

THE WOOLMARK COMPANY

The service experience of today and opportunities for the future



Meld
Studios

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About this project

This project was commissioned by Aron Butcher, Global Digital Engagement Manager of The Woolmark Company.

The goal of this project was to work with The Woolmark Company to assess its current service experience model and plan for its future-state service experience strategy. We used a design process and design artefacts to do the following:

- Map the network of interactions and dynamics within and between the array of customer and internal stakeholders;
- Describe and visualise the challenges both customer and internal stakeholders face and the opportunities that they see in their world and in their connections to the greater ecosystem;
- Develop a service model that best supports current and potential business and growth opportunities.

The intent behind this project was to 1) explore the broader role The Woolmark Company plays in both developing and supporting customers, and 2) how creating deeper strategic relationships and engagement The Woolmark Company could enable growth in the demand for wool.

This project aims to provide a deeper understanding of how a vast array of customers and internal stakeholders interact and collaborate within a broader ecosystem centred on the manufacturing, designing, and sales of products made from wool so as to provide The Woolmark Company with a clear articulation of the challenges and opportunities that exist within the system. By capturing the behaviours, motivations, attitudes, needs and mindsets of the current ecosystem, we look to establish strategies that would help to refine or redefine The Woolmark Company's approach to service and customer engagement.

About this report

To meet this project's goals, we set out to acquire a deep understanding of stakeholder needs through candid and in-depth discussions with 51 staff and partners in 9 countries. Through these conversations and the design process, we were able to visualise both the service experience of today and what the ideal service experience could be for The Woolmark Company of the future.

This report describes The Woolmark Company's service experience of today, including insights and opportunities, as well as future state priorities and ideals. The current state findings are also visualised in the Current State Service Map and the vision for the future is visualised in the Future State Service Map.

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About the research

We conducted ‘natural enquiry’ style interviews over the phone and in-person. Interpreters were used where necessary.

Each interview was transcribed and afterwards our notes were captured on Post-its and placed on boards. This allowed us to keep all information at hand and begin the process of pattern-finding.

Details of our design process can be found at the back of this document.

Research participants

51

- 25 Industry partners
- 26 Internal stakeholders

Industry partners’ locations

- | | | | |
|-------|-------|-----------|-------|
| 6 | 6 | 4 | 3 |
| China | Italy | Hong Kong | Japan |
| 2 | 2 | 2 | |
| UK | USA | India | |

Types of industry partners

- | | | | | |
|--------------------|------------------|---------------|----------------|--------------------------|
| 5 | 5 | 4 | 3 | 3 |
| Emerging designers | Spinners/Weavers | Retailers | Garment makers | Integrated manufacturers |
| 2 | 1 | 1 | 1 | |
| Media | Education | Industry body | Brands | |

Introduction

The Woolmark Company has gone through a five year period of dramatic re-engagement with its customer base, specifically focusing on designers and brands. It is now challenged with maintaining this engagement while also growing these relationships in a way that is both sustainable and beneficial to its business goals.

In the face of fast evolving perceptions of value and limited resources, how does The Woolmark Company continue to remain a relevant, valued and strategic partner with its current and new customers:

- How does The Woolmark Company continue to grow, maintain and measure relationships?
- How does The Woolmark Company continuously adapt, learn and evolve along with its customers while maintaining focus?
- Finally, how does The Woolmark Company do all of this in the face of increasing internal pressures to become a more nimble, sustainable and cost effective organisation?

To help answer these questions, we set out to better understand The Woolmark Company's services today, how they are delivered and how those services are experienced by both The Woolmark Company partners who benefit from them and company staff who deliver them.

This report and accompanying maps describe The Woolmark Company services of today across the ecosystem as well as opportunities and a vision for the ideal future state of tomorrow.

High-level findings

Successes and future priorities

HIGH-LEVEL FINDINGS:

Successes

The Woolmark Company is seen as a powerful company; it garners strong respect and is perceived as the global authority on wool.

Partners are often effusive about The Woolmark Company, they like the organisation and are especially fond of The Woolmark Company's people. The person-to-person relationships are experienced as extraordinarily positive.

"Woolmark does a lot for us."

"Woolmark is a powerful company."

All feel The Woolmark Company is in a unique position to tell the valued 'Story of Wool'.

Partners feel that The Woolmark Company itself embodies many of the positive aspects of wool; it has provenance, history, a strong connection with growers and it seeks to create value amongst all partners along the supply chain.

"Woolmark has all these things."

The International Woolmark Prize is especially admired and viewed as the pinnacle of The Woolmark Company's activities.

Partners appreciate its generosity and are eager to participate in events and programs alongside The Woolmark Company. Even when partners are disappointed with a service it is usually because their expectations start out very high.

"We gain a lot from Woolmark."

"Woolmark has all these great attributes..."

Most partners see The Woolmark Company as having great potential to help their wool businesses; they feel The Woolmark Company is capable of providing them with something unique.

Companies feel that The Woolmark Company is in a unique position of 'neutrality', and because of this, its messages are more trusted. Partners want The Woolmark Company to leverage this position to enable cross-industry cooperation and forums for connection. Advice on innovations, while infrequent amongst those we spoke with, is also appreciated.

"Woolmark provides us with innovation... connections..."

Partners believe that The Woolmark Company has a wealth of knowledge of wool suppliers across the globe and is therefore ideally positioned to match them up with new customers or suppliers.

Because expectations are so high, when The Woolmark Company provides connections that don't work, partners are disappointed.

Partners are apprehensive about the long-term commercial viability of wool, but most anticipate that their wool business will remain the same or grow over the next five years.

While partners predict that their wool business will grow, they don't believe its growth will be in proportion to the rest of their business. Despite doubts about the future of wool, partners remain upbeat about The Woolmark Company and the potential for further collaboration in the future.

HIGH-LEVEL FINDINGS:

Summary of future priorities

1. What does 'good' look like for the wool business?

We have a vision of what the ideal wool ecosystem of the future looks like and we have a program of work to bring us, and our partners, closer to that ideal.

P10

2. Relationships and influence are everything: Knowing what works

We know what the ideal relationship looks like and we know how to bring partners there.

P11

3. Price is the number one challenge

We establish a deliberate program of work to address price pressures.

P12

4. A shared mission and appreciated value

We establish a clear and shared value proposition.

P13

5. The right services to the right partner

We serve partners based on 'needs groups' and customise offerings based on what is most effective.

P14

6. Connections are the lifeblood of the industry

We build the right level of automation and humanity into our sourcing processes so that the connections we provide are relevant, valued and trusted.

P15

7. Driving consumer demand through relevance

We provide a unified, powerful and relevant message to consumers.

P16

8. Content that matters

We have a content strategy that helps us identify what our priorities are and who the target audiences are.

P17

9. Global company acting locally

We build on our strengths as a global company, but empower staff to act locally.

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10. Tools support people rather than people support tools

We use digital tools to enhance, but not replace, the human connection. We know which tools to use and when.

P19

11. Measuring success and learning from our interactions

We have multiple measures of success that are relevant to where our partners are in their wool adoption.

P20

12. Tapping into new drivers of retail consumption

We understand and leverage the new values that drive retail consumption.

P21

1. What does 'good' look like for the wool business?

TODAY: While The Woolmark Company aspires to strategically influence the global wool industry, it spends much of its time on busy work; the execution of activities has become the key measure of success.

A culture of 'busyness' has become the norm at The Woolmark Company. Although staff recognise the need to think and act strategically when engaging with partners, people are so busy executing activities that there is no time to do this.

While there are significant outputs, there is uncertainty if these outputs have strategic value. Many services are resource-intensive and therefore, unsustainable.

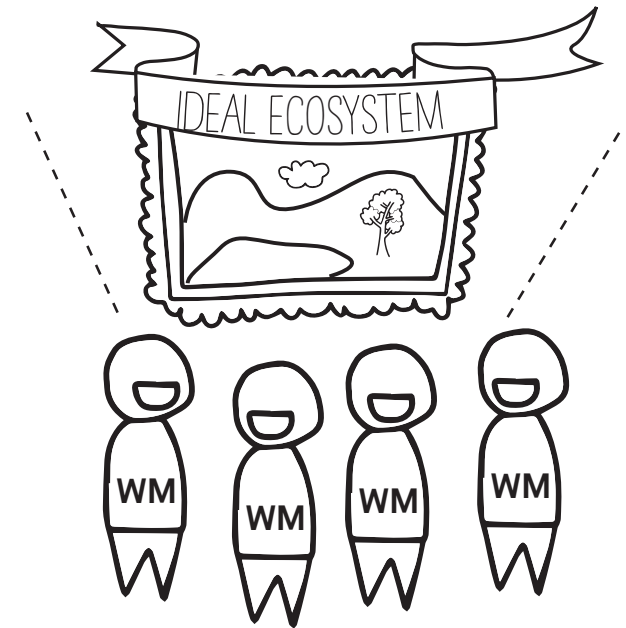
Similarly, partners are unable to articulate when partnerships with The Woolmark Company have driven success and what this 'success' might look like. The Woolmark Company would like to bring partners towards using more wool, but doesn't have a specific vision as to what the 'ideal wool ecosystem' is.

"It's difficult to measure the efficacy of money spent on our activities. We don't see this translating in to a higher wool price or better perceptions of wool."

FUTURE: We have a vision of what the ideal wool ecosystem looks like and we have a program of work to bring us and our partners closer to that ideal.

We know the steps we need to take to progress, both ourselves and our partners, towards that ideal over time and can therefore prioritise activities against this.

We shape the future of the wool ecosystem through our services. Because we have a vision for the ideal ecosystem, we can also shape the future of the 'wool world'. As we work towards this future state, we create pathways through the existing wool ecosystem that highlight the most 'ideal' points along the journey.



2. Relationships and influence are everything: knowing what works

TODAY: Relationships are core to what The Woolmark Company does, but there is no clearly defined measure of what is 'good' or 'good enough'.

Within The Woolmark Company today, it is difficult to measure the efficacy of relationships, or whether the strategies used to grow or build them are working.

Stakeholders know that “influence is the only way to get things done”, yet there is also no way of measuring influence. Building influential relationships is a key goal and the focus of many activities, but because this goal is not specified in the strategic plan, efforts spent on relationships can go under-appreciated.

While there is an acknowledgment that some relationships are more important than others, there isn't a shared understanding across the company as to what makes a relationship valuable or how to progress individual relationships along the continuum of 'valuable to wool'.

“Influence is the only way to get things done.”

“... we can't help everybody. Our actions and responses change peoples perceptions of the company.”

FUTURE: We know what the ideal relationship looks like and we know how to bring partners there.

We also have a view as to what the ideal relationship looks like for specific partner groups based on their needs and their propensity to drive demand for wool.

We know how to progress relationships based on where the partner is today and where we believe they can be in the future.

- We are able to assess where relationships are in respect to this ideal and we have the services and tools to progress these relationships.
- We recognise that there are differences in the relevance of wool to individual partners and therefore different ideal states for each group.
- We define the characteristics of a 'good relationship' which enables us to track relationship progress against specified criteria.
- We have ways of assessing the potential of relationships and we use this as a guide for how much impact and benefit we could have.



3. Price is the number one challenge

TODAY: Price, competition from other fibres and consumer unwillingness to spend more are the biggest risks when it comes to working with wool.

Partners fear that without strong intervention, wool may become less relevant over time. Most were concerned about relying on wool alone going forward; they did not see their wool business declining immediately, but though it would eventually.

While The Woolmark Company has a desire to drive up demand for wool and increase their partners' propensity to produce it, there isn't a comprehensive plan in place to specifically address price pressures. While The Woolmark Company supports several activities with the aim of easing costs and increasing demand, there's no sense of how these tactics fit together to deliver both the high demand and prices desired by growers and brands and also, the lower costs needed by manufacturers and consumers.

"Price, price and price...that's what our customers want..."

FUTURE: We establish a deliberate program of work to address price pressures.

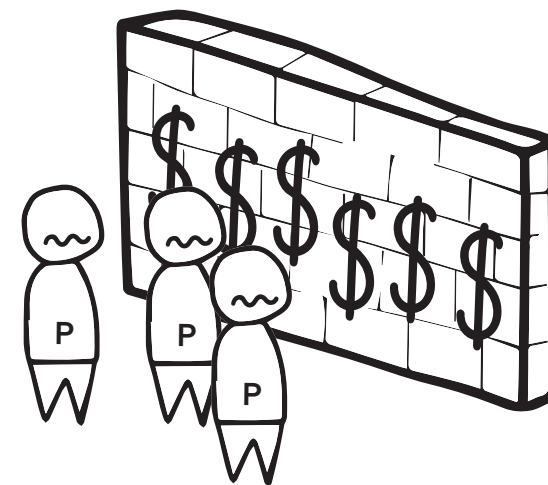
We implement a multi-touch journey-based approach aimed specifically at easing price pressures that aligns with our vision of 'the ideal wool ecosystem'.

We understand that combating price pressures is not only about convincing consumers to spend more on wool, it is about establishing a deliberate program of work to address cost—including, but not limited to— influence, efficiencies and optimisation at critical points in the supply chain.

We know what the ideal wool ecosystem looks like and this 'ideal' defines a system where price pressures are countered all along the wool supply chain. We have an established set of activities to progress ourselves, our partners and consumers, along this journey towards 'ideal for wool'.

Features of the ideal ecosystem that help counter price pressures:

- Demand for wool is sustainably high
- Confidence is high along the supply chain that wool will sell at higher price points
- Wool is good for everyone's business
- Innovations enable high efficiencies
- Manufacturers are connected to ideal labour markets.



4. A shared mission and appreciated value

TODAY: The Woolmark Company staff and sometimes diverge in understanding the company's value proposition.

Divergent opinions of value may reflect the way staff are specialised by location and roles, however it also reflects a fragmented understanding of the core value that The Woolmark Company provides. This makes it difficult for staff across the globe to share priorities regarding daily work.

Partners, too, are sometimes unclear about The Woolmark Company's value proposition. While all respect the company, partners could not always articulate The Woolmark Company's mission, or what role The Woolmark Company might play, in helping them to succeed.

"The Woolmark Company's goal is to sell the certification."

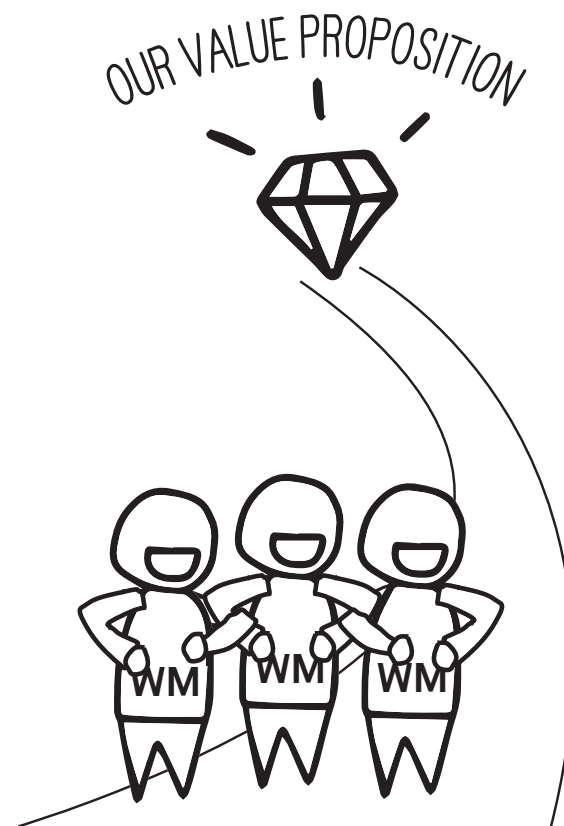
"We can't measure our success based on the wool price, because if it goes down, then that too, becomes our fault..."

"How do we prioritise? Because everything seems important."

FUTURE: We establish a clear and shared value proposition. We each know how our role adds value.

We all share a clear, unified view of what our value proposition is to both our stakeholders and our partners. We define what our offer is to our partners based on both, what they need from us, and their propensity to drive demand for wool.

In turn, our partners too, see us as one unified entity with a purpose. Because by sharing the same vision and view on driving demand for wool, our partners consider us an integral part of their business. We help our partners prioritise energy and advise them where they should be spending their efforts based on these shared goals.



5. The right services to the right partner, based on need

TODAY: Partners, while grouped together as ‘key accounts’ actually have very different needs because their operations, needs and market positions vary significantly.

These differences result in significant variance in their experiences with, and expectations of, The Woolmark Company. These differences also indicate which partners have an increased propensity to use wool and where The Woolmark Company’s influence could yield greater returns.

Services are often offered to key accounts based on what The Woolmark Company ‘has’ rather than on what partners actually need.

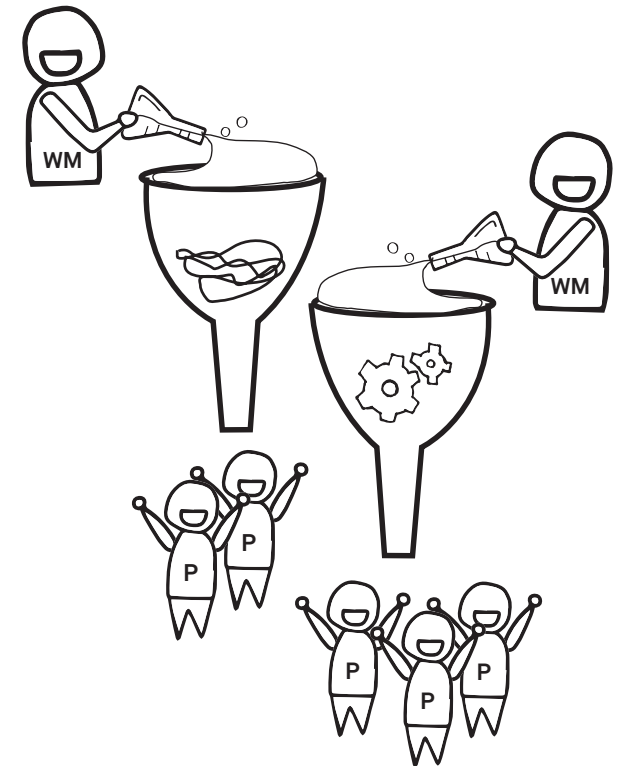
“...there are no guidelines to help with serving customers... we don’t know what we need ourselves...”

“We have our own relationships with the mills for years...We know everyone in the business...The Woolmark Company plays no role.”

“If Woolmark could help us connect and develop relationships with manufacturers, that would be good.”

FUTURE: We serve partners based on ‘needs groups’ and customise offerings based on what is most effective.

We group partners into ‘needs-groups’. This empowers us to quickly identify partners based on needs—not just their status as ‘key accounts’—and to customise offerings based on what is most effective; offering what is most valued to each partner type and preserving efforts on services that aren’t needed.



