



Part 1

Getting Your Stuff In Stores: Tips and tricks to sell your t-shirts

Interview with Jeff Thomson

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Joel	Hey, this is Joel from PSI Screenprinting's T-shirt Tycoons program, and we've got Jeff Thompson on the line with us. Hey Jeff.
Jeff	Hi Joel.
Joel	And he's going to tell us a bit today about getting your stuff in stores, making your t-shirt brand succeed, and how to approach the stores and all that sort of thing. He's had a lot of experience in the industry over 20-odd years, but I'll get him to tell you a little bit of information on his history. So Jeff, just tell us a little bit about what you've done, where you've been, your background and what you do now, and all that sort of stuff.
Jeff	Sure mate, will do. I was with Billabong in the US for 8 years. I helped set up Billabong on the east coast of the United States, from Maine to Florida, setting up all the salespeople and establishing account base for Billabong in that territory. I did that for 8 years, then I worked ... yeah, that was interesting times ... then I worked ...
Joel	How long ago was that?
Jeff	That was in '82 to '90, when surfwear was just starting to really get its act together and really started to be recognised as a viable market. After Billabong I went to Ripcurl for 2 years in Florida, and then I came back to Australia and took up a position as a New South Wales agent for Ripcurl for the next 12 years, from '94 till – oh what does that make it - 2006 and saw the business grow there. I did all different categories – I did clothing, accessories, wetsuits, watches, and sold into all the major retailers, and minor retailers in New South Wales, for that period. It started off as a one-man band, ended up with 5 reps and plus 2 sales support people and reception, etcetera, in Sydney. Ripcurl then went in-house, and I didn't want to work under that type of criteria, so I left Ripcurl then and actually left New South Wales and moved to Queensland and took up a position with Gildan Active Wear – or, with actually Superior Active Wear, who was distributor for Gildan in Australia – as their Queensland agent, and again started the market for Gildan in Queensland. I've seen it develop over the last 5 years into quite a successful brand. So that's putting it in a nutshell, mate – that's my 25-odd years in the industry.
Joel	Cool, so, basically, as for your time as a rep, it would basically involve – especially as the New South Wales rep for Ripcurl there – you'd be maintaining accounts in stores, selling all the new ranges into the stores, and maintaining relationships with the retailers and all of that sort of thing.

Jeff	Absolutely. That was the whole idea. We also had a showroom and we had retailers coming to us, but we also went on the road, and, you know, we were selling into the stores, in-store as well. It got to the point where the ranges were too big and we actually had to hire hotel rooms to show the ranges because you just could not take them into store. They were just too big.
Joel	Right, so you'd make a big event out of it, so you'd put on a big thing in a hotel and invite all the bigwigs there, and they'd come in and see what you had.
Jeff	Absolutely. And it's all about theatre as well, you know, it's all a show – you try to present your product in the best possible light and doing it in a professional way. You've got to show them the range and they're not to feel like they're wasting their time. But, you know, with an established brand like Ripcurl, it's not that difficult to do.
Joel	Yes, they've got all the advertising and marketing ...
Jeff	Yeah, I think they started in '73. They started off the same as any other new brand. They were just very clever about the way they did it, and they were very successful. Of course, timing is a lot, is very important in any industry, and their timing was impeccable, same as Billabong and same as Quiksilver. I mean – into the market was at the right time.
Joel	Yeah, cool. In saying that, what would you say are the most important criteria for the success of say, a new t-shirt label? So, you know, the guys who are in the T-shirt Tycoons program – they're either just starting out or they've had a few runs printed and they've got their t-shirts in a few stores, and they just want to take it to the next level. Where should their heads be at? What should they be looking to do to move it on that little bit?
Jeff	Well, first thing they really have to do is they have to have a unique selling point. It is a very competitive industry and unless your brand is offering something to the retailer that they don't already have, or don't need, or want, I mean you're just wasting your time. The other thing that's so important in trying to grow your brand (and this is probably a little dry and boring) ... but it's all about cash flow. As you grow, you will find that the monies you're paying out don't always come back as quickly as you like, so it's very, very important that cash flow is right up there with building the brand. And there you go.
Joel	That's one thing I've found in the industry – the processes for payment in the industry are very drawn out, like you'll often see stores, you're out selling

