

Family-run business Melvin & Hamilton has been producing sophisticated shoes since 1988 by adding unique twists to classic designs. It manufactures all of its footwear in India, a strategy that more brands could adopt if labour costs in China continue to increase.

Shoes with soul



Melvin & Hamilton was founded on the idea of creating 'business shoes' that were suitable for wear during leisure time as well as in the office.

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Melvin & Hamilton adds handcrafted detail to each of its shoes despite the extra time it takes. The company wants their products to have "soul" and stand out from the crowd.

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Rajab Choukair, founder of footwear brand Melvin & Hamilton, was born in Lebanon but his personal and professional life was built in Germany. As well as meeting Paris-born Nicole, who would go on to become his wife, it was in the city of Heidelberg that his love affair with shoes was born.

In the 1960s he was training as a business administrator when an opportunity arose to work in the footwear industry. A fascination with skilled shoemaking has continued ever since and he handed this passion down to his sons Karim and Olivier. Shoes were "omnipresent" during their childhood and the shoes they design point to an immersion in the footwear industry from a young age. They are now in charge of driving forward the brand that their father established nearly 30 years ago.

He founded the company in 1988, taking advantage of men who were discovering the 'business look' and wanted to wear it in their leisure time as well as in professional environments. His aim was to create a shoe that could be worn in the office then out on the town afterwards. Understanding that the key to the success of the brand would be to find a niche that set it apart from the competition, he began to blend traditional craftsmanship with contemporary flourishes.

Twenty-five years later the approach remains the same and the brand's extended range includes footwear for women. Melvin & Hamilton now makes a wide variety of products from ankle boots to sandals and from Derbies to sneakers with the use of non-traditional colours, one of the things that help it to stand out. With shades like warm red or rich orange, the company has tried to inspire its customers to wear outfit combinations that they had never considered before. The Choukairs maintain that they are the only company to offer business shoes in such a variety of colours. Not that every quirk is deliberate. The coloured soles found on some products were the result of a mistake but the brothers felt it added character to the design and so it became a regular feature.

Labour of love

Karim and Olivier are hands on when it comes to their products. They choose the materials, design the shape of the shoe and take care to make sure of a comfortable fit. One of the ways that they do this is through the use of a quality insole which also offers great durability. Linings are made from calfskin

leather which gives excellent breathability and further increases comfort. The search for fresh ideas is never complete, whether this be a different shape, unusual colour or distinctive pattern to inject life into a design. Melvin & Hamilton insists that its shoes "should have soul" and be clearly distinguishable from "industrialised products that lack charm".

Choukair Sr's enduring passion for shoes means he still comes in to the office every day and is always available in an advisory role to offer his sons the benefit of his vast experience. The Choukair brothers describe the creation of each shoe as "giving birth" and the extra care they take illustrates a sense of pride in their work. They strive to offer their products at reasonable prices but not at the expense of quality.

Handcrafted detail is added to every shoe and they are willing to invest time and to offer customers the best in hand-finished leather footwear. They have no problem spending a whole day on the finish of their shoes because this special finishing, which they have perfected over many years, is what distinguishes them from other brands.

Most products are made from vegetable-tanned leather. Melvin & Hamilton insists that the increased cost of this method is irrelevant, as is the extra time required to complete it, because it ensures the sustainability of the brand. In fact, it stresses that the different shades and nuances of leather which has undergone vegetable tanning gives the shoes their unique appearance. Karim and Olivier believe that it would be impossible to achieve these colour effects using any other material or tanning process.

The brand's growth in the past decade has been impressive. Eight consecutive years of turnover growth in excess of 30% saw it achieve consolidated turnover of €14 million in 2015, according to company figures. Online sales are the key driver of the business and a connection to consumers is maintained through an active social media presence. Exports currently make up 35% of sales with a target of 50% a key feature of the short-term strategy for the future. Plans are afoot to expand into markets in Asia and Russia but the brothers intend to continue the company's long-standing affiliation with small boutiques in Germany. Their mother's family links have allowed them to make a positive impact in France with physical retail outlets in various locations, including a pop-up store in Paris.

