

THE CHINA SYNDROME

SOME THOUGHTS FROM RICHARD SHEERR, PRESIDENT, THE WAGMAN PRIMUS GROUP

In addition to a feature profile of Wagman Primus, the September/October, 2002 issue of *Brushware* included an article written by Bob Lawrence about China and the competitive challenges it presents now and will continue to present in the future (indented paragraphs are reprinted with permission from *Brushware Magazine's* September/October 2002 issue). As the country introduces market economy reforms and becomes more productive, "the China Question" is on the minds of most American manufacturing executives. As president of Wagman Primus Group, a company that has over 80 years of experience in China, Richard Sheerr provided *Brushware* with some unique insights:

"You can't do business in China in a respectable, secure, professional way unless you are there personally because the Chinese culture is driven by relationships". Sheerr ought to know. His company, a supplier of hog bristle, brush components and paint applicator tools, has had a more than 80 year relationship with the Chinese. It began in 1920 after brothers Nathan and Oscar Wagman opened a raw horsehair processing factory in South Philadelphia and began searching for alternatives to offset a dramatic rise in the domestic cost of processing animal hair during World War I. They found it in Tianjin, China and Oscar moved there to establish an animal hair processing factory. In addition to processing Chinese hair, the factory imported hog bristle waste from American brush manufacturers for reprocessing and redressing as bristle.

American business interests were frozen out of China when the country went communist after World War II, but when relations thawed after President Nixon's 1972 visit there, the Wagnmans were among the first back in. Nathan's son, Howard, visited China that same year at the invitation of the Chinese government and the company became one of the first American firms to import Chinese products into the U. S.

In explaining Wagman Primus longevity in China, Sheerr said that "in our business the key is matching the capability of a particular Chinese factory with the needs of the buyers and knowing both sides of the transaction in such a way that the match is correct." Noting that the capabilities of factories in China are not all the same and that buyers have different requirements, he said that "the art is in meshing what a factory can do with what you want."

Sheerr, whose company imports paint brushes and paint applicator tools as well as bristle from China, believes that the "cheap" label given to China-made brush products is a "rapidly disappearing reality because China is moving up the quality spectrum quite rapidly. They want to grow business and they're paying attention to what they do."

In contrasting the expertise American brush manufacturers have with their Chinese counterparts, Sheerr said that in some cases the Chinese are "good at matching appearances and not at matching performance. They haven't met the quality expectations, but they are moving up quite well. How far up they will go is an open question. I'm not putting down Chinese or American manufacturers, but some in the U. S. make well engineered high performance paint tools and some don't. The Chinese don't do every thing well either, but they are definitely moving along the quality spectrum."

As the quality of Chinese brushware products improves, it is impossible to say what kind of market share they will achieve in the future. But one thing is quite clear: American and western brush manufacturers have no intention of shying away from a competitive fight. Richard Sheerr certainly doesn't see the American brush industry fading away:

"I don't think [the industry] will become extinct, nor do I think the Chinese make everything cheap, meaning low quality. The truth is that there's going to be a balance at one point and we don't know where that balance will be. I don't want to see my customers lose manufacturing, nor am I rooting for the Chinese to become the manufacturing center of the world, but the fact is that China is moving up on the quality spectrum. I think that the Chinese are good entrepreneurial people, and in a business where raw material proximity or labor are significant components of the value-added, they will increase their market share."

In the meantime, as it has for nearly a century, the Wagman Primus Group will continue as a leading supplier of hog bristle, brush components and paint applicator tools to the brush industry in North America. Wagman Primus will always represent quality you can count on.