6. Connections are the lifeblood of the fabric and fashion industry

TODAY: Sourcing is considered the most time consuming activity by staff, yet partners feel they don't always get the right connections.

While The Woolmark Company has the knowledge and capability to be a great connector, in practice, they often don't provide connections that work. All partners want better industry connections, but many feel that the connections they receive from The Woolmark Company lack relevance or they don't follow-up.

Often contacts are provided in emails, web lists or phone conversations, but in the absence of context or personal introduction, those connections don't flourish.

"We had some help with sourcing...Results haven't been good, the clients weren't very big."

"The connections provided by The Woolmark Company are just emails....doesn't work in this industry...We need introductions."

"The Woolmark Company doesn't consider the match regarding capability or skills..."

FUTURE: We build the right level of automation and humanity into our sourcing processes so that the connections we provide are relevant, valuable and trusted.

We become the trusted facilitator of global connections. We match the right people and create meaningful business relationships through powerful tools and processes that nurture and grow industry connections.

We leverage our local and global presence to help grow businesses. We can respond to localised market requests with tailored introductions. We are honest with what we know and what we don't know. We have up to date and comprehensive details of partners in our local markets. We use these to facilitate productive connections.

The connections we facilitate are positive for partners as the match is relevant and sustainable. We have ways of learning from our partners' experience to improve services. We're confident using our digital tools and we know when to use them.



7. Driving consumer demand through unified and relevant messaging

TODAY: Partners are sometimes unfamiliar with The Woolmark Company's campaigns or feel they don't have the right message or sufficient reach to make a difference.

Partners feel that The Woolmark Company's promotional activity isn't as effective as it could be.

There's a feeling that there are too many varied messages in the market, diluting what could be a stronger wool message. Partners also feel that the brand-by-brand approach is missing the opportunity to deliver a unified message of 'ingredient banding'.

Partners feel that campaigns often focus on marketing The Woolmark Company rather than wool and aren't flexible enough, requiring too much time for approvals and reviews.

Partners also feel that The Woolmark Company might do more to target the younger demographic and the Chinese consumer.

FUTURE: We provide a unified, powerful and relevant message to consumers.

Marketing and promotional campaigns are unified, powerful, relevant and disruptive. We tell a powerful 'Story of Wool' that resonates. Campaigns tap into identified, existing consumer needs and drivers of demand.

We encourage flexibility. We focus on addressing consumer needs based on our shared goals and empower partners to use our materials to bolster their own campaigns and brands.

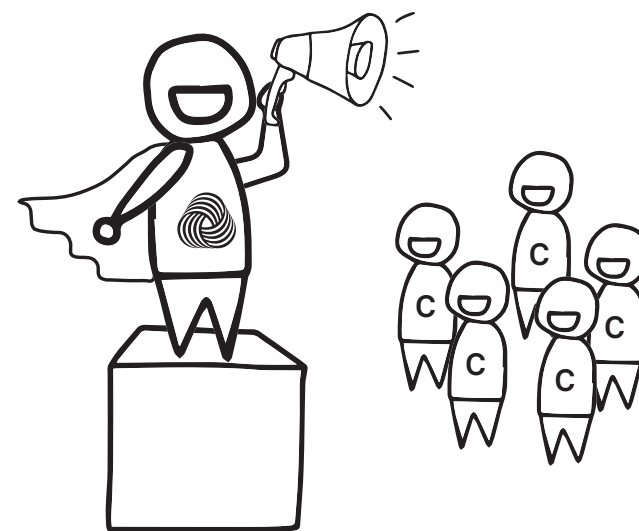
We recognise that being relevant means reaching the younger consumer, and so we understand what messages resonate with them. We know that consumers don't need 'wool', they need garments that suit their purpose; they don't need a specific fibre, they need to feel rather, that their purchase reflects their values.

"We haven't heard of any campaign lately."

"Within the high-end industry, The Woolmark Company's message hasn't penetrated enough."

"...The Woolmark Company's efforts have not gone far enough."

"Campaign branding and messaging requirements are too strict...don't support local or individual efforts..."



8. Content that matters

TODAY: There is prolific creation and delivery of content to a range of audiences across multiple channels.

The Woolmark Company puts significant effort into the creation of lots of content for many channels—from magazines to the Wool Lab to marketing collateral. While production efforts create numerous outputs, this may not be sustainable in the long term.

While staff feel they are producing materials of value, few partners use the web materials or feel the content is relevant to them. While partners are impressed with the Wool Lab and its associated content, they often assume it is not intended for them.

Partners also feel that there are too many Woolmark messages in the market trying to reach too many audience types.

“Woolmark is trying to be too many things to too many people.”

FUTURE: We have a content strategy that helps us identify what our priorities are and who the target audiences are.

This content strategy informs us where to focus and what to produce for specific channels. We work on providing valuable and relevant content rather than materials. There is an emphasis on the story, purpose and audience rather than the ‘packaging’.



9. A Global company acting locally

TODAY: The Woolmark Company has struggled to be a global company that can also execute efficiently at the local level.

Partners often feel hindered rather than enabled by The Woolmark Company's international structures. The need to constantly check-in with Australia when executing local campaigns leads to longer time-frames and stretched staff. Partners and staff feel that Woolmark has the potential to become a more nimble marketing partner.

Most of the collaboration occurs in Europe, China or the United States, and so, partners are frustrated when they need to wait for feedback from Sydney.

There is no shared view of international account activity amongst global staff, so activities across the globe can double up or occur without full knowledge of the situation.

"There were lots of time delays and approvals."

"We had to wait for approval from Australia, so each decision took two days..."

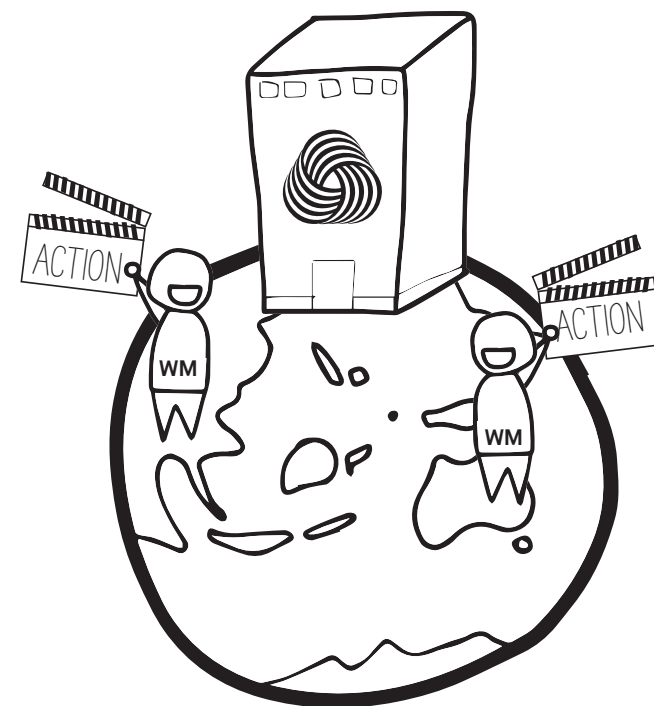
"We need to plan ahead to compensate for the long lead time from HQ in Sydney."

FUTURE: We leverage our strength as a global company, but empower staff to act locally.

We collaborate globally, but empower staff to execute locally. Regional offices are able to use our unique global position to help their partners.

We learn from our peers and have a shared view of accounts that enables us to present a unified face to global partners. When it comes to global accounts, we know what stages the conversations are at and who is talking to whom. We are unafraid to share our information.

Every country-based employee is empowered to make decisions based on a shared strategic vision. We trust our local, regional offices to make the best decisions based on their context and environment. As all offices and HQ are powered by the same strategic vision, it's easy to do.



10. Tools support people rather than people support tools

TODAY: Current work tools and processes often disrupt, rather than help, staff in doing their work.

The Woolmark Company is recognised as having a wealth of wool, fabric and supplier knowledge. However it lacks the requisite systems, processes and tools to enable partners and staff to easily benefit from this. Corporate knowledge tends to build up in the minds of individuals, only to be lost with staff changes.

While The Woolmark Company has valuable trend, educational and market intelligence information, this content is not customised based on partner needs which makes it difficult for busy partners to digest. In turn, partners are often unaware of, or unable to use, the information The Woolmark Company works so hard to provide.

While Woolmark has the capability of providing great supplier and customer matching, its current tools don't facilitate this. Staff often revert to providing the same list of suppliers, despite their knowledge, because tools don't facilitate their workload.

Staff can't easily collaborate on accounts through shared views. In the absence of powerful relationship management tool and road-maps, staff struggle to prioritise requests while also maintaining relationships.

Multiple digital systems and platforms have been developed to assist staff do their work, including the KAM Dashboard, CRM, Salesforce. Staff have mixed opinions about whether these systems are easy to use. When assets are not useful, staff develop their own workarounds.

"The intranet is set up with a broad range of information rather than a collection of easy to locate materials."

"The CRM is a terrible system that just has names and-post codes."

"I have lots of emails set up with information ready to go."

"The platforms and systems help in creating relationships, but not in supporting them - this means customers are not being engaged beyond initial communications."

FUTURE: We use digital tools to enhance, but not replace, the human connection. We know which tools to use and when.

We recognise that we are a small group of people who can't be everywhere at once. We complement our staff and their expertise with a suite of digital media or other tools. We tailor these services and materials to our partners' needs.

All tools help us with our work and we're confident and happy to use them. These tools support us rather than create an extra reporting and processing burden. We understand how our staff work and what their needs are, therefore, our tools help to reduce the strain of work, rather than creating more 'work'.

All tools are relevant and can solve the right problems. A successful roll-out does not just stop at implementation; tools are measured by their adoption and whether staff are able to use them to help with their jobs.

11. Measuring success and learning from our interactions

TODAY: The Woolmark Company has struggled to clearly define strategic goals and measurable milestones of success.

While The Woolmark Company can easily demonstrate productivity at an output level, it is difficult to demonstrate the outcomes and impacts of many activities.

A lot of effort is expended on building relationships, executing campaigns and creating artefacts, yet there is no definite way of measuring whether efforts have been successful in increasing demand for wool.

The Woolmark Company invests heavily in partnerships and relationships, yet the efficacy of these efforts in positioning wool is questioned by partners, growers and staff alike.

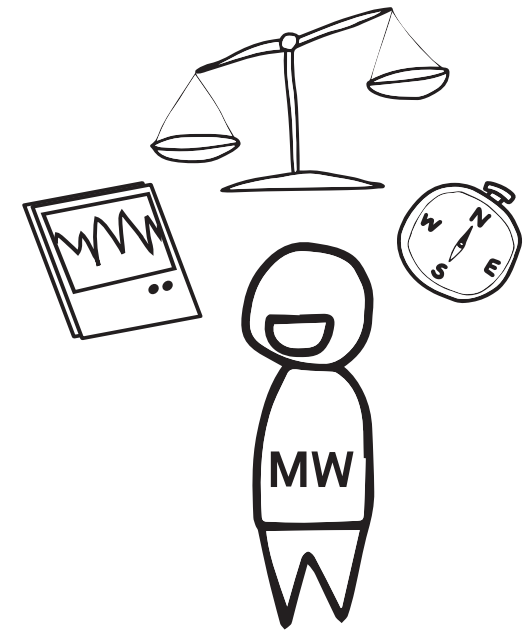
Currently, the number of activities done and responsiveness to requests for collateral are the main measures of success for staff.

FUTURE: We have multiple measures of success that are relevant to where our partners are in their wool adoption.

Measures of success at different points help us prioritise our activities and assess our efforts. Success metrics point to a continuum of 'goodness' and are tied into the long term strategic goals that we set for ourselves and our partners. They help us and our partners understand how to improve and get closer to 'ideal'.

We are a learning organisation and build on these measures to improve our efficacy—we don't just 'measure for measurement's' sake.

"It's difficult to measure the efficacy of money spent on our activities. We don't see this translating in to a higher wool price or better perceptions of wool."



12. Tapping into new values drives retail consumption

TODAY: The Woolmark Company is missing an opportunity to tap into new values that drive retail consumption such as 'Conscious Consumption', environmental awareness and ethics.

The environment, provenance, ethics and sustainability are considered by all partners to be important new drivers of retail consumption. While The Woolmark Company and wool are seen as embodying these values, partners are disappointed that The Woolmark Company isn't leveraging this in its messaging and campaigns.

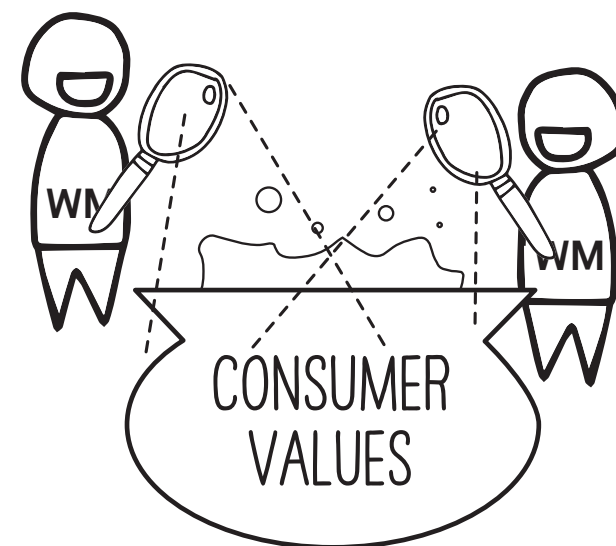
The industry realises that today's consumer needs a stronger reasons to buy, a reason that is aligned with values. They want to feel good by 'doing good'. Many partners feel that because The Woolmark Company isn't proactively addressing the mulesing issue, it is hindered in telling the environmental story of Merino wool.

FUTURE: We understand and leverage the new values that drive retail consumption.

We understand the new trends that are driving retail demand and our campaign messages and marketing collateral reflect this. We drive awareness of wool as a fabric of choice for the new 'Conscious Consumer' because wool embodies the attributes of being sustainable, environmentally-friendly, ethical and natural. We help brands and manufacturers use this knowledge to increase demand for their wool products.

We believe in the ethical treatment of animals. We understand how to make consumers feel good about their potential and current wool purchase and we know that today's consumers want their sartorial choices to reflect values.

"The biggest trend in retail is empathy and sustainability, The Woolmark Company has this, but isn't using this at all..."



Partner needs groups

As common needs and partner types emerged from the research, we were able to group partners based on these findings.

The following section provides a breakdown of partners by nine 'needs groups'. These groups enable The Woolmark Company to quickly identify partners based on needs, not just their status as 'key accounts', and to then customise offerings so that they are most effective; offering what is most valued to each partner type and preserving efforts on services that are less valued.

Partner needs groups: Summary

1. High provenance integrated mills-Wool intensive

These historical mills are usually wool-dependent as wool is embedded with their brand image of quality.

2. Integrated manufacturers

These companies prefer to use wool, but focus on where the order volume is.

3. Vertically specialised manufacturers: Wool intensive

These manufacturers are wool-dependent and usually include top-makers, spinners and sometimes, weavers.

4. Vertically specialised manufacturers: Wool agnostic

These vertical manufacturers are wool-agnostic and can process multiple fibres and fabrics.

5. Integrated retailers

These retailers also do manufacturing and garment making; they typically select fabric based on price points.

6. Retailers

Depending on the retailer, wool may play into their brand's identity, but often, fabric is irrelevant.

7. High fashion brands

High-fashion brands prefer to work with wool as it bolsters their brand equity, but price is a factor.

8. Luxury brands

Wool often plays a big part in these brands' identity.

9. Emerging designers

These designers strive to use innovative wool fabrics but need help meeting minimums and price points.

PARTNER NEEDS GROUPS:

1. High provenance integrated mills—Wool intensive

Needs and expectations

These mills typically do not need any services from The Woolmark Company nor do they expect any. They do appreciate marketing collaboration where they believe The Woolmark Company itself lends provenance and ingredient branding to bolster their brand image.

They consider themselves the experts in wool and innovations. They see The Woolmark Company as their connection to the growers—a supplier of sorts. These partners seek to tap into new consumer values such as provenance, environmental awareness, being natural, sustainable and versatile.

These historical mills are usually wool-dependent because wool is embedded with their brand image of quality.

Characteristics

- *Business type*
Combine spinning weaving, designing and garment making functions in one house.
- *History*
Typically have a strong focus on provenance and luxury.
- *Structure*
Owned by a family—often for 100 years or more.
- *Produces*
Fabrics or fully constructed garments to high fashion brands.
- *Association with Brands*
Often have their own luxury fashion brand themselves and have very close connections with luxury brands.
- *Retail relationships*
Don't have their own retail outlets (except Zegna).
- *Company types*
Zegna, Lanificio-Cerruti, Reda spa, VBC.

2. Integrated manufacturers

Needs and expectations

These large manufacturers, typically in China and Italy, have established processes, training and R&D. They usually can process more than one fibre, so they need more influence to use wool. They make greater margins on wool, but that is counterbalanced with the greater volumes they sell of other fibres and fabrics.

Because these manufacturers are pressured on price, they want the perception of wool as a 'luxury' fabric to be widely affirmed. These manufacturers believe demand for wool can be increased by tapping into new consumer values. These companies appreciate innovations when they are accompanied by a customer desiring that fabric.

These companies are always looking for ways to optimise labour costs and seek expansion into new global consumer markets. These companies prefer to use wool, but focus on where the order volume is.

Characteristics

- *Business type*
Combine several wool processing functions, typically, top making spinning and weaving (or knitting).
- *History*
Have been around for about 30 years or more and may have some provenance.
- *Structure*
Owned by a conglomerate resulting from buyouts, but sometimes are family owned.
- *Produces*
Fabric for major brands and retailers.
- *Association with Brands*
Usually provide to an established group of large brands or retailers.
- *Retail relationships*
Don't have their own retail outlets.
- *Company types:*
Danmao, Shandong Ruyi Technology Group Co, Filatura e Tessitura di Tollegno spa.

PARTNER NEEDS GROUPS:

3. Vertically specialised manufacturers—Wool intensive

Needs and expectations

These vertical manufacturers are wool-dependent and usually include top-makers, spinners and sometimes, weavers. Their machines mainly process wool. This group is becoming increasingly rare in an environment of consolidation within the industry.

These partners do look to The Woolmark Company for assistance in innovation and technical support. They appreciate wool trend and price reports. They are very price competitive, so they need increased consumer demand for wool in order to increase price points. They would all like to see The Woolmark Company increase consumer awareness of the value of wool.

These manufacturers are actively seeking new customers in new markets and need global connections. The Woolmark Company is perceived as a valuable partner whom they want more services from. Wool is essential to these businesses.

Characteristics

- *Business type*
Usually perform only one or two processes, such as weaving, spinning, knitting or garment making (becoming rarer).
- *History*
Usually been operating for about 30 years.
- *Structure*
Usually in China or India, sometimes Italy.
- *Produces*
Tops, yarn, fibre, fabric all made of wool.
- *Association with Brands*
Close association with brands that care about fabric and fibre.
- *Retail relationships*
Never retail.
- *Company types:*
Zhejiang New Chuwa Wool Co.Ltd.

