

# What Makes a Man?

Hameedia has achieved phenomenal growth Since its inception, to become a name synonymous with high quality clothing in Sri Lanka today. Fouzul Hameed, Managing Director of Hameedia spoke to Business Today about the stitches that hold the fabric of the company together.

By Megali Nanayakkara



### **Could you describe the background of your company and its origin?**

A Hameedia shop was first opened in 1925 by my father's uncle. My father took over the company in 1949 and he became the sole proprietor. We are now almost 56 years old and are remain specialists in menswear. At first we only had a store in Wellawatte. Then with the market expanding, more competition emerged and in 1992 we first moved by taking the tailoring section to another location in Wellawatte. That proved an advantageous move and from there we started expanding. I thought there was a lot of scope for further growth in future. I have been involved with running the shop even as a schoolboy. I used to come after school and my father made me do everything from cleaning and arranging to opening and closing the shop. It proved to be a sound training for us. From my childhood I've been helping with the running of the business. I was completely at home in that environment and didn't feel the pressure that I would otherwise have felt had I been unfamiliar with the business. I actually enjoyed it and I knew I could accomplish what I have. If you have the confidence you can face any stage of running the company. I was only about 20 years old when I took over the business. My father was sick at the time and my elder brother was running it but later he got into exports. Now I've teamed up with my younger brother and it's working well.

### **Could you give an insight into your role as Hameedia's Managing Director?**

As the Managing Director, I look after all aspects of marketing, designing, merchandising, etc. We have nearly 650 talented people working now and most of them have been with us for over 10 years. We are well structured compared to 20 years ago. Things are very stabilized and we are ready to face challenges and move forward. We have developed our own label and brand. I feel that was the biggest challenge for me. When I wanted to start my own brand everybody said that it would be pointless even to try. I didn't want to sell fake because I didn't want to lie to customer. We used to buy products from Pettah and other suppliers about 20 years ago but I felt that they were misusing us. There were inferior quality products everywhere and we too were victims of them during that time. I always felt the need to give something different to my customers. I initially wanted to be a fashion designer and in the mid 1980s. I went to Thailand to pursue a course in designing. It was a two-year program but I didn't complete the course. This is because I knew that I would never be able to make it big in fashion, in Sri Lanka at that time as people were not open to new ideas. Moreover there was so much of trouble in the country and many designers were failing. The best option for me was to join my father's business and it worked for me. There could have been good designers in the

country but its unfortunate that they couldn't achieve what they wanted to. I now regret giving up what I most wanted to do initially, which is fashion designing. If I had pursued that as well it would have been a strength for me in the business today. However I play on my experience and work as a menswear consultant. There are individuals who have the money but are unable to organize themselves when it comes to clothing. The way you dress can completely change the way people look at you.

**As a businessman and a fashion consultant for menswear, what in your opinion is the importance of creating an image or highlighting one's personality through one's appearance?**

It is of great importance and I feel that first impressions matter the most. You look at a person, talk to the person and then get to know the person – in that order. A person should dress according to his needs, background and personality.

**What sort of advice do customers seek from you as a fashion consultant?**

They mainly seek advice when it comes to weddings, functions, and usually they don't know what is best for them and that is what I'm there for. When they come to the store they might bring a magazine or catalog and say that they want to look just like that. We then guide them in selecting what will suit them best. Our staff is trained to assist customers in such matters but I personally see to clients who need additional assistance. We do a presentation for clients so that they can see the selection of clothing in advance. If it's for a groom, we consider everything from height, skin color, bride, budget, location- be it the church, house or hotel, type of wedding- be it Muslim, Hindu, Christian or Buddhist and so on. We analyze everything and give them a total solution – not everyone can match our systematic operation. Our company can match what you wear with anything from a pen, book or accessory to a sari. It is unfortunate that our services are not used to their fullest potential.

**Could you describe the process of manufacturing your clothing line, from the designing of an item to the final outcome?**

We import fabric from Italy and other European countries, Japan, India, and Thailand; wherever we can get quality fabric for a competitive price. We don't just buy fabric that looks good- everything is planned and hand picked. The designing of items are done here. The very latest fabric is bought and sent to our factory, where

the garments are produced and then distributed to our various stores. Making your own label involves a lot of risk and hard work. Anyone can put a label on a garment but it takes a lot more to create a top brand. We closely follow what's going on in international fashion from which we collect ideas for our products. European designers are known to be trendsetters, so when it comes to fashions done by them, we keep track of what is happening internationally and thus follow the trends. I travel a lot and that helps in keeping up to date with what is happening in other parts of the world. This year is a very important one for us because we felt that as we are going international, we should be in sync with the way things are done globally, so we will be having four collections; spring, summer, autumn and winter, in four quarters, which is a first in Sri Lanka. A lot of work is the secret behind our success. All the top brands are outsourced but having found the right people to work with internationally, we are able to produce our products ourselves.

