

2007 / I

GAZZETTO



AGENTS

THERE IS MORE
THAN WHAT MEETS THE EYE!

WHO NEEDS THEM?

WHAT DO THEY REALLY DO?

IS IT AN OUTDATED INSTITUTION?

DO THEY COST MORE THAN THEY CONTRIBUTE?

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EDITORIAL



Time and again, we are at work to prepare the new issue of our *GAZETE* to share our news, ideas and images with you. Joint efforts of Murat and Güllü, graphic designers, Reineke, our internship student from the Netherlands, and the grammatical review of Ellen helped to bring our *GAZETE* alive. The critical eye of all Ultimo members, their contributions of ideas and views formed its context. All these amateur and volunteer efforts, regardless of the pressure of daily tasks, have been orchestrated and combined in this communique.



COVER STORY: The theme selected for this issue is the "Agents!".

Ultimo is an Agent. For many years Ultimo and its affiliate companies hold representations of a number of large, reputable, international corporations for their businesses. An Agent's work resembles the iceberg, only the part on the surface is seen, yet the existence of the whole cannot go unnoticed.

In addition to this selected theme, we include the topics which we touch upon in every issue. Istanbul, as always, cannot go untouched. Introducing the internship students we invite and host in Turkey, some of our activities and the events in which we take part, as well as news from our part are a few subjects of interest which we like to share with you.

Needless to say, we shall always be looking forward to your comments on how we should pursue, and hope that you will enjoy reading our *GAZETE* as much as we enjoyed putting it together for you.

Until the next issue comes alive...

WHAT IS AN AGENT?

“Agency” is not a new institution. It is a concept which has existed as long as businesses wished to reach new markets. Needless to say, throughout history, with the changing scope of business life all over the world, the need to have an “Agent” or the expectations from an “Agent’s work” has also changed. Let us look into this commercial identity and have an overview of their existence among today’s business network.

We may begin with the etymology of the word, as we traced some interesting coverage:

Agent:

“... one that acts or has the authority to act on behalf of”

“... one empowered to represent another ...”

“the means by which something is done or caused ...”

“a force or substance that causes a change ... by which something is accomplished or some end achieved”

One other description in today’s computer terminology is:

“the user friendly guide to a wide range of opportunities”

Looking at the meanings of the word and the definitions given, we seem to read a job description rather than a dictionary meaning of the word.

There are also some descriptive adjectives or statements to further explain what an Agent is:

“a middle man ...”

“an instrument ...”

“commissioner ...”

It is said that the agent is an “opportunity finder” who points the Principal in the right direction.

One thorough definition of the existence of an agent is put down by saying that “Agents’ performances are carried out to achieve a desired result in such a way to make a positive difference in the business of the Principal. “

However, the importance of the role of an agent is not set by a definition of its true value, as it can only be built over time. It is built on the attitude and behavior of the Agent who is committed to delivering the promises made. With respect to the services provided by Agents, and the benefits acquired through their services, it can easily be said that “there is more than what meets the eye” .

In terms of Buying Offices our own definition of an Agent is: “ Your Eye where you Buy!”

In general terms, it could be best said that an Agent is:

“Your Eye” where you may wish to run your business.

THE ROLE OF AN AGENT?



Doing business in international markets often calls for the services of an Agent, be it for the buying or selling, introducing the services or promoting the products of the Principal.

In most cases, knowing and understanding the characteristics of the local cultures, and being able to evaluate the strengths and weaknesses of the markets, are considered to be among the roles of the recruited agent. Firms often rely on informal approaches on these issues. However, the lack of these often creates a negative impact on long lasting and sound business relations in a specific market. One of the Agent's valued roles is to be a translator, interpreter, and conveyor of all these details. An Agent's role is also to provide up-to-date information and to give sound advice.

Agents should also assume a role to act on behalf of the Principal – almost as the Principal himself would do – and therefore be able to review and comprehend the demands of the Principal. Despite its potential impact on overall profitability, most Agents do not have a formal process for reviewing customers' demands. However, this is such a delicate issue that in case the Principal's needs and demands are not evaluated and considered in its right context, the relationship may become strained.