PARTNER NEEDS GROUPS:

4. Vertically specialised manufacturers—Wool agnostic

Needs and expectations

These vertical manufacturers are wool agnostic and can process multiple fibres and fabrics; they produce what is demanded by their customers—retailers and brands. Garment manufacturers almost always fall into this group.

Using wool over other fibres and fabrics has little distinct benefit to them. While they may make larger margins with wool, they make more money with other fabrics and fibres due to greater volumes. They are very price dependent and would appreciate greater demand for wool due to increased margins.

These partners are happy to work with The Woolmark Company on innovations, but only once a brand has been convinced to buy the fabric. The value of wool to their business is unclear as they can easily substitute other fibres and fabrics.

Characteristics

- *Business type*
Usually perform only one or two processes, i.e. weaving, spinning, knitting or garment making.
- *History*
Usually have been operating for about 30 years.
- *Structure*
Usually in China or India.
- *Produces*
Tops, yarn, fibre, fabric, garments.
- *Association with brands*
Produce for an established group of large brands or retailers.
- *Retail relationships*
Never retail.
- *Company types:*
Jaya Shree Textiles, Shanghai Era Star Garments, Co. Ltd.

5. Integrated retailers

Needs and expectations

These retailers also do some or all of their own manufacturing and garment making. Price and consumer demand is everything for these partners and they are usually wool agnostic—using wool over other fibres and fabrics will depend on what is demanded by their customers and end-consumers.

These partners are happy to work with The Woolmark Company on marketing at the retail level because they believe it may increase the value of their garments. They are always on the lookout for ‘something new’ or an ‘edge’.

Integrated retailers are actively seeking to cut costs through labour efficiencies and also seek to expand into new global markets. The value of wool to their business is especially unclear as they easily substitute other fibres and fabrics based on demanded price points and what is expected to ‘move off the rack.’

Characteristics

- *Business type*
Combine manufacturing, (typically, garment making), with retailing.
- *History*
Usually been around for 30 year or less.
- *Structure*
Usually owned by a conglomerate resulting from buyouts or ‘buy-ups’.
- *Produces*
Design and garment production for retails sale.
- *Association with brands*
Produce garments for several brands and often have their own in-house brand as well.
- *Retail relationships*
Large wholesale divisions. Often, they have their own retail outlets.
- *Company types:*
Trinity Group.

6. Retailers

Needs and expectations

To retailers, what 'moves off the rack' is tantamount. They order garments to cater to their brand customers as well as their own direct-to-consumers lines. They are very aware of what is selling off the rack and are very 'in-touch' with changes in consumer demand.

Retailers appreciate marketing support that increases awareness and demand for the brands they carry. Because their brand messages aren't as strong as Luxury Brands', they don't fear dilution of their own identity and are more open to co-branding and collaboration. They appreciate partnerships at fashion and industry events as well as promotional activity at the store level and shop-front.

Retailers are always looking for 'something new' as they believe this will drive retail consumption. Depending on the retailer, wool may play into these brands' identity, but often, fabric is irrelevant.

Characteristics

- *Business type*
Large department stores. They typically carry multiple designers and often have their own lines and wholesale business.
- *History*
Usually been in business about 30 years.
- *Structure*
Usually owned by a corporation or conglomerate resulting from consolidation.
- *Produces*
Mainly sell branded garments in their large stores.
- *Association with brands*
Relationships with brands are important—this determines what lines they carry in their stores.
- *Retail relationships*
These retailers produce and sell garments for several brands and often have their own in-house brand as well.
- *Company types:*
United Arrows, David Jones, Saks Fifth Avenue, Yezi Fashion Company.

7. High fashion brands

Needs and expectations

These brands want to increase their brand equity and the price that consumers will spend on their garments.

At times they appreciate marketing campaign support from The Woolmark Company, but often feel it interferes with their own brand messaging. This group feels strongly that The Woolmark Company could provide the most value through direct-to consumer awareness campaigns.

They believe The Woolmark Company can help them tap into new values that drive consumption such as environmental awareness, being natural and provenance. They typically have their own design and fabric sourcing teams and don't look to The Woolmark Company for innovation or inspiration.

Designers of high-fashion brands prefer to work with wool and believe it bolsters their brand equity, however price pressures are a strong factor in final fabric selections.

Characteristics

- *Business type*
Design garments.
- *History*
Anywhere from 10 to 50 years.
- *Structure*
Owned by a corporation.
- *Produces*
High fashion garments and accessories.
- *Association with brands*
Usually have several sub-brands levels catering to different price points.
- *Retail relationships*
Retail, flagship, direct.
- *Company types:*
Diesel, Marks and Spencer, Benetton, Paul Smith.

8. Luxury brands

Needs and expectations

Luxury brands want to tell the story of the provenance of wool, its luxury and tap into new consumer values of 'Conscious Consumption'. They are most aware of the new trends that drive retail purchases and feel this change is going to be a long-lasting one.

They feel that teaming up with The Woolmark Company helps them to tell the 'Story of Wool' and that the Woolmark logo increases their brand equity.

They know they have more resources than The Woolmark Company when it comes to marketing, design and innovation, however they respect The Woolmark Company as their valued supplier of high quality wool. They feel association with The Woolmark Company at tradeshow and events supports their brand image. They don't state that they need anything from The Woolmark Company.

Wool often plays a big part in these brands' identity.

Characteristics

- *Business type*
Design of high-end luxury garments. They may also have an integrated mill.
- *History*
Variable, some brands have been around for a long time, like Zegna, others, like Alexander Wang are very new.
- *Structure*
Usually owned by a corporation, sometimes by the designer or a family.
- *Produces*
Luxury garments and accessories.
- *Association with brands*
These are all strong brands with big identities.
- *Retail relationships*
Retail, flagship, limited direct.
- *Company types:*
Cerutti, Zegna, Tom Ford, Alexander Wang, Burberry, Gucci, Vivienne Westwood.

9. Emerging designers

Needs and expectations

This group need lots of support in terms of marketing collaboration, promotion and connections to new customers and suppliers. They need connections to innovative suppliers who can deliver the fabrics and fibres they want at the minimums they need.

This group has usually benefited from the IWP program and found it very helpful in promoting their brand. They perceive the support they receive from The Woolmark Company as invaluable.

These designers often leverage the new consumer values of Conscious Consumption to drive awareness for their collections.

These designers strive to use innovative wool fabrics but need help meeting minimums and price points.

Characteristics

- *Business type*
Fashion design.
- *History*
About five years.
- *Structure*
Owned by the designer, some may have financial backers.
- *Produces*
High fashion, often 'niche' garments.
- *Association with brands*
One brand.
- *Retail relationships*
Wholesale, retail, direct.
- *Company types:*
Altuzarra, FiXXed, Akaaro, Public School.

1. Current state service experience

Introduction

The following section describes the partner and staff experiences with each of the specific services The Woolmark Company provides. The findings, insights and opportunities that emerged from the partner and stakeholder stories are included under each service category.

- 1A. Promotions**
- 1B. Innovations**
- 1C. Inspiration**
- 1D. Guarantee of quality**
- 1E. Advice**
- 1F. Intelligence**
- 1G. Education**
- 1H. Connections**

1A. Promotion

Partners are either unfamiliar of The Woolmark Company's campaigns or feel they don't have the right message or sufficient reach to make a difference

Partners are often unfamiliar with campaigns and believe The Woolmark Company can do more.

Partners are largely unfamiliar with The Woolmark Company's campaigns and believe The Woolmark Company can do more to increase consideration of wool as premium fabric. Almost all partners are unfamiliar with the No Finer Feeling campaign and very few are aware of The Campaign for Wool or Woolmark Gold.

What we heard

"We haven't heard of any campaign lately."

"Within the high-end industry, The Woolmark Company's message hasn't penetrated enough."

"I want The Woolmark Company to help promote wool to the high-end market"

"...The Woolmark Company's efforts have not gone far enough."

"The Woolmark Company can do more to promote wool."

Campaigns targeting China aren't hitting their mark.

While those in Europe trying to reach out to the Chinese consumer perceive Woolmark Gold positively, the efficacy of this program is unknown. Woolmark Gold didn't resonate as expected with the Chinese industry partners we spoke with and most are unaware of the program.

What we heard

"Woolmark Gold is focussing on 'look and labels' and not the story..."

"Market recognition has been low...doesn't make any difference if it's Woolmark Gold or Woolmark."

Campaigns are irrelevant to the young demographic.

There's a strong perception that the current campaigns haven't penetrated to the younger affluent demographic, specifically, The Campaign for Wool. Partners believed that The Campaign for Wool has the right intent, but is reaching an older demographic who are already strong proponents of wool.

What we heard

"There was not a single person under 50 at that event (Campaign for Wool)..."

"Prince Charles is a great patron, but he doesn't speak to the younger generation...they don't care about him..."

"Woolmark needs to capture the younger generation and make them love wool in order to sustain its base."

The Woolmark Company's focus on fashion is considered the right strategy, but there are some reservations

Scepticism about sponsorship of luxury brands.

Partners feel that this strategy isn't yielding results for the rest of the high-fashion wool industry and that luxury brands are going to use wool regardless of The Woolmark Company's support. Partners feel there would be a greater payoff if The Woolmark Company spent more effort working with the 'second tier' high fashion brands, such as Berwin&Berwin, Diesel or Marks and Spencer. They feel that these kinds of brands need more promotional support to influence their customers' consideration of wool, while customers of luxury brands such as Zegna or Cerruti would always have high appreciation of wool.

What we heard

"Those brands are always going to use wool..."

"I don't think it's a good idea to randomly fund brands."

All partners feel that the most important thing
The Woolmark Company could do to increase demand for wool
would be to promote wool directly to consumers

**Partners feel that The Woolmark Company
should target consumers directly with powerful
campaigns that focus on these attributes of wool:**

- Provenance
- Luxury
- Environmentally friendly
- Ethical
- Versatile
- Easy to care for
- Natural

Frustration due to lack of marketing support.

Partners feel frustrated over perceived lack of
support in generating awareness and demand for
wool.

What we heard

*“In the past, The Woolmark Company frequently
produced TV commercials...recently we don’t see
much promotion of wool to consumers.”*

*“We are the experts in technology, where we need
support is in the marketing..”*

*“I want The Woolmark Company to educate the
public on the benefits of wool.”*

The Woolmark Company is missing the opportunity to tap into the new set of values that drive retail consumption today

The trend of ‘Conscious Consumption’ makes wool an ideal choice for consumers, but The Woolmark Company is missing this opportunity.

Partners feel that The Woolmark Company is not capitalising on the new values that drive retail consumption today, such as ‘Conscious Consumption’, the environmental and ethics. These new values include attributes that are inherent to wool, yet there is insufficient messaging to consumers about this.

‘Conscious Consumption’:

A trend of feeling good by ‘doing good’.

All partners, especially retailers and brands, recognise that there has been a shift in the way consumers think about retail consumption. While partners agree that positioning wool as a luxury fibre has a place in the overall strategy, the industry also realises that today’s consumer needs broader reasons to buy—one that is aligned with values of feeling good by ‘doing good’.

A new driver of retail purchases.

The trend of ‘Conscious Consumption’ is one where people aspire to feel good about buying something because there is more to the purchase than the object itself. Conscious consumers want their purchases to ‘do good’ so the purchased item should be ethical, environmental, sustainable or at least ‘do no harm’. Consumers also want their sartorial choices to demonstrate their affinity with these values. This shift in consumer purchase motivation provides an opportunity for wool.

Partners believe that wool is a perfect fabric for the new Conscious Consumer because it embodies these attributes:

- Provenance
- Value
- Humanity
- Sustainability
- Environmentally friendly
- Ethics
- Natural
- Versatile

What we heard

“People today need a reason to buy that is aligned with values and their ethics...The biggest trend in retail is empathy and sustainability, The Woolmark Company has this, but isn’t using this at all...”

“We’re not just selling fabric or garments. We’re selling products that satisfy a customer’s emotions, needs and feelings...”

Diversification of messages and logos dilutes the brand and wool message

Proliferation of brands and messages.

Partners believe that the proliferation of branded elements, tags, campaigns and slogans fragments what could have been a strong and unified pro-wool message to consumers.

Multiple messages and formats.

There was a view that The Woolmark Company produces too many campaigns, targeting too many audience types. Partners feel that a unified, singular message would have greater impact.

What we heard

“The Woolmark Company is trying to be too many things to too many people.”

“If I were The Woolmark Company, I would put every single marketing dollar into David Beckham...one strong message is all you need.”

When collaborating on promotions, shared goals get lost in detailed requirements and red tape

Partners experience delays, lengthy approvals and too much red tape.

When collaborating on campaigns, shared goals often become mired in The Woolmark Company's strict specifications. Partners often feel the purpose of the promotion gets lost in the details of each campaign's prescriptive branding, logo and legal requirements.

Campaigns are promoting The Woolmark Company rather than wool.

Some partners feel there is too much focus on The Woolmark Company's agenda and not their customers' needs. This turns an expected positive experience into disappointment.

Campaigns aren't flexible enough.

Partners feel that campaigns are too focused on the nuances of their related tag-lines, leaving little room for flexibility. Campaigns are perceived as having very narrow guidelines, not only for the messaging but also for the technical aspects of the fabric. Some felt it was not worth the effort, especially when the brand's budget exceeded The Woolmark Company's.

What we heard

"The Woolmark Company was very strict on the type of wool we could use"

"We had to wait for approval from Australia, so each decision took two days..."

"We tried to do Woolmark Gold, but we couldn't get what we wanted in time"

"We wanted a picture of a sheep, we couldn't even get that..."

Cool Wool seems to be a missed opportunity. It could be a highly desirable fabric and has so many advantages

Lack of demand and unawareness of Cool Wool.

There is a significant lack of awareness of Cool Wool's qualities within the industry and amongst consumers. Many partners were unaware of campaigns currently in place to promote this.

- The industry believe consumers don't desire this, or were unaware of its true properties.
- Cool Wool is sometimes not viewed as an innovation.
- Several partners have never heard of Cool Wool.
- Some partners (typically new designers), want to use Cool Wool but can't find suppliers.

What we heard

"It's never really taken off."

"Consumer don't like it because of the rough hand-feel"

"..it costs 20% more...so we're just not getting the requests"

"It's 20 years old."

"Raymond launched Cool Wool...but not propagated enough..."

"There doesn't seem to be enough communication that you can wear this throughout the year and in hot humid conditions."

Collaborating on the Cool Wool campaign is a complicated experience.

Partners feel the requirements for both the fabric type and messaging are overly strict, making the collaboration difficult. In one case a partner wanted to collaborate on this campaign, but because they were using their own version of thin wool, they were unable to participate in the campaign.

What we heard

"We were doing a Cool Wool Campaign...good, but tough and narrow guidelines especially on the fabric."

"We had to brand the fabric with our own brand, The Woolmark Company couldn't support this."

Staff work very hard to deliver campaign materials but aren't always sure if their efforts are paying off

The over-diversification of messages and campaigns creates a burden for staff in ensuring adherence to brand standards.

The proliferation of brands and campaigns.

There is a lot of prepackaged collateral packets, labels and brochures which the regional teams just distribute. Regional teams become very busy supporting global campaigns and their breadth. It becomes difficult to focus on developing deep partnerships with customers. There is a lot of 'work' to do in sending out materials and providing operational support for global campaigns.

Strict campaign and event guidelines.

Everything needs to come back to HQ for production. The marketing department is swamped with these requests from the regional offices.

It is unclear to staff whether co-branding activities with luxury brands influence the purchase of wool, the image of wool or the image of The Woolmark Company itself.

Courting luxury.

The Woolmark Company believes the image of wool will be elevated if it is associated with luxury brands and therefore focuses their partnership activities to support this. But many at The Woolmark Company are unsure what impact these activities have on the demand for wool or the perception of wool. It's also unknown whether these activities have any effect on these brands' proclivity to use wool. These are brands that sell significant amount of wool garments, who are perceived as aspirational and luxurious and are eager to promote the Story of Wool and its provenance.

The Woolmark Company's campaigns and promotional activities vacillate between supporting old established relationships and uses of wool and it's desire to be seen as new and modern.

Young and hip vs. old and established.

The Woolmark Company wants to change the perception of Wool as relevant to a "younger" casual demographic, while still trying to maintain relationships with its more established brands. In practice, The Woolmark Company does not have major campaigns or messages that target the younger consumer.

What we heard

"We need to challenge the personality of wool as being "old" and conservative."

"No Finer Feeling is a campaign with heritage and established brands."

When it comes to promotions, there's no internal consensus of what success looks like and how results can be measured

There is a desire to provide more tangible results of marketing activities.

Staff are unclear about whether activities are leading to more sales with higher price points and therefore, an increased price for wool. There is a belief that sales data from brands and key accounts can be a measure of success. However, staff have said that while some key accounts share sales information, most do not. It becomes hard to justify these activities.

If campaign activity's goal is to change perceptions of wool in general, not just for a specific brand, how does The Woolmark Company measure this? In the absence of clear success criteria for campaigns, the number of activities done and responsiveness to requests for collateral have become the measure.

Opportunities

- Tap into the new consumer drivers of retail purchases, such as 'Conscious Consumption'.
- Understand how well wool plays into these new consumer values and support the brands in communicating this.
- Recognise that consumers don't need 'wool', they need garments that suit their purpose and to feel that their purchases reflects their values.
- Tap into existing values of:
 - quality
 - provenance
 - ease of care
 - sustainability
 - environmentally friendly
 - natural
- In campaigns, find the balance between increasing demand for wool and driving awareness of The Woolmark Company.
- Create traceable paths of quality through the supply chain.
- Support partners with marketing ideas rather than specific campaigns.
- Consider how The Woolmark Company might parse offerings into needs-based toolkits that focus on consumer need. Enable partners to have more latitude to use these messages.
- Focus on how to achieve an end-goal rather than on the artefact.
- Focus on identified consumer needs that align with shared business interests.
- Focus on shared goals with partners rather than 'owning the message'. Create a playspace.
- Consider 'The Wool Shop', a way to connect wool-based or Merino online fashions directly to consumers through The Woolmark Company.
- Work with retailers to tell a wool story within their e-commerce environments.
- Consider how to tell the story of Merino wool within online shopping environments—from brands to the shop.
- Focus messaging on what wool can do for consumers, rather than what wool 'is' to consumers.
- Unify and rationalise campaigns and brand messages.

1B. Innovations

There's a role for The Woolmark Company to play in facilitating fibre and fabric innovations but this will vary based on partner type and need

Established manufacturers—especially, integrated historical mills—are very focussed on innovations and don't look to The Woolmark Company for this.

