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Step 2-Organizational Plan-Setting Up Systems For Order Processing & Production Processing

In this lesson we are going to go over some organization, but before we do, I want to talk a little more about setting your goals and making sure that you are creating your plan for the week and for each day of the week. This is so important and a habit that you must acquire. It is so easy to go from day to day, week to week and just fly by the seat of your pants, so to speak, and take care of whatever happens to come your way and the plans that you made were just plain forgotten or not paid attention to.

You must take the time at the end of each week to create your goals and plans for the next week. This is the beginning of creating a real business plan, but you must start small and get into good habits. Creating goals and plans do not work if you do not work them. If we do not write down our goals, we do not act on them. I know this for a fact because that is exactly what I used to do. I would have great intentions and I thought that I would remember everything that I wanted to do and planned to get it done, but at the end of the month I was in the same spot that I was at the beginning of the month. It does not work! You must take the time out at the end of every week to create your plan for next week!

I told you to concentrate on one main goal for the week. This does not mean that you are only going to be working on that one main goal. You are going to be doing many things within your business, but this one main goal is something that you are working towards that is not on your daily to do list for your business such as your normal jobs.

Your main goal is something that is going to move your business forward. I am going to be going over what I feel that your main goal should be for the week on each lesson.

Always ask yourself - Is what I am doing today helping me work towards achieving my goal? Choose never to compromise your talent, quality, and high standards, and you will never choose mediocrity.

In Step 2 of the “**9 Steps To A Profitable Embroidery Business,**” I am going to talk about the organization. The first step in **Setting up Systems for Order Processing** would be to Organize your Products, then I will talk about Order Processing and the Production Processing.

Organizing your Products-Product Sheets

You will be creating a product sheet for each product that you will be adding any type of decoration to and keeping it in a binder with tabs in it for the different category of products. You will have a product sheet for each item that you will carry in your store, on line and off line.

You will be using this same information in the **Pricing program**, inside of the **Marketing 301 program** and inside of the **QuickBooks program** as well. Once you have your products organized, it makes it very easy to pull all of your information together to work with a customer, place an order for the customer’s goods and even to add it to your website. Once it is organized, it will save you a ton of time. On the product sheet you will be including the following information:

- SKU number
- Title - with Keywords
- Description
- Your Selling Price with Quantity Price Breakdown
- Manufacturers Pricing & Information
- Keywords
- Colors
- Sizes Available
- Image of the product
- Link to size chart or applicable options

I created a video showing you how to create your product sheets. I have also included a template for you to use to make it easy. It is a Word.doc.

<http://embtrainingresourcecenter.s3.amazonaws.com/MarketingSystem/Module-3/product-sheet.mp4>

All of your information is in one place and you do not have to spend time searching through catalogs for anything.

Order Processing System

The next step in organization starts with the first process in your business-taking an order. Without orders you have no business. They are the lifeblood of your business and the entire order taking system must be organized in order for it to move smoothly and have happy customers.

You will notice if you have read my book that some things have changed. That is because I keep trying to simplify the process as much as possible. When I am working with one process, I am always thinking of ways to try and keep it as simple as possible.

- Taking The Order
- Logging In Process
- Ordering Customer Goods (apparel)
- Receiving Goods

Sales Order Packets

When you are working with a customer either on the phone or in person it is easier if you have Sales Order packets made up ahead of time. This makes order processing go a little faster and then I just follow the system. This makes the process simple and you do not forget the next step in the process. You will have all of your information in front of you at all times as you are going through the process.

- **Customer Quote Form** - Can be part of packet or can be separate-It all depends on when you are giving the customer the quote. If the quote is done at a previous time to taking the order, it is filled out and a copy given to customer. Your copy is stored in a 3-ring binder until customer comes back in. I only honor a quote for 30 days. You want to make sure that this statement is on the quote form.
- **Order Form** - I have 1 for Apparel and 1 or Caps-If you work with other products, you will need to expand on this.
- **Form of Payment** - Credit card- Check -Cash-How are they going to

pay, this must be established up front (**Bottom of Order Form**) A Deposit must be collected

- **Check list** to make sure that all of the steps are taken.

There forms are all clipped together with a paper clip.

