

Halfar System

Bags made with passion

Within just a few years Halfar System has gained an incredibly high recognition rate on the promotional products market as an absolute specialist for promotional bags. The German bag people convince with their know-how in the fields of bag development, production, import and customisation. The demand for fast delivery standard products is covered by a comprehensive warehouse programme, special designs are produced in Asia or Europe.

"I am pleased every time I meet someone carrying one of our bags," explained Armin Halfar, founder and CEO of Halfar System. "And in fact I see at least one of our models in use whenever I am travelling, whether on a business or private trip."

This is not a coincidence either. Since being founded 20 years ago, Halfar has advanced into one of the leading suppliers for promotional bags. The German company manufactured in excess of 3.5 mil. promotional bags last year alone and sold them all over Europe, reaching a turnover of over 14 mil. Euros for the first time with around 28,000 orders. The number of employees has risen over the last two and a half years from 33 to 52.

Further growth seems predestined, which is why the company's premises in Bielefeld in central Germany were extensively expanded two years ago. The administration, sales, purchasing, showroom, sample construction, sewing, customising and warehouse departments are housed in buildings covering 4,000 m² of the company-owned piece of land, which extends over a surface of 7,000m² in total.

Armin Halfar has been able to realise his conception of a modern-run company there. The of-

fices are open plan, the generosity of the showroom is impressive, all workplaces are equipped as efficiently as possible – "no difference is made between the staff, managers or the bosses". To do justice to the environmental concerns, a photo-voltaic system was installed on the roof. A pellet heating system, which uses wooden waste products, heats the building in the winter. "For us the theme 'sustainability' gains in significance all the time," explained Halfar. "Our bags express this philosophy too. We invest a lot of development work into making our promotional bags more durable and functional, so that they can be used for longer and don't merely mutate into disposable products."

It all began with Grandma's sewing machine

At the time in 1988 the 20-year-old Armin Halfar never dreamt that Halfar would turn into such a success story. During his community service as a paramedic, he discovered a niche in the market. "In those days special emergency bags could only be ordered from the USA. They were correspondingly expensive, in spite of the fact that they were not very good quality," recalled Halfar. "So I

thought to myself, we can improve on these."

Halfar sat down in front of the sewing machine that he had inherited from his grandmother, a seamstress, at the end of the seventies and developed his own first models of emergency bags. He soon found the first buyers and was able to successively extend his customer base. "It was only possible to build up such a business in Bielefeld back then," explained Halfar. "Bielefeld was the centre of the sewing industry. So, it wasn't difficult to get hold of the necessary accessories." In 1990 Halfar purchased his first industrial sewing machine. "The sewing shop was just a side-line for me at first, in order to finance my studies. However, the business gradually kept on developing further and further."

Expansion and growth

In 1994 Halfar moved with his company to an industrial building and hired his first full-time seamstress, who is actually still working for the bag people today. Halfar's wife, Kathrin Stühmeyer, joined the company in the mid-nineties after successfully completing a degree in economics and became a co-partner of the registered limited



Halfar's sales team. F.l.t.r.: Anke Nienstedt, Gordana Sekuloska, Bianca Böke, Ilona Wahl, Jens Brand, Peter Leseberg, Martina Janz, Armin Halfar, Petra Riebel, Vanessa Kinder, Nadine Burkhardt, Sabine Neumann, Karina Firkus, Jennifer Stanton, Petra Siekmann, Kathrin Stühmeyer. Ulf Schrader from Szalghary is missing from the photo.



Bags from people for people: The married proprietors Kathrin Stühmeyer and Armin Halfar, with Sales & Marketing Manager, Peter Leseberg (m).



The export team: Petra Siekmann (r) and Karina Firkus.

company in 1996. Years of growth followed, which led to the company purchasing its present location and moving to the new premises in 1999. There has only ever been one decline in the turnover development and that was in 2002, as a result of 9/11 and because the crash of the new economy caused an economic crisis, otherwise the figures have risen every year.

Access to the promotional products market

Halfar received his first order for promotional bags in 1997. "A customer asked us at the time whether we could make 50 rucksacks for his employees. For the first time we became aware that there was a market for promotional bags and that we could fulfill this demand," Halfar commented. In 1998 Halfar was divided up into two business areas tec design® – technical bags, belts and belt systems – and pro design® – bags for the promotional products market. The distribution channels of the areas are strictly separated from each other. Today, the pro design® sector provides the majority of the turnover: Around 70% of the annual turnover is achieved through the sales of promotional bags.

In 2002 pro design® exhibited at the PSI Show in Düsseldorf for the first time ever. In 2003 JCK Holding joined the company as a co-partner and this also provided additional impetus. This not only enabled a different investment volume, but also brought with it valuable contacts, on the one hand to the procurement markets in the Far East and on the other hand via the cooperation with the German textile company Daiber (JCK member since 2001) also on the promotional products market. Today, two further German promotional products players belong to the JCK group: Fare and mbw.

