



CREDIT: DR MARTENS

A change of terrain

A number of UK-based leathersgoods manufacturers are reporting increased interest on the back of the 'Made in Britain' movement, which organisations such as Meet the Manufacturer, EEF and the government are trying to instil through marketing campaigns, advice and networking events.

Mulberry's second Somerset factory is close to full capacity and in its yearly results presentation confirmed its commitment to British manufacturing with the suggestion that to keep its domestically made stock at 50%, it will open new factories in coming years. Although mass manufacturing of leathersgoods, footwear, clothing and textiles looks unlikely to come back to UK shores, there seems to be a resurgence in a demand for artisan skills, with UK consumers willing to pay a premium and overseas buyers favouring the quality. An EEF survey of 241 British businesses concluded that one in six had reshored production in the last three years, with the top reasons being improved quality and minimised logistics costs. But does this apply to footwear?

With UK shoe production growing 22% in the last two years, we consider whether brands would take a reshoring risk to join the Made in Britain movement.

It seems that way, according to the British Footwear Association. "There is a steady and significant increase in international interest in British-made footwear," its CEO, John Saunders, tells us. There are currently 26 companies making shoes in the UK, and although this is a fraction of the number of a few decades ago, many are reporting increased sales. The number of pairs produced has risen from 4.6 million pairs in 2012 to 5.4 million in 2013. Estimates for 2014 suggest there were 5.6 million pairs made – a growth of 22% in two years. Of these, 1.3 million were of the Goodyear-welted variety.

In a recent edition of *World Footwear*, we looked at the Northamptonshire-based leather brands, including Loake and Crockett & Jones – all of which were reporting growth on the back of their export policies. “It’s a very different look to the Italian shoes; the Italians have a huge market but the Made in England look is particularly strong at the moment,” Jonathan Church of the Church’s footwear dynasty, who now co-owns Joseph Cheaney & Sons with his cousin, told us.

However, another Northamptonshire company, NPS Shoes, has a more sober view on the ‘resurgence’. “Made in Britain isn’t growing manufacturing, it’s just stabilising it,” comments managing director Christian Castle. “If we were the same size in 10 years, I think that would be an achievement.”

The company makes around 50,000 pairs for brands including Fred Perry, Jack Wills and Marks & Spencer, as well as its own Solovair label, and one benefit it sees is the convenience factor for British retailers. “The brands like that they don’t have to fly to China or India, it’s the ease of communication, and you can put a collection together more easily than if you were trying to do it long distance.”

But supply chains can be tricky in the UK, with few tanneries and European insole suppliers “more amenable to smaller runs and able to prepare textiles to a footwear standard” than their domestic counterparts.

“The logistics are quite complex.” The company’s next objective is to promote Solovair, “because private label can be a fickle old game. One season it’s fine and then a new buyer will come in and choose to make overseas. You have more control over your destiny with your own brand.”

Halving production costs

Making in the UK comes with associated costs – labour in particular. When CEO David Suddens took over boot brand Dr Martens in 2002, the company was in “a mess”; sales had fallen from £220 million to £130 million with losses of £60



Dr Martens chairman David Suddens says manufacturing methods need to change for mass production in the UK to be viable.

CREDIT: MEET THE MANUFACTURER

million and it was three months away from going bankrupt.

“It seemed fairly obvious that with margins about 20%, that level of loss and the clamour around the world for lower prices, we had to move manufacturing offshore. So I closed half a dozen factories and made 2,000 people redundant,” he says.

It wasn’t an easy decision. “You’re devastating communities, this is what the villages depended on, but it was a question of survival.”

One fear was how consumers would react to the news that Dr Marten’s, a quintessentially English brand, would now be

Joseph Cheaney & Sons have been making shoes in Northampton, England’s most famous shoemaking town, since 1896.

CREDIT: CHEANEY SHOES



Family-owned NPS Shoes sells under its own brand Solovair, and makes for companies such as Jack Wills.

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made in Asia. "We got grief about it, but not that much and not for that long," he admits, "because fundamentally the consumer wants good value and good prices and was not prepared to pay the premium for UK manufacturing back then."

The cost of making in Asia is less than half that of the UK, which meant the company could lower its prices and improve the financial health of the business. Most shoes are now made in Thailand and Vietnam, but the company kept one factory in England: Wollaston, the site where the first Dr Martens were produced in 1960. Initially its job was to make samples, but this increased to small runs, and as the demand for Made in England globally increased, the factory grew and has recently doubled in size. "Could we say is this the beginning of the wheel coming full circle?" muses Mr Suddens. "I don't think so, actually. From a cost point of view, it still costs twice as much to make in the UK."

He believes one of the reasons the manufacturing base declined in the 1960s – when the UK had more than 20% of the trade in manufactured goods – was the British attitude towards investment. "The northern Italian families and the German Mittelstand (small- and medium-sized enterprises) are obsessed with investment and product improvement, whereas we were not in the UK, and we lost that global trade. We were not making products that people wanted and, as a nation, we were not really orientated towards product excellence, investment and innovation."

Fresh thinking

When the brand reached its 50th year in 2010, Mr Suddens challenged the team to imagine what Klaus Martens, the German doctor who invented the air-cushioned sole, would create if he were alive today. "My point was, I do want to bring manufacturing back to Northamptonshire, but not to the old

cobblers, let's find a way of completely redesigning the boot and shoe and changing the rules of the game. Wheels do go full circle – that's the nature of the beast. But the terrain underneath the wheel will have changed, almost certainly."

He says if nostalgia for Britain's heyday or a misplaced sense of loyalty are the motivations for reshoring, it won't work.

"We all know what that consumer needs: it's a combination of quality, service, value, innovation, and probably mass customisation. Those are the reasons to bring manufacturing back: if you do it because you think it's a nice thing to do, it won't work, because customers want value for money."

Whether or not the terrain has changed, a seed seems to have been planted. The Made in Britain marque was launched in 2011 to support domestic companies and of 500 members, five are footwear manufacturers.

"The footwear industry in the UK feels quite strong – the campaign has received many enquiries from manufacturers wishing to maximise their country-of-origin credentials with our marque," says Made in Britain CEO John Pearce. "Manufacturing costs are considerably lower in Asia, and other countries such as Italy benefit from heritage in this sector, but there is a high demand for British-made goods in the UK at home and globally."

Mr Sudden's vision helped Dr Martens grow and catch the attention of private equity firm Permira, which bought the company last year for £360 million.

"When we come back to the UK, will it be with 3D printing?" considers Mr Suddens. "Not in the next five years, but maybe very suddenly we might have the technology to enable mass personalisation, because Made in the UK should be about mass customisation, as well as other things. It takes decades for industrial policy to change, for the seismic shifts to happen. And then when it does, it happens really quite quickly." 