	<p>your t-shirts, and, you know, it's not uncommon to have 90-day accounts and things like that, which – exactly what you say – makes it very difficult for someone just starting out to get their stuff in stores, because, you know, they've got to pay upfront for screenprinters like us to print all their gear, and yet they're waiting 60, 90 days for payment from the retailers.</p>
Jeff	<p>Absolutely. And it's interesting – it seems to be the smaller the retailer, the less chance you have of being paid on time. The larger the retailer, I mean, there may be criteria that you have to follow, but, you know, they'll pay you, and you know you're going to get paid. But it's that gap between manufacturing the product, putting it in store, and then waiting for your payment – it really is a tough time for anybody trying to build a brand.</p>
Joel	<p>Ok. Have you worked out any strategies or techniques perhaps, for speeding up the payment process? I know the industry has its ways it does business, and it's very ingrained that it has that long period of credit before payment's due. Have you ever come across any techniques to shorten that period ... so for instance, offer a reduced wholesale price for someone who can pay within 14 days or something like that so they get a higher margin on the product or anything like that?</p>
Jeff	<p>You offer a discount for immediate payment, a COD payment, you offer another discount for 14 days payment and you offer a discount for 30 days.</p>
Joel	<p>Do you find people take those options up, or is cash flow for them a little bit more important than profit margin initially?</p>
Jeff	<p>Basically you're at the mercy of the retailer. It also depends on his priorities as to who he's going to pay first. Of course it's his established brands that get paid first and it's the young blokes who are coming in who get paid last. That's the name of the game, always has been, and always will be. There's not much you can do other than offer some incentives such as I said. There's one thing I would never consider ... and I may be jumping the gun here, and that's consignment. It may appear to be a simplistic way of getting products into the store but what it does – it gives no value to your brand. The retailer has no risk and therefore has no financial interest in seeing it work. I think it's a partnership between you and the retailer, and that he has to have some of the risk involved, and that means actually buying the product, and not just allowing him to give you some space in the store. It's an equal partnership.</p>
Joel	<p>I was going to lead into that in the next question, but you got there so that's cool. And just for those crew who don't know – I'm not sure where</p>

	<p>everyone's at – but consignment basically is where you take your gear to a retailer and they go, "Oh look, your stuff's good, but I probably can't buy it off you right now wholesale. What I'll do is I'll throw some on the shelf and I'll pay you as I sell it." That sort of set up. And that's where Jeff's saying it's probably not a great idea, even though it sounds good, like "Oh, I'm getting my stuff in there, and it's a foot in the door." It can just sit on the shelf forever, so that investment you've made in printing those shirts means, "Ok, I've paid for these shirts, but this guy doesn't want to pay for them now. He's just going to stick them on the shelf, and I know they're the best next thing so they're going to sell." But in reality they'll probably just collect dust on the shelf, because like Jeff said, he's got no skin in the game, there's no financial interest on him trying to sell those shirts or anything. That's what you're getting at, hey Jeff?</p>
Jeff	<p>Absolutely. You have to have confidence in your brand. You can go in there with confidence to the retailer, going, "No, I think this brand is good enough to sell, and I'm sorry, I just can't do that. I just can't do consignment." As I say, it's a simplistic way of possibly getting your product into the store, but it certainly does not mean it's going to sell.</p>
Joel	<p>So not even an option at a much higher price to the retailer, so if your wholesale price was say \$20 wholesale, is it not even worth it if you say, "Ok, I'll put them on consignment, but the price is going to go up to \$30 for a consignment piece"?</p>
Jeff	<p>I just know that in my experience with consignment stock over the years, there's no importance placed on it by a retailer. He's got so many other things going on in his head and your little consignment stock means nothing.</p>
Joel	<p>Ok. Cool. So you'd probably give it a miss unless it's say your uncle's store or something ...</p>
Jeff	<p>If you have a really good relationship with the retailer, in any form, well there's a possibility there, but just to walk into a retailer cold and offer consignment – I just, I've never seen it work.</p>
Joel	<p>Alright, cool. So let's move on to the next sort of thing, which is how do you go about finding potential stockists, how do you go about creating a database of people you're going to approach to try to get your stuff in the stores? What's the best way – do you just walk around your local area, do you try and scout out the yellow pages, can you buy a list from somewhere ...?</p>
Jeff	<p>First thing first, you really have to recognise your market. What are you</p>