We give a total solution for men from sports wear to casual wear, smart casual, evening and party to office, business, ceremonial and wedding wear. We have also introduced a new label called 'H' for women. We are currently experimenting with it. Our ladies range is constantly innovating and changing, and what's more the items are competitively priced.

**With customers being exceedingly quality-conscious how do you ensure customer satisfaction with the services you provide and what extra after sales services do you offer?**

First I make sure that I give the customer a good product. Our company is probably the only one in the country that gives a guarantee on all its products. We are not afraid to offer a guarantee, as we are confident of our products. If you know that what you are selling is not the best in quality then obviously you can't offer a guarantee. Whatever the issue, we do our best to ensure that at the end of the day, the customer is satisfied. Our customer service is very good and I must mention that a lot of our salespersons, having worked with us for about six months, have obtained opportunities to work abroad with good salaries.

**What are the strategies you employ to reach your targeted consumer segment in Sri Lanka?**

We are expanding and now looking at the international market. We are not looking at retailing cheap clothes but, at fashion quality and trendy, at a fair price, which is difficult to do as our economy is not great and we cannot always fairly price

products. We are always in step with fashion. But what's sad is that in Sri Lanka people just want very basic clothing almost 95% of them require very sober clothes. The reason for this is that there is not much activity here, except maybe in Colombo and only a few people are able to afford that life. We have shops in Kurunegala, Negombo, Kandy and after six in the evening, city life is very dull with nothing of significance happening. so one can live on office wear alone. When you're a designer you always want to make something new- that people would want to wear. But the market here in Sri Lanka is a confused one; most go for very somber and classic clothing – they don't want to experiment much. We don't sell fake brands and that seems to be the problem because consumers tend to look for low-cost before quality. They also tend to be deceived by the packaging.

So the company began shifting towards producing classic and sober clothing and began to grow in that way. That is how we made it to the top – that's business. Now we are sending our brand overseas and it is a very good opportunity for us because our products are now accepted. People know that we make good clothes and not only are they of high quality, but they are also reasonably priced. We use different strategies to suit different times and we always concentrate on higher-end consumers. After putting so much of work into it and due to the high quality of our products, they are obviously expensive when compared with other retailers. But the product that we offer is uncommon and so is the design. We keep changing month to month to attract different types of customers. Our products are promoted according to the season; be it, Christmas or New Year. We have an effective marketing and advertising department, who take care of things in this respect.

### **Could you speak a bit about the local retail industry?**

Speaking about the industry in general, I see it as one that is full of crooked minds. Everybody wants to make quick money and they will do anything, be it undercutting, backstabbing or breaking the rules. The local industry is corrupted from top to bottom. I feel it begins with the government departments. There is so much bribery and corruption going on. So the guy from the local industry is trapped right from the beginning and obviously would feel that the best path to take is the crooked way, avoid taxes or make a fake brand for example. Because society today will not allow him to do business the honest way. The way things are going in the local industry is not healthy at all and nobody is supporting or making attempts to save it. If you look at the market now you see that so many inferior quality products are brought in- they may have nice packing, labels and tags but the product is absolutely worthless. Only about 10% of businessmen, think, conduct business the

honest way. If a majority of people start merchandising good brands and good products, those who try to sell fakes will suffer. We have never had dishonest business dealings just to make money and that is something that we are very proud of.

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### **What is the business philosophy that has guided and motivated you throughout the years?**

It is definitely honesty. This is something that we were taught by our parents. From our small days we were told never to lie or cheat and it makes us do business in the right manner. In the past we used to buy from many places. We used to check with the supplier to confirm that the products bought by us are originals and it was only after some time that we found out that the suppliers were taking us for a ride. We stopped dealing with them completely and were then willing to sell any brand as long as it was original and somebody was responsible for them.

