



A RIGHT ROYAL WEAVER

THE ACQUISITION OF A COMMERCIAL CARPET BUSINESS FROM TAI PING CARPETS INTERNATIONAL LTD IN SEPTEMBER 2017 IS PAVING THE WAY FOR TCM CORPORATION PLC TO BECOME ONE OF THE WORLD'S LEADING CARPET MANUFACTURERS AND DISTRIBUTORS UNDER THE ROYAL THAI BRAND.

THE BRAND CONSISTS OF AXMINSTER AND AXMINSTER TILE FOR SALE TO BIG PROJECTS SUCH AS HOTELS, CASINOS, CONVENTION CENTRES, AUDITORIUMS AND CRUISE LINERS, AS WELL AS HAND TUFTED CARPET FOR ROYAL PALACE, WHICH ARE DESIGNED AND CUSTOMIZED TO THE

UNIQUE VISION OF ITS CLIENTELE.

AND WHILE TRADITIONAL CRAFTSMANSHIP AND THOUGHTFUL DESIGN ARE CORNERSTONES OF THE BUSINESS, THE BRAND'S LONG-TERM SUCCESS ALSO DEPENDS ON CONTINUAL REVITALIZATION AND REINVENTION.

BILL JAMES PALMER AND MARK JOHNSON, CO-CEOS FOR FLOORING BUSINESS TALK ABOUT THE BRAND'S FUTURE GROWTH, ITS PLACE IN THE GLOBAL CARPET INDUSTRY, AND EFFORTS TO KEEP UP WITH A CHANGING MARKET WHILE MAINTAINING TRADITIONAL COMPANY VALUES.



Mark Johnson
Co-CEO
Royal Thai

Pimol Srivikorn
Chairman
TCM Corporation PLC

Bill Palmer
Co-CEO
Royal Thai

HOW LONG HAVE YOU BEEN IN THE FLOORING INDUSTRY?

Bill: Since 1986.

Mark: I've been in this industry since 1980.

WHY HAVE YOU CHANGED THE NAME FROM 1956 BY TAI PING TO ROYAL THAI?

Bill: Part of the contract that was signed with Tai Ping was to give the name, Tai Ping, back to them. And as we already traded outside Thailand as Royal Thai we decided to use this in Thailand.

WHO IS TCM CORPORATION?

Bill: They are our largest shareholder. They own several other business in the furniture industry and automotive too.

WHAT ARE THE BENEFITS TO YOUR CUSTOMERS AFTER THE ACQUISITION? DO THEY STILL RECEIVE THE SAME LEVEL OF QUALITY AND SERVICE?

Mark: A couple of key benefits are that we are the largest supplier of Axminster in the hospitality industry. By combining both factories we have a lot of added capacity that we can direct towards even better lead time and delivery schedule for our customers. This deal involves commercial grade

products. Our focus is in the commercial industry and we want to be the best in this industry! The only thing that will change is that we will get better, quicker and stronger!!! And our customers will like us that much more.

HOW WOULD YOU DESCRIBE ROYAL THAI IN THE FLOORING BUSINESS?

Bill: Simply, floor covering with confidence. We are the go-to company when you need high-end floor coverings for your hospitality projects.

IN TERM OF COLLECTION DEVELOPMENT, DO YOU STILL HAVE DESIGN COLLABORATIONS WITH A VARIETY OF ARTISTS?

Bill: Yes, this is something we started in the hospitality industry and will carry over to Royal Thai. We will continue to push the envelope on design and not use the same people for ideas. We have found that by using people from different industries we get a much more innovative look that our customers love.

WHY DO YOU THINK YOU ARE THE BEST IN THE WORLD HOSPITALITY MARKET? WHAT ARE YOUR CORE BUSINESS COMPETENCIES?

Bill: This is simple; Design Design Design. We are always going to be focused on design in everything

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BILL PALMER, CO-CEO ROYAL THAI



we do!! This could be in photography of projects, new apps for phones, or carpet designs created outside the “industry”. Our goal is to be different from our competition and have our customers always want to see what Royal Thai is doing with design.

WHAT IS YOUR BIGGEST PROJECT OR THE MOST SUCCESSFUL PROJECT THAT ROYAL THAI IS PROUD OF? ANY DIFFICULTIES OR CHALLENGES?

