

# New opportunities by value-adding wool

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I am pleased to be involved in the conference "Pastures with Purpose." I believe the end result in most agricultural enterprises depends on quality and management.

Pastures play an essential role for growing quality meat or wool for a quality product. Without the first you cannot achieve the second. The end result of this chain of events is the consumer and customer satisfaction.

I believe that what drives any enterprise are good products, quality and repeated standards that earn respect from the consumer. That, coupled with good service relating to the product, retains customers. They are in fact like our business partners; without them there is no business.

Twenty years ago my husband and I settled in the Young district. I have been breeding Gromark sheep for 15 years and I am interested in objective measurement and genetic selection in sheep breeding. But some years ago there was the challenge of drought, just to keep the sheep alive, let alone breeding rams for the stud. I needed to look at alternative sources of income.

I had joined craft group to learn hand-spinning and found Gromark wool with a 56's count was sought after by hand spinners for its lustre, length and yet had a soft handle for a broader micron wool. It was ideal for Aran-style jumpers, wore well and didn't pill when knitted up. Here was a ready market for the wool.

I coated my ewes and sold the fleece for \$10 per kilo to hand spinners and promoted my sheep and fleece at the Mudgee Field Days. I was then invited to the Alternate Farmer display at the Royal Easter Show at Moore Park. This display included the promotion of wool products as well as promotion of the Gromark as a breed. After many days of talking with show visitors I saw the opportunity to develop the promotion of wool further. At the same time I had already done various courses at our local TAFE and Small Business Enterprise Centre.

In the Young district there are 2.5 million sheep and no outlet focussing on wool promotion. We had just built a 2-stand wool shed and allocated the "Wool Room" for product promotion and sales. That's how I named the business. We opened 7 days a week to locals, visitors and bus groups on farm at "Pleasant View" for the next 2 years. We are located 10 km from town and our road is steep for tourist buses and not maintained by the shire. After rain we occasionally had to pull a tourist bus out with a tractor.

I also continued to exhibit at the Royal Easter Show and elsewhere, but started to reassess what I was doing and decided to retail wool products in town. Local customers had asked for this and I anticipated increased

turnover there and less time away exhibiting at other events.

Town retailing took on new challenges. The unique "on farm" appeal had been attractive to tourists. Now it was a regular retail shop. The shop was only just around the corner from the main shopping street to save on rent but it missed out on passing trade that automatically comes with a main street location.

It took from April to September just for Telstra to connect a phone. There were increased overheads, wages, staff, more special orders and I still ran the mail order that I had developed by exhibiting elsewhere.

I carried manufactured goods that fitted the philosophy of Australian wool and natural fibre products.

We also sold our own wool products, made by people in their own homes. This included hand knits, made to measure machine knit jumpers in various styles, baby wraps and blankets, scarves and adult wraps.

I was developing these "Wool Room products to fill a need for my customers. Quality, easy care and soft handling were the key elements in the products I was developing. We used 18.2 micron machine washable merino wool that I had confidence in. I guaranteed the products. I also kept in mind that a customer could come from anywhere and may take these items overseas as gifts. They had to stand up internationally.

That brings it right back to the way the wool is grown and sourced. Length, strength, micron and comfort factor all contribute to the end products quality. This all ties back to sheep selection, pasture management, feed requirements and nourishment of the animal that grows the wool as well as clean contamination free wool and fibre specifications are critical to the final product. You also have to act quickly and get rid of a product that doesn't perform, doesn't sell or generate income. If not it will tie up time unproductively, waste money and take up space.

It is important to be pro-active in business and planning is essential. All decisions need to be made on commercial return, never on a whim. It all comes down to money and cash flow in the end, but always keep the consumer and customer in mind all the time. Satisfied customers bring return business. They give valuable publicity by recommending the product or the business.

By the end of my first year retailing in town I was receiving many requests away from Young for my own "Wool Room" products. I had developed a good market for baby wraps and blankets. They were knitted using the soft 18.2 micron machine washable wool. You only had to touch the article and it was sold. The customer "had to

have it." I was also developing a range of scarves, adult wraps, knee rugs throws and travel rugs.

Colleagues from other enterprises who exhibited at similar venues encouraged me to consider wholesaling these "Wool Room" items. I had gauged customer response in my own retail shop and took on the challenge. I went to my first trade-fair as a wholesaler the following February and had a good response from other retailers.

However it was becoming difficult to fit everything into a day that was now required for these enterprises: my sheep stud, retail shop and mail order and now a wholesale enterprise. To simplify matters, I decided to close the retail shop on 30th June that year when GST was introduced the next day and just focus on the wholesaling.