Sales Order Process

When the customer comes in to place an order, you will grab one of your **Sales Order Packets** and start your process of taking their order. Make sure that you follow along with your Checklist so that you do not miss any of the information that needs to be filled in. If you have given the customer a quote, you will remove the quote from your binder and staple it to the order form. When the order taking process is complete, you will make a copy of the **Customers Order Form** and the **Customers Art work** and start your process.

The **Original Order Form** and a **copy of the Customers Art work** is placed inside of a file folder that has been created for that Customer. This file folder will remain in the office inside of a file drawer that is marked for customer files.

You will then work with a **Copy of the Order Form** and the **Customers Original Artwork**. This is your **Work Order**. If you have employees you may not want the dollar amounts on the copy that they will be working with. You can place a piece of paper over that section when you make a copy to block out that part.

You will place this **copy of the order form**, along with the **Checklist**, the **customer's artwork** and any other information that is applicable to the process of the order inside of a plastic job folder and that folder will follow through with the job during the entire production process.

Logging In Process

As soon as the Order Process is completed you are ready to Log in the Order. You can Log the order in on the computer and then print out a copy daily and place it in a 3-ring binder. This binder will be stored on the Receiving desk. If you do not choose to Log in on the computer, you can Use the Log In Form that I created, print out the blank forms and fill them in as the orders come

in. If you are a shop where you have someone that receives the orders specifically, you can have them fill in the form as they receive the orders and at the end of the day, it can be input into the computer. This is the process for many small to medium sized shops. The Log in form should include the following information:

- Date (the order came in)
- Job Number
- Customers Name
- Customers PO (if applicable)
- Job Name
- Item Description
- Quantity of Pieces in Order
- Process (embroidery, screen printing, twill, heatpress)
- Date Due
- Date Goods Arrived from Distributor
- Date Shipped

Job number can be any type of code that you will remember and is easy. For me, I have always used the date the order came in and the order that it was received. Such as **0915162**

This means that the job came in on **September 15, 2016** and was the **second order** received for that day. It is simple and it always works.

If you have purchased my Embroidery Business Bookkeeping System and set up QuickBooks as I have taught you, then you can create a Quote that you can use as a Work Order and can print out all of your Work Orders. This can be used as your Log In Form. As we get a little further into the program you will also have another alternative but until you reach that point, you want to use this form so that you can keep track of all of your orders.

Ordering Customer Products

The next step is to place your order for your apparel or other products or pull them from your inventory. I will usually do this after lunch. The reason being, the orders must be placed in the early afternoon for most distributors in order for them to be shipped that same day. If you do not have enough products to order today, save your orders and place the orders for the products 2 days a week unless of course it is a rush order. In that case, the customer will need

to pay extra for the shipping. We will discuss shipping costs when we are putting our pricing together in another lesson.

While I am talking about ordering your customers products, it is best to order as many products as you can from the same distributor. The more you order from one distributor, the better pricing you will receive and the better customer service you will receive. There are many apparel distributors out there and the one that I find that offers the best customer service is SanMar. They are heads and shoulders above everyone else in the industry for their customer service. They will even work with you when you have an issue if it is something that they can solve for you. That is the one of the main reasons why you want to stick with as few distributors as possible.

I want to say something here about inventory. Do not get caught in the trap that you always have to have enough in your order to get free shipping. I know that shipping costs are horrible and can really eat into the profits, but so does extra inventory that just sits there. Today we can get inventory almost next day and in many cases and area, we can get it next day, so be very careful of always adding to your orders to get free shipping. If you are only a few dollars away from having an order that is large enough for free shipping, then OK, add to it but do not do this on every order especially if you only have a few pieces in your order. This can really create a cash flow problem for you and many times your inventory just sits there and go get no benefit from it, so just be careful when you are placing your orders that you are not getting caught in that trap.

Goods in Inventory

If you have pulled goods from your inventory, place the box of goods on a shelf in a staging area to wait for the design or other products that need to be added to that order before production can actually begin on the job. When you do pull your goods from inventory make sure that you keep track of what is still left in inventory. You always want a running list of your inventory. If you do not have one at this point, now is the time to get it done.

