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## With verve out of the niche

*Helmut Bayer wants to expand OSKA's range and their own retail trade.*

"Regardless of the type of partnership you venture into, the procedure for the exit should always be arranged as well." This is insistent advice from Helmut Bayer (44), who was shareholder and managing director of OSKA Textilvertriebs GmbH in Munich together with Philipp Langer until the end of 2005. The two men, of very different temperament, had looked ahead so the separation went off amicably.

However, Bayer cannot pull through the planned expansion of the "individual, timeless and urbane" fashion entirely without a partner. With a share of 5 % he invited Fonds Invest AG of Raiffeisenlandesbank Oberösterreich on board. Bayer has a buyback option and nothing but praise for the investor with whom he plans to get the label going in Germany as well.

**Out of the niche.** About 75 % of the OSKA collections for women and men are sold abroad. With a 40 % share Great Britain is the biggest and most constantly successful market, emphasizes Bayer. In 1997 OSKA Textilvertriebs GmbH was established. Since 2000 Designer Philipp Langer has put his mark on the two lines. Bayer created the economic platform.

In the past six years, Bayer calculates that OSKA grew an average of 47 percent per year. In 2005 almost 500,000 garments were sold to more than 1000 dealers in approximately 20 countries. This year the balance sheets are expected to show a turnover of about 28 (23) m Euros. The market for commercial, individual fashion grew from niche to segment. There are two OSKA shops, one in Berlin and one in Munich. Both are booming. In Fünf Höfe 90 square metres earn 1.6 m Euros annually. Bayer wants to transform this shop for womenswear and menswear as quickly as possible into two shops using new premises in the vicinity, in order to give a more appropriate amount of space to the two quality lines. The dealers can also benefit from and be encouraged by the experience of OSKA with their own shops.

Berlin-Mitte will soon open another menswear shop; Aachen will follow in June, the first one with a partner; two shops are planned to open in Hamburg's new Europa Passage in October, one each for women and for men. In London, OSKA is going to Kingsroad while New York is on the wish list. In Great Britain House of Fraser is their best customer and at Selfridges the first shop-within-a-shop is being built.

Wholesale remains their core business, Bayer emphasizes. This is why he wants to increase the availability of the collections, whose design directors are Stefanie Schmitz (womenswear) and Daniela Di Donato (menswear), from three into four blocks to be able to deliver flexibly according to demand. The ultimate goal after continued technical upgrades is year round ability to supply. Since risk grows with increasing quantities, he wants, at the same time, to use outlets to minimize financial risk. So far there is one outlet in the headquarters at Garching and another newly opened one at the FOC Ingolstadt. "The market does not forgive you for being late." This is why the Czech affiliate PRO LEN, through which 85 percent of the collection is realized, is so important to Bayer. PRO LEN delegates the production to partner companies in the Czech and Slovak Republics and the Ukraine. Washing and dying are carried out in their own facility and a finishing department is being built. The typical look and structure of OSKA fabrics are developed there. From China the Munich company gets special leather, hemp and silk qualities.

**New Segments.** In the summer, linen dominates with 50 percent at OSKA. For the coming autumn/winter season a basics line in wool crepe with trousers, skirts and jackets has been produced. "This will also work in lots of 100". The next step might be a Home Collection. Bayer is also thinking about going back into jewellery and shoes.

Bayer wants to cooperate even closer with retail. On Mondays, he can review the preceding week's foreign sales figures. This is what he would like for Germany as well. With more POS material, he wants to give additional support to trade. Newspaper inserts are being tested at the moment. And the direct approach is the one the communicative OSKA boss takes when it comes to recruiting staff. In his shops he places leaflets about the chances for people experienced in this field, the motto being "Talk to us."