

# AN INDUSTRY ICON LOOKS TO THE FUTURE.

*Charles Parsons' near 100-year heritage is evident in the firm's new premises in Redfern near the Sydney CBD and at the heart of the city's rag trade.*

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**A weathered copper sign, previously on display at Charles Parsons former York Street premises in Sydney in the 1940s, hangs in the reception area of the company's new office in Redfern. It's a nice blend of new and old, a reminder that this business has a lengthy heritage and yet, is moving swiftly with changing times.**

In fact, the company's early beginnings pre-date this sign by decades. Approaching its first century, Charles Parsons was established in 1915 by the current group managing director's great grandfather Charles Leslei Parsons. And the business has been led by a family member for most of its history, each one carrying the same name.

The current management team is group managing director Charles William Parsons and chief operating officer Michael Sonand. Parsons is clearly proud of the family members who preceded him and whose pictures grace the walls in the newly renovated building. He credits his ancestors and previous senior managers with making the right decisions at the right time to ensure the company evolved whenever it was necessary to change.

For its first three to four decades, the firm specialised in suit lengths, associated trimmings, interlinings, buttons and zips. Later, it diversified into apparel fabrics including corporate wear and fashion. "In the '60s, during my grandfather's time, Charles Parsons Furnishings was established," he says. "Today, that's our interiors business and, over time, it's become a substantial part of the group."

## ACQUISITION STRATEGY

**In the '80s, his father Charles Vincent Parsons introduced a strategy for acquisitions. "And that's continued to today," he says. Some acquisitions became part of the broader group offering while others retained their brand identity, such as Rapee, purchased in the late '80s, and credited as a strong business within the group.**

"More recently, we purchased Eclipse Textiles, which was a strategic bolt-on that made sense because it was a category we weren't already supplying," he says. "We continue to look for opportunities where we can see a particular type of acquisition can add value to the business."

While he confirms the company has previously purchased distressed companies, it is now more interested in profitable businesses operating in areas in which the firm is not already participating. Also sought after are acquisitions that include an intellectual property component in, for example, their branding.

"We are looking for opportunities and we are open to people who want to present branded businesses to us," he says. "Textiles are our DNA and we are seeking businesses that are likely to complement our existing skills and experience."

During its history, the company faced and overcame many significant challenges including the Great Depression and the onset of World War II. More recently, the twenty-first century began with sad news, the passing of Charles Vincent Parsons in 2001.



His absence left a hole in the business and for the first time, the company was managed by people outside the family. The challenges were made more difficult when a number of long serving senior executives, all of whose contributions were greatly appreciated, also retired a short time after his passing. "Their individual and collective experience was enormous," he says. Parsons notes this changing of the guard happened at what was already a difficult time for the TCF sector, with tariffs falling and many Australian companies shifting production offshore.

## WAREHOUSING MOVES

**To achieve a more efficient business model, the firm commenced centralising its warehousing to Melbourne in 2003 rather than hold stock in each state. "Previously, we had stock holdings in Perth, Melbourne and Brisbane which meant additional money tied up in stock," he says.**

In 2003, Parsons joined the company and set about learning the business and the industry. He met customers and travelled overseas as well as being involved in joint ventures with companies like KS Textiles.

He took on the reins of group managing director in 2010 and recruited Michael Sonand to join the management team as chief operating officer early the next year.

"I wasn't expecting to take on the role when I did," Parsons says. "But when the managing director resigned, it was an opportunity to become more hands on."

When Sonand came on board, the businesses in Australia and New Zealand ran autonomously. Each had separate boards, managing directors, chief financial officers and IT systems. "There was unnecessary duplication," Sonand says.

The businesses were consolidated to enable, for example, Rapee in Australia and New Zealand to have the same management team. "Obviously, economies of scale were introduced," he says. "It worked very well although it was hard work but we changed the mindset."

The result was that the company became more efficient and could deal with the market with 'one face'. "Garment fabrics and garment fabric componentry were brought together under one accountability which was well received by staff," he says stressing these steps were not about cutting costs but rather about working more effectively and with the appropriate management in place.

## TODAY, THE BUSINESS OPERATES WITH FOUR COMPONENTS:

- Apparel fabrics - focused on products for garment construction such as fabrics, trimmings, threads and fusings
- Home and commercial furnishings includes drapery, upholstery, cushions and throws
- Garment supply covers the New Zealand-based Line 7, a specialist in wet weather gear and associated product, as well as S&R Fashions, responsible for supplying and designing fashion garments to vertical retailers in Australia and New Zealand. This firm also provides fashion forecasting to help clients fill gaps in their ranges.
- Recreational lifestyle focuses on Darche camping products, tents, swags and accessories.

Acquired three years ago, Darche's sales have been doubling every year. "It's quite small in a very large market," Sonand says. "The brand has established a foothold in an authentic way; it appeals to the 4WD enthusiast and campers. It's not cheap but its good quality and reliable and some products have lifetime guarantees."

Sonand says the motivation to purchase Darche came from the firm's knowledge about textiles. "We want to supply product made fit for purpose," he says. "It's about innovation and having a point of difference in the marketplace."

