

## Chapter 1

# Accessories For Success

**I**t's more fad-driven than possibly any other industry. It's extremely fickle, changing with the seasons and dramatically reflecting both the upswings and downturns of the economy. But it's this unpredictability that makes the \$300 billion fashion industry one of the most fascinating and exciting around.

Considering the monetary value of the industry, it's not surprising that there are so many opportunities for creative people interested in forging a career in the field. The industry employs everyone from fashion designers and pattern makers to sewing machine operators and textile stylists, as well as a whole raft of people in ancillary professions, including fashion models, editors and writers; advertising copywriters and publicists; educators—and, of course, the people who sell these items to their adoring public.

In fact, one could argue that boutique owners, visual merchandisers, department store buyers and other retail industry professionals are just as influential in the fashion industry equation as the designers themselves. They make merchandising decisions that collectively can make or break a product line. They promote young designers through in-store advertising and promotional sales. They also help build brand loyalty by featuring established favorites, which is an increasingly important function in these days of retail-allegiance shifts among some of the world's best-known designers.

### ALL THAT GLITTERS

Fashion accessories command 10 percent of the overall fashion market, or \$30 billion, according to the Accessories Council, an organization dedicated to raising awareness of and demand for fashion accessories. Fashion accessories include everything from footwear and handbags to jewelry and watches, gloves and scarves, hats and headbands, belts and ties, wraps and anything else people use to polish their look and create their own style.

This book provides the advice and background you need to start a hip and trendy fashion accessories business. The businesses featured in this book are grouped into three categories: handcrafted jewelry; handbags and tote bags; and belts, scarves and hats. But it's not unusual in this industry to find accessories businesses that carry a mix of products, particularly when they're sold in a brick-and-mortar or virtual store. However, because it's hard work launching a new business and because product categories have their own unique characteristics, demands and sources, it's really recommended that you initially focus on a single product line. As you become more familiar with business operations like production,

### Stat Fact

**Although there are no statistics available on the number of fashion accessories designers working in the United States today, the U.S. Department of Labor's Occupational Outlook Handbook, 2008-09 Edition estimates that fashion designers hold about 20,000 jobs. About 24 percent of these designers are self-employed.**



inventory management and sales, you can entertain the idea of expanding and cross-marketing your product line.

While this book covers advice on how to start a brick-and-mortar retail operation, it's recommended at this stage of your fashion career that you start your business as a home-based virtual or wholesale operation. When you're trying to adjust to a new career with its unfamiliar demands, it's important to keep things as simple as possible, and running a retail store, overseeing employees and managing vast inventories while still trying to have a personal life is a tall order.

There's another important reason to start as a homebased business: You can get underway with a fairly low investment of capital. Since low and unpredictable cash flow are major challenges faced by new business owners, challenges that have been known to sink even the most intrepid entrepreneur, keeping your expenses as low as possible improves your chances of success.

### ENTRÉE TO THE INDUSTRY

No matter where you physically hang your hat, there are several different types of *chapeaus* you can wear as a new fashion business owner. For instance, you can operate as a wholesaler, buying accessories at wholesale cost and selling them directly to retailers, either by calling on them to show your merchandise, using a sales representative to hawk your wares for you, or selling to them through an online store. Target markets for wholesalers include retail stores of all sizes, including department stores, boutiques and gift stores; industry trade shows (where retail buyers congregate en masse to do their buying for stores); retail stores that take product on consignment; home shopping cable TV networks like QVC and HSN; and even other online accessories retailers like BagBorrowandSteal.com, which is a website that rents high-end handbags to fashion-forward customers by the week or the month. (If you've never seen this website before, go there now—you'll wish you'd thought of this brilliant sales strategy first.)

If you prefer the retail side of the business, you have plenty of sales options, too, but you'll personally be doing the selling. Among the places you can sell fashion accessories are craft shows and malls, street festivals and vendor carts; the aforementioned retail stores, which can be brick-and-mortar or virtual; trunk shows

(held at your own store or someone else's); home parties; and even eBay, either through auction sales or in an eBay store.

