



***SHOWCASING
BRODWELL KEN- ATLANTIC
CAMEROON***

***Presentation by Mr. EKOKO MUKETE,
Chairman Technonet Africa & Vice President, Cameroon
Chamber of Commerce, Industry, Mines and Crafts.***

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SHOWCASING BRODWELL KEN-ATLANTIC.

FOUNDATION

- ◆ Brodwell was created in 2002, as limited company with a capitalisation of US \$ 2000
- ◆ The company was specialized in the manufacturing of swimwear and lingerie for export to Europe.
- ◆ It started off with 15 employees and the staff grew to 20 employees by the end of the year.
- ◆ Its initial market was the French market.



SHOWCASING BRODWELL KEN- ATLANTIC .

FOUNDATION

- ◆ In 2003 the Managing Director of this SME, Mrs. Caroline KENDEM SACK, learned about the African Growth and Opportunity Act (AGOA)
- ◆ AGOA is a Unilateral Trade Preference Scheme offered to Sub-Saharan African countries by the US Government.
- ◆ The Trade Act allows for duty and quota free exports for over 6 500 products to the US market.



SHOWCASING BRODWELL KEN – ATLANTIC

STEPS TOWARDS INTERNATIONALIZATION.

- ◆ 2002 – 2003: Mrs. KENDEM SACK decided to take advantage of the AGOA Trade Preference Act.
- ◆ With the support of Cameroon Chamber of Commerce, Industry, Mines and Crafts, amongst other bodies, she attend several trade shows and exhibitions in the USA.
- ◆ Three times a year she attended trade shows in the East and the West Coast of the USA in order to be conversant with the different customer requirements in both parts of the U.S.
- ◆ By 2004 she was able to have a good knowledge of the American market in terms of ; trends, sourcing, capacity, competition, duties, distribution channels...



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CHALLENGES

- ◆ After a year Mrs. KENDEM SACK realized that her major drawback was her inability to meet required production capacities, in view of the small size of her factory.
- ◆ Brodwell's initial production capacity was 3000 pieces .
- ◆ That capacity quickly rose to 10 000 pieces following the injection of additional funds by Mrs. KENDEM SACK herself.
- ◆ However this wasn't good enough.



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CHALLENGES

- ◆ In 2004, Mrs. KENDEM SACK approached nearly all local financial institutions in order to finance the expansion of her company.
- ◆ After a year none of them was willing to provide the badly needed financing.
- ◆ She then decided on opening up the equity of her company to new investors.



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CHALLENGES.

Besides access to financing, the company encountered other problems like:

1. Sourcing raw materials.
2. Production costs and production delays.
3. Enhancing the credibility and reliability of the company i.e. (visibility, quality and professionalism.)

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MEETING CHALLENGES

- ◆ At the end of 2005, after exercising a good dose of patience and resilience, she managed to attract 4 new partners; two private companies and two private individuals.
- ◆ The total equity of the company now rose to US \$ 1 million, with 50% of the stake owned by Mrs. KENDEM SACK.



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MEETING CHALLENGES.

- REORGANIZATION OF THE COMPANY
- ◆ Acquisition of the free trade zone status for the company, in order to enhance its competitiveness.
- ◆ Employment of specialized staff with a good knowledge of the business and the target market.
- ◆ Development of closer links with third party bodies involved in the production and export process, (freight forwarders, shipping companies, banks and suppliers)
- ◆ Introduction of a complete system of traceability; from the acquisition of raw materials to the finished product.
- ◆ Strengthening internal controls.



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MEETING CHALLENGES

Additional Investments For Greater Efficiency.

- Acquisition of modern additional equipment enabling maximum use of fabrics, thus reducing waste.
- Purchase of additional sewing machines.

Diversification of products.

- Diversification: in addition to swimwear and lingerie the company included hospital work clothes.
- Choice of products based on an analysis of customs entry tariffs i.e. (swimwear 13%, hospital work clothes 27%)



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MEETING CHALLENGES.

- BUILDING A PRODUCTIVE CAPACITY NEEDED TO SATISFY DEMAND OF US MARKET.
- ✓ Increasing demand from 5.000 to 100.000 pieces per month : Personnel re-training program.
- ✓ Reorganization : (creation of a new structure involving numerous dicussions with the Cameroon Government/administration)
- ✓ Purchase of additional equipment.
- ✓ Access to funding.



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MEETING CHALLENGES.

ALTERNATIVE FINANCING SOLUTIONS.

- Reaching out to both foreign and local potential partners.

- ✓ **Venture capital.**

- Loan (18% interest rate)
- Capital

For the financing of equipment and production space.

Financing made possible thanks to:

- A good business plan.
- Social and economic impact of the project. (jobs)
- Support of the Chamber of Commerce
- Proven resilience of the promoter.



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THE WAY FORWARD FOR GARMENT PRODUCERS IN SUB SAHARAN AFRICA

- ❑ **SOURCING: SUPPLIES OF RAW MATERIALS AND ACCESSORIES.**
 - ✓ **Vertical intergration Required.**
 - ❑ **A solution for the Sub-Region and Region necessary.**
 - ❑ **Need to foster reduction in production costs and delays.**
 - ❑ **Availability of raw material within the region.**
- **Requirements in terms of investments.**
 - ❑ **Relatively huge Investments are required. African Governments must provide fiscal incentives and show commitment to support SMEs.(case of Free Trade Zone in Cameroon)**

SHOWCASING BRODWELL KEN-ATLANTIC

SUMMARY

- ◆ **BRODWELL KEN-ATLANTIC SUCCEEDED IN NEGOTIATING IT'S INTERNATIONALIZATION BY;**
- ✓ Obtaining a good knowledge of its target market: (the law on AGOA, the US market (s) for garments, US customs, quality certification etc...)
- ✓ Maintaining contact with national and international organizations such as the Cameroon Chamber of Commerce, Industry, Mines and Crafts and the West Africa Trade Hub of the U.S. Government, the US Exim Bank, etc.
- ✓ Redefining the company's strategy with regards to its overall objectives. (Free Trade Zone, opening up of its capital, etc...)
- ✓ Reorganizing the company: setting up a system of traceability, institution of efficient communication, hiring of more qualified personnel and better management procedures.
- ✓ Developing closer working relations with third parties, including; freight forwarders, shippers, banks, foreign suppliers.
- ✓ Securing appropriate financing for the implmentation of the new strategy.
- ✓ Succesfully meeting the challenges encountered by most African producers of garments



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CONCLUSION

- ◆ Today Brodwell ken-Atlantic's capital has risen to US \$2 million and the company now employs 180 persons.
- ◆ By the end of the year the company expects to export 4 containers of hospital work clothes.
- ◆ The company recently concluded a joint venture with the 2nd largest work clothes producer in Europe.
- ◆ I am delighted to be able to showcase BRODWELL KEN –ATLANTIC because it is amongst the companies that have effectively taken full advantage of the business « Hand-holding Sevices » offered by the Cameroon Chamber of Commerce, Industry, Mines and Crafts, in order to go international.
- ◆ The company recently got elected into the Plenary Assembly of our Chamber.

**THANK YOU FOR YOUR KIND
ATTENTION**

The background is a teal gradient, darker at the top and lighter at the bottom. In the bottom right corner, there is a silhouette of a mountain range in a slightly darker shade of teal.