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THE EMBROIDERY COACH

Planning For Your Embroidery Business Module 1

Hi there, this is Joyce Jagger your Embroidery Coach and I want to welcome you tonight to the first session of our How To Plan Your Embroidery Business Workshop. I am so excited about doing this workshop and so glad that you are here. This is one that I have done before but this time it is going to be a little different. If you have already been through my class then you will want to listen carefully throughout this entire workshop also. My last workshop was for 4 weeks but this one is going to be 5 weeks because I have more content and I want to make sure that you have everything that you need to plan out your entire Embroidery Business.

This class is for the person that has not started their embroidery business, the one that is just starting their embroidery business, one that has been in the apparel decorating business for a while and the one that has an apparel decorating business and wants to add embroidery. I am going to start at the very beginning of planning for your embroidery business and there may be some of the basics that you have overlooked or did not realize when you started your embroidery business.

Did you know that only 50% of the embroiderers that start their business are still in business after a couple of years? This is very sad, and it has little to do with the intention or their efforts as an embroiderer. It has more to do with having the right training, systems, approach and tools in place.

A good working business plan is the first and most important tool that most embroidery business owners are lacking. Without a plan, they really do not have much of chance for survival!

There are 3 reasons why most embroiderers have not created a plan for their business.

1. They have no idea as to where to begin
2. They cannot seem to find the time
3. They have no idea as to how to create your financial data.

You feel stuck and you cannot grow your business or reach any of your goals until you have your plan in place.

In Preparation For Creating Your Plan

When you are creating your business plan, you do not want to use Business Plan software. It is a waste of your time; you will have to answer way more questions than are necessary and you have to learn how to use the program. You want to keep it simple and answer questions that are only applicable to your embroidery business. Business plan software is not specific to the embroidery business and is far too general.

Do not follow someone else's plan. This is your business and the plan must be unique to your business. You have to show in your plan how and why you are different than the next business, but we will get into that later. I just wanted to give you some basic ground rules so to speak so that it would make it easier for you.

I want you to purchase a 3-ring binder with tabbed sections so that you will have that all set up. As you are working on each section you can place it inside of the binder in the right section. You do not have to work in one section until it is finished. It is best to skip around and work on a section as you are thinking about or as you gather the right information.

I promised you that this was going to be a course that was going to teach you much more than just writing a simple business plan. I am going to teach you how to better plan out your entire business and give you the right tools that you will be able to measure your progress by.

Does this take a lot of time, yes it does when you create your initial plan but once you have it in place it is just a matter of tweaking and making the necessary changes as your business changes and you grow.

In this first session we are going to go over the foundation of your business and we will talk about the first portion of the actual Business Plan.

As we go through this you will hear me repeat myself but that is for a reason. Many times the same statement or thought needs to be repeated so that you remember it and get it buried in your brain. That is not to say that you do not get it; that is just the way it is. We do not always hear everything that is said the first time and it is to your benefit for me to repeat it. If you have taken my courses before, you know that you are going to hear me say some of the

same things that I have said over and over. I am so adamant about planning and keeping track of each of your processes, so be prepared!

Before we get started here, I want to ask you some very important questions!

- What does your business name say about you?
- What do you say when someone asks you what you do?
- How many different areas of service do you offer in your business?
- Are you working in all of these areas on a daily basis?
- Is your business floor plan laid out efficiently to cover each of the areas of your business, so they are not interfering with each other?
- Do you have a good paperwork flow in your business?
- Do you have specific goals for the different areas of your business?

I want you to sit down and write out the answers to these questions. It is very important as we are laying the foundation for a more efficiently run business. I want you to keep your answers and when we are finished with the course, you can go back to those answers and see how differently you would answer them at that point!

If you are new to the embroidery business then all of these items may not be applicable to you, but they soon will be, and you need to get them in place before you ever open your shop for business. It will make it so much easier for you and you will be able to grow that much faster. Preparation is the most important factor in running your embroidery business!

Your Business Name

The first thing that I want to talk about is your Business Name!

What does your Business Name say about you? What is the purpose of your business?

Your name should let people know what it is you do. You may have a corporate name that you cannot change, but when you are picking the name that you want to be remembered by, you want people to be able to immediately know what it is that you do. At the same time that you are deciding on your Business Name, you need to search to see if that name is available for your Domain Name.

Go to: www.SmallBusinessMarketingDomains.com and do a search.