Of course, there's one more important decision you have to make before you jump into the business: You need to decide whether you prefer to sell custom accessories designed and manufactured either by yourself or someone you hire, or whether you'll buy them at wholesale prices and resell them. If you're creative, being a designer truly is an exciting way to make a living in this industry. But the manufacturing part of the equation isn't at all creative and in fact can be not only expensive but also downright frustrating, with its rigid schedules, production delays,

## On The Block

**You might not think that an online auction website like eBay could be** the springboard to success as a fashion accessories designer/seller. But don't overlook this easy-to-use and reasonably priced resource when planning your business development strategy—there are eBay millionaires among us who started out exactly as you are starting today: with little more than a dream and a limited budget.

What makes eBay such a remarkable marketplace is its breadth and reach. "Everyone is the market on eBay—there is no single demographic to describe it," says Jim "Griff" Griffith, dean of eBay Education. "Your customers are men and women. They're young and old. They live in every country around the world and they come from all economic backgrounds. So you don't have to worry about demographics as long as you use the right keywords and item specifics to describe your item."

The good news is eBay has tutorials and other tools to help you pick those keywords and write the best possible listing. That's critical because there are *a lot* of listings on eBay: When this book was written, there were 2.4 million listings in the clothing, shoes and accessories category alone, and 1.2 million listings in the jewelry and watches category.

Rather than discouraging you, those numbers should energize you. There obviously is a big market for fashion accessories on eBay if the numbers are any indication. So go to ebay.com and take the site for a spin. Try listing a few accessories or opening an eBay store. You never know—eBay could be your ticket to worldwide sales and success.

For more information on how to start your own business on eBay, check out Entrepreneur's startup guide No. 1824, *eBay Business*.

### Smart Tip

*When marketing fashion accessories online, don't forget to target some of your efforts toward men because according to research by Unity Marketing, they spend the most on luxury fashion items. During the three-month period studied, men spent an average of \$2,401 online on fashion items, while women spent \$1,527.*



and shipping issues. In addition, many of the most affordable manufacturing facilities are located overseas, typically in the Far East, which means you could encounter language barriers, time zone issues, etc. If all you want to do is create and sell, you may want to skip the manufacturing headaches and stick to custom-designed pieces.

Before you jump into anything, think carefully about your options. Do you enjoy direct customer contact? Then wholesaling to retail customers could be the right career path for you. You might also enjoy selling at street fairs and craft shows, or through

home parties. If you're a designer, you'll need good social skills because the onus will be on you to promote your own collection. But if you're more reserved, then an online store could be a better option, assuming you have good organizational and time management skills.

## PROSPECTIVE CLIENTS

As you can see, there are quite a few places where you can sell accessories. Knowing that, you probably can tell that your clientele will fall roughly into three categories:

▲ **Craft show/street fair customers:** A lot of fashion accessories entrepreneurs and designers wisely start out selling at these local shows as a way to gauge the interest people have in their products. Because the cost to exhibit at such shows is generally quite low, they're good places to meet people, get feedback on your products and prices, and sell some accessories at the same time. But don't let the homespun image of such shows fool you—retail buyers have been known to prowl through the bigger shows, as one of the entrepreneurs interviewed for this book learned firsthand. The result of that casual contact was a huge jewelry order for a nationally known retail chain store that essentially launched her fashion accessories career.

You'll hear more about her in a later chapter. In the meantime, you do need to be aware that for every career-making opportunity that comes along, you'll probably meet a hundred or a thousand looky-loos. But these kinds of grassroots sales venues still are good places to start to build a loyal clientele while developing essential selling skills. The key to success is to choose the right shows in which to participate. We'll give you some pointers on how to do that later.

