



Everyone in the industry has to work to keep the benefits of leather at the forefront of consumers' minds. The last thing any of us needs is for big brands to walk away from leather. CREDIT: NIKE



A role to play

The new head of leather at specialty chemicals company Lanxess, Dr Markus Eckert, explains how leather plays an integral part in his company's overall business. In an exclusive interview with World Leather, he says his company will continue to optimise its product portfolio and service offering to the industry.

For someone whose career until now has been outside the leather chemicals sector, Dr Markus Eckert seems to have developed a rapid understanding and appreciation of the industry. A corporate Lanxess Group executive, he took over as head of the leather business unit when Dr Bernhard Wehling retired in September 2009, having spent the last three months of the year working beside his predecessor.

His knowledge of the whole Lanxess business means that he has a clear vision of how leather fits into the overall context of the company and he says leather and Lanxess make sense for each other. "This company is about our chemical expertise, application knowledge and global set-up," he explains. "That's where we feel at home. That's what makes it possible for us to keep inventing new solutions for customers. Leather, as an integral part of the performance chemicals segment, fits into this well. For example, leather is very global; I regard it as one of Lanxess's most international businesses because we are strong in places such as Argentina, Brazil, China, India and Italy where leather is also strong. We're well distributed around the world and we are close to customers everywhere. In this, it helps that we're part of a bigger group, which already has a professional structure—with sales, human resources, accounting and so on—in place

in each of those markets."

Of course, not everything about big companies is positive: they can be rigid and complex organisations with many different processes to negotiate at every turn. This has been true of big companies for a long time. Dr Eckert insists that when Lanxess was spun off from Bayer in 2005, the management team of the breakaway company worked hard to bring in a new structure, to eliminate complex hierarchies, to "get rid of old hindrances" and become leaner and faster.

A good home

He believes that leather is one of the parts of the business that can best leverage this because the new set-up will make it easier for the company to keep adapting to the needs of tanners as further geographical developments occur in the global leather production sector. "Leather has a very good home in the Lanxess Group," he says, "and the group has high expectations of this part of the business." Those expectations fall into two areas. The products the company produces for the leather industry must continue to allow it to make a profit and to sustain a global leadership position.

In the months he has had so far to learn about the particular needs of the leather industry, Markus Eckert has already reached the conclusion that this sector has its special characteristics. A lot of the

customer organisations are mostly traditional family-run businesses and only a few of them are developing a global set-up of their own.

His observations so far have led him to conclude that leather is also, in part, a solution-driven industry, but as much as tanners want to be profitable and run efficient processes, they also seem to the Lanxess executive to be rather proud of the fact that making leather is also an art and is often closely linked to the creative and innovative world of fashion.

At the same time, the fact that many of the companies that use large quantities of leather, such as fashion and footwear brands and automotive companies, are such big players creates what he calls "an inherent imbalance" that tanners have to deal with. One of the best ways for them to do this is to keep being innovative, he says, and that means that companies like his on the supply side have to know about the new ideas tanners are trying to introduce and develop decent products to help them do so.

Time to talk

Implicit in all of this is the need for a good two-way relationship between the chemical supplier and its leather industry customers. He wants technical and sales staff to maintain a practice he says is already in place in at Lanxess of not just



going onto a customer's site to carry out a delivery or a repair and saying goodbye, but spending time talking to the customer and trying to understand what is going on.

His own understanding of what is going on, based on the conversations he has had and in-depth reading and thinking he has done since taking up his new role, is that there will be no let-up in the short or medium term in the environmental pressure the leather industry is coming under. Standards in this area are becoming more stringent in all parts of the world, including China. "We believe we can help in this," he continues. "We can make it easier for customers, big and small, to make the transition to more eco-friendly processes and more eco-friendly leather. Our products will allow them to reduce waste, reduce their use of solvents and avoid using volatile organic compounds in their production, for example. This is a trend that leather has in common with many industries. There's no use fighting the eco argument. It's better to embrace it and be a front-runner."

Performance pressures

Meanwhile the requirements of finished leather are increasing all the time. His customers' customers are constantly demanding more performance, which is not always easy to deliver in a natural material like leather. He explains: "The best example of this is automotive. There are very high demands there for durability, anti-soiling and so on, as well as a high level of threat from substitute materials. Artificial materials are becoming better and better and we are turning to them more and more for things like sports clothes and outdoor clothing. This means that leather producers and the chemical companies that supply them have to stay innovative."

His view is that consolidation in the



Dr Markus Eckert, the new head of leather at Lanxess.

CREDIT: LANXESS

tanning industry itself is likely to continue in the medium term. Many family-owned and run companies remain competitive in specific niches, but you don't find many small, niche tanners supplying the big shoe, automotive or furniture accounts, he points out.

If the current trends in the sector continue, he expects Chinese tanners to become stronger in the finishing area and those in South America to become even stronger than they are already in wet-end processing ("they have the raw material and enough water, while China has the end-product demand").

That end-product demand is becoming more and more important for most consumer product manufacturers. Dr Eckert's years of living in China have shown him that the country is highly organised while its citizens are hungry to have a share of the country's growing prosperity. Leather upholstery in cars, high-end leathergoods and footwear from

the biggest names in the business are, therefore, all highly desirable. "Tanners have to live up to that and improve their quality," he goes on. "I am confident of China's tanners' ability to do this. Italy will also have a special role to play in the world of leather, but I don't think it's fair to assume that China will remain content just to carry out a production role and leave all the innovation, brand development and decisions on trends to others; China will see trends too and will develop leather to meet them, and anyone who thinks that won't happen is under-estimating China."

A supplier's role

His view is that important suppliers must help the leather industry improve its image in all parts of the world. His segment of his own company lives from leather, making it only fair, he feels, that Lanxess should "play its part" too. The chemical industry in general needs to act to prove to the world that it is "an enabling industry", he insists, that it can help solve issues such as climate change. In the case of leather, he hopes his company's help will take the form of continued research and development funding. That should allow it to keep producing chemicals that will lighten leather's impact on the environment.

He would like the company also to have a role in working with non-governmental organisations and brands to keep pushing standards upwards and to help keep the natural qualities of leather—the eco-friendly and sustainability qualities the material is already entitled to be proud of—prominent in the minds of consumers. "This is a product people love," he says, "and that must continue. The worst thing that could happen to all of us would be for big brands to feel that they should step back from leather." ■

HIDE PROCESSORS AND EXPORTERS
SYDNEY • MELBOURNE • TASMANIA

Southern Australia's best

Wet Blue hides & splits
Salted raw hides
Salted calfskins

Tel +612 9261 4665
Fax +612 9261 0678
Email isb@southernhide.com.au

www.southernhide.com.au

SOUTHERN HIDE EXPORTS INC. LTD