These companies pride themselves in delivering innovations to their brand and retail customers and understand that they are better positioned to develop innovations than The Woolmark Company. These companies often have large and well-funded R&D departments that have been established for decades and so, they do not look to The Woolmark Company for innovations.

What we heard

"We have the best R&D team in the world".

"We have a team of fifteen all over the world, gathering ideas and then meeting together."

"We are usually the first mill to respond..."

Manufacturers catering to large or 'mass' retailers are more likely to have worked with The Woolmark Company on innovations and to have had a positive experience with this collaboration.

These companies focus on volume, so it's difficult for them to do trial runs or samples. They tend to innovate only if necessary—after a request has been made by a customer—so they value assistance in this area. When they worked with The Woolmark Company on innovations, they already had a customer interested in the new fabric and so they considered the collaboration a success.

What we heard

"We'd like Woolmark to continue to their research because we don't have an internal R&D team..."

Collaborating directly with brands on innovations is successful.

Typically, brands don't look to The Woolmark Company for innovations. However, when The Woolmark Company does collaborate with brands on this, it is successful. In these cases, manufacturers respond to a request for work from the brand, so there wasn't the concern that the innovation would not sell.

What we heard

"We worked well with Woolmark on Jogg Jeans..."

The Woolmark Company considers itself a valuable provider of innovations, yet few partners perceive The Woolmark Company this way

All partners need and value innovations, but most don't look to The Woolmark Company.

Fibre and fabric innovations are important to all partners, but most do not expect to get this from The Woolmark Company because they believe they have greater capability in this area.

What we heard

"Innovations? I bring in my own consultants."

"We always do our own thinking, we have three product groups, each focussing on innovations..."

"There is no company in the world with a research centre as updated as ours"

Lack of innovation in wool.

The industry perception is that there hasn't been anything 'new' about wool in the past few seasons.

What we heard

"There has been nothing new that can be said about wool in many years."

Clinging to old notions rather than embracing change.

The Woolmark Company's reference to 'casualisation' as a threat to the industry rather than an opportunity is seen as clinging to old notions of wool—that indeed it is just for suits. There is a feeling that rather than perceiving this change as a threat, The Woolmark Company should embrace this change in consumer behaviour and cater to it through relevant messages and new uses of wool.

What we heard

"The Woolmark Company's term 'casualisation' is just laziness on its part – it doesn't mean anything..."

Positivity about The Woolmark Company potentially contributing more to innovations.

Manufacturers especially, felt that The Woolmark Company could play a bigger role in innovations – either through new processes or blends.

What we heard

"We would like to work with Woolmark on something like Cool Wool."

"Everyone wants something new..."

The Woolmark Company really shines when it delivers technical assistance to manufacturers, however few are reliant on them for these services

Of the few companies we spoke with who did get technical assistance from The Woolmark Company, the experience was extremely positive.

- Most companies either have their own in-house technical teams or are happy hiring consultants.
- Technical assistance is valued by newer, smaller or less experienced manufacturers.

What we heard

“We have our own R&D team and also a research institute in China.”

“...I have my own and we bring in consultants as needed.”

“We would like Woolmark to continue technical research because we don’t have our own team.”

Staff experience

Opportunities

The Woolmark Company believes they can provide a lot of assistance through fibre, fabric and technical innovations.

The Woolmark Company also has a lot of technical expertise in terms of process efficiencies. However, few partners we spoke who needed this or understood that this service was available to them.

It appears that innovations are mainly supported through influencing brands and manufacturers to experiment with new processes and blends. For The Woolmark Company, collaboration on innovations is very resource intensive as is usually involves in-person meetings.

- Highlight emerging innovations in fabric as part of the International Woolmark Prize.
- Create case studies of experimental or prototype efforts. For example, showcase how others are reaching new manufacturers, driving disruptive marketing or developing a unique Story of Wool with engaging players.
- Differentiate companies who are fully in wool and will stay, versus those who are wool agnostic or new manufacturers or just starting out. Consider how to keep manufacturers involved based on where they are and where they are going.
- Think about what other successful ingredient brands have done: Dupont, Lycra, Thinsulate.
- Explore marketing about “What it does for you” rather than “what wool is – and what it does”.
- Understand that the role for The Woolmark Company to play in facilitating fibre and fabric innovations will vary based on partner type and need.
- Have ways to provide, share and foster the culture and pool of experts.

1C. Inspiration

The Wool Lab is a great engagement tool, but partners don't know what to do with it

The Wool Lab is a great engagement tool.

The Wool Lab is impressive and considered a great artefact for engagement with brands and retailers. Most say they would buy the Wool Lab Preview this season and are interested in seeing the next season's Wool Lab.

Partners are confused about who the Wool Lab is for and what to do with it.

Many partners felt impressed and inundated at the same time. They found it beautiful, but didn't know what to do with it or how to progress with it. Partners think it's 'great, but not intended for them', and none believe it impacts their business.

- Designers feel that the intended audience is the mills.
- Spinner and weavers feel it is intended for designers.
- Many are disappointed that for them, the Wool Lab does not act as a sourcing tool.
- Some feel the Wool Lab is a trend identification tool.
- Many feel the Wool Lab contains no innovation.

Designers think it's a trend identification tool.

Designers feel that it is an instrument for 'trend identification'; it isn't for them because they see themselves as the 'creator' of trends rather than followers. One designer was perplexed to see one of the fabrics he designed in collaboration with a mill presented in the Wool Lab, after his collection had already gone to market. He thought the fabric was 'his'.

What we heard

"It's great...it's beautiful..it's too much."

"Tell me what I can do with this, and tell me where I can get these fabrics."

"It's a tease."

"What's the point?"

"It's great for the industry but I have no idea how it applies to me and what I can do with it."

"The Wool Lab....a valid instrument...but not significant, we have our own design department."

Many partners don't receive trend information from The Woolmark Company.

The few who do, appreciate it.

What we heard

"There were no innovations in the Wool Lab"
(Brand)

"Woolmark provide trends every year, this is beneficial to me when talking to clients."
(Integrated manufacturer)

1C. INSPIRATION

Staff experiences

The Wool Lab is believed to be a strong inspiration tool.

While described as an inspiration tool for customers, The Wool Lab is primarily used by The Woolmark Company to initiate conversations with potential and established partners.

1C. INSPIRATION

Opportunities

- Connect the International Woolmark Prize designers with manufacturers.
- Capitalise on the Wool Lab and refine it so it can progress relationships and increase wool use.
 - Once a partner has been engaged with the Wool Lab, decide what the desired next steps are.
 - Consider the Wool Lab as enabling a journey from engagement to consideration, adoption and use. Make it into an end-to-end offer and curate it to specific account needs.
 - Enable the Wool Lab to become an aggregator, connecting designers and manufacturers around the world.
 - Provide a smaller curated Wool Lab, customised for the partner.

1D. Guarantee of quality

Partners value the Woolmark logo and believe it could be expanded to mean more than just a quality stamp

Partners value the logo and think it could be more.

Partners value the logo and think the program could be expanded so that having the logo means more than just a quality guarantee; the logo could start to signify that garment's production is in-line with environmental and ethical standards. Partners feel that this kind of assurance is becoming more important to customers.

Licensees did not express negativity about the certification process.

While licensees recognised that the certification process is complex, they did not express significant negativity about this¹.

What we heard

"..Not much problem...we know the process quite well so we know what to expect..."

"It's a quality assurance that people will look for, although customers didn't know about it in the beginning..."

"Too many certifications needed up the chain... our local Woolmark office couldn't do anything about this policy because it was set by the Australian authority."

¹This may be because we spoke with senior level people within the organisation who were not involved in the day-to-day operations, or it may be the certification process is not a major concern for the industry partners. We were expecting some negativity due to The Woolmark Company's internal staff experience in delivering this service and their perception that it is very complex.

Staff experiences

A difficult and convoluted process that only few can assist with.

Staff describe the certification process as convoluted and difficult. It is time consuming and requires significant manual processing. Finding information on The Woolmark Company wiki is difficult and requires existing technical knowledge and a prior understanding of the process. Because certification is centralised, local staff are often ill-equipped to respond to queries using information resources, they also cannot give definitive responses. When regional office staff are faced with questions about the process or certification requirements, they need to refer customers to HQ in Sydney. There is no easy, automated way to renew licenses or certification.

What we heard

“Communication around getting the certification is slow and difficult.”

“You need to know what you are looking for to find anything on Confluence...”

The value of the Woolmark logo is contested internally.

While in theory, the Woolmark logo is a quality stamp and does not signify ‘The Woolmark Company’ in its entirety; in practice, this is not understood or agreed upon by all staff. To many staff, the Woolmark logo is at once seen as a branding tool for The Woolmark Company, a stamp of quality and a way to infiltrate the supply chain. Staff noted that many large brands do not use the mark, even when they are certified and that the certification process excludes smaller companies who can’t afford it.

What we heard

“We don’t really care if they don’t want the Woolmark logo, as long as they use Merino wool.”

“Brands that do well and use the Woolmark logo provide us with the best exposure.”

How to position the Woolmark brand?

Some staff believe the Woolmark licence is given out too easily; that the benchmark for getting the mark is too low. Some believe that wider use of the logo would mean increased recognition. Further, some believe the mark should be less about traditional quality assurance and more a symbol of wool as natural, ethical and sustainable.

What we heard

“We don’t want to ruin The Woolmark Company by giving it out too widely.”

“The Woolmark certification needs to be about more than just quality. It needs to be about its environmental, sustainable and natural features.”

1D. GUARANTEE OF QUALITY

Opportunities

- Connect Woolmark licensees along the supply chain – so the whole chain signifies quality.
- Explore the intent of the mark – can this be fulfilled another way? For example, connecting customers to ensure quality rather than certifying separate parties.
- Make the Woolmark logo mean more than just quality: Expand the program so that having the logo means more than just a quality guarantee. The logo could signify that its production was in line with environmental and ethical standards.
- There is currently no way to indicate relationship success except the logo. If the Woolmark logo is the proxy of success at the trade level, consider if this the right measure – how might success be measured differently?

1E. Advice

Partner experiences

The Woolmark Company is recognised as the global source on wool, but partners do their own training or hire advisors.

Partners do their own training either through in-house resources or through consultants.

What we heard

“Training is on the job.”

“Training is business as usual.”

“We hire tech experts to help.”

The Woolmark Company’s training and development of manufacturers in new markets is valued.

Training for new mills is valued.

Chinese manufacturers appreciate The Woolmark Company’s advice and knowledge transfer to the new mill in Vietnam as it provides them with increased profitability through lower labour costs.

Desire for further labour market development.

Other partners want The Woolmark Company to provide similar training to new mills in other emerging manufacturing regions such as Bangladesh and Belarus.

There is a shared understanding that the new Vietnamese mill is owned by Chinese manufacturers. There was a concern that the efforts to develop this new mill were not diversifying the market but rather increasing China’s viability through providing them with the advantage of lower labour costs that could not be realised by mills in Japan, India, United Kingdom or Italy.

What we heard

“Haven’t received as much support as I’d like in developing mills in Bangladesh.”

“I’d like help reaching new markets in Vietnam, Russia and South America...”

1E. ADVICE

Staff experiences

Technical assistance and advice provision is resource intensive.

The Woolmark Company finds it difficult to respond to requests for technical assistance, as the expertise is limited to only a few people. The better relationships with manufacturers rest on strong personal relationships with The Woolmark Company's technical experts.

What we heard

"The demand for training and education is high but resources are low. We only have 150 people and have limited technical know-how."

Advice is often provided on a 1-to-1 basis.

Manufacturers are very competitive so often do not want to share knowledge or training sessions with others they view as competitors. Manufacturing processes vary from factory to factory, so staff believe manufacturers can best be served through one to one interaction.

What we heard

"Manufacturers don't share knowledge which means we need to provide lots of one-to-one training."

1E. ADVICE

Opportunities

- Find ways to target technical training to establish new manufacturers.
- Consider how might The Woolmark Company further develop future manufacturers.
- Limit this offering to those who truly benefit from it.
- Consider how to become a creative and nimble marketing consultant.

1F. Intelligence

Experiences & opportunities

Partner

Partners rely on market intelligence, but express they haven't received this from The Woolmark Company.

Partners tend to get this from a variety of sources and don't rely on or expect this from The Woolmark Company. Partners believe they do not receive any market intelligence from The Woolmark Company today.

- Retailers and manufacturers want global trend and market information.
- Most manufacturers appreciated the wool price reports.
- Manufacturers and large retailers in China and Japan wanted more global information in local language:

What we heard

"We need more global information in local language, we have the local information."

"The website isn't really translated completely... people need to see things in Japanese..."

Staff

The Woolmark Company believes it provides market intelligence, but partners express they haven't receive this.

Opportunities

- Consider what intelligence is relevant and valued by partners.

1G. Education

Experiences & opportunities

Partner

Partners don't proactively think they or their companies need 'education'.

Partners appreciate the seminars and training sessions provided for brands and designers, but do not express a specific need for these.

Trade schools value The Woolmark Company's contribution.

Education partners were happy with the contributions from The Woolmark Company and considered the work The Woolmark Company was doing as valuable for the sustainability of the industry.

What we heard

"We gain a lot from The Woolmark Company."

"Woolmark supports student activity through design, material and technical support."

Staff

It is unclear what the measures for success are for the provision of educational materials, both online and in-person, and what impact they are having on demand for wool.

Staff believe that The Woolmark Company has a lot of knowledge on wool and work hard to provide a wide range of content on its websites. While many stakeholders believe that 'wool education' is a key service that The Woolmark Company provides, commercial partners believe they neither receive nor need 'wool education'.

Opportunities

- Identify the type of customers that benefit from education.
- Provide brand and manufacturers with consumer trends that matter to them.
- Identify where customers sit on the spectrum of using wool and what their education needs are.
- Explore what it takes to become an established wool business.
- Develop knowledge management processes that support the way people share knowledge today and how they might do so in the future.

1H. Connection

Partner experiences

Having the right supply chain is critical to success in this industry, so established companies have their own long-standing relationships.

Partners do not turn to The Woolmark Company to help them connect with suppliers.

Established companies have spent a lot of time and effort cultivating the right relationships. Most have long lasting and trusting connections with their mills, and do not expect The Woolmark Company to provide this service for them.

Most partners do not turn to The Woolmark Company to help them connect with customers .

Aside for needing connections in new markets, manufacturers are comfortable with their industry connections and do not turn to The Woolmark Company for introductions to new customers.

What we heard

“We know everybody in this business.”

“We are partners with our important customers, not just suppliers.”

The Woolmark Company is successful in connecting partners to customers in new international markets.

The Woolmark Company is successful in providing manufacturers in India, Japan and China with connections to customers in new international markets.

What we heard

“Woolmark helped us meet new customers. They took us to Japan, Australia and Vietnam.”

“Woolmark recommends us for those who want an alternative to China.”

Emerging and niche designers differ from other partners when it comes to connections. They want connections from The Woolmark Company and struggle to find the right suppliers and customers.

Emerging and niche designers with innovative ideas need connections to suppliers who can work with them and meet their minimums.

What we heard

“As part of the IWP, there should be a showroom agent to introduce buyers to designers.”

Partners need more than just ‘contacts’, they need qualified, brokered and contextual connections

Partners who do gain customer or supplier details from The Woolmark Company are somewhat disappointed because the relationships are often unsuccessful.

- Partners want more than just contact details, they need an introduction, and a sustained collaboration with the new contact, brokered through and qualified by, The Woolmark Company.
- Partner also want a more contextual match-up of services and needs, as many feel the partners or customers provided were not the ‘right fit’ for their needs.
- In the absence of context, relevance and personal introduction, connections don’t flourish.

Current, processes and tools don’t facilitate meaningful connections or enable traceable, persistent connections.

The Woolmark Company’s tools and processes don’t enable employees and partners to easily connect, share information and transact. The tools also don’t facilitate follow up, ensure quality or sustain connections.

What we heard

“We got some contacts, but it didn’t work out.”

“They wanted very small volumes.”

“I could just use Google (to get the contact details)... they didn’t return our calls.”

“Woolmark can do better to provide more accurate information to both parties to be introduced.”

“Had many new clients...never heard back after the initial introduction.”

“We haven’t received as much support as we’d like to develop mills in Bangladesh.”

“Woolmark has no authority to direct the mills, that’s why they’re restricted to just introducing you.”

Partners want to leverage The Woolmark Company's unique position as a global aggregator

The Woolmark Company is uniquely positioned and respected as the global aggregator of wool trade and fashion knowledge.

The Woolmark Company is considered the expert on all things wool and the global aggregator of market, fabric and sourcing information. Partners want it to be easier to access and benefit from this.

While brands and designers don't feel that The Woolmark Company is the source of inspiration, they do feel that The Woolmark Company could be a "great connector".

Most partners felt that ideas come through speaking with people and connecting with others. Partners want to be connected through facilitated forums to others in the wool business as well as others in different creative fields. These connections are desired for idea generation, which is essential to the design process.

What we heard

"Talking and making connections is the only way to find new ideas."

Staff perceive sourcing as the most time consuming activity

Sourcing is very resource intensive

Sourcing is currently very resource intensive with calls frequently fielded between brands in Italy and the United States, experts in Australia and manufacturing partners in Asia. Often this complex knowledge is contained in emails and phone conversations and difficult to recall and repackage for future learning.

There's a perception that a lot of sourcing enquiries are mainly about cost cutting and have no relation to increased use of wool for premium garments. Currently there is no way of measuring sourcing effort against a customer's increased propensity to use wool.

What we heard

"Sourcing support is a big part of what we do."

"A lot of sourcing is all about price - they want us to find a cheaper supplier."

Opportunities

- Tap into local markets and be able to identify 'what is a good partner'.
- Make sourcing less manual and person dependant.
- Broker connections to ensure connection the right people.
- Share insights about new markets – let people access this across the chain.
- Curate connections to local markets.
- Find ways to provide more contextual and relevant partner matching.
- Understand that for partnerships to flourish, there needs to be the right balance of humanity, facilitation, automation and traceability.
- Recognise for connections need not be face to face, and in fact are more reliable and trusted in digital formats that facilitate the human touch and track progression. (e.g.. Airbnb, Amazon, Alibaba).

2. Relationship experience

This section describes both the partner and internal staff experiences in building and maintaining relationships with each other.

2. RELATIONSHIP EXPERIENCE: PARTNER

Partners perceive The Woolmark Company itself as having great provenance and consider The Woolmark Company as the global source and expert on all things wool

Partners respect and appreciate The Woolmark Company and like its staff.

Partners are often effusive about The Woolmark Company and many feel a personal connection to the company and its staff. Even though there is sometimes frustration when collaborating on campaigns, the interpersonal relationships are always positive.

Partners value The Woolmark Company's position as one of 'neutrality' and think it could be leveraged.

