



With new production facilities, Yorchem now has the capacity to make from five kilos to five tonnes of any product as a one-off batch.

CREDIT: YORCHEM

Chemical production to suit the tanner

Chemicals provider Yorchem believes demand is high for chemical solutions made in the smaller quantities that tanners often need but cannot easily get. With carefully planned growth, the company is ready to make a bigger impression on the global leather industry.

Darren Strafford, chief executive of Yorchem, is certainly one of the world's lucky people in that he makes a living from his hobby, and has a job that allows him to indulge his favourite pastime: he loves experimenting, trying new combinations of chemicals and coming up with new ideas.

His background is with Earnshaw, later acquired by Clariant, with whom he stayed until 2003. Even when he left the job, the job refused to leave him: customers kept calling him to talk about projects they were working on, insisting that their plans would only work if they could have the same product that he had given them the last time.

"This tended to be products like special adhesives for make-up artists to use on film projects," he recalls. "These are

expensive products, but five litres constituted a big order so it was not the kind of thing big chemical companies could get involved in; they need big orders. I realised that if I was going to make these products again myself I would need a production facility albeit a very small one. Fortunately, I had a clutch of customers that had a requirement I was in a position to meet, and I was able to grow with them."

What grew was a company he called Abstract Polymeric. Part of the heritage he had from Earnshaw was an expertise and a strong reputation in the leather market, especially in the UK. It's true, of course, that few large tanneries remain there, but there is still a leather industry in the UK and parts of it are thriving. In spite of this, Mr Strafford believes that some of the big

leather chemical companies began to give up on the market in his country five years ago or more. His evidence is that Abstract Polymeric was still a young company when it began to build up a customer base in the UK leather industry. This also contributed substantially to the company's growth, culminating in its being renamed Yorchem and relaunched in 2009.

Made to measure

At that time, Darren Strafford said that one of the reasons he had launched Yorchem was that tanners were in need of bespoke solutions, chemical products put together to their precise specifications to help them produce exactly the types of leather their customers require.

The Yorchem chief executive insists that



the fact that most of the major leather companies in the UK already have his firm—which until two years ago was a one-man business—on their supplier lists speaks for itself. He says customers have responded because none of the big players produces anything in the UK any more, and some of them don't even have locally based technical representatives, only commercial agents. Several of these customers are big, processing as many as 10,000 hides a day at peak times, although others, such as a saddlery manufacturer in the Midlands that orders about 60 kilos a year of a specific wax, have smaller needs and smaller budgets.

Commercial growth

Realising that Yorchem also needs a bigger commercial presence now, he recruited former Earnshaw colleagues Freddy Cartagena and Julian Osgood, who have maintained their high profiles in the leather industry through working most recently with Clariant and CPS Color respectively. And production now takes place in a facility on an industrial estate near Eaglescliffe in the north east of England, big enough to store the company's raw materials and to house its production equipment.

But it's not about the size Yorchem is now or can grow to in the future, Darren Stafford says. He thinks attitude will be the key to his new company's success. "It's very easy to forget the people who gave you your first orders," he explains. "We've said we're not going to do that. Honesty and integrity were part of the Earnshaw tradition that we are trying to maintain. I'm not a leather technician, but Freddy and Julian both are, and are both highly skilled. Together, we have the combined skill-set we need to meet the demands of the leather industry, and I honestly don't think any other company in the UK can offer that mix of skills."

The years at Earnshaw and Clariant have taught him a lot about leather, though. He talks about the special consideration leather chemists have to give to pigment dispersion, acrylic emulsions, waxes and fillers. "As an education for a chemist, working on products for the leather industry is almost unparalleled," he comments.

If there are few start-ups in the leather chemicals arena, Mr Stafford believes the amount of regulation, and the cost of it, is a factor. And start-ups have to take risks, for which you also have to raise substantial funds.



The Yorchem management team. Left to right: Darren Stafford, Freddy Cartagena and Julian Osgood.

CREDIT: YORCHEM

Middle ground

As things stand, sales director, Julian Osgood, says Yorchem also has advantages. "We're still doing what used to be common," he says. "People are not happy with service from the big boys. When a customer calls them, they never get to talk to the same person twice." He feels there is a middle ground that Yorchem is able to fill; it has the production capacity now to make up to five tonnes of any product as a one-off batch. He is happy to take this message to the market insisting Yorchem is flexible enough to make orders as small or as large as tanneries require.

He continues: "Because we are smaller scale we can consider anything. It's virtually unheard of in leather for a chemical company to make to order five litres of a product. Our policy is that if you need a specific leather finishing product to create a special effect a very small amount could be enough. Darren spends his weekends trying things out, making new samples. He likes experimental chemistry the way other people like experimental cooking so we can usually react to anything. We are flexible and we will stay flexible as we grow."

There may have been more propitious times for growth in the leather industry than the last 18 months but Darren

Stafford makes an interesting point about an advantage start-ups can have in a downturn. They can keep growing. The chemical industry shrank by 30% during the downturn, he estimates. If you are a £100 million company, you stand to lose £30 million in a market situation like that; £30 million in new business to make up for it is a lot to ask. A small, emerging company on the other hand that comes into a downturn on the back of 50% annual growth, can suffer the 30% downturn and still achieve 20% growth.

Agent appointments

When Julian Osgood joined Yorchem in May 2009, there were already customers in Italy, Israel and Brazil, as well as the UK. Further expansion will come, Mr Osgood is convinced, from a network of agents he is in the process of building up. He has already made appointments and his new agents have already ordered "a significant number of products for their markets". The network includes companies in Pakistan, Egypt and Italy. Countries Yorchem is hopeful of adding to the list soon include Ethiopia, Korea, Bangladesh and France. It is also busy pushing its services all over the South American market through the influence of Freddy Cartagena, who is originally from Bolivia.

"We are cherry-picking," Mr Osgood explains. "We really don't want to get involved with places where there are credit terms of 150 days, for example. It would be impossible for a small company to work in that way. You wouldn't be able to buy in the raw materials. There's always money tied up in that. However, as our business grows these problems should diminish."

He says Yorchem today is back where Earnshaw started when founder, Bill Earnshaw—who had been a tanner in the town of Northallerton—became dissatisfied with the quality of the chemical products suppliers were offering him and began to make his own. Realising he could make more money from leather chemicals than from leather he changed tack and built up his leather chemicals business by taking samples of his products with him on annual caravanning holidays to continental Europe. Wherever he stopped he found the local tannery and invited the tanners to try his products out.

The Yorchem team is proud of these roots and hopes to continue the tradition of quality and service it has inherited. 