"Treasuring our rich heritage, letting it guide our future through innovation and smart expansion has made Charles Parsons the powerhouse in the Australasian textile industry it is today, and with a continual focus on evolving in anticipation of the ever changing market, the company remains well placed to be at the forefront of the industry as it enters its second century of trading."

## INNOVATION A FOCUS FOR CHARLES PARSONS' FUTURE

**Charles Parsons is in a good position to address the challenges of the future, according to chief operating officer Michael Sonand.**

"We've been around a long time and we are stable financially," he says. "We can make decisions in a considered way. We don't need to rush into anything but, at the same time, we can act quickly."

He describes innovation as a key driver for the firm, to give customers what they want before they realise they want or need it. And that's achieved by being informed about the latest developments overseas and ensuring fabrics that are relevant to the market are offered to the firm's customer base.

"There are opportunities in Australia and overseas," Sonand says. "We started selling fashion fabrics to the UK and North America three years ago. That has grown into a good business. And we've developed a name and a reputation at the right fashion houses overseas and there is still growth available to build market share."



Sonand notes the firm invests in inventory and stock service, unlike a lot of other businesses that only commit when orders are placed. "We commit in advance and we can supply sample fabrics as well," he says. "It's not unique but it's an unusual way to do business in today's world."

The firm's strategy includes making customers the focus and ensuring their concerns are considered in every decision made. "Our consolidation will improve the experience for customers," he says. "With all the apparel fabrics brought together, there is also an opportunity to offer customers a wider range. They might want suit fabrics but we can now let them know we also do interlinings and fusings."

And he suggests relocating to the new premises in Redfern returns the business to the city's ragtrade precinct with the added advantage of being closer to the airport for visiting customers.

In this light-filled space, the firm's fabric design team is encouraged to be creative and develop new ideas.

"We want to develop a handwriting that is different from everyone else," he says. Sonand points to the Darche brand as an example of a brand that has 'enormous' opportunity for offshore sales, with plans to establish a similar unique handwriting for other products in the company's stable to meet demand in global markets.

"We won't close our mind to opportunity," he says. "We're open to business models; they won't be the same as 10 years ago, everything is changing all the time."

Interestingly, the view from the company's new outdoor terrace includes the Chalmer Street premises in Surry Hills that was once occupied by Charles Parsons and still bears its name on the building.

"This head office places the company back at its roots and what it stands for," Sonand says. "It's about the new meeting the old. We're proud of our better showroom; it's a showcase for the organisation and demonstrates stability in a difficult market."

## FAST FACTS

**\* OWNERSHIP:** Charles Parsons has been owned by the same family for four generations and almost 100 years. Its founder Charles Leslie Parsons established the company in 1915 selling suit lengths. He was succeeded by Charles Riviere Parsons and Charles Vincent Parsons, whose wife Vicki Parsons continues as the company's chairman. He was succeeded by Charles Riviere Parsons and Charles Vincent Parsons, whose wife Vicki Parsons continues as the company's chairman with their son, Charles William Parsons, the current group managing director.

**\* DURING THE GREAT DEPRESSION,** Charles Riviere Parsons introduced a strategy to ensure the company's future. Parsons, along with the firm's entire staff, went on half pay for two years until the business' fortunes improved. When business picked up, they returned to full wages. According to current group managing director Charles William Parsons, his grandfather had not wanted to let go any of the people who made the business successful. "The Great Depression was very tough for the business," he says, "But no one was let go which was a great collective achievement."

**\* WORLD WAR II** posed an unanticipated challenge for the business. Its headquarters, in the Grace building on Sydney's York Street, were commandeered by the military. As a result, the business was forced to move premises while it coped with the loss of many key staff members who enlisted to fight in the war and were gone for five or more years. "Most returned," Parsons says, "but not all. My great grandfather Charles Leslie Parsons ran the business during the war while my grandfather was in North Africa." After World War II, the firm's market share increased as the economy grew and prospered.

**\* A WEATHERED COPPER SIGN,** on display in the company's new premises in Redfern, came from the York Street premises in Sydney and is a reminder of how the business operated in the 1940s to 1960s. Outlining products available on each of the three floors it occupied in the building, it says the first floor contained buttons, haberdashery and zippers. The second floor accommodated linings and interlinings, while the third floor held woollen suitings and outerwear fabrics.

**\* REMINDERS** of the firm's rich history are scattered throughout the new premises. Encased under glass in the showroom is a microscope in its original wooden case. It was used in the firm's ISO accredited laboratory 40 years ago. That laboratory continues to operate today. Also exhibited are textile conversion tables and yarn calculators donated for display by key former executives.

**\* ACQUISITIONS** contributed to the wide range of products on display in the company's new showroom. They include Apparel fabrics, trims and accessories, Rapee cushions, upholstery and curtains from Charles Parsons Interiors, Eclipse Textiles' stretch fabrics as well as textiles from Craft Projects and Bridal Collection. Also on show garments from S&R Fashion.