

**Picard Leather Goods: Internationalization of the Brand progresses further**

The Picard Lederwaren GmbH & Co. KG ([www.picard-lederwaren.de](http://www.picard-lederwaren.de)), Obertshausen / Hesse, reports a good progress of the internationalization of their brand "Picard". The family business is the biggest producer of ladies' handbags in Germany and belongs in Europe to the leading brand manufacturers.

Co-owner and managing director Thomas Picard (Email: [tp@picard-online.de](mailto:tp@picard-online.de)) said to Textination in an interview that sales in the business year to the 30<sup>th</sup> of September 2008 could be increased by 8% compared to previous year and reached 30 Mill EUR, so that a positive yearly result was achieved. The gains have been invested completely into the enterprise. The financing in the direction of further internationalization is constituting no problems, as Picard stressed. The export share amounts to 28% (France, Switzerland, Austria, The Netherlands, Belgium, Russia, Scandinavia, the Baltic States, the former other Eastern bloc states, Greece, Italy, Spain, Singapur, Japan, Kuwait). The incoming orders are currently by 20% higher than last year.

For the season fall / winter 2008-09 large soft handbags made of leather in the fashion-colors coffee, cognac, red, black, violet, orange, bronze, taupe and fir green sell especially well. Also bags for men for laptops are selling well. All products are sold under the brand "Picard". According to an Outfit-Study this brand has in Germany a level of awareness with men and women between 14 and 64 years of 28%. In Berlin two Picard-pilot shops are currently planned – on the Friedrichstrasse (start-up in the middle of December) and at the Alexanderplatz in the Alexa Shopping Center (starting end of November).

Both locations are frequented a lot by visitors of Berlin – the goal here is also internationalization of the brand. With this there are now four own galleries existing. The other two are located on the luxury-sale-mile Goethestrasse in Frankfurt/Main (since numerous years) and newly on the airport Frankfurt. The Airport Galerie at boarding gate A is running since three months and already 50% over expectations. In Germany there are about 150 galleries operated by their customers (no Franchise Shops) and around 20 international ones (e.g. Ginza/ Tokyo, Beijing, Shanghai, KaDeWe/ Berlin, Split, Vienna).

The Picard Lederwaren GmbH & Co. KG was founded in 1928 in Obertshausen and is currently led by the owners Thomas and Christof Picard in the 3<sup>rd</sup> and Georg Picard in the 4<sup>th</sup> generation. At the headquarters the following activities are concentrated: development of the collection, production of the high-quality bag collection "Made in Germany" for ladies/ men; purchasing of the materials for the production plant in Tunisia; calculation, time economics, manufacturing control for all foreign production plants and know how transfer to them.

The number of employees in Germany is 150. Currently 3 fine-bag makers, 2 logistic specialists, 1 computer specialist and 14 industrial sales representatives are being trained. For the skilled worker profession fine-bag maker apply more and more qualified interested people where the company cannot even take all of them anymore. Prerequisite are language skills (English) and the secondary school certificate. The apprentices receive a comprehensive training with a stay of several

weeks in the foreign plants. "The traineeship for fine-bag makers are of high importance for us".

The design was always in the hands of the family of entrepreneurs – up 'til 1984 Edmund Picard, up to 1999 Thomas and Christof Picard, right now Georg Picard. A further co-worker – Ralf Innerhofer, who was trained in the company, is situated in Hong Kong and is working in design in coordination with Georg Picard. Stimulation for the versions are found in the international fashion scene in Milano, Paris, London, New York, from the Deutschen Modeinstitut (German Fashion Institute and the Modeausschuss Lederwaren (Fashion Committee Leather Goods)). They are visiting the trade fairs ILM, MIPEL, Foire Maroquinerie Paris.

Of the total sales ladies' handbags have a share of 65%, men's bags 35%. There are four collections of 180 versions each made per year. There are no price raises this year. In the foreign production plants in Tunisia (Sousse) are 250 workers employed – manager of production is a German master fine-bag maker. The plant in Dan Shui (China) is in operation since 1982 with 200 employees.

Currently a high raise in wages and a general rise in production costs are to be seen there. The plant in Bangladesh – certified ISO 9000 – records 600 employees (plant even has a kindergarden). According to Picard in all their foreign plants all international social standards are over-accomplished, with a wage structure appreciably higher than the average in these three countries. "Fair Trade is always a matter of course to us".

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