Partners feel The Woolmark Company is in a unique position of neutrality, since it was not trying to sell a brand or a garment, its messages about the value of wool would be most believable.

2. RELATIONSHIP EXPERIENCE: PARTNER

Partners feel constrained by campaigns, they want to work with The Woolmark Company as partners

Partners looked forward to collaborating with The Woolmark Company, but were sometimes disappointed.

Partners looked forward to a positive experience with The Woolmark Company and appreciated The Woolmark Company's generosity. But when it came down to the day-to-day collaboration, there were some difficulties due to a perceived lack of flexibility and timeliness from The Woolmark Company and over-reliance on Australian driven communication approvals.

Partners want to work together with The Woolmark Company as partners.

Partners want to work together with The Woolmark Company to address their mutual needs. They want assistance telling the 'Story of Wool', specifically its provenance, its environmental friendliness and ecological attributes.²

What we heard

"There were lots of time delays and approvals."

"Campaign branding and messaging requirements are too strict...don't support local or individual efforts..."

"I'm not a customer, I'm a partner."

² See next section: "I need to tell the 'Story of Wool'" on **page 93**.

2. RELATIONSHIP EXPERIENCE: PARTNER

A partner's perception and experience of The Woolmark Company is dependant upon what the partner needs and the context of the relationship

Partners have different experiences with The Woolmark Company, depending on the complexity of the services needed.

An easy problem leads to an easy solution and a positive experience with The Woolmark Company.

- When there is a specific technical problem that needs to be solved, it is easy to see the success upon its resolution. Partners then view the collaboration experience as a positive one because they receive much needed, often 'ala carte' assistance from The Woolmark Company.

When the challenge is more complex, so too is the experience with The Woolmark Company.

- When the collaboration challenge is more complex, and the measures of success is less clear, for example 'generating increased demand for a new fibre through a co-branding effort', the experience with The Woolmark Company suffers. In such cases, because it is more difficult to determine the success of the collaboration, the experience of working together is perceived as less positive.

The Woolmark Company is sometimes perceived as just the logo.

A few manufacturers consider The Woolmark Company as just the quality symbol—the logo—and they sign up for it only because their customers want it.

High-end Italian mills and brands view The Woolmark Company as their connection to the Australian wool grower.

They see their relationship with The Woolmark Company as one that benefits their provenance story, ensures quality in their supply chain and also provides financial support for events.

What we heard

"We worked with The Woolmark Company on Total Easy Care...it was a good collaboration."

"You ask for things and you don't get them...there are no guidelines to help with serving customers...we dont know what we need ourselves..."

"They are the middleman between us and the Australian farmer, we can't speak directly to the farmer."

Partners have different expectations of The Woolmark Company depending on the relevance of wool to their business

Partners who depend on wool need more services from The Woolmark Company.

Partners who depend on wool use for their business often need and want more support from The Woolmark Company. Garment makers, diversified manufacturers and mass retailers are typically fabric-agnostic and less likely to look to The Woolmark Company for services in support of wool use.

The Woolmark Company benefits more from relationships with luxury brands.

There's a perception that The Woolmark Company benefits more from their association with luxury brands rather than the other way round. In these cases the luxury brands perceive the relationship as positive, but don't need or expect any service from The Woolmark Company.

Relationships with luxury brands are often based on interpersonal relationships, daily contact and friendships; partners value these relationships regardless of the services The Woolmark Company provided.

Luxury brands in Italy place a very high value on their day-to-day personal relationships with their colleagues at The Woolmark Company.

What we heard

"We speak to The Woolmark Company everyday, I can take any ideas to them."

The benefits of relationships go both ways

While The Woolmark Company considers itself a service provider, many relationships are fostered for The Woolmark Company's benefit first and the customer's benefit second.

By partnering with high profile brands that are doing well, The Woolmark Company seeks to gain exposure and leverage off the brand's reputation. Whilst this may succeed on some occasions, there have been many instances where high-profile partnerships have not paid off.

Relationships with high-profile customers do not always pay off.

Co-branding campaigns with high profile brands often don't result in the strategic long-term influential relationship desired by The Woolmark Company. Some high-profile customers are happy to receive financial sponsorship from The Woolmark Company to deliver or participate in a campaign. However these same customers often see no value in continuing the relationships. Often, established brands and designers are oblivious to the value of partnering with The Woolmark Company.

What we heard

"Narciso Rodriguez left after one season of sponsorship."

"Alexander Wang won't return our calls."

"The attitude of the fashion industry is a challenge for The Woolmark Company. They don't see the value in partnering with us."

2. RELATIONSHIP EXPERIENCE: STAFF

The Woolmark Company wants to move towards more strategic and customer-focussed relationship, but is challenged in doing do

The desire for customer-centricity

There is a desire internally to shift from a transactional service culture to one oriented to relationships, but The Woolmark Company is not sure how to do this.

Often services of today are offered based on what The Woolmark Company 'has', rather than on what partners need.

What we heard

"We're seen as the ATM."

Relationships between The Woolmark Company and partners are very person specific

This derives from the way in which technical knowledge is provided in the manufacturing sector and the need for brand customers to "feel the fabric". Relationships with brands, especially in Italy, where influence focuses on designers are based on 'in-person' type interactions.

Shifting from human to digital interactions

While it is understood that high-touch person-to-person relationships are not sustainable with the current number of staff, there is concern about how digital can replace the person-to-person interaction without damaging relationships.

What we heard

"Platforms and systems exist to create relationship but not to support them."

2. RELATIONSHIP EXPERIENCE:

Opportunities

PARTNER OPPORTUNITIES

- Create a spectrum of wool use for relationships. Use this to prioritise relationships and to understand where to focus efforts.
- Find ways of identifying why and who for friendship efforts.
- Find ways to measure success of collaboration.
- Focus on shared needs rather than campaigns.
- Explore what areas and partners need high touch.
- Identify how digital can facilitate relationships that are not a high-touch priority.
- Focus on what partners need, rather than what The Woolmark Company needs.
- Offer services that are truly relevant.

STAFF OPPORTUNITIES

- Establish a view as to what the ideal relationship looks like for partner types based on their needs and propensity to drive demand.
- Have goals for relationship building activities. Understand that there are different goals for different relationships and identify those.
- Have ways of measuring success of relationships as they progress.
- Have ways of assessing customers in terms of their propensity to become engaged with wool and add value to the wool ecosystem.
- Target the right partners with the right services.

3. Risks to my business

In this section

- Price pressures and competition from other fibres
- Overexposure to China, rising labour costs and increased global competition
- Young people don't value wool
- Animal welfare concerns

3. RISKS TO MY BUSINESS

Price pressures, competition from other fibres, and lack of consumer appreciation of wool are the greatest perceived risks to the wool industry.

Price and competition from other fibres

Inadequate support for using wool, for those who love the fibre.

There's a feeling that there is inadequate support for the mid to high fashion brands who love the fibre from either their government, industry bodies, or The Woolmark Company. These companies feel they are at greater risk of losing customers to competitive fibres.

Manufacturers often feel forced to use other fibres even though wool is better for their business.

Manufacturers make greater margins when they work with wool and experience lower waste and less wear-and-tear impact on their machines. However, they use blends to make up the volume due to consumer demand for cheaper fibres and their need to keep the 'machines going.'³

Lack of consumer appreciation of wool

Partners believe consumers still do not value wool and are still unwilling to pay more for it.

Partners believe that consumers have not changed their perceptions of wool. They believe that the attributes inherent to wool would be valued by consumers, yet consumers were not aware of them due to inadequate messaging. These attributes include:

- Provenance
- Luxurious
- Environmental
- Natural
- Washable
- Easy to care for
- Warm in winter
- Cool in summer
- Versatile
- Moisture wicking

What we heard

"Price is a massive factor"

"Price, price price...that's what our customers want..."

"Our biggest challenge is coming up with better performance but at the same or cheaper price."

"Brands are struggling with price."

³ See later in report under Needs: Countering price pressures, Increasing Demand on **pages 87 and 90**.

3. RISKS TO MY BUSINESS

Overexposure to China, rising labour costs and increased global competition

China is perceived as a threat to mills in Italy, Japan and India not merely on price, but on quality and variety.

China as a manufacturing powerhouse

It's becoming increasingly more challenging for local mills to compete with the manufacturing powerhouse that is China.

Rising labour costs are considered a key risk.

Rising labour costs put pressure on all partners by decreasing margins. Manufacturers are eager to explore new markets for less expensive manufacturing.

What we heard

"We would like more help in developing mills in Bangladesh..."

All partners feel that competition across the globe has become fiercer.

Increased global competition is a major business risk

New markets globally and NAFTA within the USA provide diversified and cheaper production options. Within China, former 'government' suppliers are now moving into the commercial sector, increasing the competition within China. This along with the increased quality in China and the rise of more 'local' mills has increased global competition.

What we heard

"...lots of competition and we need to keep up with new technology and increased quality and productivity."

"China is coming out with better and better quality."

"Some of the product from China is more expensive and better quality than what we have in Italy."

3. RISKS TO MY BUSINESS

Young people don't value wool

Partners believe that 'young people' don't value wool and that this will make wool unsustainable in the future.

Partners don't know what kinds of messages are needed to reach this demographic.

The industry feels there's a change in consumer buying patterns and there's a risk that a new generation will not value wool. The industry isn't sure what kinds of messages are needed to reach this demographic.⁴

There is a conflict between appearing 'new and innovative' while simultaneously appealing to the sentiment of 'purity and premium'.

- There's a growing concern within the industry that the 'younger generation' do not care about fabric at all.
- There's a strong perception that the current campaigns are not reaching the younger affluent, demographic.

What we heard

"The Woolmark Company needs to capture the younger generation and make them love wool in order to sustain its base."

"Young people don't care about the fabric, we have to find a way to send the message to consumers."

"Young people today want to look good but spend less."

⁴ See Increasing Demand on **pages 90** and Conscious Consumption on **page 39**.

3. RISKS TO MY BUSINESS

Concerns about animal welfare

Animal welfare issues are considered a significant risk to the Merino wool business

Environmental issues influence purchasing decisions for nearly all wool consumers.

Almost all manufacturing partners, especially those in Asia, are worried by the mulesing practice in Australia. They feel helpless about this issue and are troubled by the perceived complacency by The Woolmark Company. They feel The Woolmark Company is being reactive to complaints rather than proactive. Most manufacturers see this issue as one that may escalate and not 'go away'.

Mass brands are more concerned with mulesing than are 'luxury brands'.

Larger manufacturers in China and India are most concerned with the mulesing issue because they are under a lot of pressure from their customers to address this. These manufacturers supply to large retailers in the US who must respond to strong public pressure or risk damage to their brands.

Environment and sustainability are important points of differentiation.

In the absence of a strong provenance story, these brands need to respond to issues regarding the ethical treatment of animals, otherwise that may become their story.

What we heard

"Woolmark must tackle this issue, it's inseparable from Australian wool."

"We buy 70% of our wool from Australia, if our customers demand non-mulesed wool, we'll have to buy from South Africa, but they won't have the stock..."

"Mulesing is a very important problem that worries us."

"Our customers want non-mulesed wool, the only way to do this is to go out of Australia..."

"We care about the source, supply and quality..."

3. RISKS TO MY BUSINESS

Opportunities

- Develop a distinct program of work to address price pressures at all points in the wool journey: this includes knowing what 'the ideal wool ecosystem' looks like and helping partners to get there.
- Continue and expand the development of new labour markets.
- Support newer mills to further diversify the supply chain.
- Develop better tools and processes for more effective global customer matching.
- Become the experts on the new Chinese consumer – create marketing packets and toolkits that work.
- Understand what truly drives consumption trends in China and share this knowledge.
- Work with brands to develop messaging and campaigns that truly target the younger consumer. Thoroughly market-test with this demographic before placing messages in the market.
- Decide on the The Woolmark Company's goals: old and established or new and relevant?
- Be upfront, proactive and transparent in addressing the ethical issue.

4. Partner needs

During the research, partners expressed a wide range of needs in regards to sustaining their wool businesses. While some of these needs are already addressed by The Woolmark Company's service offerings, many present an opportunity for The Woolmark Company to further engage with customers through the provision of tailored services to address them.

Partners are very diverse and have very different needs

Partners aren't just 'one thing', so having 'needs-based' groupings is an effective way to tailor services.⁵

Partners don't just do 'one thing'

While there's a tendency to refer to partners as spinners, weaver or either manufacturers or retailers, we've noted that individual partners are often many of these. Most manufacturers combine several aspects of wool processing such as top-making, spinning and weaving all in one company.

A trend towards consolidation and diversification

Several manufacturers have integrated with retailers, ensuring market access for their manufactured goods. Others have diversified their manufacturing to include all steps in the wool supply chain; several manufacturers own sheep farms in Australia and New Zealand.

There is also a growing trend of new and niche designers bringing their production in-house in order to tell a story of provenance and ethical production in-line with their brand identity.

Luxury brands have spun off more affordable brands (i.e. Zegna) tapping into the lower end of the market. Some brands, traditionally tied to wool, are now using other fibres for these more 'mass brands'.

Opportunities

- Understand that different partners have different needs and have applicable goals for each.
- Have a view of what good looks like across the value chain.
- Serve partners based on "Needs Groups".

⁵ Partner "Needs Groups" are defined and described in greater detail earlier in this document on **pages 22**.

“I need a way to counter price pressures”

Price is the number one concern of suppliers and customers when choosing fabrics.

All partners expressed that price has the biggest impact on intra-industry demand for wool

Across all partners, price was consistently listed as the most important factor in determining how much wool they bought and from whom. Other factors included, quality, service and innovations, however, partners were quick to point out that those factors have become expected, so convincing partners that wool was a worthwhile investment was still a significant challenge.

Manufacturers and brands often prefer to work with wool and 100% wool, but use alternative fibres due to price pressures.

- *Reasons brands and designers prefer wool.*
 - “it’s ...organic...it’s natural...”*
 - “it’s aligned with by brand attributes.”*
 - “It’s aligned with our ethos.”*
 - “it’s environmental.”*
 - “it has provenance.”*
 - “...has wonderful drape..”*
 - “Wool has this natural wicking property.. moisture management..”*
 - “It’s like a game, you can play around with it and see different things emerge...”*

Opportunities

- Establish the ‘ideal’ wool ecosystem and help partners reach this. Part of this ideal will include optimised efficiencies, labour markets and tactics for driving up demand for wool.
- Recognise which manufacturers have a stronger preference to use wool and leverage this.
- Connect advocates of wool across supply chain so that their efforts strengthen each other and the wool message. Especially consider grower/manufacturer/retailer/brand connections.
- Understand what drives individual partners or partner groups. Why wool? Passion or profitability? Tailor interactions and service to respond to these core motivations.
- Find ways to support smaller mills to connect with other partners.

⁶ See ‘Risks to my business’ on pages 79.

“I need to convince my customers that wool will sell”

Influence with the right people at the right time is important in helping them to choose wool.

Complex web of influence in choosing fabric

There's a complex web of influence amongst supply chain partners when it comes to selecting fabrics.

- *Designers and product managers usually have the most influence.*
Generally brands and retailers choose the fabric, with designers and product managers having the strongest influence.
- *Designers don't have complete control over fabric selection; price and profitability are always factors.*
Designers are not only influenced by inspiration and knowledge, they are equally, if not increasingly, influenced by the cost of fabrics and the propensity of the garment to meet sales targets based on previous years sales, trend reports and research data.

- *Manufacturers produce what is demanded by their large brands and retail customers.*
Vertical manufacturers or those catering to large brands, are very responsive customer demand. They produce what is demanded by the product managers or designers of large retailers or fashion houses.
- *Integrated historical mills (i.e. Lanificio or Filatura di Tollegno) make fabric decisions more collaboratively.*
In these types of companies, decisions about fabrics are typically made with spinners, weavers, designers and product managers all working collaboratively. In this case, all parties have influence on what gets produced.

Opportunities

- For a bigger impact in the innovation space, focus on smaller or vertical manufacturers who need innovation support.
- Create 'best in class supply routes' - for example, in China, focus on few but high quality suppliers.
- Consider positioning The Woolmark Company as the source of innovation information and the celebrators of innovation
- Recognise that a journey based approach is needed to drive demand for newer fabrics such as Cool Wool.
 1. Inspire designers to use the fabric.
 2. Drive consumer awareness.
 3. Advise manufactures how to profitably produce it.
 4. Get it 'on the rack' at retail.

4. PARTNER NEEDS: MANUFACTURERS

“I need more efficient production processes”

Technical innovations are valued for the cost efficiencies they provide, but most established companies turn to internal staff or hire consultants for assistance.

New manufacturers, especially those in new markets need and appreciate technical and process assistance.

Opportunities:

- Establish the ‘ideal’ wool ecosystem and help partners reach this. Part of this ideal will include optimised efficiencies, labour markets and tactics for driving up demand for wool.
- Support smaller mills by connecting them with more established partners.

“I need my wool business to stand the test of time”

Maintaining a sustainable wool business includes targeting new markets and diversifying the uses for wool. This is challenging for the industry.

Wool year-round

Keeping the mills running year round and sales up across the calendar year, is important to manufacturers. Partners therefore want to increase demand for wool garments year-round but are not sure how to do this.

These innovations are important because they support its sustainability through diversification:

- | | |
|------------------------|----------------------|
| • Wool for all seasons | • Wool for underwear |
| • Wool for summer | • Wool for babies. |
| • Wool for active wear | • Innovative blends |
| • Wool for sports | |

Diversifying to new markets

All partners want access to new consumer markets across the globe, so that fluctuations in one market do not impact their profitability.

Opportunities

- Drive programs that increase full-year demand for wool.
- Increase the efficacy of services and tools in order to match partners to new customers in growing global markets.

“I need to consumers to demand wool”

Different types of partners feel different levels of pressure to use alternative fabrics and therefore need different types of advocacy and marketing support to convince them to stay with wool.

Established manufacturers with close ties to luxury brands, such as Zegna and Lanificio-Cerruti are highly unlikely to switch fabrics.

These companies' brands are tied to their use of Merino wool, which often makes up of 80-90% of their production, and so are unlikely to switch to other fabrics. While these mills may want The Woolmark Company's assistance in providing their customers with a 'reason for wool', companies such as these, have customers who are already very receptive to the message.

Partners catering to the mid to high-fashion end of the market are most at risk.

Manufacturers and brands such as Deisel, Berwin&Berwin, or Next are most at risk of switching to alternative fabrics. Manufacturers catering to such brands were most vocal in wanting marketing assistance to convince their customers that using wool will be good for businesses.

Manufacturers⁷ are more concerned with maintaining a strong wool business than brands and retailers.

If wool were to become undesirable, brands could easily switch to other fibres. Some manufacturers however, are reliant on wool processing for their day-to-day business. Wool also provides better margins and is less taxing on their machines, so is better for their business overall.

For some partners, the connection is personal.