### **How many branches does Hameedia have? Does the company have any plans for further expansion?**

We have 10 branches in Sri Lanka and we are upgrading everything from tailoring, stores, machinery and factory to the office. It will cost us approximately Rs 100 million in total, but changes such as these are essential if we want to be the best in this part of the world. In two to three months, everything will come under one roof. We felt that we should organize certain areas so we can go ahead and be stronger. The Hameedia store in Wellawatte has been renovated. A new shop will be opened in the airport, which will be a total menswear store where we will sell three brands; Envoy, Signature, and Lebond. It will be promoted as Envoy- our premier brand- and not Hameedia as we want to give the label more recognition as an international brand among foreigners. I'm sure that this venture will help us to drive the brand to international levels. We look after the business of fashion labels like Van Heusen, Louis Phillippe, Allen Solly, Raymond, Lee, Arrow, Wrangler and Adidas. We deal with these brands through franchising or as sole distributor. They are all high end

expensive products, but have a lot of potential for growth. This year we will take our brand to two new countries, and we hope to drive company growth to at least 20% this year. It will be a tough journey but by 2010 we are hoping to be in at least 20 countries.

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### **Has your overseas expansion venture proved successful?**

I think this is a big achievement for us. For the first time ever a local brand has entered another country. The shop, which is located in a shopping center in Surrey, is picking up very well and I feel it has a lot of potential. The shop is together with a lot of other brands and it's a good challenge for us and we are thinking of opening another outlet there. All overseas stores are managed through franchising and we feel that's the best way to do it. A lot of people doubted the success of our brand in India as they've got so many other brands. It's true that we are not doing as well as we should but it too has a lot of potential and that's what matters. We know that we will do well at the end of the year at least. There are ways of supporting a local brand in terms of taxes and the government should be supportive in this respect. We have been asking the government to give us a separate bonding, and it's not a difficult thing to do, it happens in other parts of the world. In Sri Lanka, anything gets corrupted so easily and the government knows that if they give the needed facilities they are sure to be misused.

### **What is your vision for the company?**

We are the leading menswear retailer in the country and we want to be one of the best in the SAARC region and then take it further from that point. But it is a process that will take time. Hameedia is still a baby in the international market, not even a year old. With a lot of hard work I think it will work for us. We have developed a lot compared to the past. We will be bringing in two top foreign brands this year as well. Such brands are willing to deal with us because they know that we are professionals in what we do.

### **Hameedia has an exclusive monogramming facility. Tell us more about**



### **that. Is Sri Lanka ready for new concepts such as these?**

We offer the facility of monogramming and it is currently a big trend in Europe. It also makes a personnel statement. It allows customers to have their initials in different font types on a shirt's chest, cuffs etc. When someone wears such a shirt, you know that it's custom-made, expensive and it makes him unique. We were the pioneers when it came to doing a lot of new things in the menswear industry in Sri Lanka. We have a new online tailoring facility where one can purchase tailor-made clothing 24 hours a day. It is too early to speak about the success of the facility but it's very beneficial to our overseas customers. Our overseas shop as well as the outlet at Crescat, has a catalog with a collection of fabrics where customers can merely select a fabric of their choice and give us the required sizes.

We have the studio at our store in Wellawatte, which can be accessed on appointment basis. We assist customers by giving expert advice on putting together a wardrobe. We introduced the magazine Man's Mission. Through the magazine we try to educate men in knowing to pick one's clothes, to take care of them and buy them. It's not just about the money. You shouldn't let your wife or girlfriend buy your clothes for you.

### **How did you manage the transition from running a single shop to a corporate entity?**

There is a lot that you can learn from others and I have good friends who helped me along the way. When I started business I used to move a lot with people in Pettah. Their style of doing things was different and they used to ask me if I was crazy to do business the way I did. It's important to handle stock properly- when things go wrong with stock, then the business collapses. We were brought up to do everything ourselves, from billing to working at the cashier to dealing with clients. Associating with big brands helped me a lot to understand the different ways in which business could be done and I knew that if they could do it then I too must try to do it and make it big in the industry.

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The best thing to do is learn from others, that is the best degree that anyone can attain. The way I see it experience may very well matter more than other qualifications. You should always do what you are good at and do it properly. At the end of the day the quality of your product is very important and that is my trump or strength. I didn't jump from owning one shop to 10. It happened gradually. Every year we went on adding to what we already had and that was healthy for the company. As it didn't happen overnight, we didn't feel pressurized too much. It took time and as a result, unlike other companies, we are more stable, knowing the difficulties and things that we should overcome. When you take it a step at a time you know the real inside picture. Slow and steady is better than rushing into something any day.

Controlling 14 shops is not easy and you need to monitor the system on a daily basis. Our team is very organized so this is not a problem for us. You have to take risks and you can't always win. Running this company has provided good experience for me. We have been asking for a shop in the airport for the last five years and now an opportunity has come up. It is nice to see the company growing step by step and it has been a very interesting journey so far.