Nevertheless local customers kept ringing and asking for other products. I still had a display window in an old building in Young called the Millard Centre and decided to set up trestle tables in the hallway there 3 days a month.

By October I was offered a shop for rent in the back of that building that was within my budget.

The entrance was on the main street. I took the offer and opened as a retail shop again one day a week.

I also rented the display window there. Customers now connected my "Wool Room" business with the Millard Centre. Visitors to town loved to browse in the old building, which has the most beautiful timber staircase and leadlight display windows.

I rationalised the product range to streamline my business and organise my time. I only kept goods that turned over well. I decided not to carry any knitwear. (Unfortunately Tablelands Wool had closed down and I had enjoyed promoting their knitwear at my first shop location). I expanded the knitting yarn and pattern range and offer free knitting lessons each Thursday to encourage people to get involved. There are exciting new yarns and blends and a resurgence of interest in knitting. My retail shop is now open 3 days a week due to demand. I also expanded my own "Wool Room" products beyond my existing markets by developing new products.

I then investigated the commercial step to go into a knitting mill where I could organise products in larger quantities and have more stock. I have spoken with 5 knitting mills and have some plans in the pipeline. This would involve a whole new approach to product.

Yarn is the biggest factor there. It is not easy to source my yarn requirements in the quantities and colours that I require in Australia. Most fine micron yarn orders here require large orders of one colour only. Last year I was unable to get white yarn from my usual Australian supplier and had to air freight a substitute from Italy.

For some time I have considered becoming a Woolmark licensee to use the woolmark logo on baby blankets. In discussions with the Woolmark Company I got as far as sending products for testing.

It all came back to that one decision – money. To go ahead meant a cost of around \$5,000 US per annum.

Of course there are benefits but I really could not justify the expenditure annually and I also was concerned that Woolmark was for all wool and not just Merino wool.

Over the past year a new mark has been developed. The Merinomark. It is more affordable and has the advantage of promoting Merino wool as opposed to all wool types. To gain the Merinomark for my wool room products – is on my "to do" list. In the meantime I have 2 products that do comply with the Woolmark as they are organised through current licensees. I only have to organise the labels for one product produced here in Australia. The other products are 4 baby items woven in India. The care on the reverse of the Woolmark logo recommends dry clean only. This is a negative factor in marketing baby items, as they require frequent washing. I need to decide whether to continue with these products.

I believe you need to be innovative with product and keep looking for new ways to do things. Another baby item I have developed for warmer months and hotter climates are wraps made from Colana. Colana is a trademark name of an Australian yarn containing 30% merino wool, 70% combed cotton. This is another easy care item. It complements and competes with my baby soft merino jersey wraps. The difference is the fabric consistency, it is not stretch, it is appliquéd and offered in 3 colour trims.

So there is a whole set of specific issues to deal with in producing, promoting, marketing and getting the product out in the market place. For example, another constant challenge to face with the customer has been educating them about the positive aspects of wool as a natural fibre. It is the most wonderful natural fibre with so many attributes. But my experience has been that a large percentage of people know little about its properties and its benefits. Every day at the Royal Easter show my first job was to sell wool as a fibre and then to sell the product, unless the customers were woolgrowers or already involved in the industry. When promoting wool I assume no knowledge and if the customer has some knowledge or a good knowledge then the task is so much easier. I look for solution to challenges, rather than treating them as obstacles. How can we achieve that, how can we do it better? An optimistic outlook is important as we all have to deal with the pitfalls in any enterprise.

To consider any new idea or enterprise requires a lot of thought and planning. Once you are financially committed you have a huge responsibility to deliver. Talk to your accountant, do a business plan and a budget. Look at it realistically.

There is no point in setting up an enterprise, which will not bring a return in the end. You are better off to go and get full or part time work with someone else and be paid a salary without the risk, the heartache, the anxiety, the long hours and the responsibility.

You need to be disciplined and focussed. It is hard. Dreams can fail. But the bottom line is the financial dollar

and reality of return for effort. Ask yourself "are you prepared" for that? If you are, go for it, but I recommend applying it to all decisions you make relating to your enterprise. My commitment to "The Wool Room - Natural Australian Quality" has not waned yet. We grow the best wool in the world so we need to market it.

Although The Wool Room is a small business, I really believe in wool and natural fibre products. Once people understand the properties and benefits of wool as a fibre especially Merino wool, it sells itself. They cannot get enough of it.