Long established mills are passionate about the features of wool fibre and the wool provenance story. Some of these partners have been working with wool for over 100 years, so the connection to wool is personal and therefore are very proactive in promoting this directly to consumers.

⁷ This excludes garment makers, who are agnostic about fabrics.

Some partners are agnostic to which fibres they use and therefore, advocacy efforts may never have an impact with these suppliers.

Some manufacturers are completely responsive to price and are agnostic to fibre. These companies are typically garment makers or integrated retailers as well as large scale spinners and weavers who have machines that process multiple fibres.

What we've heard reflects the different levels of relevance wool has to each business.

“Wool benefits my business because there is less waste and more profit.”

“Pure wool sells for a higher unit price, but the profit margins are the same, because we have less quantity.”

“We produce only what our clients request...I don't have a preference...”

“Price considerations sometimes overrides the designers' wishes...”

“We've never considered not using wool...we're a market leader in high quality products...”

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“I need consumers to demand wool”

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According to partners, direct-to-consumer messaging about the value of wool would have the greatest impact on increasing demand for wool.

Direct-to-consumer awareness.

Nearly all partners believe that the key value The Woolmark Company could provide would be direct-to-consumer messaging about the benefits of wool. They feel this would be more beneficial than innovations, consulting, or co-branding.

Partners, across the supply chain believe that consumers are unaware of the attributes of wool and they fear that without programs to change this, wool may become irrelevant.

Current trends that drive retail consumption, such as ‘Conscious Consumption’⁸ are seen as untapped opportunities to drive demand for wool.

“There’s a noticeable lack of consumer focused activity...”

⁸ See more about Conscious Consumption under “Service Experience: Promotion”, **page 39**.

Opportunities

- Help manufacturers become more ethical and therefore more appealing to brands.
- Provide certain support for ‘wool companies only’.
- See further opportunities under “Service Experience: Promotion Opportunities on page 45.
- Align the ‘Story of Wool’ with trends of ‘Conscious Consumption’.
- Understand that generating demand for new wool garments requires a multi-touch ‘journey based’ approach that spans the supply chain and includes:
 1. Customer messaging.
 2. Designer use and appreciation.
 3. Brand confidence it will sell.
 4. Manufacturing capability.
 5. High Visibility: Must be ‘on the rack’.

I need my innovations to be relevant and have consumer support

Partners need innovations that are relevant to their customers and also accompanied by powerful marketing messages to drive adoption.

Fabric innovations without consumer awareness are worthless.

Fibre and fabric innovations need powerful consumer messaging to support adoption. Partners are wary of investing in innovations without the assurance that consumers will be aware of them and demand them.

Brands often lead the charge for fabric and fibre innovations.

Brands especially, appreciated fibre and fabric innovation but feel they lacked manufacturing capability or retail uptake. Once a brand or retailer is enthusiastic about a new fabric or fibre, the manufacturers see this a sales opportunity and are happy to collaborate.

Opportunities

- For a bigger impact, focus on smaller or vertical manufacturers who need innovation support.
- Continue supporting 'best in class supply routes' – for example in China, focus on few but high quality suppliers.
- Consider positioning The Woolmark Company as the source of innovation information and the celebrators of innovation.

“I need to tell the Story of Wool”

There's a feeling the 'Story of Wool', if effectively told, would drive demand.

Partners want to tell the 'Story of Wool' and its many substories and would like The Woolmark Company to assist with this.

The substories of wool

- *The Sustainability and Ethics Story*

This story is about how the garment or fabric is produced, the conditions of the workers and how people all along the supply chain benefit from its production.

- *The Luxury Story*

There's a sense that luxury is about the time, human touch and the care and pride behind the items that are crafted. It's also about the rarity and beauty of the item.

- *The Provenance Story*

Provenance is about the human story, care and history involved in the production. The longer a product takes to be made, the longer the business has been established, the more provenance is associated with it.

Provenance is also the traceability of the product. Some brands have strong relationships across the supply chain all the way to a particular farm in Australia. They know and value everyone who touches their product.

Provenance is also about love and family: some manufacturers have been around for 150 years and it's been in the family for generations. This is their story; a sense of pride in their product that runs as deep as family ties.

- *The Environmental story*

Wool does not damage the earth's ecology, it's non-toxic and biodegradable. It does minimal damage to the environment in its production when compared with alternative fibres. It's also natural and regenerative.

- *The Value Story*

High micron wool is valuable and comparable with luxury fibres such as cashmere and silk. Yet consumers aren't aware of this. Brands and retailers want to tell this story.

- *The Versatility Story*

Partners feel that consumers are largely unaware of wool's versatility: thin in summer, soft, washable, easy to care for, effective in moisture wicking and therefore very suitable for sportswear and underwear.

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“I need to tell the Story of Wool”

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Opportunities

- Where the ‘Story of Wool’ is already being told, consider how The Woolmark Company can play a role in that story.
- Prove the ‘Story of Wool’ from the farm to consumer. Show how this has worked for other brands.
- Tell multiple wool stories based on the type of product, consumer and supply-chain groups.
- Explore the ‘Story of Wool’ as a ‘reason to buy’ for consumers and points of difference for brands and manufacturers.
- Pair manufacturers and brands that care with growers to strengthen the ‘Wool Story
- Consider ways of fostering ‘single origin’ wool where it’s relevant.
- Find ways of encouraging farms and manufacturing to work together – like Zegna.

I need to connect to others in my industry

Finding, maintaining and building the right relationships in this complex supply chain is critical, but also challenging.

- Partners need help with managing, maintaining and progressing connections.
- Partners need connections to supplier and customers in new markets.
- Smaller designers with creative ideas need connections to innovative suppliers who can meet their minimums.

Keeping connected is a critical part of the idea generation process

There is a strong desire for facilitated forums for global collaboration and idea generation. Partners gather ideas by keeping in constant communication with their customers, connecting with others in creative industries—fashion, trade and other—and drawing inspiration from the everyday lives around them.

“We get out there and speak to customers all the time.”

“Our design department are constantly connecting.”

Opportunities

- Connect designers to each other.
- Facilitate forums for global collaboration and ideas. Include parties across the supply chain as well as creative thinkers from other fields.
- Consider how to use both tools and the human factor to provide connections that work.
- Provide brokered, contextual and verified partner matching.

4. PARTNER NEEDS: MANUFACTURERS

“I need to respond to consumer demand for ecological and ethical goods”

Animal welfare and environmental concerns impact a brand's identity and therefore their profitability.

Brands and retailers are pressured to deliver against consumer demand for environmentally friendly fabrics and therefore, animal welfare, sustainability and the environment are decision factors when selecting manufacturing partners.

The mulesing issue interferes the wool industry's ability to leverage its provenance.

Second only to costs, animal welfare, specifically mulesing, was the most commonly cited 'risk to my business' across partners.

Missed opportunity to tell the 'Story of Wool'

Partners feel that being quiet on this issue interferes the industry's ability to tell an otherwise engaging environmental story of Australian wool.

Opportunities

- Help manufacturers tell their ethical story.
- Be proactive and transparent about mulesing.
- Connect manufacturers to sources of non-mulesed wool.

“I need to keep up with changing trends”

Staying on top of things, moving quickly and adapting are essential to survival in the fickle world of fashion.

The high-end fashion market moves very fast and it's hard to keep up with the rapidly changing consumer patterns of retail consumption. This is especially true for markets in Japan and USA.

Partners use several strategies for 'keeping up'.

- Delivering new products, (e.g. active wear, casual wear and sportswear).
- Remaining competitive: Once an innovation starts to be produced by others, manufacturers will purposely discontinue the line rather than lower their price point.
- Constantly looking for something new or capitalising on existing demand.

Finding something new is increasingly challenging.

Partners feel enormous pressure to come up with something 'new'. Yet, the variety of fibres and fabrics is not that diverse. Retailers often look for innovative fabrics, but tend to find them difficult to source. Ordering bespoke, innovative fabrics from manufacturers is usually an expensive venture, so mid-range brands struggle to find this innovation.

Partners believe Digital channels and methods of engagement will become increasingly relevant.

Partners understand that e-tailing and the use of digital channels are going to change the industry, but aren't sure how this is going to work. There is an understanding that the digitisation of global marketplaces through platforms such as Alibaba may have particular relevance to the wool trade.

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“I need to keep up with changing trends”

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When it comes to trends, different partners have different attitudes depending on their brand identity, target customers and market position.

Different attitudes towards trends

- Some dismiss ‘trends’ as a concern for the mass market. Designers and brands perceive themselves as either ‘setting the trends’ or as focusing on what is ‘classic’.
- Many believe that they, rather than The Woolmark Company, are best positioned to determine where the market is going because they are better funded and have closer connections with their own customers.
- Manufacturers catering to more ‘mass brands’ are most interested in trends and trend reports because they want to be prepared for what will be demanded.
- Larger brands and retailers⁹ want trends and trend reports to better understand what is selling.

⁹ Excludes fashion houses and smaller designers.

“I don’t care what’s inspirational, I care what’s going to sell.”

“Woolmark provides trends every year...this is beneficial to me when talking to clients.”

“We receive trends, tech seminars, promotions and training every two years...”

“I don’t care about trends, we make the trends...”

“Trends are for mass market...we focus on classic...”

When it comes to inspiration, most partners develop their own ideas but need support with gaining adoption.

Partners develop their own ideas and don’t look to The Woolmark Company for this

When it comes to inspiration, most partners develop their own ideas and are happy with this. However, once developed, they do want marketing assistance to gain consumer adoption. Partners do look to The Woolmark Company to help them provide additional value to their consumer in terms of giving their consumers ‘a reason to buy’.¹⁰

“Customers need a reason to buy that is in line with ethics and values.”

“Especially now after the GFC, we need to give people a reason to buy...”

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¹⁰ See more about ‘Conscious Consumption’ on [page 39](#).

4. PARTNER NEEDS: MANUFACTURERS, RETAILERS & BRANDS

“I need to keep up with changing trends”

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Opportunities

- Help manufacturers respond to trends.
- Share trends so manufacturers can be more responsive.
- Understand that there are differences in partner needs when it comes to trends and keeping up, use ‘needs-based’ groups to provide better service.
- Share trends coming from brands and consumers, so manufacturers can be more responsive.
- Facilitate global forum for idea sharing amongst the industry - including partner from all parts of the supply chain.

“I need to reach customers in new markets”

Tapping into new markets is important but also very challenging.

Expanding into new consumer markets, especially the Chinese domestic market is considered both a huge opportunity and challenge for the wool industry¹¹.

Partners also expressed interest in expanding to new consumer markets in Russia and India.

Partners also wanted to tap into new global suppliers in order to lower their labour costs.

Opportunities

- Provide tools and processes to easily connect partners with new customers and suppliers in new markets.
- Leverage The Woolmark Company’s global presence to provide relevant and updated new market information.

¹¹ More information about this need is detailed in the section “I need to understand the Chinese consumer” on **page 103**.

“I need to market and drive demand for my brand”

Brands feel that the attributes inherent to wool also complement their brand.

Brands wanted marketing assistance from The Woolmark Company to communicate wool's value thereby increasing their brands' equity.

Partners need assistance tapping into the new values that drive consumption.

Partners feel that the new drivers of retail consumption align with their brand's identity as well as with wool's. This trend is discussed earlier in this report under the topic “I need consumers to demand wool” on page 93.

“We need both the perfect product and the perfect message.”

“Customers want natural fibre, eco-friendly, cool wool.”

“People need a reason to buy.”

“The GFC was actually a good thing for our brand and wool, people are now being more considered in their purchase decisions.”

“The biggest trend in retail is empathy and sustainability, The Woolmark Company has this but isn't using it.”

Opportunities

- Support customers with marketing ideas rather than specific campaigns.
- Consider how The Woolmark Company might parse offerings into needs based toolkits that focus on consumer needs rather than on taglines and brands.
- Enable partners to have more latitude when using these messages to avoid the frustrations, time constraints and costs of approvals.¹²
- Assist brands in tapping into the new drivers of retail consumption.

¹² See more about new values driving retail consumption in the previous section, Service Experience: Promotions on **page 39**.

4. PARTNER NEEDS: EMERGING & NICHE DESIGNERS

“I need help meeting minimums”

Supporting emerging designers is important for keeping wool relevant.

Emerging designers are influential today.

Often, emerging designers support the ethos of wool and can be very influential in positioning wool as a modern and environmentally friendly fabric of the future, especially with a younger consumer who is not being reached by existing marketing campaigns.

These designers often tell the ‘Story of Wool’ through their own brand identity and therefore are supportive of The Woolmark Company’s goal.

These designers often need assistance that is specific to emerging designers.

Emerging designers and smaller niche designers need help getting started and established in the industry. They are especially challenged in finding suppliers who can work with them and meet their minimums.

These designers often attract a ‘high fashion’ following that influence larger trends.

Today’s emerging designers may be tomorrow’s luxury high fashion designer.

Opportunities

- Smaller designer and niche brands are worth supporting, not only because they may one day become influential, but because they are influential today.
- Explore the possibility of connecting emerging designers with small mills to create mutual benefit.

“I need to understand the new Chinese customer”

Partners want to tap into the burgeoning Chinese middle class market, but they aren't sure how.

All partners recognise the importance of the emerging high-end middle class consumer in China. Yet, there is neither, a shared understanding of who this new demographic is nor a consensus as to how to market to them, or provide for their needs.

There is a wide range of often conflicting perceptions and assumptions.

Partners had the following beliefs about the Chinese market:

- Wool needs to be marketed as hip and trendy because the perception is that it's old and there is no history to build on.
- 'Natural' is important to this market.
- Specific campaigns are needed build an appreciation of wool.
- Chinese consumers are unfamiliar with the benefits of 100% wool,
- Chinese consumers don't perceive wool as a winter-only garment.

The wide range of conflicting opinions of the Chinese consumer are reflected in what partners told us:

“The domestic Chinese market has a very low understanding of materials and are concerned only with brands.”

“The Chinese domestic customer only buys blends.”

“Chinese customers don't buy as much suits as the west, mainly sports coats.”

“Chinese customers don't care about natural fabrics.”

“Natural is a very big trend in China.”

“The younger Chinese consumer's habits are very different than that of the previous generation.”

“Chinese consumers don't care about the environment.”

“The Chinese are sick of their environmental problems, they look outside each day and become increasingly aware that something needs to be done.”

“The Chinese customer doesn't care about fabrics, they only care about price.”

“There isn't a great history of wool or its provenance in China, so consumers aren't exposed to it.”

“The Wool customer in China is looking for value, if they see 'made in China', and it's supposedly a luxury brand, they'll toss it aside.”

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“I need to understand the new Chinese customer”

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When it comes to China, there's a need to focus on the future, even when making tactical plans.

Chinese domestic retail consumption is on a trajectory of accelerating change.

The changes are due in part to China's rapidly shifting demographics, burgeoning middle class, and new consumer motivations and attitudes toward retail consumption. While these changes present a great new market for wool, the industry is also challenged in how to capitalise on this.

Chinese consumer to align with global peers.

Research indicates that Chinese consumer behaviour is likely to align quickly with that of their peers in Europe and America. The high-end consumer in China is predicted to care about the 'Story of Wool', provenance, quality and the environment.

18-25 year old demographic is radically different.

According to The Woolmark Company's most recent Nielsen report, environmental issues were not a significant concern for retail consumers in China, however, this is unlikely to continue to be true amongst China's rapidly growing 18-25 year old retail consumer. McKinsey Research (Astmon and Magni)¹³ indicates that there is a radical difference in the retail purchasing behaviour and attitudes of the Chinese 18-25 year old demographic when compared with that of the rest of the Chinese market.

Purchasing power in China is shifting.

Rapidly shifting demographics and the burgeoning middle class in China mean that purchasing power in China is shifting to this emerging younger demographic. This younger demographic is markedly different in their motivations for buying; their purchasing patterns and preferences are much more in-line with that of their peers in Europe and America.

Younger Chinese likely to care about the environment and social issues.

Easy access to information and the changing role of the government in regards to communication and environmental action will contribute to the behaviour of this demographic rapidly aligning with that of their global peers. This means that the trends of 'Conscious Consumption'; encompassing environmental awareness, ethical concerns and sustainability, are likely to be relevant to the new Chinese high-fashion garment consumer.

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¹³ McKinsey Quarterly, Meet the Chinese consumer of 2020 – March 2012 by Yuval Astmon and Max Magni.

4. PARTNER NEEDS: RETAILERS & BRANDS

“I need to understand the new Chinese customer”

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Opportunities

- As The Woolmark Company embarks on a three year plan which will take effect in two years time, consider where China will be in five years time, rather than where they are today.
- Create and share Chinese market intelligence and trends.
- Use The Woolmark Company's strengths as a global company, specifically it's presence in China, to become the source of knowledge on marketing to the new Chinese consumer.
- With change occurring so rapidly in China, it's widely accepted that even tactical plans need to be made based on where that market will be in the next five years, rather than where it is today.

“I need my garments to sell off the rack”

Brands, retailers and shop owners need wool garments to sell easily and quickly at high prices.

Buyers influence a brand's production of garments based on what they believe will sell.

Ultimately, wool garments need to be ‘on the rack’ for consumers to consider and purchase them. They also need to sell quickly and at premium prices to be considered lucrative and ‘worth’ stocking in the future.

Buyers typically select garment to stock at retail based on what sold in previous seasons and what they predict will sell. Brands receive feedback from buyers as to what sold in previous seasons, and how well, and they use that information to shape future collections. When deciding on fabrics and garments to produce, brands are largely influenced by their propensity to sell at retail.

Opportunities

- Expand wool promotional efforts ‘from catwalk to retail’.
- Support positioning and transition to shelf within shops, both online and brick and mortar.
- Identify ‘top retailers’ and work with them.
- Provide training on how to upsell consumers to wool.

“I need consumers to change their perceptions of wool”

Partners believe that consumers still hold ‘old’ views about wool and are therefore unwilling to pay more for it.

Partners believe that consumers still:

- Perceive wool as a winter fabric.
- Don’t think of wool as a luxury fibre, even superfine high-micron.
- Don’t care about what a garment is made of.
- Will not pay more for quality.
- Are not aware of the positive environmental implications of wool use.
- Think of wool as an ‘old fashioned fabric.
- Don’t care about fabric in women’s garments.
- Think of wool as mainly for suiting or business attire.
- Aren’t aware that wool is washable or easy to care for.

Opportunities

- Tap into existing and new values of wool.
- Disrupt—not just ‘change’—existing perceptions of wool.
- Create and drive ‘ethical principles’ in wool production.
- Explore in more depth, what does Cool Wool really mean for consumers?
- Have ways of understanding consumer values in emerging markets – for example, China.

5. Internal operations

The following sections describes internal staff experience in delivering services and value to partners.