You may not choose to get online right away, but you must remember that every business needs a website and if you can get the same name for both,

that is a plus. That is not always possible and many times choosing your domain name can be very frustrating because the one that you have your heart set on may be already taken! If you find the perfect name, purchase it so that you will have it and no one else will be able to use it. You also want to purchase your own name if it is available. My first business coach said that this was the first domain name that I should purchase so that it would be locked up and no one else would be able to use it. This is very important.

Choosing your business name is something that you must do very carefully. If you cannot find the same name for your domain name as you have chosen for your business names, it does not have to be the same name as your actual business name. You want to choose a name that is easy to remember, as short as possible, one that tells what your business is all about, and one that is keyword rich! You are probably asking yourself, what is she talking about?

A keyword is a word that people use to search for you or your services, such as embroidery or embroidered gifts. Stop and think about it! What are people searching for on the internet that you can provide in your business? What are those actual words that they would type into Google to find you or your product?

Before I chose the domain name, for my first membership site, embroiderytipsandmore.com, I did a lot of research on the interest to find out what embroiderers were using to find information. At that time, embroidery tips was a highly searched term. In today's market, it is not, so you must think about the future as well as the present when you are coming up with your Business Name or your Domain name.

If you offer a lot of different items, then you may want to come up with a brand name. I am known as the Embroidery Coach. I created that brand several years ago and now all of my products are under, The Embroidery Coach.

There is a Google research tool that may be very helpful to you. Go to Google and type in Google Research tool. This will bring up the page with several tools. Click on the first one, Google AdWords tool. This is a tool that internet marketers use to search for keywords to create their AdWords campaigns. AdWords is a topic that we will not go into today. I have never used AdWords. This is a program used for purchasing traffic to your site and it can be extremely expensive.

You will want to type in a keyword phrase of no more than 5 words to fully utilize the power of finding a keyword or keyword phrase that may work for your domain name. Ideally about 3 words is best.

You can also ask some of your current customers what words they would type into the search engines to find you.

If you have a smaller niche market, you will want to concentrate on keywords for that market, such as the bridal market, baby market, or something like the horse apparel market. Whatever the particular type of market you want to work with, will determine what type of keywords that you will be using. If you are creating products for a larger general market, then you must be more general in your name.

Some cutesy name generally does not work well, and this is a huge mistake that people make when they are creating their business name in the first place. It takes you much longer and costs you more money to market your business when you do this. You must make it easy for people to find you and remember how to find you.

Once you have your Business Name you will need to register it with your County. At least that is required in our area. You should talk to your accountant about this, as he or she can point you in the right direction for your location.

Signature / Elevator Speech

Next we are going to talk about what it is you say when anyone asks you what you do. Do you have a simple speech ready for this type of situation? I did not have one for years and I when someone asked me what I did, I would stumble all over the place trying to tell them. I could never say what I wanted to say and always felt stupid and unprofessional afterwards. I was never prepared for a situation like this. People do not want a long drawn out speech. They want to know in a hurry what you do, or they quickly lose total interest in you and what you have to say.

You need to create what is called your Signature or Elevator Speech. You may have heard this term before, but it is very important and will go a long way in trying to market your business. We are not really going to cover anything about marketing until session 2 but I want you to get your elevator speech ready so that part is done.

In creating an elevator speech, this is a very short concise speech that you have ready on the tip of your tongue and can be said in 30 seconds or less without you even thinking about it. Ideally it should be said in 100 words or less. You practice it over and over until it is engrained in your mind.

The items that are covered in this speech are:

- Who are you? **I am Joyce Jagger, The Embroidery Coach**
- Why are you in this business? **to help get the new embroiderer off to a fast start and help the existing embroiderer improve their skills**
- What do you do?
- What do you do differently? **I simplify the business of embroidery into easy to understand lessons**
- Who is your market or ideal client? **the new embroiderer & the existing embroiderer**

You can use my elevator speech as a sample:

I am Joyce Jagger The Embroidery Coach and I simplify the business of embroidery into easy to understand lessons for the new embroiderer. My passion is to help get the new embroiderer off to a fast start and help the existing embroiderer improve their skills so that they can provide higher quality embroidery and increase their profits!

Here is one that I created for my Retail business.

Designer Gifts & Embroidery is a retail shop and online business offering custom embroidered products for every member of the family. My passion is to make it easy for you to select the right personalized birthday gift, wedding gift, baby gift, housewarming gift or perfect gift for any of your occasions. We also provide custom embroidered apparel and custom printed T-shirts for local businesses to help increase their visibility.

Figuring Out What You Like About Your Business

Now on a piece of paper I want you to write down everything that you do in your business. What is your business all about! What do you like about your business and what would you rather not do in your business? This is very important. You need to build on the positives and let go of the negatives! I mean that sincerely, if you do not like something that you do or if it is taking you too long to do and not making the money that you wanted, get rid of it!