The human factor is the key to an Agent's success. The employees of an Agency play a primary role in building its reputation. The employees should be helped to truly understand this role and may need to receive adequate training in the "art and science of superior service".

While many companies create a network system to expand their operations and activities through agencies, some still choose to do the same by establishing their own offices. Is there a big difference between these two network systems? Is one better than the other? While we discuss the cost effectiveness of each under a separate title, within this scope we must point out that Agents need to generate loyalty and trust in due time and are more vulnerable in comparison to the overseas offices which are linked directly to the management of the corporate body.

The Agents' worthiness and the weight of the role played by the Agents highly depend on the relationship established, confidence entrusted upon, and the expertise based performance provided by the Agent.

HOW COSTLY IS AN AGENT?

To have an Agent is considered to be a small investment with a big return. When one intends to expand business horizons and invest in new areas with limited means and time, more often than once this will begin by having an Agent. In fact, to have an agent is nothing more than outsourcing parts of the processes of operation in relation to the business expansion foreseen. It is acknowledged that for many established businesses an agent offers "a smooth and low risk entry" into new geographies or new markets.

Regardless of the similarities of the functions of an Agency in comparison to a corporate overseas office, it could easily be said that the starting point of a recruited agent costs much less when compared to setting up an overseas office. While the overseas office is set up within a defined budget, the Agent has to use its own financial means while assuring that the Principal will not face any additional costs or losses through its performance. On the contrary, the interference of the Agent should always prove to bring added value and in the long run should certainly have to contribute to the envisaged profit.

The services of an Agent can have significant economic value for the business as it provides competitive advantages and profitability. Working through Agents is establishing a business network by building teams of like-minded entrepreneurs, who in turn build their own teams, to meet the set goals in order to succeed.

Agents, who in most cases work on a commission basis – sometimes on a flat fee base, are definitely cost effective arrangements on account of the Principals. The question may be raised if the Agency itself is a profitable enterprise? It should firstly be pointed out that the Agent's purpose in getting this business started should not be to make a lot of money. Those who seek to become an Agent should enter into this line of work in order to create an experience, to establish a small private enterprise of which their family and friends would be proud of and that one's own country would benefit from. This is not a utopia and Agents who have these motives are not day-dreamers or exceptions. The ultimate goal of an Agent should not be adding more customers to its portfolio. On the contrary, the aim should be to nourish the already established business relations with dedicated, trustworthy efforts and consistency in keeping all the promises made in relation to the role assumed. There are many factors which would effect the volume of business in a given market. There are many ways and means to seek success. It is wisely said that, if ...

Target is to be appreciated
...success will follow,
and likely to continue.

Target is to be successful
...profit will follow,
and likely to continue.

Target is high profit,
it may be achieved (with a little luck),
... no guarantee to continue.

Well said and most accurate! When there is a partnership between an Agent and the Principal, there will always be a mutual effort to look into new business possibilities thus creating a situation which will always be mutually profitable and where all parties involved will be winners.

BUYING OFFICES in TURKEY

Buying Offices in Turkey are known to be an important part of the value chain in business operations. Like most Agencies they also contribute to the smooth and satisfactory flow of processes by providing speed, trust and open communication channels. In Turkey there are more than 500 buying offices at different scales. According to the Turkish Manufacturers' Association, those with a reputable history are especially considered to be opinion leaders of the textiles and clothing industry and play a very important role in disciplining the industry, setting control mechanisms and transmitting correct and useful information regarding the customers' expectations.

The textiles and clothing industry is one of the driving forces of Turkey's exports, with a total export value of \$31 billion. It is believed that this figure is achieved mostly thanks to the buying offices. Despite the changes that occurred in the world trade since 2005, Turkey's textile export in 2006 was \$14 billion, 16.3% of the total exports, indicating an increase of 2% over 2005. There is a goal set by the sector in a moderate level to reach \$17 billion in 2010 and \$24.3 billion in 2015.

