

Founded almost for fun in 1979 on the initiative of a group of Genoese sailors, today Slam is well-known and highly regarded in the nautical clothing world, both in Italy and overseas, from where it achieves 26%

Slam: when passion becomes business

GLOCALIST LEADERS 1

edited by Sasa Carpaneda

of its turnover. A company which, right from the start, has chosen to de-localize its production, especially to the Far East, and direct its course towards innovation. As the chairwoman Carla Gardino tells **east**

Love of the sea and competitive sailing, combined with continuous research and innovative materials. This is the wind in the sail of Slam Spa, one of the best known brands in the nautical clothing industry globally. A small but constantly growing business with 141 direct employees, which in the last three years has basically doubled its turnover: from 15.5 million euros in 2003 to more than 29.2 in 2006. Today it is present in 23 countries: from Italy to Spain, Benelux to Croatia, Poland to the Dominican Republic, the US to China, the UAE to Australia. 42 branded outlets – 21 in Italy and just as many abroad – and more than 1,460 official dealers of its products for a total of more than 1.2 million garments sold each year.

A scenario that was difficult to envisage when, back in 1979, a groups of sailing friends from Genoa decided – partly for fun, partly to “make ends meet” at a time when professional sailing did not yet exist – to create technical clothing for themselves, their friends and the boats they used. They were the first to import synthetic fabrics: the first garment made was a hydro-repellent thermal-pile jacket,

with the fun name of “Mickey Bear”. A great revolution if you consider that back then people only wore woollen and cotton fibre jumpers when sailing. The idea was an instant success, with goods flying off the shelves and orders reaching such high proportions the neo-businessmen were forced to forget about regattas and focus entirely on the business. What are the steps in Slam’s development? We talk about this with the chairwoman of the company, Carla Gardino, a well-known name in Genoa also for having been the chairwoman of the International Fair Body at Genoa from 1996 to 1999.

“Slam grew slowly at the beginning”, explains Gardino, “because it was a company founded only out of passion, with no real business plan. The first office was in a 17th century building in piazza San Matteo in Genoa: a strategic base, in the centre of town, near the port and the Yacht Club, but logistically not equipped. Genoa, among other things, does not have production sites or any background whatsoever in textile or clothing. Therefore the company found no support in its territory. To produce large volumes,



we had to go abroad, and with Genoa being a port with continuous maritime traffic, it was more convenient for us to choose production locations that were more easily reached by sea than land. A natural choice for people from Genoa but which also made financial sense: transporting a container from China costs less than from Portugal, then as now. Hence we were among the first to convert and specialize the factories of Taiwan – which produced raincoats for one or two dollars – for the manufacture of much more complex and precious garments. This allowed us, on one hand, to overcome the lack of local manpower and, on the other, to enter the market with markedly lower prices than our competitors”. “Working in Genoa, despite the obvious difficulties, also gave us great stimulation”, Gardino continues: “Almost all the companies in the nautical industry (mostly importers though) were founded in Liguria: Marina Yachting is from Chiavari, the first Henry Lloyd importers are from Genoa, Murphy & Nye has its roots in La Spezia, Elvstrom was from Genoa. A highly competitive environment, which led us to grow in a hurry. A turning point for Slam, from a commercial view point, was the introduction of the famous Californian nylon velcro wallet in our product range: it was 1980 and it was an absolute novelty for Italy and Europe, where there were only leather wallets. Success was huge and the wallet, with half a million items produced, was the *passepartout* to enter the market and the distribution of specialised sailing and surf shops. It made the Slam brand known to the general public”.

What was the subsequent evolution in product terms?

Our product range continued to widen over the years. After the “Mickey Bear” jacket and the wallets, we started producing belts as well as nylon jackets (the Slam classic) and wax jackets. In 1996 we launched the first collection of shoes and in 1999 a women’s line. In the meantime, the company continued researching materials and highly innovative techniques: in 2000 we started

using “Meryl”, a technological perspiring fabric developed in Italy which protects against UV rays and dries quickly; in 2003 the first completely seamless underwear garments were launched. Then in 2004, the thermo-welding revolution happened: these days most of the jackets in our collections are no longer sewn – the thread leaves a hole which, though small, must be covered to guarantee total water seal. Jackets are instead thermo-welded and laminated with laser-cut zips inserted. Right up to the latest collection, which includes shirts with ginseng microcapsules with an energizing and anti-stress effect, “silver aid” garments (an anti-bacterial fabric with silver micro-particles which eliminate the odours of perspiration) and the “WarmUp” jacket fitted with a heating device which lasts 10 hours and can be re-charged through a simple USB cable. For Slam, function and technology have always been prioritised when creating any kind of garment.

Your focus on technical and functional aspects has not stopped you from creating fashionable clothing lines, which are also used in the city and everyday life.

It is true, but in a certain sense this was a consequence. Let me explain: our customers left their boats and continued to wear our garments also in the city, on motorbikes or relaxing with friends, because they were comfortable and functional. Bit by bit, we started designing lines which had the same technical features but were a bit more fashionable, so that anyone could always wear Slam garments without looking as if they had just finished sailing in the centre of Milan or any other city.

What were the strategies at a distribution level?