It is not worth fighting over and you will have more positive energy to concentrate on all of the positives and what you enjoy doing. I do not mean processes that go into creating a product that you like; I mean products that you do not enjoy doing or are not money makers for you.

Getting Organized

Getting your entire business organized to run more efficiently is a must if you want to run a profitable well planned out business. Now that sounds like a dream statement for some people, but it is very important and like a said a must!

I want you to take a step back and take a good long look at your business. Having a plan makes it easy to organize each area of your embroidery business.

- Office
- Showroom
- Planning area
- Receiving
- Hooping
- Embroidery Production
- Finishing
- Shipping

Each area of your business needs to have system for its operation. This is very important in your organization. If you have a simple step by step instruction manual for each operation that is specific to that area it helps to keep it running smoothly and makes training new people very simple. Each new person is trained exactly the same with the same information.

The easiest way to accomplish this is to go through each step of the operation and write down the procedures in a step by step manner with a pen and paper. You may have to go over the operation a couple of times so that you do not miss any steps. Then you can take it to the computer and create your actual instruction manual. It does not have to be anything fancy. Just start out simple, step 1, step 2 etc.

If you have an employee, have them help you with this process. After you have it finished, give it to someone that does not do that operation and ask them to go through it to see if they understand exactly what you wrote and is it simple enough for them to be able to complete the task that is being

your husband or wife to go over it for you. If something happens and you cannot do your work, someone else needs to be able to step in and do it for you and your manual should be very self-explanatory.

Office

These step by step manuals start with your office procedures. This is something that most people do not even think about.

- How to take an order over the phone-questions to ask.
- How to take an order with the customer in front of you.
- How to input credit cards into the system
- How to do an invoice
- How to greet the customer or prospect on the phone
- How to greet the customer or prospect when they enter your place of business
- What other tasks that you perform as an office person
- Do you have an easy retrieval system for finding your customers quotes?

These are all simple tasks that you take for granted, but someone else cannot fill your shoes very easily and do it the same way you do it unless you have it written down. This makes the process simple and you do not forget the next step in the process.

Order Processing System

Sales order packets are easy to put together ahead of time so that you make sure you have all of your information in front of you as you are talking to your customers.

- Customer Quote Form - Can be part of packet or separate-Filled out and copy given to customer-your copy in a binder until customer comes back in.
- Order Form - I have 1 for Apparel and 1 for Caps-You can expand on this.
- Style Sheet - For selection of basic styles
- Form of Payment - Credit card-Pay Pal-Check form
- Design Tracking & Timing Form
- Production Tracking & Timing Form
- Packing List
- Do you have a check list to make sure that all of the steps are taken?

Any other forms can be added to it as you go along if necessary, but if you have a few packets together ahead of time, it saves you time when you are working with a customer and it saves you having to look for something and wasting time in front of the customer. I have other forms that I have always used also as I go through production, but they are not part of my sales order procedure.

Showroom

Having a well-organized showroom or area where you can take your customer is very important whether you are working with your customers in your home or in your shop. If you do not have a room set aside for meeting with your customers, you need to arrange an area in your workroom that is designed just for this. It can be one wall with your samples hanging on it. It does not have to be a complete room.

- Is your showroom or area that you have where you take your customers all clean, neat and well-organized?
- Do you have clean great quality sample items for viewing?
- Are your samples tagged with all of the information pertaining to that sample?
- Do you have embroidery lettering samples ready for their selection? These can be in picture frames.
- Do you have layout design styles ready so they can quickly pick out the sample layout they want? These can be in picture frames.
- Do you have stock designs ready for viewing? This can be a catalog or an embroidery sew-out picture of the designs that you are offering as your stock designs? These can be in picture frames.

Planning area

You have the order, now what? How do you go about planning out a job? What are the specific steps for that?

- Is this a first-time order or is it a repeat order?
- Do you have an easy retrieval system for finding your customers previous order information?
- Do you have a production form to be filled in that will follow through the entire production process starting with the planning? This is my Production Tracking & Timing Form.
- How do you place your order for your garments? From Whom?
- What are your customer numbers and contact info for your suppliers?
- Will you need any different type of hoops for a job?
- Do you have the correct color of threads for the job?