	<p>trying to achieve with the brand, who are you trying to reach? And once you understand that about your brand, and what you're trying to do with it, then I think it narrows down exactly who you're going to be dealing with, and once you've done that, well there's two channels that you can approach: there's the online stores and there's the physical stores. Now the online stores are probably a little easier to suss out – you just Google and find out, you know, who's selling t-shirts online, but the more traditional physical stores, that's a completely different story, and that is a very tough one to get into. But first things first, I think you've got to find your local retailer. I think you've just got to go and work your local retailers first and get your product into there, and try to get a story together of how you're presenting it, and how it's going to be presented in store, with someone that you can build that story with. So that's how I would do it. I mean, once you've got that position, then you can use online, Google, and find out, and just go in and say hey "youth fashion retailers, Queensland". You'll see there's a huge amount of retail stores on there. There's another way of doing it. There's two trade shows – there's Fashion Exposed trade shows, one in Sydney and one in Melbourne, who offer an area in each of those for new and up and coming brands. You have to be accepted into it. So again, it all comes back to recognising your market and understanding what your brand is, and what you're trying to achieve with it, and who you're trying to reach.</p>
<p>Joel</p>	<p>So just let me interrupt for a second. Those trade shows you're talking about – basically, it's a massive sort of event where people have all different displays and that, and you pay to get your booth or your brand into that event, and potential buyers and retailers come to check out the next big thing from all the different brands and labels, is that right?</p>
<p>Jeff</p>	<p>That's exactly what it is, mate. It's called "Fashion Exposed". I believe one is in March in Sydney, and the other one I believe is in August or September in Melbourne. The March one in Sydney is the most important show.</p>
<p>Joel</p>	<p>Ok. And do they cater more towards your high end runway fashion, or is it more across the board, from motorcross to you know, your high end fashion?</p>
<p>Jeff</p>	<p>It's very mainstream. It's more mainstream than you'd expect, actually. None of the surf suppliers show there, nor do they really feel they need to, but you get a lot of retailers from all over the country who come to Sydney specifically to have a look and see what's coming up for the next season. And, you know, it's a good opportunity, it will cost you a little bit of money, but at least you'll be able to gauge what's going on there. And the other thing is, you'll be surrounded by likeminded other brands and you can gauge your</p>

	own brand and presentation against the others, which is always important.
Joel	Can anyone attend, or is it for industry only to attend?
Jeff	It's for industry only.
Joel	I was just thinking it might be a good idea, if someone was considering doing something like that, maybe go the year before and suss it out, weasel your way in there somehow.
Jeff	If you know someone who's in retail you can use their connections to possibly get a spot, to be able to get into the show. Rag Trader magazine is another good thing to gauge what's going on in the industry. It's a biweekly. You can find out pretty important things in there, and also they are ... sorry?
Joel	That's Rag Trader?
Jeff	Yes.
Joel	Is that a print publication or an online publication?
Jeff	It's a print publication. Just Google "Rag Trader". And they're intrinsically involved with the Fashion Exposed shows.
Joel	Yeah cool. What sort of content does that magazine have, what sort of articles and stuff?
Jeff	They have very interesting articles, they have what's up and coming as far as shows go, they also tell you about international shows, they have articles on suppliers, and fabric suppliers, and even Gildan's been in there as well, about who they are and where they came from. A lot of people read that magazine. So, you can even approach for editorial and possibly they can do a story about you. I mean, if you believe enough in your brand, it's certainly a good idea to even get in touch with them and tell them about yourself.
Joel	And to do that – just for you guys who are listening – what I would recommend if you saw a potential in that sort of thing, is not approach them with, you know, "We're the greatest brand on Earth because we do this, this and this", but with the story behind how you came into being. That's the way you've got to pitch it to them, is the awesome story that brought you from this to this to this, and the story behind the whole thing. I'm sure they've got thousands of people out there trying to promote their stuff, but if you've got a newsworthy solid story behind what you're doing, and where you've come from and where you're going, something that doesn't seem like a promotion –

	that's the angle you'd take it from.
Jeff	And it all comes back to recognising your market, and understanding your brand and who you're trying to reach with it. That's a fundamental question you should ask yourself every day.
Joel	Yeah, cool. So just briefly we took a little bit of a thing there on the trade show and everything, but we're talking about finding potential stockists, so once we've narrowed down ... ok, we talked about how you start by probably beating your local pavement, and your local stores – going and checking them out first. So once you've found a few stores that you are keen to approach, what do you think would be a step-by-step method to approach those stores to get your stuff in there? Do you just walk in there with your gear and say “Hey I'm Joe Bloggs. This is my stuff – do you want some?” Or do you give them a call and make an appointment?
Jeff	You have to call. You have to make an appointment. You have to be able to sell yourself over the phone, to contact them and say “Will you just have a look at my brand – we think it suits your store.” Remember everything you say to them is all about the retailer's best interests; it's nothing about your best interest. It's about what you can give to the retailer, and what they can make out of it. That's what it's all about. So once you've called and made that appointment, and you get there, and you make sure you get there before time and on time, and sometimes, you know, retailers won't even be there ...they'll have forgotten ... they're very busy people. In that case, just make another appointment. But once you go in there, there's a few things you have to have. You have to have cleaned ironed samples, you have to have cool graphics, a brand with a story, professional presentation, and – what I think is probably one of the most important things there is – you have to have a great catalogue. And that means, having cool pictures, succinct pictures with a story, running through the whole catalogue – the story about your brand. Also, each of the samples that you have has to be hang-tagged with the style numbers on them, and also the hangtags that the garments will be appearing in the store in, and you need to be very confident about what you're doing and what you're trying to sell. Then, next question I suppose is what are the stockists looking for, and they're looking for a unique selling proposition – what are you trying to sell them that can enhance their business and make them money. And having a good catalogue is a great thing to have because once you leave the store and he's got that catalogue in his hand or her hand, that's what's going to continually sell your product, sell your brand. If they're going to refer to it, it has to be easy to read, it has to be succinct, and the other thing that catalogue needs is a place for

