



# The *Cotton* Club

WITH THE FAMILY BUSINESS, TEXTILE GIANT ESQUEL GROUP, WHICH RECENTLY CELEBRATED ITS 35TH ANNIVERSARY, **MARJORIE YANG** AND DAUGHTER **DEE POON** TELL **PAUL KAY** WHY EDUCATION AND INNOVATION ARE AT THE HEART OF THEIR SUCCESS

PHOTOGRAPHY BY OLAF MUELLER  
HAIR BY KIM ROBINSON



**D**OING GOOD AND DOING GOOD BUSINESS are goals that can be difficult to combine, not least in the textiles industry. But, as *Hong Kong Tatler's* 2013 Diamond Award-recipient Marjorie Yang has proven, the two are far from mutually exclusive. As the chairperson of Esquel Group, Yang has built a billion-dollar business around making cotton shirts for many of the world's most famous brands, including Ralph Lauren, Hugo Boss, Tommy Hilfiger and J.Crew. What is even more remarkable is that she has achieved this on the back of innovative and socially responsible practices that aim to enrich the lives of the company's workers as much as they do the bottom line.

Under Yang's stewardship, Esquel has flourished financially, more than doubling its annual revenue (from US\$530 million in 2006 to US\$1.2 billion in 2012) while instituting a series of initiatives, aimed at both improving the lot of the group's more than 55,000 staff and protecting the environment. The two, insists Yang, are not unrelated. "It's not just about doing good and feeling good," says Yang when we sit down to chat amid the organised chaos of our photo shoot. "We're not an NGO. But I feel that a well-managed company should be creating value for all its stakeholders. The interests should be aligned, so that the more money our workers make, the more money we make. I don't believe in this theory that you should take away from the workers in order for the owners to make more."

It sounds like utopia, but Yang's results speak for themselves, and Esquel is regarded as a

prime example of a progressive and sustainable modern business. However, things were quite different when Yang first took the helm of the company back in 1995. Having been a successful investment banker in New York, she returned to lead the family business when her father, Yang Yuan-loong, who founded Esquel in 1978, fell ill. "When I started at Esquel, people used to make fun of me," recalls the Massachusetts Institute of Technology and Harvard Business School graduate. "They said, 'Aren't you over-educated? You're supposed to be a sweatshop.'"

Education, in fact, was at the heart of Yang's business strategy, and this manifested itself both in her desire to hire highly educated



**HANDS ON**  
Marjorie wears dress by Blanc de Chine, earrings and bracelet watch by Cartier; Dee wears knit by Christian Dior

#### FAMILY AFFAIR

Dee wears dress by Christian Dior, earrings and ring by Van Cleef & Arpels; Marjorie wears knit and skirt by Lanvin, cuff by Van Cleef & Arpels





*“I’m probably now the biggest, most reckless risk-taker in the company. Dee is more conservative than I am”*

senior staff to improve productivity, and in her commitment to provide enriching self-betterment opportunities for people at all levels of the company. “Education is at the core of our competitive advantage,” says Yang. “A good manager is a good teacher, so if we can encourage our colleagues to engage in some form of education project, they are also enriching themselves, and developing themselves into becoming better leaders and managers.”

Taking things a stage further, in 2003 Yang established the Esquel-YL Yang Education Foundation, the aim of which is to support and promote learning so that children can grow to become responsible and successful members of their communities. “My father always said: ‘Never leave a community in a worse state than when you came.’ So what can we do? The best thing in today’s world is to help to promote education. Any place we go, that is a sure thing that they will need,” says Yang.

Through the foundation, which is active in China’s Xinjiang province, and Gaoming in Guangdong province, as well as in Sri Lanka and Vietnam, Esquel has launched programmes to boost literacy and health education, and is providing support for AIDS-affected families. The company’s staff are encouraged to suggest education programmes that Esquel will then fund. Crucially, says Yang, “We only give money to projects in which our people will also give their time. It’s a question of tender, loving care. So it’s not just about giving money – it’s being engaged in this conversation. How do you help them? How do you help them to learn? I think that social mobility is critical, to give young people a sense that there’s a chance for them.”