Acknowledging the important role of the buying agents, Turkish official authorities, Manufacturers' Associations and Unions all aim to improve and strengthen the relations with these offices. The suppliers targeting to grow in the export markets maintain sound relations and close contacts with buying offices in their effort to better understand the needs and the requirements of their target customers. Recently, the Turkish Clothing Manufacturers' Association (TCMA) organized a meeting to have the buying offices explain the changing market conditions in response to direct questions of the manufacturers. The proposed solutions were the core of the discussions and the aim was "to establish customer oriented long-term strategic partnerships". The essential steps were summarized as:

- ✓ Work with passion
- ✓ Value your business
- ✓ Assume knowledge, honesty and transparency
- ✓ Adapt to the changes
- ✓ Be "proactive"
- ✓ Have an effective and efficient follow-up system




At a meeting held by TCMA at the Swissôtel, sitting at the panel and responding to the queries of the manufacturers, are from left: Berrin Postalcioğlu of ULTIMO, Nils Bauer of Cerry Field Sesby, Fatya Mamcu of Li & Fung, Silvy Dayı of Marks & Spencer (fifth on the panel at far right is Halide Alagöz of Hennes & Mauritz).

GLOBAL BRANDS in the TURKISH MARKET

More and more Turkey attracts the attention of a growing number of foreign investors. The world's best known brands are discovering the attractive Turkish market and refer to Istanbul as the Milan or Barcelona of the near future.

Quite a number of American and European brands have been buying from or producing in Turkey for more than 30 years. Many of them, such as Old Navy, Gap, Banana Republic, and Abercrombie & Finch have opened their own buying offices in Turkey, while some have been working through local agents, like Liz Claiborne, Tommy Hilfiger and Nautica.

For the European brands Turkey is even a more interesting market because of its proximity. Hennes and Mauritz, Marks & Spencer and Next have started their own offices for buying purposes, while Esprit, Hema, M & Co, Diesel, Armani, Max Mara and Gotex buy through their local agents.



They Buy from Turkey since 1970's Now they also Sell in Turkey

In recent years quite a number of shopping centers are opened selling local and international brands and attracted retail customers. Kanyon, opened in 2006 December, is the latest addition with a very interesting architectural design and convenience for shopping.

Some of the famous brands that entered the Turkish market are: Donna Karan, Max Mara, Zara, Marks & Spencer, Mothercare, Guess, Laura Ashley, Fornarina, Gerard Darel, Etam, Conbipel, Accessorize, Body Shop, Starbucks, Claire's, Evans, Faith, Jack & Jones, Miss Selfridge, Peacocks, River Island, Top Shop, Top Man, Veromoda, Next, Le Pain Quotidien, Dorothy Perkins and many others coming in either as corners in department stores or stores of their own. Following highlights are a few developments indicating the vitality of the Turkish market.

The British department store chain Debenhams opened their first department store in Turkey, with a \$10 million investment. They are planning to open six more department stores in Istanbul, İzmir and Ankara by end 2009.

Swedish H&M, who has been buying Turkish production for many years, is now selling in Turkey, in a 1000 sqm shop and negotiating for more outlet possibilities.

British Harvey Nichols opened its first shop in 2006 at the Kanyon shopping center.

The French cosmetic chain Sephora's first shop will be opened at the İstinye Park Shopping Center in Istanbul in September.

The LVMH Group, which also brought the Christian Dior, Louis Vuitton, Fendi, Celine, Marc Jacobs and Donna Karan brands to Turkey, are planning to invest in 20 more Sephora shops over a period of five years.

C&A is one of the pioneer brands buying from Turkey since 1970. This year the first C&A shop opened in Istanbul. C&A officials say that the population and consumption habits in Turkey are very attractive, adding that they are aiming at market leadership. C&A is planning to invest circa \$200 million in the Turkish market, and will open around 100 shops in a short period of time.

