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Showcase to the moving stars

with Anna Healy Fenton

Providing point-of-sale displays for watches costing many thousands of dollars is a US\$120m business for AGSA Asia.

Raphaël Genoud has tried without success to find an up-market watch shop that does not use his company's point-of-sale materials. 'In Hong Kong it's impossible,' says the irrepressible chief executive of AGSA Asia, ringing the large cowbell in his office loudly in case any of his 18 staff here forget his Swiss origins.

Mr. Genoud must be one of the most travelled people in town, describing himself as a 'ping-pong ball between China and Hong Kong' who has accrued four million Swiss air miles. 'After a while you don't know where you live,' he admits.

At 19 he left the family business in Switzerland and headed east. He set up on his own but instead of making point-of-sale displays for shops like his father, he made premiums and other promotional items, sourcing products in Taiwan and China before selling the business after six years.

He went to Thailand, supposedly for a rest but ever the workaholic, his fingers were soon flicking through the Bangkok Yellow Pages. He cold called the listed premiums companies, telling them they needed his services. 'Four asked 'Why do we need you?' and the fifth one gave me a job,' he says.

A year later it was 1993, he was 26 and the time was right to accept his father's invitation to join the family business in Switzerland.

Fired with enthusiasm by his Far East experiences, he arrived back home like a dynamo but found Europe very frustrating. 'Swiss people were too slow and it was too expensive,' he bemoans. 'Asia moves too fast for Europe.'

Nevertheless he grew turnover from US\$4 million to US\$24 million in four years. 'My father was happy but it's always difficult working in a family business - though it was quite fun.'

Making high quality point-of-sale display units for watch and jewelry brands and now furniture and other sectors, means specialist work with the advertising gurus from the early stages of a product campaign. Consistency of message is essential. 'It also means being very confidential with brands, because I have to look at their needs for the next three or four years and they don't always know what they want, it can be a psychological challenge,' he says.

AGSA's airy Sheung Wan offices are lined with display units for clients who include Cyma, Raymond Weil, Tag Heuer and German brand Joop! His products are sold into 88 countries.

There are two kinds of clients, he says - those who deal in watches with real Swiss movements, which calls for lots of point-of-sale material to explain brand history and then there are the fashion names whose lines change with every season.

'It's easy to design when companies have a strong corporate image; then we can follow their trends.' But it's harder to be creative for Tag Heuer than a fashion brand: 'Tag has new specification models running alongside lines that are 40 years old.'

He has to be a mind reader for different manufacturers. 'We have to go deeply into the details, remembering who they are today and who they want to be tomorrow but often in Hong Kong they don't know that.'

The brands commonly allocate 20-30 per cent of their marketing budget to point-of-sale products, he says, adding that sometimes AGSA's bill is their entire marketing budget. Though Switzerland still claims 'moral leadership' of the quality watch industry, Hong Kong is now the world hub for the fashion brands, with the bulk now made in China. This brings more purchasing departments out to visit China from Switzerland. 'They stop off here, so I see more Swiss people now in Hong Kong than I did in 10 years at home.'

This Asia industry focus made his Swiss base increasingly inconvenient. Mr. Genoud, found himself dealing less and less directly with companies and increasingly with middle men. 'And I hate that - these so called 'creative departments', they are not very creative.' He also found many competitors pretending to have a presence in China, which in reality meant a two-person office in Hong Kong manned by non-English speakers.

He felt a move to Hong Kong in 2003 was essential and then took it a step further with his own operation in Dong Guan which now has a staff of 500.

'We own our factory in China - that's quite important. Many companies 'pretend' to own factories in China but that's a real problem because international clients want good prices and stability,' he maintains.

But many firms who genuinely own their own China operation often prefer not to be the ping-pong ball doing the creative and commercial work too, he explains. AGSA scores, he says, by offering the best of both. Mr. Genoud finds his cosmopolitan Hong Kong office staff invaluable for inspiring confidence in international brands and dealing with price negotiations. 'If companies see a foreigner they think it will be expensive,' he laughs.

AGSA's annual turnover has now grown to US\$120 million and last month Mr. Genoud's father travelled from Switzerland to China to see his son's handiwork. What did he think? 'He was very impressed and almost didn't believe the quality was so good because the labor costs are so cheap but I told him that if you can spend the time, you can get the quality.'

Mr. Genoud's plans include listing AGSA on the London's small-cap Aim exchange. 'A lot of China companies are looking to the Aim; their regulations are a little easier to comply with than here.'

For now, he dreams of getting time to play a game of tennis and wakes up fretting that he has 520 people on the payroll. 'But then I remind myself: "When you have creativity and quality, you own the market."