Thanks to Esquel’s vertically integrated supply chain and manufacturing process, which stretches from the farming of cotton all the way through to retail, the company has complete control over every step of the business, which in turn allows Esquel to make significant changes to the way things are done. Yang pushes her employees to come up with more environmentally friendly ways of working, and to influence her customers in a positive way. Polluting rivers with chemicals, she says, isn’t some inevitable, necessary evil of a successful textiles business, but rather something that can be minimised with creative thinking and a strong will. It’s a policy, she says, that has positive knock-on effects for the company.

“Talent is the key, and a lot of the young,

talented people today care a lot about the environment,” Yang says. “By virtue of the fact that we are conscientious about the environment, we attract a lot of the best and brightest. That itself helps offset a large part of the cost of being more conscientious; they will save and make you a lot of money. Plus, a lot of these environmentally sound practices are not money-losing.”

Yang’s business philosophy, which also focuses on the value of using technology and innovative thinking to improve efficiency, has clearly had a major effect on her daughter, Dee Poon, who is the CEO of Esquel’s retail operation, PYE. “She and I are so close; she’s picked up some of my good things and she’s picked up some of my bad habits as well,” says Yang.

Indeed, the pair share many similarities, and it’s clear the apple hasn’t fallen far from the tree. Both are refreshingly open and forthright, with a tendency to call a spade a spade; one gets the

sense that neither is prepared to waste time or energy beating around the bush. They are also both sharp as tacks and impressively detail-oriented when talking about their business. And they are both lit by a genuine passion to make the world a better place by tackling problems head-on. Indeed, spend a couple of hours in the company of Yang and Poon, and you start to feel that there’s no such thing as a problem that can’t be solved.

Which is not to say they are identical. Yang has a measured eloquence that refuses to be rushed, while Poon talks quickly and with a somewhat manic energy, answering questions before they are finished being asked. As Yang heads into hair and make-up for the shoot, Poon takes her place on the sofa. So, I ask her: how is it to work for mum?

“It’s good,” says Poon. “I mean, it used to be hell, but I think we’ve sort of figured it out now. And it’s weird, because at the end of the day, she’s the boss. Other people know how to treat a boss, and so they don’t always say certain things. I say everything. I know that I overstep

sometimes, because at the end of the day I sometimes just see her as my mother.”

Yang clearly values the fact her daughter tells it straight, and chimes in from across the studio. “The only two people in the company who tell me the truth are Dee and my sister,” she says. But, Yang adds, it’s important that there is some distance between them in the workplace. “I think it’s very difficult to work as a family, particularly mother and daughter, particularly the two of us who are so close. Because she knows how I think and I know how she thinks, so before the sentence is finished, either she jumps in or I jump in, and that’s not good.” She continues, “So we try to maintain a slightly distanced work relationship – she works for my CEO; she doesn’t work for me. It’s difficult to completely shed your role as a parent, so it’s best to go through an intermediary.”

Poon rejoined the family business four years ago – she previously worked there for a year and a half, directly after graduating from university. Taking control of PYE, Poon has re-engineered the brand, stripping it down

**GET SHIRTY**  
Mother and daughter clown around in shirts by PYE





to its essence as a detail-driven purveyor of high-quality shirts for the savvy modern man. Poon has enjoyed, she says, a large amount of freedom in her role, and credits Yang with allowing her the space to flourish. “She definitely wants more people to step up to things,” says Poon of Yang. “When she gets on something, it’s pretty scary to go against that. As long as you’re willing to be responsible for it, she’ll let you change it. But if it falls apart and dies, then you’re responsible.”