Sales with market proximity

"A further major step for us was being able to recruit Jens Brand in 2004 as our first sales

employee. Brand already disposed of extensive branch knowledge due to the experience he gained with his former company," remarked Halfar. In 2005 we also employed Peter Leseberg as the new Sales & Marketing Manager. Germany is divided up into three sales areas, a number of the European markets such as Austria, Switzerland, Scandinavia or Eastern Europe fall under the responsibility of Bielefeld. In other countries the wholesalers, who supply the distributors, operate as sales representatives for Halfar. Each sales team comprises of three employees. "All three are potential contact partners for the promotional products distributors and are thus correspondingly informed about all current projects," explained Leseberg. "They are not only responsible for the sales side of things for their customers, but are also involved in the production processes, i.e. from the development of a bag right through to its delivery. In this way the distributors can be sure that they will receive a fast and absolutely reliable feedback." To this end each of the employees is trained as a bag specialist and can answer detailed questions, for instance regarding the customs formalities, freight handling, materials or estimated delivery times. "We lay great importance on providing our distributors with honest and reliable information," emphasised Leseberg. "We can accurately weigh up the situation in China due to our many years of experience there and thanks to our

good contacts. This allows us to predict the delivery times with extreme precision."

Bag know-how

As a manufacturer of technical bags, the team of the bag people disposes of a production know-how, which is unique in this form in the promotional products sector. Halfar is also quite at home in the fields of legal stipulations, bans on certain ingredients and product safety. Via the cooperation with the JCK subsidiary, Labtech, an accredited inspection laboratory, the bag models are subjected to comprehensive material and strain tests.

Halfar's USP also includes being able to produce special designs in Europe. 80% of the bags produced to meet individual customer requirements are made in Asia and the rest is manufac-





Halfar has had its own in-house embroidery shop since 2006.



A glance at the production. The punching and sewing department.



The logistics team. Every day 180 assignments of goods are sent out all over Europe from Bielefeld. 2,700 palette storage spaces are available in the Bielefeld headquarters alone.



HALFAR

Brand new logo: Halfar® replaces pro design®.

tured at a production site in the Czech Republic. Favourable prices from Asia are combined with the flexibility of European production for the "Corporate Bags" line – an offer for shoulder bags that is based on the building block principle. The body of the bag is pre-manufactured in Asia and finished off with an individual flap in Europe. There is a choice of 37 flap colours. Alternatively, individual customer-specific sewable materials can be implemented.

Companies, who prefer an even more personalised option, can on request receive further support regarding the graphic and design possibilities. The prototypes are then produced in the company's in-house sample shop.

150 models in the standard programme

However, custom-made products are only part of the portfolio. Halfar offers a full-service package for the promotional bags, including above all a comprehensive standard line-up of bags available from stock from the Bielefeld warehouse. Boasting 150 different bag models, Halfar's range of standard products offers an unequalled selection. A large choice of colour alternatives enables CI-compatible designs. For example most of the bags are available in up to ten colours, the original *Lorry Bags*® made of truck canvas even come in a selection of 37 shades.

When the company was expanded two years ago, Halfar invested in a modern warehouse, which disposes of 2,700 palette storage places. A warehouse with a further 1,500 storage places has been rented close-by. At the moment approx. 180 orders, customised and non-customised, leave the factory every day, with an upwards tendency.

The online shop of the German company is a further advantage for their distributor partners. The distributors can integrate the virtual bag shop with individual CI design into their own web site. All warehouse stocks can thus be called up online.

Halfar has also extended its customising techniques. The bag people also dispose of an in-house embroidery shop since 2006. "Embroidery is the preferred customising technique for advertising messages, because it looks classy and is durable," Halfar pointed out. "We consider embroidery to be part of the service for our distributors. They receive a full-service package for the bags from one source." The latest acquisition is a digital printing machine, which allows films and truck canvas to be customised in photo-realistic quality – a good alternative for small orders with short lead-times.

Breaking away from uniformity

Halfar's standard programme doesn't only clearly distinguish itself from many all-rounders in terms of the depth of the line-up. "We don't want to

offer any mass-produced goods, but aim instead to develop own products to suit the branch and the needs of the market," said Halfar outlining their own demands. "Own designs are becoming increasingly important for us. We want to break away from uniformity," added Peter Leseberg.

Product Manager Simone Rath and the designer Christian Allkämper are responsible for the development of new bags and for putting together the collection. They create unique bags, which "tell a story" as Leseberg puts it. Striking examples are for instance the *Bullet Proof*-series – bags made out of the material used for bullet-proof vests – or the notebook bag *Revolve*: "The exceptional feature of this bag is its patented twist-action magnetic clasp," said Simone Rath. "The clasp is unique on the bag market and immediately arouses the play instinct. The advertising message really comes into its own as a doming on the clasp. We discovered the clasp at an exhibition for products of a different branch. This reflects our method of operating, we also take a look at the trends of other markets and subsequently adapt them for our promotional bags."

The company experiments a lot with different materials: Felt, imitation grass or discarded jute sacks are implemented as well as nylon, 600 D polyester or truck canvas.

Power marketing

Halfar has attained its reputation on the promotional products market as a result of its customer proximity and know-how in the bag business, but also as a result of targeted and sustainable marketing measures: As well as catalogues, trade show appearances, advertisements and PR articles in trade magazines, the measures also include a large pool of service offers for its distributors: In addition to participating at in-house shows, collections for showrooms are also compiled, advertising postcards are designed for distributors, in-house training programmes are conducted, company site tours are arranged and customer-specific online shops are made available. Furthermore, the distributor receives support in drawing up presentations for the end customer.

Since December a new logo and the brand name Halfar® are replacing the brand name pro design® and thus demonstrate Halfar's competence and identity as one of the European leading suppliers of rucksacks and bags for the promotional products market. The company has already conquered a top place in the rankings of the promotion bag segment in Germany. Now they are testing the ground on the European markets. Leseberg: "It is our long-term objective to be accepted as *the* specialist in promotional products Europe for bags and rucksacks." ■ [Del/ www.halfar.com](http://www.halfar.com)