In this section:

- Fragmented identity
- Mission
- Accountability & strategic planning
- Influence
- Decision making
- Regional offices
- The Woolmark Company headquarters – operations
- A culture of busyness

Fragmented identity

I need to know who I am

Who are we?

Staff refer to The Woolmark Company, Woolmark and Australian Wool Innovation interchangeably. To growers the face of the company is AWI, but to trade partners it's TWC. Some staff expressed concern that the company has lost sight of its purpose and has defaulted to producing lots of outputs to compensate.

Striving to be the 'global authority on wool'.

The Woolmark Company strives to be the 'global authority on Merino wool', connecting trade partners, driving demand and ensuring quality. Staff work hard to provide value, but many believe this isn't always appreciated by customers. Some information tools, such as Looking for Wool, are held up as global and exhaustive, but only offer ad hoc and patchy information. Many staff are acutely aware of this disconnect.

Mission

I need to be clear about my purpose

Understanding ourselves and our value

The Woolmark Company staff diverge in understanding the companies' key value proposition for customers. Divergent opinions of value may reflect the way staff are specialised by location and roles, however it also reflects a lack of shared understanding of the core value that The Woolmark Company provides.

"We can best provide value by providing ideas, trends innovation."

"Sourcing is our key value add."

Justifying approach.

There is a constant tension between satisfying shareholders and carrying out the impactful customer facing activities. When justifying its approach, The Woolmark Company can easily demonstrate productivity at an output level, however struggle to demonstrate the outcomes and impacts of its activities.

"It's difficult to measure the efficacy of money spent on our activities. We don't see this translating in to a higher wool price or better perceptions of wool."

Accountability & strategic planning

I need to keep stakeholders informed

Planning effects action

The imperative to report, consult and seek approval from shareholders each year means the implementation and evaluation of investments must occur in a short time to meet the subsequent reporting phase. This may limit the planning and implementation of longer term strategic efforts.

It is difficult to keep growers up to date.

A lot of effort is put in to demonstrating achievements to growers and other shareholders. The consultative process with growers is a depleting exercise rather than a positive and productive one. Significant energy and efforts are being used to consult with growers on one side and drive demand for wool on the other, however these efforts do not leverage off each other.

Influence

I need to create influence in the supply chain

Where and how to influence?

The Woolmark Company believes having influence in the supply chain is the most effective way of achieving its business objectives. The Woolmark Company tries to influence supply chain partners to say 'yes to wool' through partnerships and the provision of services.

"Influence is the only way to get things done."

How to measure influence?

Influence is a core goal of many of the relationship building activities that keep The Woolmark Company busy, yet influence in itself cannot be measured. The Woolmark Company is uneasy about whether current metrics of activities are adequately measuring the level of influence or quality of relationships.

What does good look like?

The Woolmark Company believes influence is wielded through having strong strategic relationships with key trade partners. However, there is no common understanding of what the ideal relationship looks like, nor a methodology for progressing existing relationships to that ideal. The most common and valued strategic relationships developed to date are those with influential luxury brands. These efforts leverage those brands' equity to elevate wool's position as a premium fabric, but the efficacy of this tactic in positioning wool is questioned by staff.

"We aren't widely respected by the fashion houses, even though we have a lot to offer... the few good Italian relationships we have are not translating into industry-wide attitudes."

Decision making

I need to prioritise my efforts

There are divergent opinions within The Woolmark Company about which actors in the supply chain have most influence on the use of wool.

This leads to divergence within The Woolmark Company about where to focus activities for the best return. Some staff believe that The Woolmark Company has limited influence on the brands' go-to-market strategies but can influence manufacturing to deliver products that are more marketable. There is uncertainty about whether The Woolmark Company's efforts in aligning with luxury brands are translating into increased demand for wool.

"It's up to the brand to influence the buyers. The Woolmark Company doesn't influence but will want to education them to tell the story."

"Weavers and spinners can influence the brands, so we try to influence them"

Everything seems important.

Even though staff follow a Key Account Strategy they are challenged in prioritising requests. In the absence of clear prioritisation or powerful relationship management tool and roadmaps, The Woolmark Company staff struggle to prioritise requests while also maintaining relationships.

"How do we prioritise, because everything seems important."

"The Key Account Manager represents The Woolmark Company, but we can't help everybody. Our actions and responses change peoples perception the company."

"We avoid people if they aren't important."

Regional offices

We need to work as a team

Working together or working apart?

Everyone is focused on achieving their own prioritised activities. When staff operate in silos, this creates fragmented, even competing efforts. Different regional offices have different priorities as do staff with different roles or expertise. This approach may blind them to customer needs as well as to The Woolmark Company's broader potential offer.

Staff become advocates for industry partners that are close.

Increasing demand for locally produced and sustainable products are creating more locally driven activities and sourcing enquiries. This is pronounced in markets in austerity, where consumers are making more considered decisions to buy goods.

"We need to help keep our partners in business."

Staff develop knowledge that is relevant.

Staff in marketing-led offices have expertise in marketing, however struggle with responding to technical queries from customers. Likewise staff in manufacturing heavy markets have a bias towards technical knowledge rather than promotions.

Lack of global information systems.

International staff expressed a desire to know more about events and activities in other regions. In some cases one global brand is being contacted by different people in different countries. There is a desire for greater collaboration between offices.

"We need access to all events globally online"

Poor quality localised resources.

There is a lack of high quality information resources for speakers of languages other than English. The few resources that do exist in other languages are not consistent with The Woolmark Company's global brand. Web based information resources are out of date and do not provide a comprehensive overview of The Woolmark Company's offer to partners.

Communication delays cause disruption.

Sydney based staff feel overloaded by requests for assistance from regional offices, leading to longer timeframes and stretched staff. In turn regional office staff experience delays in response to assistance, limiting their possibility to act quickly and collaboratively with partners in situ. Regional offices plan in long lead times to make sure they can get what is required to support partners.

"We need to plan ahead to compensate for the long lead time from HQ in Sydney."

Operations at the headquarters

I need to respond to local markets,
yet think globally

Working globally.

The Woolmark Company is a global organisation but working globally causes a lot of disruption for staff and in turn, the delivery of services. In many cases the people trying to achieve or implement something are dependent on the activity or approval of others. As most approvals and production occurs in the Sydney office, many regional offices are hamstrung by the time and processes of centralised bureaucracy.

Sharing knowledge is difficult.

Staff recognise there is plenty of knowledge and valuable information within the company, but say it is hard to capture, access and share. This is particularly salient for accessing knowledge across multiple locations and between staff with different expertise. With no effective way to capture, store and share corporate knowledge it builds up in the minds of individuals, only to be lost with staff changes.

“We have lots of information but are really bad at sharing – we are siloed.”

Digital tools often hinder rather than enable staff.

Digital systems, including websites, the CRM and “looking for wool” are not used consistently nor are they set up in a way that is integrated into the business and supports staff. Currently digital is seen as another “required activity” that must be done.

“The intranet is set up with a broad range of information rather than a collection of easy to locate materials.”

Digital platforms are not inherently useful.

Multiple digital systems and platforms have been developed to assist staff do their work. These includes the KAM Dashboard, CRM, Salesforce. Staff have mixed opinions about whether these systems are easy to use, let alone useful. When assets were not useful, staff have developed their own workarounds.

“The CRM is a terrible system that just has names and post codes.”

“I have lots of emails set up with information ready to go.”

“The platforms and systems help in creating relationships, but not in supporting them - this means customers are not being engaged beyond initial communications.”

A culture of busyness

I need to create value

Being busy has become the norm.

In the absence of clear desired outcomes, execution of activities is the key measure of success. Although staff recognise the need to think strategically about how to engage with partners, people are so busy executing activities that there is no time to do this.

“People can’t think about the future or how to do things differently they’re trying to stay on the of things.”

“We have a tendency to run from project to project.”

Production is paramount.

Part of the culture of busyness is the culture of production. There is prolific creation and delivery of content using multiple channels – from magazines to the Wool Lab to marketing collateral. While production efforts create numerous outputs, there is uncertainty if these outputs have strategic value.

We are always busy – we need more resources.

Staff expressed the desire and need for more resources – more staff, better tools and more time – to do their work. Thinking of an alternative way of working was difficult for many people we spoke with, rather they focused on short term deliverables.

“What I could use right now is more staff.”

Many services are resource intensive but unsustainable, placing increasing pressure on staff.

Program cycles do not enable effective work – they set people up to struggle. Some service offerings create a rush of demand on staff, which they may not be able to respond to. This creates insurmountable challenges for staff and in turn may damage the reputation of The Woolmark Company as a responsive committed partner.

“We want to stop being so reactive. There are so many requests for Wool Lab but we can’t meet them all.”

“The Key Account Manager represents The Woolmark Company, but we can’t help everybody. Our actions and responses change peoples perception the company.”

5. INTERNAL OPERATIONS

Opportunities

Prioritising

- Have a clear, shared vision so both partners and internal staff know what value The Woolmark Company provides and what its goals are. Staff can prioritise based on this.
- Look at ways to show impact of activities. Assess whether the current measures are working.
- Have ways of encouraging and learning from feedback and partner interactions.
- Have ways to translate plans into everyday actions.
- Explore how work changes at points in the year and plan for this.

A global company acting locally.

- Aggregate and leverage local knowledge from staff in regional offices.
- Have ways of sharing knowledge across offices—teaching and learning from each other.
- Empower individuals to make decisions locally without needing to contact HQ for most details.

Shared, clear mission and vision.

- Have a clear view as to what are The Woolmark Company's objectives.
- Clarify the mission and value proposition of the Woolmark Company and therefore its promotional messages. What is its intention; sell wool or sell The Woolmark Company?
- Have success metrics that match against this clarified mission.

6. Future service experience

Introduction

The following section describes the future state ideal for The Woolmark Company's services and experience. These findings are also envisioned in The Woolmark Company's future state service and experience map.

The future state ideals described below sits under the high level findings and future priorities expressed at the beginning of this document.

6A. Relationships

6B. Internal operations

6C. Partner needs

6D. Services

6E. Risks to my business

We know what the ideal relationship looks like and we know how to bring partners there

We also have a view as to what the ideal relationship looks like for specific partner groups based on their needs and their propensity to drive demand for wool. We know how to progress relationships based on where the partner is today and where we believe they can be in the future.

We recognise that there are differences in the relevance of wool to individual partners and therefore different ideal states for each group. We know how to progress relationships to the ideal based on partner type, partner needs and relevance of wool to their business.

Attributes of the ideal relationship with manufacturing.

- Manufacturers prefer working with wool and can do so profitably.
- We champion fibre and manufacturing innovation broadly, and instigate innovation with manufacturers who need external support.
- We work with manufacturers to make wool processing as efficient as possible.
- We facilitate connections to customers in global markets.
- We influence manufacturers to produce wool and brands to demand the fabric.
- We are seen as the source for fabric and fashion trends; our predictions are trusted.
- We provide relevant and brokered connections to other suppliers.
- High demand for wool down the supply chain.

Manufacturers prefer working with wool and can do so profitably.

- Wool is regarded as a premium and valuable fabric.
- Wool enhances the brand's image.
- Wool drives up demand for brand.
- We share trends in retail.
- We share innovations in fabric and design.
- We share sales and campaign successes.
- We provide the right messages and materials to tell the 'Story of Wool'.
- We are seen as a valuable partner.

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We know what the ideal relationship looks like and we know how to bring partners there

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The ideal relationship is one where:

1. We understand there are differences in partner types, and therefore collaboration and partnership needs will differ, even amongst key accounts.

2. We are selective in our collaboration and prioritise based on value.

3. We recognise we are a small group of people who can't be everywhere at once, so we use digital tools to enhance, but not replace, the human connection.

Digital platforms supports and enhance the human connection that is valued by partners.

We know which tools to use and when.

We have tools that we use to support our connection across all partners, and other tools that we can guide our partners too, requiring less of our focused time. We're confident using these tools and we know when to use them to help with our connection with partners. These tools support us rather than create an extra reporting and processing burden.

4. Having a relationship with Woolmark is valued.

High-profile brands seek to partner with Woolmark. Manufacturers and brands/retailers proactively approach us seeking opportunities for partnership or collaboration.

5. We capitalise on existing relationships to facilitate and establish new relationships.

Our close relationships enable us to recommend partners to other partners, and for our recommendations to mean something.

6. We build off and progress, positive relationships.

Once we enable a positive experience through our services, we know how to build upon it to progress the relationship, we don't just let good experiences 'go cold'.

7. We have ways of measuring the success of relationships.

We know what successful collaboration looks like and can measure and track it achievements before, during and after a collaboration with partner.

8. We know what we need from our partners and what we can provide to to them.

We know how to provide mutually beneficial interactions/relationship with our partners. Partners are also willing to share with us in order to enable us to help others within the wool supply chain.

9. We facilitate connections with growers so partners can tell a valued 'Story of Wool'.

We know who we are and what our purpose is

We have a unified view of what our value proposition is to our partners.

We have a very clear shared view of what our offer is to our partners based on both what they need from us and their propensity to drive demand for wool.

Our partners see us as one unified entity, because we all share the same vision.

Because we equally have the same vision and view on driving demand for wool, our partners consider us as an integral part of their business. We help our partners prioritise energy and advise them where they should be spending their efforts based on these shared goals.

Because we are recognised as the global authority on Merino wool we can help others to become 'ideal with wool'.

We are recognised as the global authority on Merino wool and we have the necessary knowledge, tools and processes to help other become 'ideal with wool'.

Wool is the fibre of choice through the supply chain.

In the supply chain, wool is the choice of fibre as working with it benefits all partners in each step in the chain.

We are able to respond swiftly to local markets

We collaborate globally, but can act locally.

We know enough to make our own decisions and do not need to get HQ involved with every decision. Regional offices are able to leverage our unique global position and connections to help partners. Regional offices have a level of empowerment and authority to make decisions and collaborate with partners.

We have a shared view of accounts.

When it comes to global accounts, we know what stages the conversations are at and who is talking to whom. We are unafraid to share our information because we know a single person can still manage the account.

We learn from our peers and present a unified face to global partners.

Every country-based employee is empowered to make decisions.

We trust our local, regional offices to make the best decisions based on their context and environment. As all offices and HQ are powered by the same strategic vision, it's easy to do.

We are a global wool information provider.

All information on local channels is translated and up-to-date. By following the content strategy, we can prioritise the translation of our story for key languages and each local website is up-to-date with global information. Because of our unique position in the global network, partners can rely on us to provide them with international information, not just that which is specific to their local market or business.

We know how to create value

We move from a culture of busyness to a culture of 'value creation'.

We know what value is to AWI and to the wool industry and we know how to create it.

We have a shared view of our value proposition and prioritise based on business value.

We have a shared view of our priorities and we know which actions we need to take to deliver our value proposition.

Our ability to be proactive is much greater than our need to be reactive.

We are not constantly buried under the things we need to finish. Because we understand our priorities and which relationships are most valuable, we can plan our activities strategically and also say 'no' when required.

We can predict and respond to seasonal flux of work.

We can predict and prepare for changes in our volume of work.

Our content strategy helps us to focus.

We know what to produce for specific channels because our content strategy helps us identify what our priorities are and who the target audiences are. We work on providing valuable and relevant content rather than materials. There is an emphasis on the story, purpose and audience rather than the 'packaging'.

We have strong influence along the points in the supply chain that matter most

We know which relationships we need to progress, and which we do not.

Because we know what the 'ideal relationship' looks like, we know where to invest our relationship building efforts. We know that there are spectrums within the ideal relationship which we can track and work with. Relationships are measured based on the relevance of wool to a partner's business and their propensity to increase demand for the fabric.

We know which levers we need to pull to move the system, partner by partner towards 'ideal'.

We can do this because we have a shared view as to what the ideal wool ecosystem looks like.

We have ways to measure impact.

We can measure and track our investments and activities and see what is paying off.

- We have a way to know our my efforts are worthwhile.
- We can measure and track our investments and activities and see what is paying off.
- We know when out efforts put into 'relationship-building' are paying off.

We can leverage Woolmark as a global connector and influencer in the supply chain

We take advantage of our global network, sharing information and connecting people, worldwide.

As the global authority on wool, we know and are able to share, what activities are happening where. We also know how to connect people to the right sources, no matter where they are.

We take advantage of our global network, with everyone having a view into what is happening across the globe, both internally and externally. We are respected as the source of knowledge as to what's happening in wool and fashion across the globe.

All tools help us with our work and we're confident and happy to use them.

We understand how our staff work and what their needs are, so the tools available help to reduce the strain of work, rather than create more 'work'. All tools are relevant and can solve the right problems. A successful rollout does not just stop at implementation, tools are measured by adoption and whether staff are able to use them to help with their job.

We can prioritise our efforts

Our vision of the ideal wool ecosystem guides us and enables us to prioritise.

We have an understanding of the journey and players in the wool ecosystem, from 'sheep to shoulder'. We use this to guide operational decisions.

We know how to translate plans into every day actions.

It's easy for us to take the strategy and apply it to our day-to-day work because we understand both the vision and the tactics needed to get there. We know what to do in our daily work to make the strategy come to life.

We know how to relate to different accounts.

We know how to relate to different types of accounts, from manufacturing to retail/brand, and to provide value to them based on who they are, what they need and how relevant wool is to their business.

We assess partners based on need and potential.

We use this as a guide for how much impact and benefit we could have. Rather than segmenting partners and having a set approach for each segment, we have a process in place that allows us to assess partners based on needs and potential. We know that a partner's full potential may not be clear initially.

Multiple measures of success help us prioritise activities and assess efforts.

Multiple measures of success point to a continuum of 'goodness' and are tied into the long term strategic goals that help us and our partners understand how to improve and how to get closer to 'ideal'.

Our stakeholders are kept up to date and are confident in us

Our growers are confident in us and support our work.

They are kept up-to-date on our activities and projects. Our stakeholders are able to see how things are tracking between annual reports. This view is shared across the organisation to see how we are tracking.

I am confident that wool will sell

We understand and leverage the new values that drive retail consumption.

We enable partners to use the trends of the time to position their story and thereby increase demand for their wool products.

- We help manufacturers create a compelling story to sell to brands.
We encourage partners to connect with one another to enable them to present a cohesive “Wool Story” that is traceable from ‘sheep to shoulder’. In response to the trend that consumers want a ‘reason to buy’ and are now digging deeper into the supply chain to justify their purchase, we help partners to package and ‘sell’ themselves as part of the ‘Wool Story.
- We encourage single origin wool and also enable partners to tell a fully connected wool story.

We help manufacturers ‘sell’ wool.

We share information regarding campaigns and strategies that are targeted at consumers. This aims to help them convince their customers (brands/retail) that demand for wool is high and that its attributes are highly valued.

I can counter price pressures

We know what the ideal wool ecosystem looks like and this 'ideal' defines a system where price pressures are countered all along the wool supply chain.