▲ **Wholesale customers:** Anyone who buys your products and resells them at retail

prices falls into this category. A retail buyer for a large department chain is a typical wholesale customer, as are the retail buyers who trawl for new and exciting products at industry trade shows. So are the mom-and-pop boutique owners you'll be calling on when you do a grand selling tour. In addition to making personal sales calls on these folks, you can sell to wholesale customers virtually through a website. You just have to make sure the person who contacts you is a genuine wholesale customer and not a retail consumer in disguise.

▲ **Retail customers:** These are the people who will buy directly from you in a brick-and-mortar store or through your website. Home parties and eBay are also good sources of retail customers. However, a lot of people who sell fashion accessories for a living say it's better to leave the retailing to the department store chains and boutiques because it's too hard to make a living on onesie-twosie sales unless the price point of the merchandise is extremely high, as it would be if you're selling fine jewelry or designer handbags. Still, selling at retail prices gives you the same kind of insight that going to a craft show yields—albeit at a much higher cost if you're operating out of a brick-and-mortar retail space. This is not to discourage you from retailing if you're a born merchant. But you'll find there are significant challenges that are easy to overlook when you're excited about launching a new business venture.

### ***Beware!***

***You should never, ever sell fashion accessories at wholesale prices directly to the general public, even if you need to liquidate stock or clear out last season's merchandise—even if your friends and family beg. You'll never make any money that way, plus you'll devalue your merchandise in the eyes of your true wholesale customers.***



## **THROUGH THE AGES**

Before we delve into the full slate of activities required to launch a fashion accessories business, it's helpful to have some background on exactly how today's love affair with fashion accessories began. It's pretty safe to assume that as long as women have walked the earth, there has been an interest in fashion. While early written records don't exist about what women wore to adorn themselves, there certainly are many extant artifacts and a lot of pictorial evidence to prove that women—and men, for that matter—have always been fashion forward.

### **Jewelry And Belts**

It's believed that the origins of mankind's interest in clothing dates back to around 10,000 BC. Archeologists have found evidence that the needle and the

loom were invented around that time, but it wasn't until the Neolithic period (6,000 BC) that humans began to make jewelry, which could be considered the world's first fashion accessories.

Fast-forward 3,000 years. It's well documented that the ancient Egyptians loved cosmetics, fashion and jewelry, including necklaces, rings, bracelets and anklets. In fact, Egyptians of all social classes wore jewelry, though of course the ornaments worn by the pharaoh and other members of the elite were costlier and more ornate than those of the lower classes and the peasantry. One reason why jewelry was so popular was because it was believed to have magical powers that offered the wearer spiritual protection or good luck. Tomb paintings also depict Egyptians

wearing sashes over simple, pleated kilt-like garments for men or long linen tunics for women, while starting at the age of puberty children wore hair ornaments and miniature versions of the jewelry their parents wore.

The ancient Romans were also mad for accessories. In particular, upper-class Roman women complemented their attire with highly decorated and costly necklaces, armbands, breast chains, brooches and even hairnets made of gold.

Over time, ornamentation became even more lavish. In the Middle Ages (around 453 to 1450 AD), belts were considered a symbol of wealth and

high fashion among noblewomen and often were made of gold-studded leather or plaques of gold that were hinged or sewn to fabric to create elaborately embellished girdles (as belts or sashes used to be called). Women also wore circlets in their hair, as well as bejeweled mantel (cloak) fastenings, brooches and rings.

### Stat Fact

**The world leaders in the high-end fashion accessories industry are the LVMH Group, which includes Moët Hennessy and Louis Vuitton SA; and PPR SA, owner of Gucci and Yves Saint Laurent. On the jewelry side, Tiffany & Co., Cie, and Bulgari are the world's top three jewelers by revenue.**



### Hats And Scarves

Head coverings probably have been worn since the dawn of mankind, but it wasn't until the late 1700s that hats were designed just for women. (Previously, their headwear was influenced by men's styles.) Women's hats first appeared in Milan around 1529, giving rise to the term "milliner" for hat makers. Those *chapeaus* were made of straw and festooned with ribbons. Italian- and Swiss-made straws remained popular until the mid 1800s, when hat makers began using velvet and tulle in their designs.

