

Emerald International: The Strong Drive In Establishing Men's Fashion

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A success story in the tradition of shirt manufacture, Emerald has played a significant role in promoting men's fashion in Sri Lanka. Its collection of strong brands, capabilities in producing world-class garments and longstanding presence in the industry are the principal factors of its strong drive into the market. M M M Ihsan, Executive Director and Murad Rahimdeen, General Manager of Emerald discussed the strengths of the organisation, its strategic intent and direction, and future plans.

Photography by Prabhath Chathuranga

Can you give us a brief background of the organisation?

The business began in 1952 and initially we imported shirts from Japan and marketed them in Sri Lanka. As we progressed we used Japanese material and produced shirts in Sri Lanka in small scale as the demand for shirts was still in its cradle stages. As with many local businesses in the apparel sector the real boost came in the early 1980's. Thereafter we opened our first large-scale well-equipped manufacturing units. The values instigated by the founders of the company were to provide a high quality garment and maintain honesty in all our dealings, a value practiced to-date by the organisation and seen in all our products. This has helped the organisation to grow and expand its brand portfolio and market share over the years. Some of our leading brands include Emerald, Emerald RI collection, "Focuss", Crocodile, Venfield, ShirtWorks, Epoch, Mansack Trouser and Runn Innerwear.

How has the post war period affected the growth in your brands?

The post war period has seen a growth in the men's fashion market similar to that reflected by the economic indicators. However, we have been experiencing continuous growth over the last few years.

No development or growth could occur without customer confidence. Customer confidence in our products is very high as we have consistently delivered what we have promised. We thrive within to keep abreast of all competition by way of fashion, style, technology, techniques and human capital requirements and today this has paid off. Both our exports as well as local brand portfolio have seen significant growth as a result of untiring efforts by all Emerald staff past and present.

A majority of your business portfolio consists of shirts. What is the reason behind this?

A good 90-95 percent of our top line is contributed by the sale of shirts. Shirts are an integral part of men's fashion in Sri Lanka and we take great pride and passion in producing a world class shirt. The experience and expertise we have in producing for world renowned labels over 25 years have given us the ability, confidence and passion in specialising in it. As a country renowned for world class apparels we believe it is our duty to provide a world class shirt to the deserving Sri Lankan

consumer. This is no indication that we are not good at the other products in our portfolio. We look for greater contribution from other products in the coming years.

How do you differentiate your products from what is on offer in the market?

It is our belief that differentiation is not limited to just a brand promise. We take a four dimensional approach in our brand promise of being world class. Firstly, we ensure we use the best material and embellishments in our products; secondly, we have the best technology and machinery in manufacturing our products; thirdly, we employ world renowned technicians in engineering our products and lastly, we invest in a professional workforce that will deliver consumer confidence. Our product and differentiation stems from the above values. Our portfolio of brands caters to different segments of the markets. We have obtained both local and international certifications which allow us to export to any part of the world.

We trust in Research and Development and our volumes facilitate the ability to invest in the same. In developing our Research and Development, and Technical and Design divisions we have with us the Italian shirt engineer Roberto Inglesi, Head of Research, Technical and Design. He has worked with brands such as Roberto Cavalli, Dior, Pierre Cardin, Armani, Van Heusen just to name a few. There are many shirt brands in the Sri Lankan market; But as a shirt supplier and manufacturer we have invested much in our product and we are very passionate about what we do.

The Emerald brand is well positioned in the market. What about the other brands?

“Emerald” is the official formal wear provider for Sri Lanka cricket and dressed the national cricket team in fashionable clothing, introduced cricketing merchandise to the public and brought glamour to the game by introducing cricket fashion. The company hopes to replicate this experience into Sri Lanka Rugby with their casual line of clothing “Focuss”. This is another important brand in our portfolio which will be driven strongly in the coming years. Crocodile is another important cog in our wheel. This internationally acclaimed product is a lifestyle brand and distributed through selected outlets island wide. Venfield, Epoch, Runn are brands that have great potential and is a vital part of our growth strategy in the coming years.

We have seen a huge upturn in the organisation lately. How did you

achieve this and what were the challenges faced and how were those overcome?

People are the best asset an organisation can have. They could be turned into very efficient proactive hybrid workers with a strategic mindset. For an organisation to leap frog or have exponential growth the impetus should come from a motivated team. We started by revisiting the systems and processes within the organisation. Then we introduced a performance driven culture, changed the structure within the organisation and gave each brand a different Strategic Business Unit (SBU). We added new departments needed for continuous sustainment of the organisation and empowered the heads of departments. Today we have aligned the organisational structure to support these new SBUs and with a strong marketing push, enthusiasm and belief in our product we will be able to attain significant growth in the industry. We have a long way to go; but we are on the right track and in the right frame of mind. Hence we are confident that we will be able to achieve our financial and corporate objectives.

What are the future developments for the Group?

Our main goal will be to develop our brands more strongly and acquire a better market share in the short term. As the market leader, it is our duty to develop men's fashion locally which would not only help Sri Lankan men look smarter but also enhance the size of business potential and increase spending in this area. We also hope to establish sales and distribution of our main brands in fast growing markets in the foreseeable future through strategic affiliation.

Does Emerald International have plans to become a public listed company?

With the business potential increasing it will be good to have access to some capital infusion by way of public funds. However this is a strategic decision we will have to make looking at this year's performance, strategic plans next year and the economic growth indicators for the country.

