

TANNERS TO SHOEMAKERS



Glazing kid leather. CREDIT: PKL

India's economy was based on agriculture for many centuries and, despite the immense industrialisation of the past 25 years, a majority of its population still earns a living from the land.

Although primarily a Hindu country where much of the diet is vegetarian and where cows are considered by many to be sacred, there have always been large numbers of cattle and buffalo to provide motive power in the fields and for transport. In addition, there has also been a huge goat population to provide both milk and meat that was acceptable for human consumption. As a result, India has always had a large leather industry.

Leather was traditionally processed locally by Muslim tanners who had fewer religious restrictions as regards slaughtering and processing cattle for meat and by-products. They either worked as individuals or as tiny family enterprises under primitive conditions and using crude methods which led to wide variations in quality. Skins might even be taken from animals which had died of natural causes and where a breakdown in the collagen structure had already commenced. But, in India, nothing has ever been wasted and the millions of pairs 'Chappal' sandals that were almost universally worn could be sold at every quality level and price.

Mechanisation was gradually introduced during the 20th century and the industry became concentrated in three main locations. Kanpur, in what is now Uttar Pradesh specialised in processing buffalo hides for saddlery and other heavy applications. Kolkata in Bengal tended to produce lighter-weight materials for small leathersgoods such as wallets and cases. While the former has now developed a strong business in buffalo leather for casual shoes, which are also manufactured there, Kolkata has never attracted a footwear presence other than BATA.



Production at Farida Shoes Pvt Ltd. CREDIT: FARIDA GROUP

IMPORTANCE OF TAMIL NADU

Chennai and Ambur in Tamil Nadu State in the south began to concentrate on shoe leather. Bovine hides were processed by many tanners into sides rather than complete skins using chrome or semi-chrome tannages for export to finishers in Europe who completed the process to make finished leather for men's everyday footwear known as 'East India Kips'.

The small size of the native cattle, from which the hides were taken, meant that these averaged only 8-10 square-feet in area but they did produce firm leather with a tight grain and relatively clear cutting due to absence of wire marks. This business continued in huge volumes up to the late 1960s. Other tanners specialised in producing fully-finished goat skins which were exported all over the world for use in women's dress shoes.

By the 1970s, Western shoemakers were forced to seek ways to reduce their ever-rising production costs. Leather importers were already sourcing basic uppers for industrial footwear but quality was frequently erratic. Then, the Germans took a hand. Companies such as Schmenger Leder began to encourage some of the best Tamil Nadu tanners to produce more specialised finished leathers that could be used in good quality footwear produced by German shoe factories.

It was not long before specifications were introduced against which they asked tanners to produce complete shoe

uppers. This was a hard learning curve but, by the early 1980s, many such operations were producing thousands of good-quality uppers per year for export to the European Union and even Russia, where there was a huge demand for women's leather boot uppers.

LEARNING THE HARD WAY

The Indian government recognised an opportunity to create added-value exports and a useful source of employment so, after years of holding the leather industry back, it began to encourage it to invest in footwear manufacture. Shoe factories were soon springing up at every turn. Investment came from the most unlikely sources, with even hotel groups becoming involved. Machinery was imported from Italy and Germany, and European technicians were to be seen everywhere as they strove to make these factories work.

Unfortunately, no effort was put into creating the necessary infrastructure needed in terms of component supply which had to be bought from abroad and attracted huge import duties; a useful source of tax income for the government but negative thinking as far as forging a successful footwear industry. Many of these companies failed due to a combination of these adverse cost factors, not understanding the fundamentals of the industry, a lack of suitably trained management and, above all, erratic supplies of leather in regard to both delivery and quality.

The notable exceptions were the major tanners who had originally produced basic tanned leather and then invested in modern machines to produce ever-better quality and consistent finished leathers. They then began to produce complete shoe uppers and, being able to control the quality of the materials they used, they made the best uppers. This attracted the best customers and the best prices.

At the same time, they also developed a far more sophisticated approach to managing their businesses which, in turn, created further confidence in the minds of European customers.

The next stage involved the major step of moving into full-scale footwear production. However, this was not nearly as difficult for these companies as it was for total newcomers. They had a guaranteed supply of leather (from their own tanneries), they had mastered all the problems of cutting and stitching to the required quality levels and, now, they only needed to invest in lasting and bottoming equipment. Furthermore, most of their upper customers were only too pleased to transfer all their production to their Indian partners. It was the old business adage yet again, 'Walk slowly and don't rush into something you don't understand'.

WHERE OTHERS FAILED, TANNERS SUCCEEDED

A classic example is the Gaitonde Group, based in Chennai. Started by Y. R. Gaitonde in 1927 as an agent for a UK tannery group, the company made a fundamental move in 1968 by becoming a general import agency for a range of tannery products. The business prospered under the leadership of his son Raghu Gaitonde, so that in 1973 the company became a tanner in its own right and began producing lining leathers. It is now one of the most broadly based conglomerates in the Indian leather industry, involved in finished leather, shoe uppers, finished shoes, garments, accessories, engineering and commodity trading. So, as well as producing finished footwear, it has retained a substantial involvement in all the stages of its development and is a good example of strength in depth.

SPECIALIST IN LADY'S SHOES

Presidency Kid Leathers (PKL) is another prominent tanner and footwear producer in the region. Beginning in 1972, it specialised in producing the finest glazed kid, sheep and calf leathers. This specialisation led it to become a major supplier of upper leathers to leading European women's shoe manufacturers such as Gabor.

The high standards set by these customers caused PKL, as it is generally known, to make early efforts to ensure that its products were always high quality. It employed the very best tanning technology and equipment, so that when it moved first into producing women's shoes—using its own leather production—the same exacting standards were followed. When it inevitably also opened a complete shoe factory, the same policy was applied and once again we can see how the experience and management skills developed in the tannery have led to a highly successful footwear operation.



Hand weaving uppers. CREDIT: GAITONDE GROUP

ADOPTING NEW MANAGEMENT SKILLS

Farida Group is another highly successful enterprise based in Tamil Nadu and is a good example of how these tanners-turned-shoemakers operate. Younger than Gaitonde, it started out in 1957 as a tanner of goat skins in Ambur, which lies about 160 kilometres inland from Chennai. Once again it used its tannery products to launch into footwear and, today, has two tanneries, six footwear factories, plus various trading companies. Indeed, Farida Prime Tannery—still processing goat skins—is one of the largest and most modern in India, and exports over 75% of its output.

Its first venture into footwear production was Farida Shoes Pvt Ltd, established at Ambur in 1976 as an export-only enterprise producing uppers and completed shoes. The next was India Shoes Export Pvt Ltd in 1979 at Chennai. This factory specialises in good quality stuck-on (cemented) shoes and moccasins. Farida Classic Shoes Pvt Ltd followed in 1991 at Ambur and was the first totally integrated footwear factory. This was quickly succeeded by Delta Shoes Pvt Ltd in 1992 for the production of women's shoe uppers and is licensed to use Gore-Tex materials. Two further new factories appeared in 2002, Stanford Shoes Pvt Ltd, again for the production of complete shoes, and Kenmore Shoes Pvt Ltd to produce Goodyear welted men's shoes for export.

Ambur has a long tradition of leather manufacture and is the main centre of tanning in Tamil Nadu. India now exports \$3 billion worth of leather products per year and up to 45% comes from Tamil Nadu, with \$750 million from Ambur alone. Farida has harnessed these traditional skills and developed them through training programmes to produce a highly skilled workforce able to produce high-quality footwear for the world's markets.