	retailers to place orders on. It needs a grid with sizes, colours and month available: something they can take out of the catalogue and then fax or scan and email to you, so you both have a copy of the order. You have to make it as easy as possible for these retailers to do business with you. Yes. There you go, mate.
Joel	Yeah, cool. So, I guess things would have been a bit different for you back when you were involved in the retail industry. Now you're more so involved in something a little bit different. But even things like how many Facebook followers you've got, how many people you're getting to your website, all of that sort of thing, can show a bit of social proof on, "Look people are already into this stuff. By you putting it in your store, you can show them that, look, we've got all these Facebook followers, we've got all these Twitter followers, we've got all these people coming to our website, you know, people are proven to already be buying this stuff."
Jeff	Fantastic. Absolutely. Anything that enhances your product, your brand, to the retailer, that gives a sense of permanency as well. They want to know that you're going to be there for the next three or four seasons, or longer, that you're there for the long term. They don't want a fly-by-night – that's not interesting to them. You have to build a relationship with them, and they want to build one with you, because you're going to make them money and that's what it's all about.
Joel	Do they want something as in detail as maybe a brief marketing plan that you have in place? Do they want to know that sort of stuff or is that not something they want to take their time up with?
Jeff	This whole discussion is all about the product. If the product is right, then you can back it up with good marketing and good deliveries, etc, but it's all about the product. It doesn't matter how good a salesman you are or whatever – if the product's not right, it's not going to work, it's not going to get in the store. So again it comes back to: recognise your market, understand that you have to have a unique selling proposition and something people are going to want. It's about the product.
Joel	So I guess, we started with our small independent local retailers. What if people have that already sort of down, they've got a few stockists? How do they go about approaching the big guys? How do they get their foot in the door, how do they know who to speak to, and if they do get someone who's the right person to speak to, how do they organise a meeting with them? Obviously, with a smaller store, you probably walk in the door and you get a manager who is only one step from the actual owner who probably will sit

down with you, but in a larger chain store like CityBeach or Jetty Surf or something like that, obviously it's going to be much more difficult to get to the buyers and try to get in there. What are your recommendations for that?

Jeff

The thing is, you've got to understand, firstly, that by approaching these larger retailers and department stores is that it is a step forward but it's also a step backwards because it can alienate your existing retailers, especially small fashion boutique-y stores where they want to know that they have a fairly unique product. Once you start entering into relationships with the large chains, the smaller retailers are going to go away from you, because they'll move to the next thing that's coming through. You've crossed the line; you've gone into a different level. Now, once you start, once you've made that decision and you want to deal with the larger retailers, you have to be prepared to understand the criteria that they will do business with you if they want to do business with you. The best way to approach these guys, once you've made the decision that you wish to, is to call them, and continue to call them, and to email them, and to just be on their case, you know, three or four times a week, until at least you get an answer. What I've found with these retailers, City Beach and the Jetties and etc, is that the buyers are so damn busy that they find it difficult to see any new brands, but the thing is, they're in a bit of a quandary because their job is to find the new brands that their customers are looking for. So they have to find the time to see these brands; at the same time, they don't have time to see these brands because they're dealing with existing ones. So it's just a matter of persistency, and making sure you have the patience just to keep hunting them down until you get an appointment. Now once you have that appointment, and you go in and show the brand, you may not get an order that first season. They may go "Come and see me next year. I'm already sold through, I've already sold all my budget, I don't have any budget left for you", and all they're doing is just checking you out, and just making sure that firstly, are you going to be around next season? It's a game and you've got to be prepared to play the game. Now, once they've said, "Yes, ok, we want to do a bit of business with you", you then enter into a different world, because what you're entering into is a very strict set of criteria that they want, and they won't do business with you unless you satisfy their criteria. These criteria are quite interesting – it's a whole different mindset. What they want is a guaranteed margin, at least 60-65%, and that's a guarantee – that's not only guaranteed at normal retail, that's a guaranteed margin when it goes on sale. So, you may have to rebate back to those guys the difference between what they sell it for and the guaranteed margins. You also have to give them rebates on various things. It could be for staff to buy the stock, you have to give them a couple of percent, you have to give them – if you want to be paid within 30 days, well,