- Do you have enough of the right backing and topping?
- Do you do your own set ups and digitizing or do you send it out?- Design Tracking & Timing Form
- Where does it go?
- How do you get it ready to be sent out?
- Do you have a job folder created for each job or design? This saves a lot of time when you have repeat orders. You do not have to go back and search thru the computer for the design or instructions. They are all in the folder.
- Do you have an **Embroidery Room Worksheet** to keep track of all of the information on your job? This worksheet will be filed in the Job folder after the job is finished along with a design disk or design number and stored for repeat orders. This can avoid a mistake.
- Do you have a check list to make sure that all of the steps are taken in the planning process?

Receiving

- Do you have a log in system set up? -Upload Log in Form
- Is all of the information on it for a quick review if a customer calls about their order? Date, Customer name, Order No. Description of Items, Name of design, Quantity of items, Date due and Date shipped.
- What is your procedure for receiving goods in from the customer?
- What is the same procedure for receiving goods from a distributor or manufacturer?
- When the garments come in from the distributor they need to be inspected and compared to the packing slip and the customer's order. Do they match, are sizes, color, style and quantities correct? If not what is your procedure to get the information corrected?
- Do you have a check list to make sure that all of the steps are taken in the receiving process?

Workroom

As you are going through the process of actually producing your embroidery or any of your other processes you will need to check this area to see if it is laid out in the most efficient manner. I have always had my workroom also divided up in areas that are pertaining to what I am doing. This way you are not interfering with the next or last process and it is easier to get this going before you start having employees. It makes it easier to do each process.

Production Area

- Hooping

- Production-Machine area
- Trimming-Steamer
- Packing -Shipping

Study each one of your processes in each of these areas and see what can you do differently with each one to cut down on the time that you are spending?

- Is each area set up efficiently so that you do not have to take many steps to complete task for that area or job?
- Are you or your employees struggling with a process or a task?
- Are all of your tools in the same area as you are working, or do you have to leave that area to get a tool? Keep all of the tools in that area that you are going to be using for that particular type of task. Yes this will mean duplicate tools, but it will save you time.
- Is your machine maintained daily?
- Does your machine need a tune up? This can slow down production and drastically cut into your profits. I was working with a company that had 3 heads down on their 15 head machine. This equates to a loss of about \$1600 per month of lost revenue because they did not want to spend \$700.00 for a tech.
- Do you have a check list to make sure that all of the steps are taken in the each one of the areas?

In my business each area has its own operators and they wear aprons that has their tools in the pocket of their apron. I started this routinely many years ago. That way all of my tools are always handy, and I do not have to worry about them getting misplaced.

Shipping

I just want to go over a little about your organization in shipping.

- Does the original work order match the packing slip for the colors, sizes, amounts and customer s design information?
- Does the ship to address on the label match the one on the Work Order?
- I know that they are all checked with the order came in, but it needs to be checked again. This is very important! I have found at times that a garment will slip down behind the back of the table and it was totally missed until after the order was shipped out! You feel pretty stupid at that point!
- Do you have a copy of the packing slip attached to the Work Order ready to go to invoicing?
- Has the shipping cost been added to the Work Order?

- Do you have a check list to make sure that all of the steps are taken in the shipping area?

If you will take the time and go through these steps in every area of your business and get it totally organized, you will find that your production will increase, and it will be so much easier to get through every single job. I know that this may sound a little overkill when you are a one-person shop, but trust me, it will pay off in the end.

You will probably not stay that one-person shop unless you choose to and if you have all of your ducks in a row so to speak, you will find that training new people will be very easy for you. You have all of your information organized; written down in manuals and you will feel so in control of your entire business instead of your business controlling you.

Business Plan

The main purpose of having your business plan is to give you **a clear direction and guidance** of how you intend to run your embroidery business and plan for future growth. With this plan you can analyze and measure each step along the way to ensure that you truly are on the right path.

In this session we are going to start working on our actual plan. I am not going to go over every area of the business Plan in detail. I have it laid out so that you can go in and answer the questions. When you answer these questions you are actually creating your plan. You will have the first section of the business plan template in the members area, but this is only for the purpose of getting started and answering the questions. You will be given the final formatted business plan template in the 4th session. This is new this year. You will be copying your information from each section into that final template in session 4.

Mission Statement

Why are you in this business? Obviously to make a profit, but what was your big why to start the business! It should be more than just making money! That is not a big enough why even though we are in business to make money! It will not help you to sustain the business during the tough times. What is your angle or point of view?

Remember your Elevator Speech- That is part of your Mission Statement!

Designer Gifts & Embroidery is a retail shop and online business offering custom embroidered products for every member of the family. My passion is to make it easy for you to select the right personalized birthday gift, wedding gift, baby gift, housewarming gift or perfect gift for any of your special occasions. We also provide custom embroidered apparel and custom printed T-shirts for local businesses in the small business market to help increase their visibility.