During the first half of the 19th century, very large bonnets replaced straws and were decorated elaborately with ribbons, flowers and feathers. By the end of the century, however, wide-brimmed hats with flat crowns as well as the toque, a small, brimless hat, caught the fancy of fashionable women. Hats remained popular through the 1950s, when the arrival of ready-to-wear clothing essentially put a lid on the millinery industry. In addition, the stiff, teased hairstyles of the '60s; long, straight styles of the '70s; and wildly tousled hair of the '80s pretty much killed any remaining interest in hats as a fashion accessory.

But there was one place where hats were still popular: the American South, where women continued the Kentucky Derby tradition of donning large and elaborate hats for the festivities. It wasn't until Diana, the Princess of Wales, began to wear hats as a fashion item in the 1990s that widespread interest in fanciful head coverings was revived.

Scarves also have a long history, pun intended, dating back at least as far as ancient Rome. Back then, they were linen cloths called *sudarium* (Latin for "sweat cloth") that were sported by men, who wore them to wipe their faces. Eventually they started knotting longer ones at the waist or wearing them around the neck as a fashion accessory. In addition, Chinese warriors began wearing cloth scarves into battle in the second century BC as a way to indicate rank.

Around the 17th century, the French adopted the custom of wearing a neck scarf—ironically enough—from Croatian mercenaries, and renamed the accessory the *cravat*. They remained the trendsetters, and in fact it was a Frenchman, Thierry Hermès, who in the 1930s created what is probably the world's most famous scarf. Today, scarves are worn as symbols of religious piety in the Middle East, as sashes and belts, as bright splashes of color over coats, and of course at the throat as protection against the elements.

## **Handbags**

Handbags have undergone a tremendous metamorphosis over time as well. They, too, have been part of everyday society for millennia, although what we now call a handbag was little more than a sack as recently as 200 years ago. But we do know that prehistoric people used medicine bags, and fashionable Egyptians were depicted in hieroglyphics with pouches slung around their waists.

The immediate precursor of the modern handbag was known as a *reticule* and debuted as a new fashion accessory during the Regency era of the late 1790s. Previously women carried personal items in "pockets," which were actually cloth bags tied at the waist and worn under the outermost layer of clothing. One of the items they carried in their pockets was a "pocketbook," which was shaped like today's envelope bag and held useful items like thimbles, buttons and household papers.

The reticules (or "outside pockets") of the late 18th century were actually more like today's evening bag, and often were made drawstring-style with long strings,

### Fun Fact

*Like women, men carried pocket-books from about 1740 to 1780, although theirs were generally filled with important papers, coins and currency, and were made of leather. Women's pocketbooks were often made of linen, wool or silk, finished with binding tape, and closed with a metal clasp. Pocket-books were such important accessories that they often were willed to deserving descendents.*



ribbons and feathers. They became popular because women began to adopt the neoclassical style of dress, which had a slimmer silhouette that, of course, would be ruined by bulging pockets worn under skirts. For the first time women also began to carry different bags to match their dresses.

By the 1820s reticules had morphed into something more like today's handbag and for the first time were made of leather with decorative embellishments, like buckles. In the early 1900s, the term "handbag" was coined, and these bags gained prominence as a symbol of a woman's inde-

pendence since they allowed her to carry whatever she needed wherever she went, rather than relying on a man to do the honors for her.

The mother of today's designer "status bags" is considered to be Coco Chanel, who in 1955 designed the seminal "2.55," a quilted handbag with a chain strap that in 21st century manifestations is still considered a must-have by fashionable women.