(*Illustration from Kanyon Shopping Mall

13 July

Monday



Monday meeting for

QC goes to Bursa for final inspection

Office meeting for review 2007 / 2 targets

14 July

Tuesday

Agenda for Buyer's visit:

9-12 Two suppliers for knitted outerwear
(afternoon) One supplier for woven outerwear
17⁰⁰ Meet manager of Optima to discuss quality assurance process

15 July

Wednesday

International Fashion Fair at CNR, obtain in vilation
for more indication

Meet to discuss critical path art. 36.36.05

Fitting comments received, check discount w/supp

Details order labelling, ~~check~~ compare with label
producer notes

Report on buyer visit

16 July

Thursday

Don't forget to buy a birthday present for Alard

Prepare samples for courier (lab dips, bulk fabric cuttings, accessories, photo samples, production samples etc.)

Routine meeting with the qc, discuss quality control results

Send development articles details to potential suppliers for quotation

Discuss product details
rice negotiation

Attend Concordia's trend presentation for winter 2008.

17 July

Friday

- ✓ Prepare application form for bulk fabric + send to Optima for Tests
- ✓ better quality accessory matching color and quality to replace
Search through websites and competitors
- ✓ Visit potential supplier for latest developments
- ✓ Enter new orders data base details to the program

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July

Saturday/Sunday

Saturday to Princess Islands with Ebru and family, boat leaves at 09.30!

23.00 with Serdar to jazz concert in Babylon Club, Serdar mobile: 0587 5619021, will Zeynep come too!

Prepare spec sheets for Monday review



CONCORDIA internship program

We continue to invite European university students to complete their compulsory internship at Turkish industries or business offices in Turkey. In addition to finding hosting companies to suit their field of study, we also help to come up with suggestions for their accommodation and well being, if and when they ask for such assistance. Since 2004 twenty-one students have had their work experience in Turkey and presently two are continuing with their internship and three applicants are in the process of placement.

In addition to individual internship students, a group of over 50 students of InHolland University in Amsterdam, Diemen, under supervision of three teachers, had an organized study visit to Istanbul. This study trip takes place in their final school year and is meant to let the students make contact with the business world of a different country. Concordia assisted with the realization of this project by arranging visits to the Istanbul Stock Exchange and a textile factory. Every year these students also visit our Ultimo Buying Office for an informal get-together, discussions and some refreshments, while observing our transparent business world!

Ayse Jr, Ultimo's merchandiser for apparel, and Ellen, coordinator of the internship program, carry on an informal chat responding to the students' questions on the functions of a Buying Office.



A boat trip on the Bosphorus has become a traditional entertainment for the internship students we host in Turkey. The above picture shows Rolf and Reineke, our internship students for 2007, together with friends, enjoying the boat trip, while listening to Sjoerd (far left in the picture) for his good advice, as he completed his internship at Rynart Transport in 2005, and continued his professional life in Turkey working at the same company. (The small snap shot was taken during the boat trip in 2005.)

INTRODUCING internship students (*)

Andrea Wieffering is a Dutch anthropologist presently studying at the Free University in Amsterdam to become a teacher of "citizenship" for middle education. She completed her internship at a private high school in Gaziantep, Özel Sanko Okulları, in December 2006.

"Although I wished to have my internship in a big city, Concordia convinced me to accept the placement at Gaziantep, a small city in the South East of Turkey," she says. Beforehand she thought that people would be old-fashioned and very religious, yet she has been positively surprised throughout her experience.

"I now want to know more about the Turkish educational system, and the developments in this area. There is much more going on than what I have anticipated!"



Andrea's internship project was a research to be done by interviewing students, teachers and school managers. She was asked to do some teaching. She says: "It was almost like as if I was 'adopted' by the English department and we were not only colleagues, but also good friends. The teachers as well as the students were so eager to help me and to talk with me. I was always amongst people, surrounded by friends, and actively involved in daily life. Her first days in Gaziantep coincided with Turkey's religious holiday, Bayram, which provided her with a living experience of traditional celebrations. Additionally, she celebrated the foundation day of the Republic of Turkey, attended the memorial ceremony of Atatürk, and participated in the fun parties of Teachers Day!"

Ivo Wiegersma and Arjana de Bruin are students at the Hanzehogeschool in Groningen, the Netherlands, engaged to be married, and both chose to have their internship and work experience in Istanbul. Arjana did her internship with Ayko Lingerie, whereas Ivo worked in the Sales and Marketing department of the Conrad Hotel in Istanbul.