In studying the local market, I found that the small business owner was lacking in the area of guidance to be able to select the perfect gift for their family members, employees and clients. I also want to provide this market with the right tools to be able to be more visible to their audience.

Vision Statement

As your business grows and is successful, how do you see it? How do you think it will look to the world?

This is not part of your vision statement, but You also need to think about what will be your plans to end your business when the time comes for you to do so? (Sell it or pass it on to someone else) It is important to have an exit strategy right from the very beginning. Too many business owners do not even think of this. It should be part of your planning from the very beginning. You want to have a business that can be sold for a profit or handed over to someone else. That person would also want to see a profitable business.

Vision Statement Formula Example: In 5 years my company _____ will _____ by_____.

In 5 years my company, **Designer Gifts and Embroidery** will be the largest supplier of personalized gifts in the triple cities area by consistently providing the best customer service to those looking for the perfect gift for their family, friends, employees and clients.

Description & History of the Business

If you already are in business you have existing business and new business. If you are brand new to business, you will be looking at new business only. What is your history if you have been in business for a while? How did you get started and list in chronological order what have you accomplished?

I have included some samples of an old Business Plan that I created back in 1995 when I had my large company. It may help you in the area of developing the Description and History of your business.

If you have not started your business yet, then you will give a description of how you intend for your business to be from the inception.

Goals

1 Year Goals-Write down your total list of Goals that you think you would like to reach within the next year or 365 days.

Out of that total list, you are to pick 3 of them and that is all. You cannot focus on more than 3 at a time. You will accomplish nothing and will be too scattered.

6 Month Goals - These are goals that you will create as a result of the 3 that you have made the decision to reach with the next 365 days. You will be breaking them down a little smaller.

60-Day Goals- These are goals that you will create as a result of the 3 that you have made the decision to reach with the next 6 months. This is going to take you some time, but this is very important. In order to reach your goals you need to break them down in bite sized pieces and work on them daily. I do not plan out beyond the 60 days because it is too hard and a waste of my time. Too many things change along the way.

If you will now plan out your 60 days one week at a time, you will find that this is not so hard to do. What events do you have planned between now and the next 60 days? Do you have any type of promotions coming up? These all need to be planned out.

Do you have any meetings or trips that you have scheduled; this all needs to be put into your plan. Even your personal stuff needs to be added. I know that has nothing to do with business, but it is all part of your time and your

day so plan for it and get it on the 60-Day plan. We will talk more about planning and your 60-Day Goals in our next session.

Major Business Objectives

- What are your plans to start or expand your business?
- What are your plans to start or increase production?
- Will you be offering new products or services?
- Will you add any sales teams or increase your staff?
- What are your plans if the economy changes? (Be sure to use bullet points.)

Definition of the Market

- Describe Embroidery Business as a whole and outlook for your market. I had a link to be able to research the market, but that is no longer available. You may have to subscribe to a service in order to do this or go to the Public Library.

Target Market

- Explain your target market - who you are going to be marketing to. DO NOT say you are marketing to everyone. This does not work. You have to pick a specific area of your expertise to market to such as clubs or organizations or schools or to the small business market. These are only examples, but you must be specific here.
- Provide a profile of that market-age group, likes, men, or women, approximate income level anything else you know about the person that makes up this target market.
- What are the specific needs of that market?
- Where or How do you intend to focus your efforts?
- Identify any competitors that are already marketing to that group.

Description of Products & Services

- (List all of the products that you are currently offering and what you intend to offer. Keep them separate. Make sure that you state what you will offer that the competition is not offering, very important!) List the products and services separately!

Machine / Equipment

Keep each list separate for embroidery, office, screen printing, digital printing or whatever equipment you have or will need.

Current Embroidery Equipment -List the Embroidery equipment you presently own. Keep them separate

Embroidery Equipment - List the embroidery you will purchase if that is in your plan.

Inventory

Product Inventory On Hand

See the Business Plan Template for how to list it. Keep each list separate.

Action Steps To Take Before Next Module

Now you have a lot to do before our next module. I know that this has been a lot of information to throw at you at one time, but it is the beginning of your real working plan and the foundation of your business. Your homework for the next two weeks is:

- Select your Business name and your Domain name.
- Create your Signature or Elevator Speech
- Go through your business and create your Process manuals for each area.
- Fill in all of the blanks on the Business Development portion of your business plan

Thank you for watching this lesson. If you have any questions, please do not hesitate to contact me. I am here to help you

Joyce Jagger

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www.TheEmbroideryCoach.com