Features of the ideal ecosystem that help counter price pressures:

- Demand for wool is sustainably high.
- Confidence is high along the supply chain that wool will sell at higher price points.
- Wool is good for everyone's business.
- Innovations enable highest efficiencies.
- Manufacturers are connected to ideal labour markets.

Because we have a vision for the ideal ecosystem, we can shape the future of wool world.

We have a view of what the ideal wool ecosystem looks like, from farm to fashion. As we work towards that ideal, we create pathways through the existing wool ecosystem that highlight the most ideal points along the journey.

We establish a deliberate program of work to address price pressures.

We implement a multi-touch journey-based approach aimed specifically at easing price pressures that aligns with our vision of 'the ideal wool ecosystem'.

We identify and support best practice in manufacturing.

We know what 'ideal' and efficient wool manufacturing should look like, from how wool is processed and treated, to how it's delivered to brands and retail. We help manufacturers get closer and closer to that ideal.

We connect brands and retailers to the 'best' manufacturers.

With our ideal, we know who in our network best matches that ideal. We encourage connections to these as they support a stronger wool network overall.

My innovations are relevant and have strong consumer support

We are known as the source of innovation information, not creators of innovation.

Our partners feel open to share innovation with us because they know we can connect them with others who will desire their innovation. We are therefore seen as a source of information not the creator. This allows us to work with partners to innovate.

We share trends coming from brands and consumers.

Leveraging our unique position and connections across the ecosystem of wool, we provide manufacturers with the latest trend information so they can be ready and prepare for it when the demand reaches them.

We drive and promote innovation where it will have the greatest return.

We drive innovation where it will have the greatest return and support it where it is truly necessary. We know when we need to drive consumer awareness and when we don't need to. We understand where's the best place to invest time and promotional efforts for return.

We know what is happening in wool across the globe and share this information.

We keep the industry 'on-top' of what is happening.

I have cost effective and efficient processes

We support the future manufacturers, shaping, educating and training to get to 'ideal'.

We support new manufacturers in emerging markets or existing markets by helping them to grow and become the better suited for wool in their operations.

We offer manufacturing support to those who most benefit.

We have a profile for the types of manufacturers that we can best impact, and we target those.

I have strong demand for my wool products

We inspire companies to look for new market opportunities where wool is involved, or to add value to an already-existing market.

We ensure 'wool-positive' companies stay that way.

For companies that has an affinity towards wool, we can help them to continue their preference with wool and build and grow their business.

My wool business is sustainable for the long run

We have a view of how wool can be used year-round.

Currently there's gap in the summer seasons for wool. We know how wool can be positioned so that it is used all year-round--whether it's innovation, exploring new categories, new partnerships or changing consumer purchasing decisions.

Wool is used and produced across all seasons.

Wool demand remains constant across all seasons keeping mills running all year long, optimising efficiencies and profit.

We enable partners to find new customers in emerging markets.

Because we are a global company with local knowledge, we can connect the right partners to the right customers in new markets.

I am well-connected to others in my industry

Partners can share their story of being best in class.

Partners are able to share their stories and leverage them to create value. Woolmark enables partners to tell the story of their creations, whether it be their ethical production, 300 year old mill or environmentally conscious production processes.

“Consumers know what I stand for and value it too.”

We facilitate forums for connection and idea sharing so that creativity flourishes.

We help connect people across industries, fostering relationships and creativity. We are perceived as the enabler of great ideas. Wool and Woolmark become platforms upon which creative ideas can be explored.

I have the technical support I need to set up my mill

We connect new entrants to established players.

We help new manufacturers set up their businesses and connect them with established suppliers or partners.

We reinforce the strengths of our varied partners.

We match up partners with complementary skills so that the relationships are mutually beneficial. We are able to do so because we know our partners well and have the tools to track their expertise.

I tell a 'Story of Wool' that resonates with consumers

The 'Story of Wool' is widely known and valued.

We have great resources to facilitate others in telling the 'Story of Wool'. We enable brands and manufacturers to build relationships with the growers/source.

The 'Story of Wool' helps brands 'stand-out'.

We help partners tell an engaging story of Wool that resonates with consumers.

Wool becomes an integral component of sportswear and activewear.

Consumers are aware of the attribute of wool and demand that sports and athletic-wear be made of it.

Wool is synonymous with value and quality.

Consumers appreciate high-micron Merino wool as they do fine silk and cashmere.

Consumers feel good when they buy wool because it's consistent with their values.

We understand how to tap into current consumers values and have messages prepared that show how the attributes of wool match up with these values. We understand how to make consumers feel good about their potential and current wool purchases.

We understand why wool is so important to historical mills and leverage this in our messaging.

By having a deep understanding, we can leverage and share the value wool has had with these organisations. We create case studies and help tell the provenance story.

6C. PARTNER NEEDS : FUTURE SERVICE EXPERIENCE

Even though I am a small player today, TWC supports me

We support emerging manufacturers to become 'ideal' for wool.

We match niche designers with unique suppliers that can meet their needs.

"I have access to the right suppliers for my niche business needs."

We know the ideal path from emerging designer to 'established with wool'.

We have a view on what the ideal path is for designers. Even though they may not always choose to work with wool, we still encourage and work with them to ensure that wool remains relevant to their collections.

We showcase and nurture new design talent through wool.

We nurture new designers and promote wide use of wool amongst new fashion students. Wool becomes a fabric of choice for new students to work with and experiences a resurgence amongst the young and fashionable. The fashion industry and consumers become aware of wool and its possibilities through our activities in support of new and niche designers.

I can keep up with changing trends and markets

We have the tools and processes to keep partners up-to-date quickly and easily.

Partners trust that they have the information they need and that they are up-to-date because of their relationship with Woolmark.

"Being a Woolmark licensee means I'm fully up to date on the industry and have the most recent information. Woolmark helps me keep up and stay competitive."

I deliver against consumer demand for ecological and ethical goods

We know what ethical manufacturing looks like and drive action to it.

We are open and upfront about controversial issues.

We believe in the ethical treatment of animals and are open and upfront about the current situation in the farms. We provide open information and are in constant conversation with growers and researchers in seeking an alternative.

We help partners and consumers know their wool source and that it is ethically produced.

"I know the chain of suppliers involved in the production of my wool and or wool garments have been treated well. I can tell the story of multiple parties contributing to the quality of the garment and that the production of the garment has benefited them, and also not do them harm."

I have strong demand
for my brand

Partners and consumers choose wool over other fibres, despite costs.

"I know my consumers value wool and will pay more for it. I appreciate that it enhances my brand and that my consumers will ask for it."

Brands have strong demand for wool garments.

Brands demand wool or 100% wool fabrics from manufacturers.

Partners know that using wool increases their brand equity.

"Wool not only increases my margins, because its attributes are well-known and valued, it elevates my brand."

My stocked garments
sell quickly

Retail customers care about the content of their garments and request wool.

Wool garments sell quicker and at higher prices.

Retailers know that if they stock wool garments, they will make higher margins and the garments will sell quickly. Wool garments are innovative and therefore suit more consumer's needs.

Customers easily choose wool.

"I have the right materials and methods to upsell consumers to wool within my store."

I know how to market
to the new Chinese
consumer

The new 'Chinese consumer' values wool and is willing to pay more for it.

We understand the new Chinese consumer and our messages are relevant and impactful.

We enable our partners to effectively market to the new Chinese consumer.

We are considered not only the source of retail and fabric trends, but also the source on how to reach the Chinese consumer and what trends are relevant to them.

Wool is perceived as a modern and ubiquitous fabric

We are experimental and playful in our approach.

We take bold steps and give our partners an edge. Partners know that Woolmark is bold when it comes to staying relevant.

"I trust Woolmark's ideas to be fresh."

Wool is highly fashionable and desirable.

Wool is perceived as a modern fabric and is widely used to make everyday items, not only garments, more desirable. Wool has a resurgence and is seen as the 'fabric of today'; it's perceived as highly luxurious, but not inaccessible.

When people buy wool, they know it will be easy to care for.

Consumers know you can wash wool and feel as confident with wool as they do with cotton.

"I know that it won't pill, shrink or wrinkle."

Checking for wool content becomes part of the purchase and post purchase process.

Consumers care about the fabric of their garments and are in habit to check for wool content. It becomes the norm and fashionable to discuss the ingredients of garments.

We provide technical and fibre innovation

We provide innovation to the companies that need it most.

- *We know where to target fibre innovation and where to target production innovation.*
We know our partners and their businesses. We know when and where they may need fibre innovation to drive demand for their product, or production innovation to increase their efficiency.
- *We know what expertise is needed, where, and have ways to share.*
We recognise and know the state the partners are at in the supply chain and therefore we can provide innovation information to them to help them become more competitive and closer to the known 'ideal'.
- *We connect partners with industry experts to help with innovation.*
We know the areas where experts are needed and have ways to provide, share and foster the culture and pool of experts.

Woolmark celebrates innovation and drives awareness where it's necessary.

We give recognition to new ideas and innovations and we help partners to drive awareness across the supply chain through to consumers to create demand. This further encourages partners to continue to innovate and come up with new ideas.

We know when to make wool the hero and what it offers the hero.

We know when to play up the importance of wool as in ingredient brand and when not to.

We look for ways to play up what wool can do for you, not wool in and of itself.

We communicate the benefits of wool and what working with wool can achieve for partners in the supply chain.

We provide guarantee of quality

The Woolmark mark has an importance in selecting partners.

We use the Woolmark mark to identify 'ideal' across the supply chain.

The logo is used as a marker to gauge and measure quality of product and operation throughout the manufacturing chain. It allows us to see which cog in the wheel needs attention and we can provide support accordingly.

We know what the ideal wool ecosystem looks like and it guides us.

The Woolmark logo plays a role in identifying and signifying our 'ideal.'

The Woolmark mark indicates a stamp of approval from Woolmark.

Partners recognise the mark as a measurement in the manufacturing chain and use it to help them select which other partners they should work with.

We provide advice and tech training

We help our partners prioritise and advise them where they should be spending their efforts based on our shared goals.

Our measures of success help us know where to put efforts into improving processes through advice and training.

We are respected marketing advisers.

We understand how well wool is tracking not only in relation to other fibres, but also to in regards to other retail and luxury items. We share our knowledge to aid the success of our partners.

We provide education and knowledge

We foster and support the best manufacturers, brands, retailers and designers of tomorrow.

We can do this because we know what the ideal is. The Woolmark Company becomes more than just a connector or partner.

We know the right places to deliver the right knowledge.

This is based on our prioritisation of activities determined by on our ideal vision for the ecosystem.

We provide connections

We are the trusted facilitator of global connections.

We have ways of matching people to create meaningful connections.

We connect the right partners and enable and facilitate their interactions. We have powerful tools and process to nurture and grow industry connections.

- We proactively match partners with customers in new markets.
- We match partners to appropriate new suppliers and customers.
- We provide brokered, contextual and verified partner matching.

We leverage our local and global presence to help grow businesses.

We can respond to localised market requests with tailored introductions. We are honest with what we know and what we don't know. We have up to date and comprehensive details of partners in our local markets. We use these to facilitate productive connections.

We know when to use a human touch or other tools to facilitate connections.

We have the right level of automation and humanity built in to our sourcing tools. In the ideal world staff are empowered to use the things that work. The connections we facilitate are positive for partners as the match is relevant and sustainable and we have ways of learning from their experience to improve services.

We provide intelligence

We provide information that is valued and unique.

We have a wealth of knowledge and intelligence and we know how to best deliver what's most relevant and valued by our partners.

We provide inspiration and trends

We are a trusted source of trend knowledge and we provide it where its valued.

We inspire our partners and in turn, our partners share their inspirations with us.

We are seen as a trusted partner who can be a source of confidence and support to improve upon ideas.

The Wool Lab drives up connections and wool use.

Partners can use The Wool Lab to connect and engage with other partners.

We provide marketing and promotion

Wool is widely viewed as a fabric of choice for 'Conscious Consumers'.

Wool is considered a modern fibre choice.

"Because wool is seen as a modern fibre by the consumers, I can spend my efforts on other activities that address what wool can do for consumers, rather than what wool 'is' to consumers."

We drive and promote creativity.

Companies trust that Woolmark can help them promote and support their innovations. Woolmark is knowledgeable of innovations across the industry and related industries, not only those related to wool.

"When I see the logo, I know the garment is creative and I feel part of an exciting process."

We enable disruptive plays in the market driving more than just perception of wool.

Wool surprises and delights consumers with its properties and possibilities.

Wool becomes the next-big-thing in ingredient banding. Consumers are widely aware of and familiar with its properties.

Wool is perceived as being all it is and could be

- Natural
- Sustainable
- Ethically produced
- Cool in summer
- Washable
- Versatile
- Moisture wicking
- Environmentally friendly

We are a creative and nimble marketing consultant.

Companies come to The Woolmark Company to 'bounce' ideas. Working with Woolmark adds value to a brand's marketing messages. Woolmark knows how to leverage the wool message to support and enhance existing go-to-market strategies of their partners.

We have have powerful, well executed campaigns.

Campaigns have a powerful impact on consumers' value and preference of wool.

Risks to my business are reduced

Wool can withstand price pressures and remain more costly than other fibres.

Consumers are willing to pay more for wool. The price of wool is justified by its features.

"I continue to have a strong preference to use wool because there is demand for it. Price is no longer the most significant or factor in my decision process."

China is no longer the only manufacturing powerhouse.

Production becomes increasingly diversified as other manufacturing partners are established in emerging markets.

Woolmark supports and connects players across the spectrum for a full 'Wool Story'.

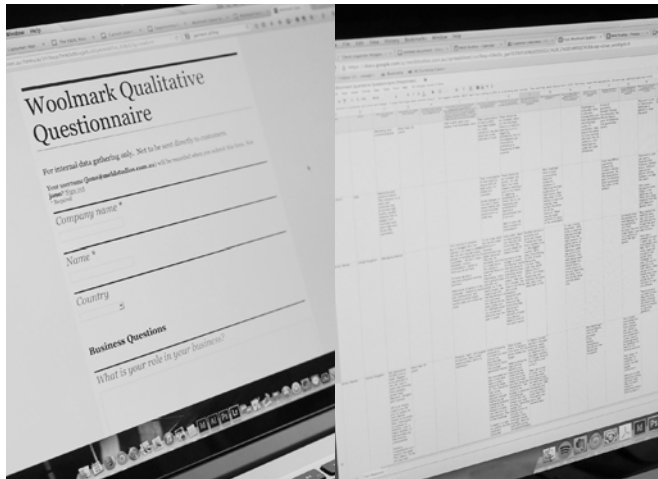
We help partners in the supply chain to connect with each other to tell the end-to-end provenance story of wool.

Younger consumers, especially those in China prefer wool.

This demographic are strong proponent of wool garments and check for wool content. There is a lot of user generated buzz about the relevance of wool.

The design process

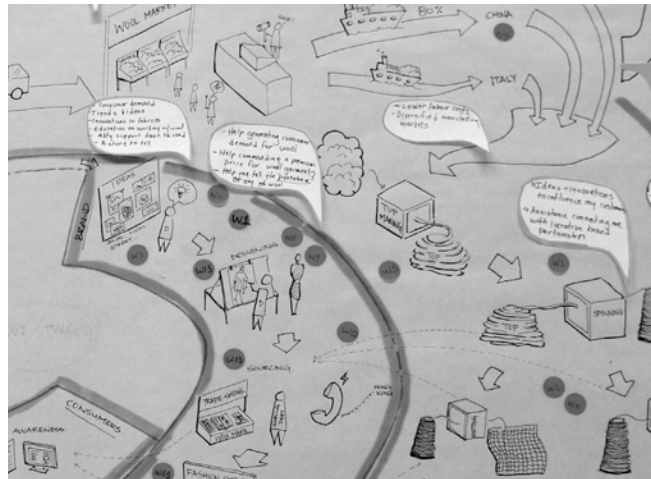
Our process



1. Research

This project began with strategic conversations with key internal stakeholders at Woolmark. Our intent was to gather an internal perspective on Woolmark's current services and also to understand the staff experience in their delivery of those services. We set up conversational interviews with 26 stakeholders in 9 countries.

Later in the process, we conducted 25 qualitative interviews with a range of Woolmark's key partners in 7 countries. Our goal was to understand these partners' businesses, their priorities and how they experienced the services provided by Woolmark.



2. Ecosystem Frameworks

We conducted design exploration exercises to map the network of interactions and influence points between suppliers and customers across the wool supply chain.

We used a series of design iterations and frameworks to ground our findings from both interviews and desk research into the realities of the wool ecosystem. Through these explorations we were able to articulate the interaction and influence of the various players within the system and to explore which services and experiences have the most impact across the various touch-points.



3. Analysis

Our key method of analysing the vast amounts of data collected was through affinity mapping. Here we began to cluster our data based on emerging themes.

Our frameworks helped to direct some mapping, however much of the connections were emergent from the data itself. This process was iterative and we went through several rounds of clustering, capturing themes and insights.

Our process



4. Synthesis

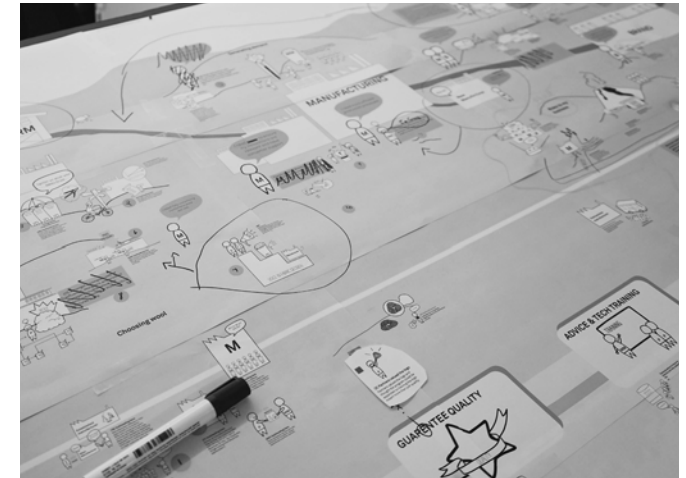
During synthesis, we captured patterns of behaviour, interaction and experience. This process helped us to create themes that we later developed into insights.



5. Insights

After a processes of analysis and synthesis, key insights were developed in the form of user stories, identified partner needs, service experiences, relationship patterns and business challenges.

During this phase, we turned 'what' into something actionable, which in this case, is the Current State Service Map.



6. Current state service map

Through an iterative process, we crafted the map to tell the human story of how Woolmark staff and partners experience Woolmark's services of today within the context of the larger wool ecosystem.

This is the deliverable–The Woolmark Company's Current State Service Map–currently in its first draft for discussion.

Thank you

If you have any questions about anything in this report or would like to find out more, please contact:

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There is a unique story to tell
about the wool that would
invaluable to consumers, but
the Woolmark is missing the
opportunity.

30

The provenance and luxury
story:

2/57



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