Bill: We were recently awarded the Hong Kong airport for over 80,000 sq meters. We are very proud of this as it is not our typical hotel.

Mark: The Hong Kong International Airport at Chek Lap Kok started operations in 1997 after the handover of Hong Kong from the British government back to China. When it was first built most of the materials were specified under foreign products under the British Standards. After 10 years with repeat orders to most British companies, the authority has decided to open up for the local Hong Kong, China, and overseas companies to join the tender.

Bill: For the 2017 carpet tender for Terminal 1 (85,000 sq.m.), we differentiate ourselves by using our Thailand manufacturing facilities with faster lead-time than European manufacturers, and higher quality standards compared to China manufacturers. Moreover, with our strong history and local support in Hong Kong, we are perceived as a company with quality products and services.

Recently we have also supplied the carpets and services to many prestige hospitality projects such as Peninsula Bangkok Hotel 2.18 million USD and Marriott Marquis Hotel 0.75 million USD.

HAS ROYAL THAI ALWAYS BEEN AN ADVOCATE FOR SUSTAINABILITY? WHAT ARE YOUR SUCCESS STORIES IN TERM OF GREEN ACHIEVEMENT?

Mark: Royal Thai carpets are certified under NSF/ANSI 140. It is the industry-leading standard for sustainability evaluation and certification of carpet products across their entire life cycle. The standard provides a market-based definition for a path to sustainable carpet, through performance requirements for public health and environment and to address the triple bottom line, economic-environmental-social,

throughout the supply chain. We remain one of very few carpet companies (currently 10 manufacturers only) to have been certified by NSF.

Over the past 20 years, we have been awarded several green certificates and quality marks, including IMO, Green Label Plus, NSF sustainability, CE, and Carbon Footprint. In addition, we have obtained ISO9001, ISO14001 and ISO50001 for Energy Management System. We operate a green procurement policy and comply with all relevant regulatory requirements, including REACH, OEKOTEX and EPEAT.

ARE THERE ANY PARTICULAR TRENDS OR MARKET NEED THAT YOU SEE IS EMERGING IN THE FLOORING BUSINESS? HOW IS ROYAL THAI REACTING TO MEET THOSE EXPECTATIONS FROM THE ARCHITECT AND DESIGNER COMMUNITY?

Bill: The trends all seem to be moving to bigger scale designs. More muted colours for ballrooms and needing ideas fast. At Royal Thai we have created Look Books and Capsule collections that designers can go online and review. We take the latest in fashion, design and put together products we have that coordinate. This system is helping the designer by choosing a starting point, in design, for their projects faster. Once we have a starting point, we are off and running to service them with our over 50 designers worldwide!

HOW HAVE DIGITAL TECHNOLOGY AND INNOVATION HELPED THE COMPANY’S HOSPITALITY BUSINESS AND BENEFITED THE CUSTOMERS?

Bill: To most designers and owners, time is money. What we have been able to do is provide our customers a must faster way to see their carpets in their actual floor plans, to scale, so that a decision on pattern and colour is made that much faster. They are actually seeing their carpet in their plans to scale so they have a good idea of what the finished product is going to look like in their building.

DO YOU HAVE ANY CHALLENGES WORKING WITH A MULTI-CULTURAL TEAM FROM EAST TO WEST?

Bill: Our teams are the best communicators in the



industry. In today’s world, we have so many projects that are designed in the West and purchased in the East or vice versa. We learned long ago that we have to be the best communicators in order to assure customer expectations for custom carpet are met. I am proud to say that our teams have met this challenge and succeeded.

WHAT DO YOU WANT ROYAL THAI TO ACCOMPLISH IN THE NEXT FEW YEARS? HOW WOULD IT BE NEXT UNDER THE CO-CEO?

Bill: We want to continue to grow our business and our brand. Our goal is to have Royal Thai as the best brand in the hospitality industry, not just flooring! We want all of our customers to want to use Royal Thai because of our service, design and manufacturing! If we do these things correct we will grow our business.

ANY INVESTMENT PLAN OR IMPROVEMENT IN THE FUTURE?

Mark: We have a lot of investment plans and improvements, but we aren’t going to tell you and give our competition any insight to our future!!!

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MARK JOHNSON, CO-CEO ROYAL THAI