	<p>to do that, you have to give them an additional say, percentage off, and if you want to be paid in 60 days, a percentage drop, and if you want to be paid in 90 days, you don't pay it. So what they're doing is the opposite of what we mentioned earlier about incentives to pay or to be paid.</p>
Joel	<p>They charge you more to pay better.</p>
Jeff	<p>Exactly! It's quite interesting. There's distribution allowances, there's advertising subsidies, there's staff discounts, there's corporate support rebates, all these things. You know, they go, "What the hell is a corporate support rebate? Whatever it is, it's 1% and we must have it!" And also delivery times – you have a delivery time into their warehouse, and not just this day, but this hour. It needs to be delivered between say 3 and 5 in the afternoon. If it's delivered at 5 after 5, they refuse it. They will not accept it. You have to pay freight that goes in. There is no freight discount. You can't charge them for freight. So, before you even go to these guys, you've got to sit down and do your homework and understand what your margins are, what you're going to end up with yourself at the end of the day by dealing with these guys. So you may get some seriously big orders, but you start doing the mathematics, and do the spreadsheets based on all the rebates, the guaranteed margins, the free delivery, and you'll find your margins are very, very small, but, again, you're going to be getting large orders. Now, what happens is, it sells first year, first season – fantastic. You go back second season, it doesn't sell that well. End of that second season, you're out the door.</p>
Joel	<p>Golly. And you've invested a lot of money in getting all that stuff done for next season because you've anticipated that the well wasn't going to run dry.</p>
Jeff	<p>Well, that's very true. And the other thing is you've alienated your smaller retailers by going with those stores. You've got to think long and hard. I mean, the rewards are fantastic, if you can sustain and be consistent with your sales in the larger stores, but you've got to understand, it's nothing personal, it's just business, and if it doesn't work, you're gone, you're out, and they just move on to the next thing. So, think long and hard about it. It definitely has advantages, as obviously you see all the fantastic brands that are in these stores, but at the same time you've got to be aware of the risks.</p>
Joel	<p>Yes, exactly, and at the end of the day it's volume and not profit – ah, sorry, other way around! It's profit and not volume that is going to keep the bills paid and keep food on the table and all of that sort of thing, so you'd rather sell to a lot less stores and sell a lot less t-shirts at much, much higher margins, than sell hundreds of thousands of t-shirts at ridiculously low</p>

	<p>margins. And in the end, you've got all this stress and all these massive overheads and all this work for very minute profit margin at the end of the day, so maybe, we take the capital yield out of the way and you say, leave the margins there and do less work for more money ...</p>
Jeff	<p>As I said, there is that, but once you get established enough and you're confident in your product, and recognise your market, you recognise your brand and the story behind it, there is a possibility. There are definitely possibilities for those larger stores. It works, but you've just got to be really aware of the risks and the rewards that come with dealing with those guys.</p>
Joel	<p>Make sure you plan for it as well, I guess, while it's happening.</p>
Jeff	<p>It all comes down to the product, the product, the product, and secondly it's your cash flow. Cash flow is king. Without cash flow, you are constantly chasing your tail, and what happens is, when you're chasing cash flow all the time, you become reactive. You start to react to things, rather than being proactive and working on your business. Reactive you're working in your business; proactive you're working on your business.</p>
Joel	<p>Yeah. It's a hard thing to do, Jeff – that's good advice, and it's something that, when you're starting out, you know, as a young business person, you know, it's hard, you hear that all the time. You want to work on your business, not in your business, but doing it's another thing. And once you get there – and it's interesting, I've only recently got there over the last six months or so, so it's really interesting – and it's a challenge to get there, and it's even a challenge when you're there, but I fully agree and couldn't agree with you more. You know, at the start you need to be involved in everything, but as you progress and as you start building your business, you want to be getting as much assistance from people as possible, that you're paying to do the stuff that you are doing, so that it frees you up to do the stuff you should be doing, which is the marketing, the planning, all that sort of thing, and growing your business.</p>
Jeff	<p>Absolutely, that's crucial. All the very successful brands do exactly that – they understand that they need people to help them grow the business while they continue to concentrate on their strengths, which is – again – the brand, and what the story is, and who you're trying to reach.</p>
Joel	<p>The interesting thing – a lot of the people listening to this, they might not necessarily be great business people. Through our history, we find a lot of guys who approach us, oh, and girls, when I say guys it's unisex, everyone ... but basically, a lot of the people who approach us to print their</p>

