

# A BRAZILIAN RISING STAR HAVAN, A COMPANY AHEAD OF ITS TIME



Luciano Hang at the inauguration of the Itaquaquecetuba shop, in São Paulo.

Trailblazing, innovation and commitment are the foundations of Havan's success – a Brazilian department store described as 'a modern company ahead of its time'. Havan's story begins in 1986. At the age of 24, entrepreneur Luciano Hang realized that the town of Brusque, deep in the state of Santa Catarina, was enjoying an economic boom driven by tourists who liked to shop. With his partner, Vanderlei de Limas, he opened a small fabric store. They came up with the brand, Havan, by combining the Ha from Hang and the Van from Vanderlei.

Three years after opening, their 45m<sup>2</sup> store couldn't keep up with the huge customer demand or accommodate its rapidly expanding product range. They moved to a larger building which, to this day, houses the company's head office. In the early 1990s, on a trip to South Korea, Luciano spotted a new market opportunity. Taking advantage of new import regulations on foreign products and to meet Brazil's retail needs, he imported in-bulk, fabrics and low-priced items. Havan, who opened a store in 1986 with a single employee, has now grown into a company with 12,000 employees in branches all over Brazil; demonstrating its continued expansion.

Our story is built on the dedication and commitment of every employee. People who see Havan as a home from home and who go above and beyond the call of duty in order to delight their customers.



Havan footprint in Brazil

## Impressive figures

Annually, Havan welcomes over 100 million customers; they come to browse more than 100,000 national and imported products – from clothing, appliances, toys and baby/childcare products to technology, tools, household goods and decorations. It is Brazil's one-stop shop. Recently, it started a new business line – the Havan Viagens travel agency – offering customers even more products and services. Such freedom of consumer choice is represented by the Statue of Liberty which sits outside its stores and has become a symbol for the Havan brand.

After more than 30 years of trading, Havan has more than 100 stores, giving it a presence in 15 Brazilian states.

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People who see Havan as a home from home and who go above and beyond the call of duty in order to delight their customers. It is this set of attributes — our people, spirit of adventure and courage — that enables Havan to be an amazing retailer,” says group chairman, Luciano Hang.

## A successful partnership with MDS

The relationship between MDS Brazil and Havan is a time-honoured one. As the number of stores increased, Hang looked for other ways to optimize business potential. His innovative spirit has been instrumental to the brand's success; always anticipating market demands and introducing new products and services to clients.

Today, Havan stores, in addition to their 100,000 strong extensive product range, offer other services, such as insurance packages for Extended Warranty, Financial Protection and more recently, Multi-Insurance. Havan's close relationship with MDS means all work as a team, promoting, running and managing joint campaigns and in-store workshops in nearly every company outlet and working together to monitor results.

The partnership with MDS has continually improved Havan's results, with a remarkable 191% growth in affinity service sales in the past year.

The service sector now represents a substantial part of the Havan Group's income, making it a significant contributor to the bottom line.

## Social responsibility

Since its inception, Havan has embraced social responsibility, viewing 'giving something back to society' as an important part of its activity. Among Havan's several environmental and community support initiatives (particularly social, cultural and sports-related projects) is *Troco Solidário* (Solidary Penny), where customers are invited to donate the change from their purchases. Launched in 2010, the initiative has raised more than R\$18 million which has been donated to charities wherever Havan operates.

It also supports the training and professional development of younger people through *Programa Menor Aprendiz* (Young Apprentice Project) and *Projeto Pescar* (The Fishing Project).

Menor Aprendiz, a youth apprenticeship programme, is developed through partnership with the National Service

for Professional Apprenticeships (SENAC). Havan trains young people aged 14-24, via internships in a variety of company departments, giving them marketable skills. In seven years, 1863 young people started their careers with Havan as interns and the company currently employs 336 of them.

*Programa Entra 21*, something Havan also supports, follows a similar employment format. It empowers 300-plus young people from poorer backgrounds to engage with the technology sector. Not only does Havan support the project with a monthly financial investment, but it also invites some trainees to join the company. *Programa Entra 21* is funded by Santa Catarina's state government and the City Council of Blumenau and is also supported by local businesses who commit to employing some of the young people trained by this programme.

## Havan's future

Havan's expansion plan includes the opening of 100 more mega-stores by 2022. "Over the next five years, we'll do what it took us 31 years to accomplish. We expect in 2022 to have 25,000 direct employees and 100,000 contractors, and we're going to open in new states and new cities," says Luciano.

He concludes: "We're confident about the future and are motivated to focus our energies on the coming years and commit to investments we've currently overlooked. We've witnessed changes in consumer expenditure, there's more growth, and this increasing consumer confidence reflects the country's economic trends."

Luciano Hang's vision for the future goes beyond giving customers what they need – it's to offer services and solutions that innovate and amaze. •



Havan store in Barra Velha, Santa Catarina state