

Way to cut your cloth creatively

The textile and fabrics sector is far from a rag trade, writes **Philip Hopkins**.

NOT too many people have dared invest in the textile sector. After all, this is the industry that has been devastated by tariff cuts, job losses and has shifted offshore, right?

Menachem Vorchheimer agrees — but with a caveat. Yes, the industry has gone through a tough time, but Mr Vorchheimer prefers to think in terms of industry change.

“You need to accept change and grab opportunities. You can do a lot if you want to,” he said.

The important thing is to knuckle down and get things done.

The former auditor — a youthful 32 who exudes confidence, enthusiasm and ambition — has put his money where his mouth is.

Four years ago, he took an equity stake in a troubled textile company, and before too long had converted this to outright shareholder control.

Mr Vorchheimer is now chief executive of the private textile group AAA Trading, which consists of three main

subsidiaries — AAA Wholesale Fabrics, Belmondo Home Textiles, and Simonson, a fabrics specialist.

A business that four years ago only had 30 employees now has 130, and is on target to reach a turnover of \$100 million in two years. Beyond that, the aim is a turnover of \$300 million by 2012.

The manifestation of this growth is the new headquarters and warehouse AAA Trading has established in a sparkling new industrial estate in South Dandenong.

So there is life in textiles after tariff cuts. What is undoubtedly true, however, is that the manufacturing of the textiles is done in China.

This situation creates what Mr Vorchheimer calls “unique selling propositions” — the points of differentiation and niche markets that AAA can aim at in Australia.

The company has developed a close relationship with its suppliers. AAA’s in-house textile experts make suggestions on fabric style and design, which



Menachem Vorchheimer, 32-year-old CEO of AAA Trading. His company’s success has demonstrated that life remains in the maligned textile sector. Picture: Joe Armao

are incorporated into the products.

AAA Trading has evolved into a sophisticated middleman that develops products through its own technology and designers.

“We don’t have to spend money on manufacturing infrastructure, which is very

expensive,” Mr Vorchheimer said.

Typical Belmondo products — bed linen or furniture — can be seen advertised in house and style magazines such as *Vogue Living*, *House & Garden* and *Home Beautiful*.

Diversity is the key. Producing one type of product is a

dead end. “I prefer to be juggling 10 balls in the air at the one time,” Mr Vorchheimer said.

For example, the events market — the grand prix, or the spring racing carnival — has created opportunities for new products.

Other innovations include a tailored couch cover that saves the need for re-upholstering, and a new way to make a textile acoustic wall that cuts noise by 40 per cent.

Previously, these walls were sold in rolled form, which required much preparation, but AAA sells them in tiles that stick to the wall.

No big company dominates the textiles sector — most companies are family-based — so AAA’s opportunities for growth can also come through acquisitions. Simonson, a family upholsterer founded in 1879, was one such strategic buy.

Mr Vorchheimer takes very seriously the need to find and keep good staff — but he has some novel ways of doing that. Staff have taken part in sumo wrestling, and even a game in which they play “catchy” with large fish.

“We believe in a sense of fun,” Mr Vorchheimer said.