	<p>stuff and who want to start labels, you know, they're graphic designers, and they're designers, and they've got this passion for design. And a lot of the time, that doesn't translate into having a passion for business and a mind for business success as well because quite often, you know, the artistic sort of people aren't the business-growing sort of people, so it's rounding yourself as well and being able to learn and do stuff that you perhaps don't care too much about, but if you're serious about making a go of it, it's something you have to get into and something you have to do. You might love the design and that's what you live for, but if you really want to make a living out of this, the business stuff has to come into it as well. Or alternatively, maybe look for partners who are business-minded, but then that opens a whole new can of worms. Having partners, that can be more hassle than it's worth, as well.</p>
<p>Jeff</p>	<p>You may be a good graphic artist, but spreadsheets, I mean, you have to know your costs – before you even start to think about selling a product, you have to know what it's costing you to produce that product. It's the old 80/20 rule, of the 100% of people who would enter this industry, 80% will fail, and the 20% are the people who understand that there's a balance between creating a fantastic brand and graphics, etc and actually running a business. I would put 50/50 on the product, but also the behind the scenes and making sure your business is running at a profit, and that the cash flow is king.</p>
<p>Joel</p>	<p>Cool. Alright, well, we've sort of touched on it – you mentioned it with the big guys we were talking about as far as pricing goes – so, for pricing, let's forget about the big guys because I don't know that the people, all your T-shirt Tycoon crew – will be approaching the big guys straight away (well, you might well be, so I don't want to, you know, talk it down), but let's say we're approaching your general stores, your local stores, you know, stores in your area. How do retailers price their stuff, how much do they want to pay from you, and what margins do they want and all that sort of stuff. Can you just take us through that?</p>
<p>Jeff</p>	<p>Well, retailers want to make at least a minimum, I believe, of at least 105-120% markup, which gives margins of around 55-65%. They don't really want to pay freight, and they don't want to do minimum orders. So, what I would do, when I'm going into the store is, ok, you can offer them (you've got to structure your costs around giving them) at least – I reckon - 110% to 120% markup, as a good way of firstly, letting them listen to you, and secondly, immediately you put yourself into a positive light. Even more – if you can offer more, that's fantastic, but there's a couple of things. They don't like doing minimums but you have to do a minimum. You can't just go in there and accept a \$200 order. Minimum should be at least \$500 because</p>

	<p>without having a decent presence in the store, you get completely lost. When someone is ordering a t-shirt, as well, I think you need to put a minimum per style that they can purchase, whether it be 6 units per style, across any size break they wish – you know, normally it's a small, medium, large, extra-large and they can just choose a 1-2-2-1 scale or a 2-2-2 or whatever, or a 1-3-2, and also a minimum amount, and I reckon at least \$500 at wholesale. And also, free delivery for any orders over around \$300 into store. And then on top of that you also offer them – as we mentioned earlier – discount for paying early, COD you get maybe 10%, 30 days or 14 days you get 7%, 30 days you get 5%, 60 days you get nothing. So, it's a bit of a carrot in front of the retailer. Firstly you've got to have enough faith and confidence in your brand that they can sell \$500 worth of product at wholesale. You've got to have the presence in the store, you can't be scattered all over the store. And also the carrot is the free delivery if they order all subsequent orders after the first initial order, over \$300, is freight free, because if they're trying to 1 or 2 units at a time from you, and you're paying the freight, I mean, there's all your profit gone. So, you give them an incentive – if they call you up and say "Oh look, send me 5 more of these t-shirts", you go, "Look, if you order 10 shirts, it's free freight, otherwise I'll have to charge you freight". Have confidence in your brand that you can get away with that. So, that's how I would do it.</p>
Joel	<p>Alright, cool. What about negotiating things like in-store merchandising? How do you work your way into that, how do we get a poster in the window, or a window display or something like that?</p>
Jeff	<p>You ask them – you know, how do we do that, and then you offer your services to come in and do the window up. The window is the eyes to the store.</p>
Joel	<p>Are they pretty approachable on that sort of stuff? Do they usually leave that to the big guys they stock, or how do they usually respond?</p>
Jeff	<p>If you can get a window in there, and offer your services, a lot of the time they'll go, "Yeah, no problem", or, "You can come in and help the person who's doing the merchandising". Or you say, "What's your schedule like for windows? If you've got a merchandiser coming in to do the windows, when's the window going to change?" And just be, again, confident and say "Hey look, can we use our product in the window?" And also the other thing is, when you go into store, once you've sold your product, and the product is in store, you go in there and you tidy up your acts. You make sure they're all facing the right way, all your stock, you do a stock count, and you then go to the manager or the owner and say, "Hey look, this is what you sold. Can we</p>

