In a changing world

When business re-engineering theories were originally formulated and applied during the final two decades of the last century, the envisaged holistic approach provided a process that linked the competitive strategy of a company directly to the employees and operational methods. The development of information technology enhanced that process by providing all concerned with access to decision-making processes. In turn this resulted in the 'flatter' and less empirical management structures that characterise a considerable number of modern manufacturing and commercial organisations.

Many of the projects, some within very large companies indeed, failed. About 80%, according to one source. And the suggestion was that they did so because the biggest element of re-engineering - direct involvement - was something with which a great many people felt uncomfortable.

Perhaps also those charged with overall responsibility missed completely the three opportunities that are open to all management functions when things inevitably go wrong:

Do nothing.
Change what you do.
Change your goals.

The first is a non-starter; the second is time-consuming but safe; the third choice is the risky one, but has the potential for the greatest returns.

Strategic options

With approaching 80 years of experience behind it, Cloverbrook Limited is probably one of the UK's most trusted vertical weft knitting companies. The 'lucky' four-leaved clover logo on the range of Clovertec fabrics appears in many places throughout the world in products gifted with a wide variety of brand names – famous and not so famous.

The present managing director, Simon Chippendale, is the third generation of his family to occupy the hot seat and it seems to have fallen to his tenure to apply some of the processes outlined here. It is also within his responsibility that the company is now linked with some of the most technical products in textile engineering. Partner brand names include Outlast technology, Optimer's Dri-release, Intera, Sportwool, DuPont CoolMax and Tactel, and the latest 'green' products – Cargill Dow's Nature Works fibres. Add to those a battery of Cloverbook's own performance brands – seven at the last count – and it's a formidable arsenal to bring to bear on to the technical wear, outdoor wear and soccer clothing market sectors that take the majority of its output.

However, it is fact that during the most recent half-decade the majority of companies in the textile business have not enjoyed overwhelming success. Cloverbrook is no exception to this trend. It has been successfully selling soccer fabrics into the US market for some ten or twelve years. But the strength of sterling and the continuous pressure to reduce the cost of the fabric to counter the imported garment price has given rise to an almost zero growth market.

Seven years ago its soccer fabrics were selling well into mainland Europe when the same problems arose. The answer then was to develop a different strategy. To change what it did. To change its goals.

An opportunity within a preoccupation

In the mid-1990s that sector of the apparel and accessories market that is halfway between sportswear and fashion developed a title of its own – lifestyle products. The Cloverbrook management developed research which indicated that, while the textiles used do not give the volume of business turnover provided by soccer fabrics, the quality requirements are high, the market is more specialised and it commands a higher level of development input. All justifiably added-value factors.



Dyeing vats

The product must always do what it says it does, a strong feature of Cloverbrook's past achievements, and this became the clinching argument in the decision to adjust tactics. Lifestyle product development and sales in the European market became a new and exciting phase in the company's evolution.

As has been noted the US soccer fabrics market has also moved substantially towards zero growth, a situation the marketing department described euphemistically as 'stale'. A two-year long market study has shown that the 'lifestyle products' strategy could be successfully extended across the Atlantic with the provision that customers must be convinced that Cloverbrook is there for the long haul and that all the accounts will be handled with the same exclusivity that prevails in Europe.



Knitting room

Early indications are that the revised strategy is heading towards success. In fact, being Europe's largest soccer fabric manufacturer has helped to sell more lifestyle product in the US because the yarn suppliers are more than willing to develop new yarns on Cloverbrook's behalf and thus provide a steady stream of innovative knits to tempt more customers. Similarly there is a useful assumption with yarn suppliers that Cloverbrook will always be willing to test innovative materials on the premise that the development could well lead to further market penetration.

North African departure

A further example of the level of innovation that characterises the Cloverbrook senior management strategic planning in the 21st century, is the recent decision to proceed with a wholly owned subsidiary vertical weft knit production plant in Egypt.

An expression of surprise at this quite radical step was countered by Simon Chippendale's assurance that he viewed it as logical when taking into account the region's long tradition of textile working, the quality of the finished goods and the favourable price structures. He added that of equal importance are the ease of travel and communications with Egypt – factors that are not always resolved satisfactorily when dealing with partners operating out on the Pacific Rim.

Egypt is definitely seen as an extension of the UK operations rather than a threat to any continued existence.

The extent of Cloverbrook's business re-engineering activities is perhaps only just becoming relevant to its continued market success. The benefits are not only being expressed as turnover – the organisation is now seen to be much more flexible and responsive to the market and to the needs of individual customers.

Derryck Draper