

Japan's love affair with British elegance

Designer Margaret Howell finds quality fabrics and British styles are a winning formula, writes **Danielle Demetriou** in Tokyo

She is a designer who instantly evokes images of Britain – from her artisan cottons and Scottish yarns to her understated white shirts and the mid-century English furniture in her stores.

So it is perhaps surprising to learn that Margaret Howell, a quintessentially British designer, has found her biggest successes not on native shores but nearly 6,000 miles away in Japan.

This year marks the 30th anniversary of the opening of the first Margaret Howell store in Japan, located in the Aoyama district of Tokyo, the start of an unexpectedly fruitful business venture.

Today, there are 94 Margaret Howell stores across Japan, as well as a Tokyo café. Nine have opened in the past year and several more are scheduled for later this year. In contrast, she has just four stores and one outlet in the UK.

She employs nearly 300 staff in Japan and sales there have multiplied by 50 since the first store opening, despite recent economic turbulence.

She attributes the brand's runaway success to a combination of consistently high quality clothing, regardless of the economic climate, and a painstaking expansion strategy that has erred on the side of caution.

Speaking to *The Daily Telegraph* from

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her minimalist showroom in Tokyo, Ms Howell – quietly spoken in a black shirt and clear-framed glasses – said: “A lot of English designers were taken up by the Japanese around the same time as us and without careful control over expansion, it can go wrong.

“We’re always communicating about the designs and keeping control over things. There is a tendency here to expand more than I would always like, so it is my job to keep it under control. On the whole, I think we work quite well here.

“The range is bigger in Japan compared with the UK. Our team goes over to London as much as we come over here and I’m in Japan normally twice a year.”

Ms Howell is not the only British designer enjoying success in Japan. Cath Kidston's British flower print products are available in 30 stores and the first Cath's Café has opened in the capital. Paul Smith has 200-plus stores across Japan and bag designer Anya Hindmarch has 25 stores. Recent openings in Tokyo include outlets by Stella McCartney, Ted Baker and Issa London.

Having survived Japan's financial turmoil – from recessions to the nuclear crisis – these are British businesses



Designed for the discerning: Margaret Howell, left, launched her label from a kitchen table in south east London. She now has 94 stores across Japan

poised to benefit from a climate of tentative confidence triggered by prime minister Shinzo Abe's “Abenomics”.

Ms Howell, launched her eponymous label from the kitchen table of her flat in Blackheath, south east London, in 1972 after being inspired by a jumble sale find.

She began by designing men's shirts and opened her first store four years later in Knightsbridge. Since then she has acquired a loyal

following for her minimalist designs, understated style and high-quality fabrics, such as handwoven Harris tweed and Irish linen.

Her success in Japan came about by accident. Back in the heady bubble-economy optimism of the early 1980s she was contacted out of the blue by fashion importer Sam Segure, who worked there.

“Sam was very sympathetic to one's wishes,” Ms Howell said.

“He only worked with people he understood how I felt about things. He was extremely careful not to expand the brand in Japan too quickly and also to keep the high quality of the products.”

This consistently high quality of design and fabrics – many of which are created by the few remaining artisan craftsmen at mills and workshops in the UK – is another factor that has led to a growing market of Japanese devotees.

With a quiet, understated modesty Ms Howell said: “I think it's the quality of the clothes that's so popular: the comfortable feeling; the attitude; having quality in something that you can wear quite informally.

“The business has always been very carefully managed here but, as far as the customer is concerned, I think it's the fact that the clothes feel nice – that's why they come back.”

An unwavering commitment to

producing quality products, despite economic turbulence, was another key factor, according to Kazumori Tomeoka, the managing director and chief operating officer of Japanese company Anglobal Ltd, which operates Margaret Howell in Japan.

“The reason why our sales are stable is because we haven't changed our policies regardless of the climate,” said Mr Tomeoka, who has worked for the brand since the first Tokyo store opening 30 years ago.

“We have not changed anything, in terms of what we are producing, even during recessions. Generally, fashion businesses fluctuate but we continue to produce high quality products that people recognise as authentic.

“Japanese people have a lot of respect for the British. They appreciate how British people treasure heritage, nature and innovation. Japanese people love these British qualities.”

Japan is currently the third most important market for the British fashion industry after Europe and the United States, as reflected in the growing number of UK retailers on its streets.

Kae Miyazawa, a senior trade advisor for fashion and retail for UK Trade & Investment (UKTI) at the British Embassy in Tokyo, said: “Compared with

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many fashion brands which experienced a bad time during the recession, British fashion brands did not change their style. They continued to maintain their brands' philosophy and high quality.

“Other brands might have adapted their production standards to make products cheaper but, as a result, the quality became poorer and Japanese customers left them.

“Many British brands, on the other hand, continued their high standards and never tried to replace this with lower quality, cheaper products.