Receiving Goods

Log the order in, assign it a job number and attach Plastic Job Folder with the Customers Order to a clip board marked “**Waiting for Goods**”. When the Goods come in from the distributor or manufacturer, you pull out the Work Order and your Suppliers Order form and match them to the packing slip from the distributor. The order must match exactly.

- PO Number
- Quantity
- Item Number of the garments
- Color

You need to physically count all of the items and check to make sure that the color and sizes are correct and that there are no damaged goods. Notify the customer that the garments have been received and that there is a complete match or if there is a problem with the order you must make whatever corrections there are to be made with the distributor or manufacturer. I have a sheet that I prepared for you to keep track of the problems with orders and it will let you know when you have contacted the customer or the distributor and how you contacted them to get the problem resolved. This form should be placed onto a clip board marked “Problems With Customer Orders.” When the problem is resolved, you can cross it off.

After the job is logged in and counted, the packing slip from the distributor should be placed inside of the Plastic Job folder and the order with the goods should be placed on the Staging shelving in the correct section of the staging area. This staging area should be divided up into sections for the type of work that is being done. The caps should be in one area, the small chest jobs in another area and the large jacket back or full front chest jobs should be in another area. Jobs that will have sewn twill applied or heat press transfers or vinyl added to them should be in its own area. Each one of these types of jobs is handled or hooped differently. This makes visibility very easy for transporting to the specific prep area.

If you are a one-person shop, keeping the jobs separated may be an issue because of space, but you want to keep them separated as best as possible.

Production Process - Order Preparation

You are now ready to go through the Production Process. You are going to add 2 more forms to the Plastic Job Folder. Inside of your folder you will now have:

- Work Order
- Customers Artwork
- Design Tracking & Timing Form
- Production Tracking & Timing Form

- Checklist to make sure that all of the steps are taken. Each person will check off their step in the process on the check list when that process is completed.

After the order had been Logged in successfully and even before the Goods are received the process for the design can begin. The design and sew out can be done and approved by the customer while you are waiting for the Goods to arrive. Many times the entire job can be ready for production as soon as the goods arrive from the distributor.

Preparing Artwork & Design

Send the Artwork to the Artist, Designer or Set up person to have it created. If it is going to be sent out to a digitizer, make sure that the artwork is ready for the digitizer to do his or her job. Check to see if this is exactly what the customer wants, do any reworking of the design that needs to be done and get the artwork approved by the customer before it is sent to the digitizer. This is very important. You will be wasting valuable time if you do not take this step. Send design to be digitized or set up.

After the design is ready to be sewn out or arrives back from the digitizer, sew it out in the correct colors on the same type of fabric that the design is going to be sewn on. Examine the design to make sure it is OK. If not make your adjustments or send it back to the digitizer to make the adjustments and then sew it out again after the adjustments are made. Email a copy of the sew out to the customer for their approval or have the customer come into your shop, if it is a local order. I have a **Customer Approval Form** for this process.

Have them sign off that the design is OK to be embroidered onto the garments. This is another very important step. If you neglect this step and the customer is not happy, you will be eating the order! Not a fun time!

You have a Design Timing & Tracking Form in your Order Packet. Make sure that you are keeping track of every step in your Design process. Each step is costing you money, be aware of it and keep track of it!

Make sure that you have the right color of thread, hoops, backing and topping in stock. If not; place an order for any of the items that you are lacking. You

want to be able to start the Production Process as soon as the Design is ready and the goods have arrived from the distributor.

Make sure you are filling in the checklist as you go through each process of the order. This is very important so that you know at all times the stage of this job.

Once the Design is ready for production, a copy of the design information sheet from the software should be printed out and you will need to fill in the Embroidery Room Worksheet and place them into the Plastic Job folder with the order form and all other information. This will tell the machine operator exactly what she has to do with the design, the colors, design name, etc. This is a very important worksheet!

Production Process

Once the Design is ready to go and the Goods have arrived, it is now time to start the Production Process of this job. The Goods are pulled from the Staging area and matched up with the Work Order and the Design. It is time for the order to be hooped. You have a Production Timing & Tracking Form in your order packet; make sure that it is filled in as you go with all of the times. Do not miss this step! You need to find out what this order is costing!