Thanks to the famous velcro wallet, we had no difficulty in creating a wide sales network at the beginning of the '80s. Over time, it grew and now we have more than 1,460 sale-points throughout the world. In 1994 we inaugurated the Slam Shops, directly managed single-brand shops located in the main cities and tourist resorts in Italy and abroad: the

first Slam Shop was opened in Portovenere and today you can find us in Milan, Porto Cervo, Sanremo, Alassio, Cagliari (and even in some outlets) to name just a few in Italy, as well as Saint Tropez, Barcelona, Palma de Mallorca, Cowes, Prague, Budapest, Santo Domingo, Pula, Valencia, Warsaw, abroad, for a total of 42 shops. In addition we rely on a consolidated agent network that works around the globe.

How much of Slam's sales come from abroad? Which countries are you strongest in and where do you expect business expansion?

Foreign markets account for about 26% of sales and this number is on the rise. Our best market is Spain, but we are performing well in Benelux, France, Eastern Europe, especially Croatia – where in the last eight years we opened several shops – Poland and Hungary. As far as expansion into new markets is concerned, we are currently investing in the US, Australia and the Arab Emirates, where we have a display at the Dubai Boat Show. These are markets with enormous potential and we expect great returns, although they must be well-consolidated before we take any further steps. In the US, especially, there was a significant growth last year also thanks to the visibility coming from sponsoring the winter regattas of Key West. It is the top sporting event of the season in the US and our presence at this event has positioned our garments in the best 25 shops in the US, and has consolidated Slam's image as an innovative company in the nautical industry.

Research and innovation. Two of the main distinctive features of the company since its beginnings. Where do your research activities take place and what are the phases leading to a new Slam garment?

If we look at research of new products or ideas, we do it globally thanks to a huge network – if we can put it this way – of sailing friends and distributors, who inform us of any interesting news that they see around the world. For research activities specifically concerning



G. De Santis



materials, we use both an internal team and laboratories of fabrics and yarns producers. The materials developed are carefully tested to check water, air, sun and wind resistance as well as compliance with requirements. The Slam Studio – the department which includes graphic designers, stylists, model makers and material and fabric experts – designs and creates new garments, by making the first samples. Once the definitive sample is obtained, it is put in production in the country which offers the best price and quality. Our production is truly global: from Portugal to Turkey, from Indonesia to China, from Thailand to India and Pakistan. The choice is made depending on the type of garment and fabric, because every nation has its specializations.

How does the product quality control work?

In addition to controlling the final output, we try to work “upstream” to avoid any problems. Great care is paid to the construction of sample garments made in Italy; we then impose precise procedures and very strict standards on suppliers; we also perform careful and precise checks using our offices or personnel on-site during production start-up, to block any incorrect initial phases; finally we check the final output. I must also mention the extreme attention we put in choosing our suppliers. From the start our policy has been to assess the potential of the company and convince them to buy certain machinery and reach the standards required by guaranteeing them set production volumes. This approach has had its rewards since it has enabled us not only to achieve the desired quality but also to have loyal suppliers. Field testing is very important: new clothes are put through their paces by the Slam Sailing Team – the crews of boats we sponsor – which competes around the world. It is teamwork which helps us attain more innovative solutions and performance.

So sponsorship is not just an image and brand visibility exercise?

Our sponsorship philosophy has a

double value: on one side, it is essential to our marketing policy. Until a few years ago, it was the only activity we used to advertise the Slam brand and our products. Back in 1980, Gorla and Peraboni won the bronze medal at the Moscow Olympics in the Star class, wearing Slam; since the 90s we have been the official suppliers of the Italian Sailing Federation; since the first regattas in Costa Smeralda we have been licensees of all the events (Maxi, Sardinia Cup, Veteran Boat Cup, Settimana delle Bocche); we won the One Ton Cup in 92 with Brava Q8 and circled the world twice with Merit. And these are just examples. On the other side, though, sponsorship has a specific "technical" purpose: it tests the products at sea and is an important stage in our innovation process. Just think about Shosholoza, the South African team in the Americas Cup, who Slam supplied the clothing and accessories to: since the covers of the boats of the Americas Cup are coated in glass paper, while subjecting the wax fabric to high stress, we came up with the idea of "knee sliders", similar to those used by motorcyclists, to be applied with velcro to the points subject to the most wear, and replaceable after each regatta. Extremely valuable also is the contribution that Russell Coutts – the winner of three editions of the Americas Cup (the last with Alinghi in New Zealand) and our testimonial – is providing to further improve our garments. He has contributed to the creation of the new RC line. All the experience gained during regattas – in the hardest and most difficult conditions – is then transferred to the entire product range, including everyday garments.

In addition to sponsorships, what other marketing tools do you use to make yourselves known to the general public?

Our marketing approach changed a few years ago. Previously the Slam brand was marketed by the users of the garments who spread the word around the world. In the last two, three years we thought it worthwhile to make ourselves seen in the press, on television and on billboards. On this point, an advertising campaign, together with the Americas Cup, is about

to be released, featuring our public face Russell Coutts and including a series of commercials on La7 and in the press.

One last question: what are Slam's objectives for the coming years?

Our pay-off is "advanced technology sportswear": we will focus on engineering our clothing ever better and on the production processes to confirm Slam as one the leading three brands in the sailing world globally.

THE GROUP IN NUMBERS

Founded:	1979
Sales 2006:	29.2 million euros
Ebitda 2005:	1.8 million euros
Employees:	141
Main foreign markets:	Spain, France, Benelux, Croatia, Poland, Hungary, Arab Emirates, USA, Australia.