Yang, who was awarded the prestigious Gold Bauhinia Star earlier this year, says she has become more open to taking chances than ever before. “I am now becoming more reckless, because I know my team will anchor me,” she says. “So my risk appetite is becoming bigger and bigger. I’m probably now the biggest, most reckless risk-taker in the company. [Dee] is probably more conservative than I am because she also has to deliver.”

Away from work, the pair are, they say, very close. “We all live together in the same apartment building,” says Poon. “Everyone in my family, including my aunt and my grandma, are always running up and down in their pyjamas at night. We’re a very close family. And there’s no pomp and circumstance at all. My mother and grandmother will show up to dinner in their robes. That’s just the way it’s always been. I don’t think I would be [in Hong Kong] if there wasn’t family here. I need to be close to my family. I think I’m one of those types of people. They talk about the chopstick test, you know, how far up you hold your chopsticks. I

tend to hold mine pretty far down.”

As two successful businesswomen of different generations, the pair offer a fascinating insight into the question of gender disparity. Perhaps surprisingly, both reckon it is more difficult for women to succeed in business today than it was a generation ago.

“I was on the Gillette board when I was 45, because they were looking for women,” says Yang. “I was accepted into Harvard Business School partly because I was a woman. Everything was in my favour. But today, I don’t think women have as much in their favour. On the other hand, they carry as much burden as the boys. They didn’t expect me to make anything of my career. Today, the girls, they expect you to be beautiful as well as really successful – and also take care of your family and take care of your children. Never has there been so many well-educated women, but there’s also a lot of balancing society needs to do. So I take my hat off to young women today.”

Poon agrees. “If you just look at the arena of business and pretend that it exists in a black hole, I would guess that it’s a little bit harder – but it’s not that much harder. Because society in general is relatively open to women going up the corporate ladder. But life is not just a business vacuum. ‘Aren’t you ever going to get married? Don’t you want to have children?’ There’s only 24 hours in the day, so you actually have to decide, well, what am I going to prioritise? You can’t have it all.”

At present, it seems that Poon, Yang and Esquel have got their priorities just right. **T**

## A BIGGER SLICE OF THE PYE

**RETURNING TO** the family business at the age of 26, Dee Poon soon set about transforming the company’s “outdated” retail arm, PYE, into a brand for the 21st century.

**“WHEN I** first joined, what I wanted to do was take everything back and really refocus on product,” Poon says, explaining that she pared the collection to the bone so that she could focus on relaunching one item at a time. First came the dress shirts, then casual shirts, both incorporating a meticulous eye for detail and a comprehensive array of personalised options. The brand has since collaborated with Cathay Pacific to produce PYE pyjamas for the airline’s first-class passengers, and in the pipeline are ranges of polo shirts,

underwear and even school uniforms. With four stores on the mainland and one in Hong Kong, at Pacific Place, PYE has further plans for expansion and collaboration on the drawing board.

**POON IS** deeply involved in all aspects of the design process, from choosing colours and concepts down to the finer details of products. She also takes pride in the company’s environmentally aware production methods, from water- and energy-saving measures to a system of checks and balances designed to reduce the amount of pollutants that are produced.

**“WE NEED** brands that engage people in positive ways,” says Poon. “Our biggest asset is our supply

chain, and that we have this type of thinking that people can share in.” The men PYE caters for, she says, are confident, educated and appreciative of quality and details. “It’s not just some guy who dresses to be dressed,” Poon says. “It’s somebody who actually has to do a lot of things. He’s active, he’s working, and he’s contributing to the world. We make clothes for people who have better things to think about.”

**THE BRAND** has a long-term vision, Poon says, and she is currently figuring out the steps needed to get there. That vision? “To sell a lot of shirts,” she says. “And to create something that’s intelligent. I want to show people the decision-making and the value judgments we make every single day.”

STYLING: JUSTINE LEE; MAKE-UP: ALICE SO FOR KIM ROBINSON BEAUTY; FURNITURE: OVO HOME

