



2008 July

QUALITY FURNITURE trusts LTP TEXDAN

English soft furniture company QUALITY FURNITURE has decided to move its production from the whole Lithuania to LTP TEXDAN.

Our cooperation with this company started 2 years ago. Besides us there were other 7-8 factories in Lithuania producing for them. In terms of logistics it was quite expensive for "Quality furniture", but in this way they felt more safe—if any producer fails, it will be easy to move production to others. In spite of that, in spring this year QUALITY FURNITURE decided to move production from all Lithuanian Factories to LTP TEXDAN. This shows big confidence in us, - well, during our cooperation there was no single case of bad quality or late delivery. QUALITY FURNITURE are selling their products through catalogues, so the timing is extremely important. A big advantage of the catalogue business is that there is no seasonality, - production flow is steady the whole year. At the moment we are getting samples of new styles approved and from August the production for QUALITY FURNITURE will be double. From 2009 we plan to have 3 times more than now. These orders will compensate the decrease of orders from our main customer THECA/BoConcept, since they established their own sewing dept. in Kaunas.

Coming soon: LTP feast on September 6th !

Newsletter

- Challenge us!

TOPIC : LTP history

We continue publications about LTP's history. This time it's about LTP TEXDAN in Kėdainiai.

In the end of 1998 the management of LTP decided to increase our production capacity and acquired factory TRIADA in Kėdainiai, which was making men's shirt and other woven garments. The name of the factory was changed to TEXDAN and we were producing linnen and other clothes.

We got acquainted with the furniture upholstery on 2001, when we started cooperation with a newly established Danish home furniture company VIZONE, which is now called BoConcept. Now this is the biggest home furniture trading company in Denmark, which in 47 countries has

350 shops and studios.

In 2003 we decided to stop the garment production and only concentrate on furniture upholstery, at that time we also made a separate department for production of ASCON life saving equipment. The number of customers was increasing fast, besides home furniture we got transport and office chairs, we also started making gluing, upholstery. In 2006 renovation of the whole factory was made: only administration and cutting remained in the old renovated building and the rest of production was moved to much bigger modern premises. We needed to expand our

capacity, so in the end of 2007 we acquired the former branch of SAT-RIJA in Silale, we also took over the sewers, which were trained to sew furniture upholstery, also made upholstery and automatic cutting departments. At the moment we have app. 70 employees in Silale.

LTP TEXDAN will celebrate its 10th anniversary in December, and we have 30 people with us from the very beginning. In total now we have 190 employees in our factory in Kėdainiai. In the Baltics there are only a few soft furniture production factories which are on the similar quality, production organization, speed and flexibility level like us.

Hello, Vietnam!

The first thing that strikes you in Vietnam is all the motorbikes. The next is meeting with wonderful and energised people moving up from absolute poverty with rocket speed. A country with a dramatic and bloody history opening the door for the globalization with the result that many large companies invest huge amounts in opening new factories.

In May and June LTP owners Jon Knudsen and Morten Østergaard visited Vietnam. What was the purpose? Today LTP Garment is serving some of the finest active sport brands in Europe. We have very satisfied customers that have worked with us for many years. The customers tell they get super service in LTP. But they also make it clear for us that all the large orders (+3-5000 pcs./style) they never will produce in Lithuania or other countries in Eastern Europe. These orders are produced already in Far East.

We started our investigation in Vietnam in North. In the capital:

Hanoi. A beautiful city where you still see some French architecture, though most of the town was bombed out in the Vietnam War. A city with very few international shops, many (!!) motorbikes, and many small shops in small narrow streets. In the middle of the city there is a big lake and around here you meet people doing all kinds of exercise in open air. We visited dozens of local garment factories. We saw big factories (1-4000 sewers), good and friendly atmosphere and nice quality.

The idea started to get clear. Why not offer the customers that they on top of what they buy from us today in Lithuania, could offer that **we handle their big orders in Far East?** We could offer that we have the same control and way to work producing their big orders in Far East, as we today offer on the small and medium size orders from Lithuania. Actually several customers has asked us to do this.

We arrived in Ho Chi Minh City -

the trading city in Vietnam. Capital of the South that until 1976 was named Saigon. HCMC was not so smashed under the war, so here you find old palaces in French style, and the number of cars is significantly higher than in North. In HCMC everything is about \$\$\$\$. It's from here Vietnam's development into an industrial country is lead. We met a lot of people and visited Garment and Fabric producers, trying to get an idea on how you work in Vietnam. Within a few days the picture was clear. LTP must set up in HCMC with garment production and we can work together with a lot of the local producers.

Now you could think - what will happen to our production in Lithuania and Belvit? We assure you: **Vietnam is not instead of Lithuania.** Vietnam is on top of Lithuania. Vietnam will never handle all the small and complex orders we are running in LT. And the customers will never allow us to handle their very big orders in Lithuania. The price is simply not competitive on these orders sizes. But with LTP Vietnam we will be able to **offer the customers a global solution** on all order-sizes. This is a fantastic possibility that makes us stronger as a unit.

Few weeks after our first visit we returned to HCMC. This time with a clear plan! The first step was to hire the first people. After many and long interviews we offered the first two jobs to Ms. Hoa and Ms. Anh. We warmly welcome both to the LTP Family and look forward to build up a successful company in Vietnam together.

We welcome our first colleagues in Vietnam !

Truong Minh Hoa (picture in the right) is our new Chief Accountant in LTP Vietnam. Before joining us Ms.Hoa was a Chief Accountant for REDBULL in Vietnam and in total she has about 10 years experience in finance.



Hoang Thuy Anh ((picture in the right) started as merchandiser in LTP Vietnam. Ms.Anh has 10 years experience as merchandiser and the last 4,5 years she worked for one German company.

