



ACTIVITY BRIEF

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TPSA | CANADA-INDONESIA TRADE AND PRIVATE SECTOR ASSISTANCE PROJECT

Indonesian Footwear Companies Return to the MAGIC Trade Show

Five Indonesian footwear companies attended Footwear Sourcing at MAGIC for a second time to showcase their newly designed products. This international trade show displayed footwear products by more than 200 companies from six countries.

Five Indonesian footwear firms—Fortuna, Maine St., Top Torch, Queen Pacific, and Venamon—attended the MAGIC trade show in Las Vegas in August 2017. That first visit exposed these companies to the opportunities and challenges of attending an international trade show. TPSA expert footwear consultant Phil Zwibel was with them every step of the way. He showed them how best to organize a booth and display their footwear products, and instructed them on proper business conduct and the importance of timely follow-up when dealing with global buyers. He also coached the companies on how to make their products competitive for the North American market. Each footwear company brought sample products that they showcased to potential buyers, and each succeeded in attracting interest from those buyers.

The TPSA project helped the same five footwear firms attend their second MAGIC trade show in February 2018. This was an opportunity to establish further buyer contacts and present new products.

At the February show, the five firms were better prepared and more experienced, having undergone intensive training since their first trade show. Part of TPSA's training included one-on-one consultations with Mr. Zwibel to build the companies' capacity to achieve greater results. The objective of this coaching was to prepare each of the firms to produce footwear that would not only appeal to the North American market, but also be competitive in Canada. The firms and the TPSA project also received invaluable assistance from Indonesian footwear association APRISINDO.



TPSA footwear expert Phil Zwibel briefs participants the day before the opening of the MAGIC trade show.

Following the first trade show in August 2017, Mr. Zwibel visited each company to review its catalogue of products and build on what had already been achieved. Because most global shoe sales are seasonal, Mr. Zwibel asked the Indonesian SMEs to produce winter footwear even though it is not part of their regular product lines. He worked intensively with each firm to help them create new products.

At the February 2018 MAGIC show, Mr. Zwibel conducted a briefing session before the official start of the event to prepare the companies for the work ahead and review how to successfully engage with potential buyers. He then supported the companies throughout the three-day trade show, not only to help them engage with buyers but also to ensure that business opportunities were created.

Canada

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"I have every faith that the companies will succeed at this trade show and afterwards. They have worked hard to get here and will come away knowing that they have the tools and experience to improve their business."

—PHIL ZWIBEL
TPSA Footwear expert

An official from the Indonesian Export Training Center of the Ministry of Trade attended MAGIC as a member of the TPSA delegation, along with a staff member from the Indonesian Trade Promotion Center based in Los Angeles. Their attendance was part of the Government of Indonesia's efforts to promote Indonesian products abroad, particularly through trade shows. These government representatives helped support the five SMEs during their attendance at MAGIC.

Footwear SME Profiles

- **Fortuna Shoes** produces classic men's dress and casual shoes. Owner Dede Chandra is a second-generation shoemaker, following his father into the profession. Under General Manager Ruddi Suparman, Fortuna now combines classic shoemaking techniques and contemporary design, with the modern man in mind. For the February MAGIC trade show, Fortuna featured seasonal winter footwear that incorporated waterproof leathers.
- **Top Torch International** designs and develops women's leather shoes, boots, and sandals. Director Shen Jui is a second-generation footwear producer. Top Torch maintains a small scale of production, which affords it the flexibility to address customers' specific needs. This allows the company to undertake new development and seek out buyers and exporters around the world. For this trade show, the company designed footwear to appeal to North American consumers, including high boots, low boots, ballerina flats, and loafers.
- **Maine St.** makes men's dress and casual shoes. Randy Iwan and Lisa Yumi set up a shoe factory in Bogor, Indonesia to produce unique and trendy Italian-design shoes that not only look good, but feel good. Italian shoes are considered among the world's best. Maine St. has also produced new sneakers that are youth-oriented and water-resistant.

- **Queen Pacific Suksesabadi** specializes in women's ethylene-vinyl acetate (EVA) sandals, flip-flops, and jellies. Flip-flops are a competitive market, but Surianti, the director of Queen Pacific, has made clever innovations that add new features and advantages to this typically utilitarian product. Women make up 90 per cent of her employees. New products such as rain boots have been included in this year's collection to meet demand for waterproof shoes. While Surianti was at first reluctant to produce a type of shoe not sold in their local market, she did a magnificent job bringing innovation to this category.
- **Venamom** produces men's and women's military and duty footwear. Building on the company started by their father, sisters Henny and Lenny Setiadi run one of Indonesia's premier footwear makers for the Indonesian army, as well as for local police forces. Venamom meets the challenges of building products for endurance and comfort in one of the wettest climates in the world. New prototypes have transformed their military footwear into more casual and fashionable shoes that can be used daily. Their waterproof boots drew a lot of positive attention at the show.

Show Highlights

The five firms participating at the February 2018 MAGIC trade show proudly displayed their new products to potential buyers.

The companies brought original and trendy samples to display, in particular waterproof or water-resistant shoes. These products were specially developed for this show to cater to countries with demand for more durable, weather-resistant, and waterproof shoes.

Potential buyers ranged from small start-ups to established businesses seeking suppliers to source their brands. Each of the companies met potential customers with varying business interests. For example, a customer from Colorado was quite impressed with the Goodyear welted boots made by **Fortuna**. He loved every aspect of the boot, including the design, handmade quality, and overall good looks. He offered some suggestions to make this European-style shoe more appealing to North American customers.



An interested buyer takes note of Fortuna's men's footwear collection.

Most visitors to Queen Pacific's booths were excited by the wide variety of colours and designs. This made it easier for them to select and mix-and-match the designs they had in mind for their customers.