	<p>replace these? And, oh, by the way this is a new style that we're offering. What about this one here? We've found this has sold really well in other stores. We can put another 6 of these into your store as well", and just slowly build your business. It's going to happen over a long period. It's not going to be instant.</p>
Joel	<p>And they're happy for you to just rock up and do that sort of stuff? Or do you make an appointment or let them know you're coming in?</p>
Jeff	<p>You should call them and just say, "Hey, I'm just going to come in and just do a quick stock count, and also just to tidy the racks up, and most of the time they'll say "Yes, please do". They're busy with other things so they're quite happy for reps to come in and do that type of thing.</p>
Joel	<p>Excellent. Also, I guess I wanted to touch on the more theoretical side of things, things like seasons. Are they important, do retailers care about the whole season thing? Is it something that the industry still does and will continue to do?</p>
Jeff	<p>I think over the last few years, the whole focus on the seasons has lost some of its lustre, but they're still very important. There's certain seasons that you have to recognise, like there's summer, there's second summer, and there's winter. And at times there's also a second winter as well. So, your summer season which is mainly for deliveries in June through till December, you start selling those in February, into store, and that's for your indent business. The second summer, which is normally delivery from November, December, January – you usually start selling that in June, and then your winter business, which of course is usually from March through till June, you start selling that in September. But what's happened over the last 5 years or so, is that while those seasons are very, very important, what's going on is all the major brands are now doing what they're calling injection ranges, every six weeks. So, of course you've got your main 3 or 4 seasons that you're selling which are really good, because if you're able to indent, once you can indent, you can then start planning because you know the orders that you have.</p>
Joel	<p>Jeff, can I interrupt for a second? Can you please explain indenting?</p>
Jeff	<p>An indent is when you go in, in February, with a range which you've put together, to go into store, to sell into store for future delivery. You're indenting future orders.</p>
Joel	<p>So basically you've got some samples done up from us, and you've got a very short run of each design done, and maybe one of each colourway, or</p>

maybe just a single colourway, and graphical representations of the other colourways, and you go into the store, and you say “These are next season’s”, and you get pre-orders so you know how much to produce.

Jeff

That’s what it is, mate. And also say for that summer delivery, you should have a fully blown catalogue ready for that season, plus all your samples. They’ve all got to have hangtags, they’ve all got to be facing the right way, and they’ve all got to be hung on really good hangers. Don’t use plastic crappy hangers, or wire ones – you go out and get yourself some nice wooden hangers. You also have a rolling rack if you can – have you seen the rolling racks? Yep, the fold-down rolling racks you throw in the back of your car and you put it up and then you hang all your samples. You go into store with that, you dress nicely, you’ve got some of the product on you, and you go through the range and you say, “Hey, this shirt’s available June through to September. This shirt’s in these 5 colours or 3 colours or whatever you like, in these sizes. This shirt’s available in the same period, or this shirt’s available September onwards”, and you present it, and once you’ve done that, you can either ask for the order then and there, which is always a great thing: 99% of the time, no, I’d say 70% of the time it doesn’t work and they’ll go, “No, I’ll write it later”. But that way, you’ve got to have an order form in your catalogue so that they have something to write on – but the catalogue as I say is very, very important. And then every six weeks, once you’ve done that, you’ve done your range in September for summer; middle of March you’ve then got another injection range for the winter, for that current season. So what I mean by injection range, is, it is almost instant orders. So you go in with styles ... so you’ve got your indent orders, then you’ve got your injection ranges for immediate delivery, or within 30 days’ delivery. Preferably 30 days delivery, because then that gives you an opportunity to produce the product because if they want immediate delivery, that means you’ve already produced the product, which means guessing exactly what they’re going to buy, and mate, I still cannot work out what retailers will buy most of the time. Usually 6 or 8 pieces – and what it does, is just inject new products, new products into the store, all the time, every 6 weeks.

Joel

So you’ve just got to use a smaller range, generally, an injection range, for injection orders?

Awesome. Alright, cool. I was going to ask a question before. Ah ... yeah, it’s gone now.

