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Luxury FOR LESS

Images by Scott Ehler

In a few short years, Colette By Colette Hayman has spread to 72 locations nationwide and provided affordable and fashionable accessories to Australian women.



As one of the most rapidly expanding retail chains in Australia, Colette By Colette Hayman fills a particular niche in the market. Husband and wife co-founders Mark and Colette Hayman are the force behind this retail giant, using their impressive retail experience from accessories icon Diva.

The CEO Magazine sat down with co-founder and CEO Mark Hayman to discuss the meteoric rise of Colette By Colette Hayman.

The CEO Magazine: You founded Diva with Colette and you were CEO of Diva for around four years. What were the most important lessons you learned during this experience?

Mark: I think every previous position or company experience helps you improve. There were a lot of things we did well with Diva, but we certainly improved on them in the Colette business. We built our own buying application and we improved on our reporting. We have a fairly unique process in terms of designing, creating, and buying. As we've come into the market in the last few years, we've quickly adopted advances in technology. It's been a great help in terms of extensive reporting and getting information to our staff.

What inspired you and your wife to set up Colette By Colette Hayman?

Colette and I have worked together for 25 years, so we've always done something together. There was a fairly big void after we sold the Diva business. We did a bit of travelling and I think after a period of time we realised that retail was in our blood.

We looked for a gap in the market and we found there was a huge gap in the fashion handbag market. Handbags became our number-one priority, and then we started to look at other products that would complement them. Jewellery, as we've done in the past, was a natural addition to the business.

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- Mark Hayman



Since then, we've started to expand into other things like cosmetics, stationery, and perfume.

The idea was to try and create something that was different and excited people. We don't profess to be a luxury brand, but we wanted that same, special feeling when you enter the store. We aim towards the mass market; we're a volume operator, so we wanted to give Australian consumers something a little more special in a fairly overcrowded sector.

You've seen enormous growth in such a short period. What do you think is the secret to this success?

It was a little bit of blind faith going ahead and believing that there was a lucrative gap in the market that we had identified. The success of the business is very much based on the great team we have.

We've been very selective about who we hire. We recruit 50 per cent on skill and 50 per cent on culture, and it's been a very important part of how we've grown the business. I think we have people that honestly love to be in this business. They love being in fashion, accessories, and retail. All of them are a great part of our success.

We've built the infrastructure to support 150 stores in Australia and

1,000 stores overseas from the outset. What we've been finding is that we're not outgrowing our systems. We put into place a lot of processes, systems, and technologies that would support a larger business, so that's allowed us to grow quite quickly.

Today, we have 72 stores. We have another 15 stores that are secured and planned over the next three months and we intend to open another 15 to 20 stores in the second half of 2013 to take us to more than 100 stores.

We've got a couple of stores in New Zealand and we're in the process of signing up a few shops in Singapore. Our partners in South Africa will open up around 40 stores, and a partner in the Middle East plans to open up around 45 stores.

While that may seem quite aggressive, we're doing most of the overseas expansion through partnership arrangements or franchising. The Singapore operation will be company-owned and so will the UK and US businesses. We will be in markets where we feel we can implement the team and be part of motivating and growing them. We'll be looking to open some pilot stores in the US and UK by the end of the year.

We want to test other markets. When I travel around the world

and look at all the different markets and the competitive landscape, I don't see anyone that's doing what we do. It doesn't matter whether it's the UK, the US, or the rest of Europe, we don't see stores that present a bag and jewellery collection like we do, so that potential excites us.

With you and Colette collaborating so often and one of your daughters in the business, do you think there's an ingrained family culture?

I've been very cautious about creating a family business, as much as I think it suits a number of industries. Being in this highly charged retailing environment, everybody needs to earn their keep. Although we have family in the business, they all started in low positions and have worked their way through the company and earned their stripes. I think everyone here appreciates that.

You mentioned you recruit 50 per cent on culture. What are these cultural considerations?

We've got our core company values, but we essentially want people that love doing their job and love being in fashion. We're looking to create a brand and we're doing it through a fashion distribution model.

I think the idea is that if people are immersed in fashion, they'll ►



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How do you ensure collaboration and communication with your suppliers and strategic partners?

We have a lot of contact with our suppliers. We are designing with them and they also do some creative work for us. Earlier in the year, we put together a supplier charter which helps us clearly articulate all of our company's policies and procedures, both internally and to our partners. It works through all our standards and requirements for our suppliers and gives them an accurate measurement for their performance.

The idea is to make sure everybody understands our responsibilities, their responsibilities, and the quality we expect. We also hope they're making a fair profit from our business; it's not about getting every last dollar from our suppliers. We'd like them to have a healthy and long-lasting business relationship with us.

As a leader, what is your vision for Colette By Colette Hayman?

We'd like to build a global brand and a retail network that is located in the best retailing locations around the world. We're looking at taking our Australian chain to 100 to 110 stores in the top retail centres in the country.

We'd definitely like to be a preferred place to work. Everyone's got to work and we want people to understand that we care about their environment as much as we care about our customers. As I said, it flows on. A happy team leads to happy store experiences.

We'd like to be a leader in delivering fashion accessories and handbags at affordable prices globally. That means delivering the consistent execution of our stores, products, and services throughout the world. There are a lot of challenges for us to achieve that vision. Colette's tagline is, "You don't have to spend a fortune to look fabulous", and that's something we all look to deliver. •



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have the same attributes that a lot of people in our company have as well as being respectful, humble, dedicated, and customer focused, which is what we look for. These are people that make it enjoyable for the rest of the team to work with, which flows on to the service and the experience customers have in the store.

How do you ensure that culture flows across your 72 stores?

I was recently looking around our stores, meeting our staff, and getting into the business, and I was very pleased to see the energy we have in our team. It's clear they love the brand. We're constantly in

communication with our team and everybody has my direct email.

We recently did a blind survey of our entire retail team and 96 per cent of respondents said that they loved their job, 98 per cent said they were proud to work at Colette, and 87 per cent said they felt they had received appreciation and recognition of their efforts. Those are extraordinary numbers. It is very satisfying to find that largely everyone in the company is happy to come to work at Colette. Not only does it reduce churn and ensure we retain our staff longer, but it gives consistent performance and customer service within the store.

"Colette has always been a pleasure to work with. They are into the detail across all facets of the business, yet visionary with their strategic objectives. A clear direction and a well-executed plan has driven their success." - Simon James, Partner, Audit and Corporate Advisory, Sydney, HLB Mann Judd

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- Mark Hayman