Arjana conducted a research about the lingerie markets in Iran, Syria and Azerbaijan and wrote an excellent export plan for Ayko. She had the opportunity to witness structural changes taking place within the company and was able to observe its effects on the employees. In the beginning of his internship at the Conrad Hotel Ivo's expectations were not met, but in the end everything turned out fine.

They lived in Beşiktaş, a district very centrally located in Istanbul. In their free time they smoked water pipe at the coffee house right downstairs from their flat. They frankly express their likes and dislikes about living in Istanbul: "We loved the feeling of the city being alive at all hours of the day, the feeling of being surrounded by history and the Beşiktaş Football Club fans (as we were living in Beşiktaş) cheering in every little corner of the city when they won a football game.

What we did not like was the lack of water at home. We were astonished by our neighbours who did not complain about it. They often said 'İnşallah!'"

"I was looking for a country with a lot of possibilities, so that it would be possible for both of us to do an internship", says Ivo. "I am a member of a nation that has strong opinions on the subject of Turkey's accession to EU. That's why I decided to get to know Turkey. Besides this I also wanted to live close to my parents for a while as my father is working for NATO in Istanbul."

(*) You may find complete interview texts on Concordia's website (www.concordiacom.com).

HIGHLIGHTS

moments in time

Newest bride: Esra, Ultimo's newest merchandiser, is also our newest bride. The ceremony, held on 5th of May, was a joyful event shared with family and friends. As the Turkish expression goes "may they have a happy life sharing one pillow".



Happiness begins with one special event.

A royal visit to Istanbul: Queen Beatrix of the Netherlands, accompanied by Crown Prince Willem-Alexander and his wife Princess Máxima, paid a 4-day state visit to Turkey at the end of February. Among all the official functions was also a reception for the Dutch community in Turkey at the Çırağan Palace. This was the Queen's first visit to Turkey, as well as the first state visit in 400 years of diplomatic and commercial relations!



Queen Beatrix, with Crown Prince Willem-Alexander and Princess Máxima in the background, as she leaves the famous Blue Mosque in Istanbul.

A sentimental journey: in March 2007 Ellen celebrated her 50th birthday and as a birthday present her four brothers came to Istanbul to visit her. They took their sister out for a dinner on the Bosphorus. Naturally, this visit to Istanbul also included sightseeing and getting together with Ellen's family.



A memorable birthday gift for the only girl in the family.

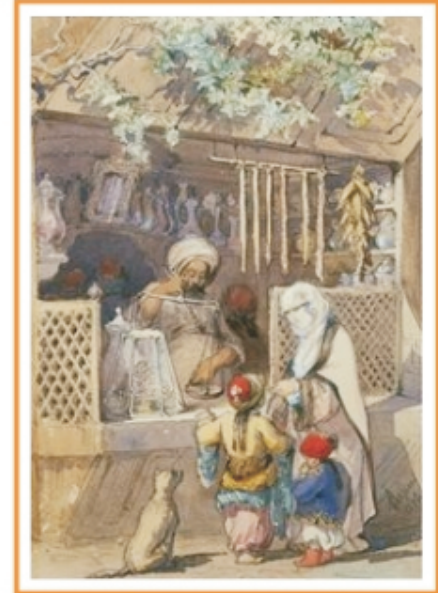
ISTANBUL

always

Amadeo Preziosi, a devoted painter of Istanbul

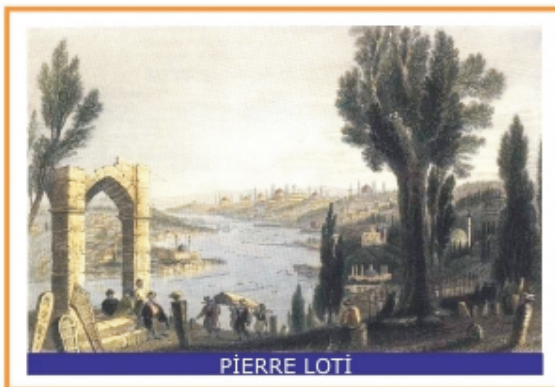
"A wise and capricious architecture, a harmony of colors and an ever changing decoration..." These are the beauties of Istanbul which stole the heart of Count Amadeo Preziosi. His favorite themes are the Bosphorus, the shores of the Golden Horn, cemeteries and bazaars. He also showed great interest in the different types of people living within the borders of the Ottoman Empire, like the official letter writers, antique dealers, transporters, greengrocers, coffee shop owners, carpet sellers, children, and the Ottoman women. All these characters became immortal in his paintings.

