in dealing with international suppliers? What are some of the benefits in making your garments locally?

Bianca: I think my product can be quite unusual – there's a lot of devil in the detail and taking it to a level of refinement, all of my makers are in Sydney, so they physically come to my office, I try it on our fit model, I talk to them directly and my sample machinist who has made the original one will talk to them directly. I think the ability to get the product at the highest level of precision and finesse on the floor and respond is important. Fashion has a lot of factors. I think maybe everyone who makes a garment knows fabric can respond differently on different machines and different irons and it comes through everything. Everyone has 2mm that they can get wrong and if they get more than 2mm wrong the whole dress can be completely destroyed. I think when you really want to make the most of those resources and you want to get the best result but also learn – I've learnt from them and they've learnt from me and when it doesn't come out looking like we want to we work with our practices and their practices and see how we can both come together to get a better result.

Assia: How many collections do you produce per year?

Bianca: I produce two big collections a year rather than four small ones, but it's delivered over the same period as everyone else. It's just segmented differently. I think that the way you can drape on a mannequin – and there's a lot of skill but also translation that you need to understand that and understand how that technique all goes together because it's not just side seams and everything. You can pull it together and you can make what are couture techniques a reality on a floor and a pret-a-porter offering which for me is something very important.

Assia: You have your own retail stores as well – what are the benefits that you see from that?

Bianca: I think you have a very strong dialogue with your customer. You can push them and you can grow with them, but also you can respond to their needs and I think that there is a way that...I mean I'm very person-orientated so I really enjoy when I've done VIP nights or talks – you really connect to them and all the stories of every collection is very personal. There's a real creative journey that you go on each time.

Assia: We've talked about opportunities and how each of you have maximised on them – what do you see as some of the key challenges in growing designer brands in the Australian market?

Chris: In the last 10 years that I've been in the industry, working quite closely with designers, I quite regularly get the same requests from designers. They want to put on a \$100,000 photoshoot, they want to put on a fashion show that costs \$300,000-\$400,000. The observations that I have from these techniques and these ways to grow a brand and promote a brand and create awareness has always been the same: if you don't have the money, don't do it. If you've got the money, don't expect immediate return. The important thing is that if you don't do it, you'll never grow and the idea of creating beautiful imagery that talks to your brand, that communicates who you are is such an important part of developing the essence and the handwriting and the signature of who you are. Otherwise if you want to be a designer, you do need to do shows, you need to be able to bring the romance out of the clothes into runway and put that down a catwalk and it does wonders for a brand. But the return on investment cannot be directly traced and sometimes the benefits of a show or campaign can be seen seasons later, so it is a challenge. It's a very big challenge because the investment required to undertake these activities is significant and all too often we see brands find themselves in distress because

they've overreached. So it's about understanding where your business has the capacity and taking a commercial approach.

Assia: Ellery has obviously been the recipient of some government funding – you're starting to generate cash flow out of different commercial initiatives, how do you see cash flow moving forward for the business?

Chris: Look, the government has been incredibly supportive of this industry and this sector and there are a number of grants available. If you're not accessing them, I highly encourage you to do so. The number one is the EMDG grant, which is available to any local brand that wants to export, not only in the fashion sector but also education and other industries. It's an incredible grant and I encourage you to pursue it. The second one is the Strategic Investment grant – the BIC grant – it's around innovation and when you look at how Kym designs and how we operate, it's a very fluid, creative, experimental process and there are grants available to assist you through that experimentation. Be it fusing rubber with cotton – that might not sound like much, but through that experimentation, we might be able to develop a new fabrication that creates a new sector and more importantly, employment opportunities wherever we choose to apply that innovation.

Assia: Bianca, have you ever accessed any government grants to grow your business or any services in that regard?

Bianca: I've been part of the BIC program for about four years now and it's an amazing program and I think it was an incredible initiative because it's really looking at innovative design. It's really giving you an incentive to be innovative. There are lots of periods that you go through as a designer where you'll make this incredible thing that you will end up going, “I actually can't make that. I can't produce that. I can't mass produce that”. And it's going, “No. Keep going, keep going,” and keep pushing the innovation. If you keep pushing, you'll eventually find ways to make it. But if no one's encouraging you to push those dreams and encouraging you financially to really push your designs, it won't necessarily happen.

Joe: Can I just say with those grants that a lot of people have always thought that product needs to be exported from Australia but it doesn't and Australian companies can qualify even if the product is shipped for example from China or wherever their manufacturing source is to another country, excluding New Zealand of course so that's very important I think for any export companies to be aware of as well. ■