Handbags are reinvented about every 10 years. For example, clutch bags were introduced around 1930, only to be replaced by shoulder bags during World War II. Today's to-die-for styles are oversized, made of luxurious materials, and have shorter handles and striking hardware. They may be today's most important fashion accessory because they allow women to add a dash of designer style to their look without spending a fortune.

### EARNINGS POTENTIAL

Speaking of fortunes, there's a lot of money to be made as a fashion accessories tycoon. However, as with any kind of business startup, you'll have a learning curve, and you could find yourself faced with lean times in the early years of your business. We recommend that you start your business as a part-time venture to learn the fashion ropes. At the very least, it helps to have someone else—a spouse, significant other or even a parent, depending on your age—who can cover things like the

### Stat Fact

*According to Allure magazine, the average American woman owns 10 handbags.*



mortgage, groceries, car payments and health insurance while you set yourself up for success.

Having said that, however, it's important to note that people do make money in this industry. Although statistics don't exist concerning the income potential of fashion accessories entrepreneurs, according to the U.S. Department of Labor's *Occupational Outlook Handbook, 2008-09 Edition*, the median annual earning for salaried fashion designers was \$62,610. However, the book goes on to say that some of "the most successful self-employed fashion designers may earn many times the salary of the highest paid salaried designers." Another information source, Education-Portal.com, says that the earnings potential for a successful accessories designer is well over \$100,000.

Here's another way to approach the earnings conundrum. The website Payscale.com says that the median salary for a retail store manager with less than one year experience is \$32,412, while the *Occupational Outlook Handbook* pegs the wage of general and operations managers in clothing and clothing accessories stores at \$27.16 per hour, or \$56,493 per year, based on a 40-hour workweek.

These figures will at least give you an idea of what you might be able to earn. The rest is up to you.

### Fun Fact

**At Neiman Marcus, where the average handbag sells for \$1,200, buyers snapped up a special limited edition Chanel handbag crafted for the store's 100th anniversary in 2007. The price tag was \$25,000—and the 25 bags sold out before you could say "Coco Chanel!"**



## MEET THE ENTREPRENEURS

In the chapters that follow, you'll learn everything you need to know to lay the groundwork for the launch of your new fashion accessories business. But also included throughout the book are the insights and views of a number of experienced fashion accessories business owners who generously shared their knowledge about their own operations. This is firsthand insight you'll find useful now, when you start making business decisions, as well as later, when you are looking for new ideas or inspiration. The entrepreneurs you'll hear from include:

▲ **Ruta Fox, president and founder of Divine Diamonds, New York City:** Fox is the creator of the Ah Ring, a diamond and white gold ring designed for and targeted to single women. She has 15 years of writing experience in the advertising, branding, marketing and public relations industries, and has been published in magazines like *Vanity Fair*, *Health*, *Seventeen* and *US Magazine*. She became a jewelry entrepreneur pretty much by accident in 2001 after she started wearing a small diamond pinkie

ring she bought for herself and was inundated with requests from her friends for a similar ring. Concurrently her doctor advised her to find something to do besides sitting at a computer writing all day, so she started selling the Ah (which stands for “available” and “happy”) ring as a way to make money while looking for a new career.

▲ **Reagan Hardy and Emmie Howard, co-owners of Southern Proper in Atlanta:** These two Southern belles unabashedly admit that they have always loved two things: Southern men and fashion. These loves became the impetus for founding a business that manufactures and sells a “Southern preppy” brand of men’s furnishings, including neckties and bowties, formalwear sets, “drawls” (aka boxer shorts),

## Do You Have What It Takes?

**Being the owner of a small business usually sounds like a dream job to most people.** After all, you’re captain of your own ship. You can make decisions without a snarling boss breathing down your neck, and you can work as little or as much as you wish.

Oh, wait—scratch that last one. When you’re self-employed, you may find yourself working morning, noon and night...and on weekends and holidays and during vacations. The reality is, when you’re a Lone Ranger you do whatever it takes to keep the business going and the bills paid.