As you are hooping the garments, you will place them into baskets or bins and take them to the Staging area where the garments are waiting to be embroidered. When the machine operator is ready for that order, or you are ready to embroider it, take the basket to the embroidery machine and start the embroidery process.

If you are a small shop that only have a few hoops, or if you do not have anyone that hoops for the operator then you will be hooping and running the machine at the same time. I would advise that you have at least 6 hoops of each size for each head that you have. This way you are going to save time hooping and running. You will be able to have a few hooped ahead and if you time yourself going through this process you will see that you are actually saving some time.

You will then remove the hooped garments from the machine and place in the next run of hooped garments into the machine.

The Embroidery Room Worksheet, a copy of the design, the artwork, the distributors packing slip, the design print sheet from your software and any other design information and placement information should be placed inside of a 9 x 12 Catalog envelope. A copy of the design can be taped onto the front of the envelope for easy retrieval of the design when a repeat order comes back in. This makes it very easy to pull the previous job information and your repeat order can then be done with assurance that everything will be the same as the previous order.

Job Finishing, Packing and Shipping

Once the job is embroidered, it will go to the Finishing area to be trimmed, have the backing and topping removed, steamed, folded, counted and placed into size stacks. It is then packed in plastic bags or into boxes and a Packing Slip is filled in with the Quantity, Sizes and Colors. A copy is made of the Packing Slip and placed inside of the Customer's box. The Shipping Label is created, and the Shipping costs are written on the Work Order and the box taped up.

When a job has been shipped, go back to the Log In Form and fill in the date that it was shipped and draw a line through the entire order. This way at an instant glance you know that the order has been complete and has been shipped.

Ready For Billing

The Work Order, the Packing Slip original, the Artwork Tracking & Timing Form, the Production Tracking & Timing Form and the Checklist are all stapled together and sent to the office for billing. Have your invoice created or create it yourself, if you are the one that prepares your invoices and send it to your customer. It is best to send the invoice by email so that they have it quicker.

You may then want to follow up with them to make sure that they have received it.

If this is a retail order, you will have the invoice prepared and ready for when the customer picks up their order and you will then collect the money immediately before they leave with the merchandise. Do not let them take the merchandise without payment.

Evaluating the Job!

The Tracking & Timing Forms can then be removed to see exactly how much time the job took, and you can quickly figure the cost and see if there was a profit made or if you need to make some adjustments in your process for the next order. This is another very important process. Many times we just do the same steps over and over without doing any evaluation and after keeping track of all of these steps and times we find that there is valuable time being wasted.

I have included all of the forms that I have discussed today. I am giving them to you in the Excel format so that you can add your company logo or customize them to suit your needs. Make sure if you decide to make changes that they still include all of the information that is on them so nothing is forgotten.

Now I want you to put all of this into action. Create your Order Forms with your business name on them and create your order packets so that they are ready to start taking your orders. Download and print out all of the other forms so that you can start using them and keeping track of all of your times as you are going through your processes. I know that this is a lot of forms, but this is how you are going to keep track of your jobs and the process of your jobs. Yes this is going to take time and yes it is a habit that you must create, but trust me, it is going to pay off in the long run. Do not think that you can do this once and you are all done. It does not work that way. I still time myself on everything that I do day after day. That is the only way that I can tell if I have made a profit on a particular job. If I have not, then I need to go back and find out why. I may need to change a process or move some of my supplies that I am working with. It is all about time! How we use every single second is important and you will see shortly how important all of those seconds are.

Homework for Step 2

- Print out all of the forms
- Create Your Product Sheets
- Create Your Sales Packets
- Start Following the Process

- Evaluate your Jobs! Did you make a profit, or do you need to make some changes?

This is your main goal for the week.

That is all for today's lesson and I look forward to teaching you Step 3 of the "9 steps to a profitable embroidery business."

Joyce Jagger
The Embroidery Coach

Attachments

- Product Sheet Template
- Order Forms in Excel form
- Log in Form in Excel form
- Customer Quote Form
- Supplier order form
- Customer Problems Form
- Design Tracking & Timing Form
- Production Tracking & Timing Form
- Embroidery Room Worksheet
- Packing List
- Checklist
- Written lesson
- Audio