Unlike other Orientalist artists, Preziosi did not just pass by Istanbul. He united his life with the city. He was so happy living in Istanbul throughout his life, that he exhibited his paintings as a Turkish artist at the 1876 Paris International Art Exhibition.

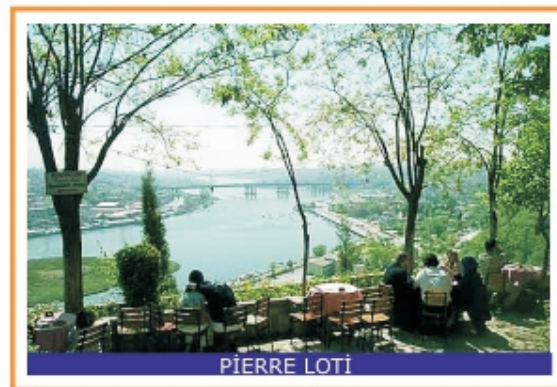


Pierre Loti, a romantic lover of Istanbul

Pierre Loti, a famous French author, fell in love with Istanbul the very day he arrived and thus he spent most of his life in this city. The writer met his love Aziyade in 1879, during his second trip to Istanbul. With his novel, which was titled after his love, Loti has become one of the most significant representatives of the romantic era. In his novels he analyses love and death from an Eastern-Islamic perspective. He watched Istanbul and wrote his novels at a cosy café up on a hill by the Golden Horn. Today this café, which looks over the golden waterway that reflects the sun and the moon, is named after him. Besides his skillful art as an author, Loti is known for his great and passionate love.



In the past



Today

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The location of the Pierre Loti Café, where the poet composed his poems and stories, has always been as it is today, a tranquil and picturesque place that especially attracts lovers (certainly a place to visit when in Istanbul).

inspiring artists

Angelica Akbar, Istanbul's musical face



Daughter of a musician and philosopher father and a musician mother, Akbar was born in Kazakhstan. When she came to Istanbul for her first concert, she was so enchanted by the city that she decided to live the rest of her life in Istanbul and became a Turkish citizen in 1993.

Her first album, *Su* (a sip of water), consists of her own preludes and brings out the tranquil face of the old Istanbul. Due to the soothing and encouraging effect of her work on people, her music is used for psychological treatments, art therapy and education. She says that she is proud that her music helps people to bring out good feelings.

Her “Bach à l’ Oriental” album is an interpretation of Bach with inspirational themes of Istanbul. “Istanbul is as deep and enchanting as Bach’s music”, she says, “and yet the rhythm of the daily life of the city is so lively and dynamic that if Bach lived in this city, he would have composed his pieces under the influence of this rhythm”.

Jules Verne, author of *Kereban, the Inflexible*

An imaginary story which took place in 1880 in Istanbul. It is about a stubborn local merchant’s reaction to a new tax of 10 para (centimes) for each boat crossing the Bosphorous. Keraban, famous for his stubbornness, is determined not to pay this new tax, and not to cross the Bosphorous by boat. On the other hand it seemed that the only way to commute between his home on the Asian side and his work on the

European side of Istanbul was to cross the Bosphorous. He took the route along the Black Sea coast all the way through Russia, Romania and Bulgaria. The book is not only telling about the places passed by, but also displaying the point of view of a sociologist and historian. As can be expected from any Jules Verne story, the book is full of surprises, valuable information and interesting adventures.

Apparently a city located on both continents impressed Jules Verne upon which he composed this interesting story, among his many travel and adventure based stories.





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MANIFATURA

*To commemorate Ultimo's
34th anniversary our new website
will be operational in August 2007.*

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