“This is very important. Japanese consumers will not buy fashion because it is cheap.

“If it is cheap, the quality must also be apparent before they will buy it. If the products are not cheap, they will pay money for the story, quality and originality.”

For many British brands, Japan is often the starting point for Asian expansion. Ms Miyazawa's UKTI department in Tokyo deals with 200 British fashion and retail companies every year.

“The Japanese standard for quality is said to be the best in the world. If you have success in Japan, your product's quality will be accepted by many countries in the world.”

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In Business

Time for the Government to back the micro-business boom

My wish list would help deliver growth, says **Tony Robinson**

When I left a director-level job at a UK subsidiary of a US corporate giant in 1986 with my colleague, Clare Francis, to start a micro-business marketing services to entrepreneurs, we didn't have a clue what we were doing.

This was despite having post-graduate business qualifications and an award-winning, bank-pleasing business plan. Our adviser was a retired corporate executive – useless. We made £12,000 in our first two years. We're still here.

In 1971, when I went to university, there were fewer than 1m micro-businesses in the UK. Today, there are 4.55m, each of them with nine employees or fewer, and they make up 95pc of all UK business. One in seven working adults is running their own business; by 2020 the number may be as high as one in five.

Around 500,000 micro-businesses start up every year – that's 40pc more than in 2000 – while all other sizes of business have remained static or even fallen.

Large companies have been in a jobs meltdown for many years and the lack of traditional job opportunities, together with a desire to control one's own destiny (my latest Kindle book is called *Freedom from Bosses Forever*) with work hours that suit, in a place that suits, have combined to fuel the micro-business phenomenon.

New micro-enterprises provide most new jobs and most of the innovation and creativity. They do more for their communities than larger companies and their employees are happier, too.

These 4.5m businesses provide 32pc of private sector employment and 20pc of private sector turnover. Micro-businesses are far more important than small and medium-sized enterprises with between 10 and 249 employees.

However, there is no level playing field. The largest companies, year on year, employ less as a proportion of the UK workforce and pay less, year on year, in corporation tax, yet 95pc of all government employment support and training funding goes to the largest 5pc

of UK businesses. Moreover, larger companies on average take 68 days to pay their bills – a killer for micro-business.

Lord Young, the Prime Minister's enterprise adviser, and Chuka Umunna, the shadow business secretary, have both publicly recognised the contribution of micro-businesses. This is positive, but whether government “gets” enterprise doesn't matter as much to me as it used to. We're doing our own thing. Call me fickle but fickleness is a family trait. My mother would say she was a “lapsed vegetarian” if she liked the look of the meat course more than her pre-ordered vegetarian option.

Politicians and senior civil servants can't claim any credit for the micro-businesses phenomenon. Few need to learn about it as their career path is usually corporate.

Most micro-business owners are passionate about their products and services and most go the extra mile to please everyone. They do not like to put their head above the parapet. By inter-trading and collaborating with other micro-businesses their dependence on government and big companies reduces.

But there are some things the Government could do to help. My wish list includes: requiring any beneficiary of public funding to pay suppliers within 30 days; reducing energy costs and

business rates; providing free Wi-Fi in public places; assisting business travel; introducing a more informal employment tribunal system; introducing tax incentives so people can try self-employment while in a job. These are practical steps other countries are taking to create a positive environment for micro-businesses to thrive.

The growth of B2B service businesses, trading platforms, work hubs, apps and competition has made private sector (online and offline) business support low-cost, accessible and effective. It is easier to start a business than it was 10 years ago.

But government start-up support has not improved in those 10 years. Six per cent of all start-ups will become substantial, higher growth, employing businesses. It is in the national interest to increase survival rates.

Some estimates suggest that only 50pc survive the first year and 20pc survive three years. Yet I know that many thousands of start-ups, when given the right support, including test trading, and good filtering of those not ready to start, achieve a survival rate of 80pc after three years.

The private sector can achieve this success rate. Everyone, including those being lured off benefits, deserves professional support, with test trading, for the first 18 months of their enterprise. After 18 months, the business owner will know more than their adviser.

Last year, I co-founded, with Tina Boden, Enterprise Rockers CIC, a massive, free-to-join, global, self-help community. We run our own businesses while helping each other. Our micro-businesses are our passion; a self-help organisation gives us a better chance of surviving and thriving than government, banks or big companies ever will.

Social media and the Enterprise Rockers Community are making micro-business owners increasingly aware of their contribution to the economy. The growth and importance of micro-businesses is a modern phenomenon but, to coin a phrase, you ain't seen nothing yet.

Tony Robinson OBE has been a successful micro-business owner for over 25 years and is co-founder of Enterprise Rockers (www.enterpriserockers.co.uk) which supports micro-enterprises.