"We definitely like Maine St.'s style and the way the shoes are designed. The materials are exceptional (full-grain Italian leather) and the craftsmanship is excellent."

—BUYER FROM LOS ANGELES

Several interested buyers are now considering visiting Fortuna's factory in Bandung. Samples will need to be produced and delivered before the visits can be confirmed. Nevertheless, this indicates the buyers' serious intent to do business. These potential visits are a good first step for Fortuna into the North American market.

Many visitors made a stop at the Fortuna booth. All were impressed with their high-quality footwear. Fortuna has expressed interest in showing next season at a U.S. trade show that focuses on high-quality, more expensive shoes.

Queen Pacific was approached by a high-end American beachwear company to make luxury flip-flops. The fashion store owners from California were amazed by Queen Pacific's selection of styles. Discussions for the private label are promising, with the teams already getting started on some colourful designs.

"We had many good meetings. We hope to continue our discussions and prove that we are a quality and competitive company from Indonesia."

—SURIANTI
Queen Pacific

There was strong interest from younger buyers for **Maine St.'s** products. Their collection at the trade show included formal, office, and outdoor shoes, but what caught the attention of visitors to the booth were their sneakers, designed in the very latest style. The sneakers are a mix of athletic and hip-hop, and are trending items in the fashion world. The buyers, who were mostly start-ups and clearly of the millennial generation, were drawn to the designs and immediately struck a chord with Lisa and Randy, the young owners of the company.

"Given the feedback from potential clients, we are exploring how to build our brand internationally to help generate interest overseas. We understand that creating a brand is not easy, but hopefully by knowing our strengths and targeting the right market segment, we will be able to achieve this recognition."

—LISA YUMI
Maine St.

The company received a few sample orders for their shoes, with full orders dependent on confirmation of their samples. Overall, Queen Pacific believed this outing was more successful than last year's. The firm is considering showing at MAGIC again in August 2018, bringing their spring and summer lines.



Buyers at the Queen Pacific booth.



Maine St. discussing its product line with a potential buyer.



Venamon discuss terms and conditions of a business deal.

Venamon brought several new footwear prototypes to the trade show. The company specializes in military or police footwear, which may make their presence at this trade show seem out of place. However, with the guidance of TPSA and their experience from last year's trade show, Venamon's sister owners Henny and Lenny came up with creative and stylish boots to showcase at this fashion event. The prototypes that were displayed for the first time were waterproof and of varied colours beyond the usual black and brown. Responses were positive and the prototypes were met with excitement. Venamon is considering showing this collection at U.S. specialty shows that focus on police and government contract buyers.

"We received good feedback from potential buyers regarding our footwear. We will be working hard to ensure our products meet their demand and expectations. We really look forward to developing these shoes and hopefully be successful in entering the North American market."

—HENNY SETIADI
Venamon

Top Torch brought more sample products to this year's MAGIC. They wanted to display their full range of footwear, from ballerina flats to boots. Water-resistant prototype boots were presented. The company prepared styles they believed would be more appealing to the North American market. Sure enough, the designs were met with approval from several potential buyers.

"We were better prepared for this show compared to last year, even though time was limited. I am encouraged by the meetings and hope that business will result at the end. The attendance at MAGIC has really opened our eyes to the fashion in the market and to the demands of the customers."

—NIA LIEYUNIATI
Top Torch International

Follow-Up

The companies were successful in bringing home several sample orders. The process of designing and producing these samples can take anywhere from two weeks to several months. Samples are specific to each buyer and will only be finalized after the buyer approves the final sample product. A series of communications between buyers and companies took place following the trade show to confirm that all details and requirements are met.



Top Torch carefully listening to the design requests of a customer.



Specifications on each of the potential buyers' samples must be met to ensure purchase orders.

The learning experience for these companies has been invaluable. The participating firms have gained deeper insights into the interests of buyers in the North American market. The firms understand the importance of being fully prepared by studying the target market, understanding the customer base and knowing the needs and expectations of the buyers.

Overall, many new prospective buyer contacts were made, and the firms indicated that they were very satisfied with their participation. Most of them indicated that they are interested in participating in the MAGIC trade show on their own next year, now that they have gained a higher level of experience and confidence. This is a great indicator of the positive momentum created by the TPSA project. TPSA is pleased to have been able to assist the footwear companies in strengthening their products and selling to the North American market, and we look forward to working with them further on follow-up with prospective buyers.

About the TPSA Project

TPSA is a five-year, C\$12-million project funded by the Government of Canada through Global Affairs Canada. The project is executed by The Conference Board of Canada, and the primary implementation partner is the Directorate General for National Export Development, Ministry of Trade.

TPSA is designed to provide training, research, and technical assistance to Indonesian government agencies, the private sector—particularly small and medium-sized enterprises (SMEs)—academics, and civil society organizations on trade-related information, trade policy analysis, regulatory reforms, and trade and investment promotion by Canadian, Indonesian, and other experts from public and private organizations.

The overall objective of TPSA is to support higher sustainable economic growth and reduce poverty in Indonesia through increased trade and trade-enabling investment between Indonesia and Canada. TPSA is intended to increase sustain-



TPSA footwear companies participate in the MAGIC trade show in Las Vegas.

able and gender-responsive trade and investment opportunities, particularly for Indonesian SMEs, and to increase the use of trade and investment analysis by Indonesian stakeholders for expanded trade and investment partnerships between Indonesia and Canada.

The expected immediate outcomes of TPSA are:

- improved trade and investment information flows between Indonesia and Canada, particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities;
- enhanced private sector business links between Indonesia and Canada, particularly for SMEs;
- strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;
- improved understanding of regulatory rules and best practices for trade and investment.

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