But running a business takes more than just dogged commitment and time. You also must:

▲ **Be disciplined.** That means ignoring the call of your tennis racket on a warm summer day or the pleas of your children to go skating on a frosty winter day. It also means sticking to a schedule and finishing projects no matter what else goes undone.

▲ **Be a self-motivated self-starter.** Entrepreneurs—especially those who are home-based—must play well alone. You won’t have co-workers with whom to chat over coffee or a secretary to do your photocopying or make runs to the post office. It’s all up to you.

▲ **Be prepared.** Do you have enough money set aside to pay your personal bills while you build the business? Business startups are notorious for being unprofitable for a few years, so you’ll need resources to survive.

▲ **Have a vision.** In the beginning, it’s best to start with a simple goal, like selling fashion jewelry online. But you need to have a plan. Will you move into manufacturing? Will you add hats to your scarf line? How soon? Entrepreneurs are always thinking—or scheming—about reaching the next level.

knit shirts, and hats and visors. They also recently started selling women's headbands and plan to expand their line of women's accessories in the near future.

Hardy holds a bachelor's degree in journalism and mass communication from the University of North Carolina, while Howard holds a bachelor's degree in business/marketing from Brenau University Women's College. Not surprisingly, Howard is Southern Proper's operations expert, while Hardy focuses on sales and marketing.

▲ **David Kulaas, owner of Kulisilk in Golden, Colorado:** Kulaas is a former Air Force fighter pilot who in 2005 parlayed an interest in nature photography into a wholesale silk scarf manufacturing company because he wanted something to do after retiring from a 35-year career as a stockbroker with Merrill Lynch. ("It keeps me out of the pool halls," he says.) He uses his own photos of Colorado wildflowers as inspiration for his designs, then has the scarves manufactured in China. His accessories are sold primarily in small boutiques in Martha's Vineyard; Seattle; Santa Monica, California; and Scottsdale, Arizona.

▲ **Brooke Sobel, owner of Sobella in San Francisco:** A graduate of the University of Southern California, Sobel is a former kindergarten teacher, public relations executive and recruiter. She entered the fashion accessories industry as a jewelry designer in 1999 following a trip to Costa Rica, where she was inspired by a woman she met there who was making jewelry and handbags. After designing jewelry for five years as well as a handbag with a removable handle that could be worn as a necklace, Sobel realized her true love was handbag design and began to pursue that line of business full time in 2004. Her collections, which she describes as both funky and chic, can be found at department stores and boutiques worldwide, including Bloomingdale's, Nordstrom, Takashimaya, Harvey Nichols and more.

▲ **Donna von Hoesslin, designer and owner of Betty Belts and Betty B. in Ventura, California:** A former Berlin socialite who was "at the top of the fashion scene," as she phrases it, von Hoesslin has had an eclectic life. During two decades in Europe, she worked jobs ranging from waitress to translator to fashion designer (with her own cut-and-sew business). After returning to Southern California, this avid surfer started her company in 2001 to produce unique, handmade belts, jewelry and accessories that are ocean-inspired, ethically made and sweatshop-free. She uses reclaimed and recycled components in her designs, which makes the pieces both sustainable and affordable. She also supports many different causes, including environmental groups, at-risk youth organizations, women's surfing, and the female artisans in Bali who so competently make her products.

▲ **Liza Sonia Wallach, owner of LIZASonia in Oakland, California:** This handcrafted jewelry designer founded her company in 2003. Born in Guadalajara, Mexico, Wallach has always considered herself an artist, although following graduation from the University of California Berkeley with a degree in psychology and biology, she held various executive-level positions, including COO of a privately

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held international company. During a two-year solo trip around the world, she finally explored her inner designer and launched her own business after returning home. Today her eye-catching designs are sold at Nordstrom and other fine stores.