Is there anything else you’d like to add that we didn’t cover as far as seasons and selling ahead of time and using indent to produce new stock or

	anything?
Jeff	<p>What can happen is that you produce the catalogue, and you've got all these really cool products and you think you know which ones are going to sell, and then you've got them set up and know that you can have them delivered, then you go out and you show all your retailers and you come back and you go, well, there's minimums that you have to do per style, and you find that a few of your shirts did not reach those minimums – some people have ordered them, but not enough to reach minimums where it makes it viable to produce the product. And everybody goes through that, from the biggest brand to the smallest brand, and it's something that either you can find an alternative way of producing the stock, which is cost-effective, or you have to go back to the retailer and say, "Hey, we sold out", or "We sold out of the product before I got to you", or you can always tell the truth and say, "We're just not selling enough of that product. Can we substitute it for a more successful style?" and that sometimes works. You just have to work your way around it. It is a very complicated business, creating a brand, because firstly you have to be creative, you have to have great business sense, you also have to be a great salesman, and you have to be very, very organised. And that's the old 80/20 rule. Those 20% who do all those four things are the ones who are going to be successful. If you miss out on one of those, there is every chance that you will not be successful.</p>
Joel	<p>Yeah, cool. So everything we've talked about has basically been assuming that the people who are doing the brands, the T-shirt Tycoon guys themselves, are going to be going out doing this stuff. Now what if they've listened to this and go, "Stuff that, this is all crazy hard. I just want to design t-shirts and get a sales rep to go out and rep my stuff for me for a commission on sales." First of all, when do you think that's a good step to make? And then, how do you find a sales rep, and what do you look for in a potential sales rep to go and sell your stuff?</p>
Jeff	<p>Well, it's very hard to find a good sales rep. Actually, call them an agent, because that's what they are – basically, you want a business that chooses to represent your brand to their customers. To find a good one ... well, firstly I would always look after your own area, even your own state yourself. If you go decide to go interstate that's when you start looking for sales reps or sales agents. If you decide to use one in your own home state – it's not an easy thing to find a good one, in fact, it's not an easy thing to find one. What's happened over the last 5 years is most of the agents who were agents have either gone in-house with brands, where they are employed by the brand to</p>

	<p>represent the brand to the customers, or have left the business, and the new and up-and-coming agents are out there, and they're hungry, and they want the best brands to sell, because it's all about that commission they receive from you. Just as an aside there, a minimum of 10% is a commission for an agent to sell, to make it worth his while. I mean you can offer them 5%, but what are they going to sell? They're going to sell your brand at 5%, or another brand at they sell at 10%, or 15%? So you really have to set those guidelines down before you start, and they'll let you know what they want, before they'll even look at you. Now, looking online, you can check in Rag Trader magazine, talk to retailers, find out who the best reps, or who the best agents are. Once you've found one, you've got to find out what brands are they currently selling, are the brands compatible with what you're selling, is it your market that they're selling into? They're working in one market and you're trying to get them to represent you in a different market – it just doesn't make sense. Those are the important things about an agent. You have to be constantly in contact with them, weekly, and work with them, not against them. If there are issues with the brand, you don't cover your ears and say "Oh no, no it's not the brand, it's you – you're obviously not a good salesman". You have to listen to these guys because they are representing your brand in store, and they are a very important part of what you do. Without sales, you have nothing, and these guys will get that for you. And there you go, mate.</p>
Joel	<p>Yeah, cool. Basically, I think we've covered everything, Jeff. Is there anything you feel we haven't covered, have you got any 2 cents you'd like to put in – I know you've put probably about \$5 in, and that's cool but is there anything you'd like to add, that we perhaps haven't touched on?</p>
Jeff	<p>Just to understand that it is a very tough interest. It is very difficult to make a living, to make a success of it. The ones who do, do it for the love of it, and also for the rewards which can be very great, but it is a passion and it is a constant 24/7 business, and it always will be. So if you're going to do this, go in with your eyes wide open and understand that the failure rate is very high, but once you succeed, and once it happens for you, there's nothing quite like it. On that note, I will finish.</p>
Joel	<p>Yeah, cool. Well, thanks so much Jeff. I appreciate your time and I'm sure everyone who's listening will fully appreciate everything that you've brought to the table today, because there's a bunch of stuff that you touched on that I had no idea about. I've never been involved in the industry really at your end, but I learned a lot and I'm sure all the crew learned a lot. You've answered a lot of questions that I've been getting from all the T-shirt Tycoon</p>

crew, things like pricing and positioning your brand and things like that, so yeah, thanks so much for your time and your sharing of your knowledge. A lot of the crew keep that stuff bottled up and get funny about it, but I'm always stoked – I'm willing to talk to anyone about printing t-shirts!