Ongoing success has not diminished the importance of the

small family team in Germany, who remain the lifeblood of the company. The limits to a group of this size mean that the emphasis must always be on efficiency if the brand is to meet its target of offering well-crafted footwear at competitive prices. By taking responsibility for product design as well as strategy and logistics, the brothers avoid considerable additional costs. This involvement through the whole process also gives them an excellent understanding of their products.

All manufacturing takes place in factories in India, two of which they own, where the company says they employ highly skilled specialised personnel. Melvin & Hamilton believes in treating its workers well and paying them properly in order to build on established partnerships. These relationships are key to ensuring that manufacturing remains efficient to avoid the need for prices to be increased or for there to be a reduction in quality.

Made in india

India, with a potential 500 million strong workforce at its disposal, could capitalise on a move away from manufacturing in China if labour costs in that country continue to rise. HSBC senior economist Frederic Neumann believes that India "is the only country that has the scale to take up where China is leaving off" and that the changing attitude towards China gives the country a "golden opportunity".

A 2016 report from the World Bank entitled 'Stitches to Riches? Apparel Employment, Trade and Economic Development' estimated that 1.2 million jobs could be created in the Indian apparel industry if wages in China were to rise by 10%. Wage increases are driving up the cost of manufacturing to the extent that global brands with established operations in China are beginning to consider alternatives.

The Economist Intelligence Unit (EIU), part of the Economist publishing group, predicts that labour costs in China will continue to increase steeply in the coming years, having risen every year since 2000 when average manufacturing earnings were just \$0.4 per hour. By 2012 that figure was \$2.1 and most recent estimates place it closer to \$3.5 meaning that the cost of Chinese labour now exceeds that of India and several other Asian countries.

China is on course in 2016 for its lowest share in the US footwear market since the turn of the century and figures from Chinese customs authorities showed a 17.3% decline in revenue from footwear exports in the first two months of 2016. Footwear group Wolverine World Wide has already announced a reduction in its manufacturing operations in China. In November 2014, the company unveiled plans to relocate the majority of manufacturing to Vietnam due to the combined effect of wage rises in China and the expected agreement of the Trans-Pacific Partnership (TPP), which was eventually signed in February 2016. This shift will see only a third of their supplies coming from China by 2020.

India meanwhile is aiming to grow its footwear exports as part of the strategy to boost the turnover of the country's leather sector. The government has set an ambitious objective of increasing overall leather turnover from current levels of around \$12 billion to \$27 billion by 2020.

A lack of dependable infrastructure has so far dissuaded brands from relocating their manufacturing to India but Prime Minister Narendra Modi's government has taken steps to address this issue. The 'Made in India' initiative, launched by



Melvin & Hamilton is headquartered in Heidelberg. The brothers are determined to remain grounded in a city that has played such an important role in the history of their family. (centre: Rajab Choukair, left: Karim, right: Olivier)

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Modi in September 2014, is to overhaul out of date policies and regulations, including export tariffs, and improve infrastructure in order to attract foreign investment.

A separate initiative to establish ready-made Apparel and Garment Making Centres (AGMCs) in the eight northeastern states of the country will see the textile ministry inject \$2.7 million to stimulate job opportunities in the area. The first two AGMCs in Nagaland and Tripura were inaugurated in April this year.

India also hosted the nineteenth International Union of Shoe Industry Technicians (UITIC) Congress in Chennai in February, an event which was described by the CLE as one of the biggest ever in its history. The theme of the event was the Future Footwear Factory and it gave over 170 delegates from 28 different countries the opportunity to see first hand the manufacturing potential of the country.

Testing group Intertek opened a leather and footwear testing facility in Chennai in 2015 whilst testing and research organisation CTC has expanded its operations in the country with a new laboratory in Delhi to complement its facilities in operation in Kolkata and Chennai.

India is beginning to gather together all of the elements needed to accelerate its growth as a manufacturing hub and present itself as a viable alternative to China. Conscious efforts are being made to improve infrastructure, discouraging duties or tariffs are being re-examined and modern testing facilities are in place to satisfy the demands of large-scale manufacturing.

Melvin & Hamilton sees India as the perfect location to manufacture its distinctive footwear. With foreign direct investment already increasing and a government striving to make India an attractive prospect for overseas investors it might not be long before other footwear and apparel brands follow in its footsteps and consider establishing their manufacturing units in the country.🌐