



THE CENTRE FOR FASHION ENTERPRISE IS LONDON'S PIONEERING STRATEGIC BUSINESS DEVELOPMENT INITIATIVE THAT INCUBATES, SUPPORTS AND DEVELOPS LEADING EMERGING DESIGNER LABELS IN THE DESIGNER FASHION SECTORS



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## HOW DO WE DO IT?

THE CFE INDUSTRY SPECIALISTS DELIVER BESPOKE SUPPORT TO DESIGNERS TO INCLUDE COACHING ON STRATEGIC BUSINESS PLANNING AND BRAND DEVELOPMENT, AND OPERATIONAL ISSUES SUCH AS RANGE PLANNING, PRODUCTION, LEGAL, IP, COSTINGS AND FINANCE.

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INVESTMENT READINESS PROGRAMME

TWO YEAR VENTURE PROGRAMME

ONE SEASON PIONEER PROGRAMME

MARKET ENTRY PROGRAMME

FASHION BOOTCAMP

BESPOKE SUPPORT PROGRAMME TO INDIVIDUAL CLIENTS

CONSULTANCY AND COLLABORATION BROKERAGE

CFE CORDWAINERS INNOVATION AWARD FOR FOOTWEAR





## THE REPORT ANALYSED KEY RELATIONSHIPS WITHIN THE SME FASHION DESIGNER INDUSTRY

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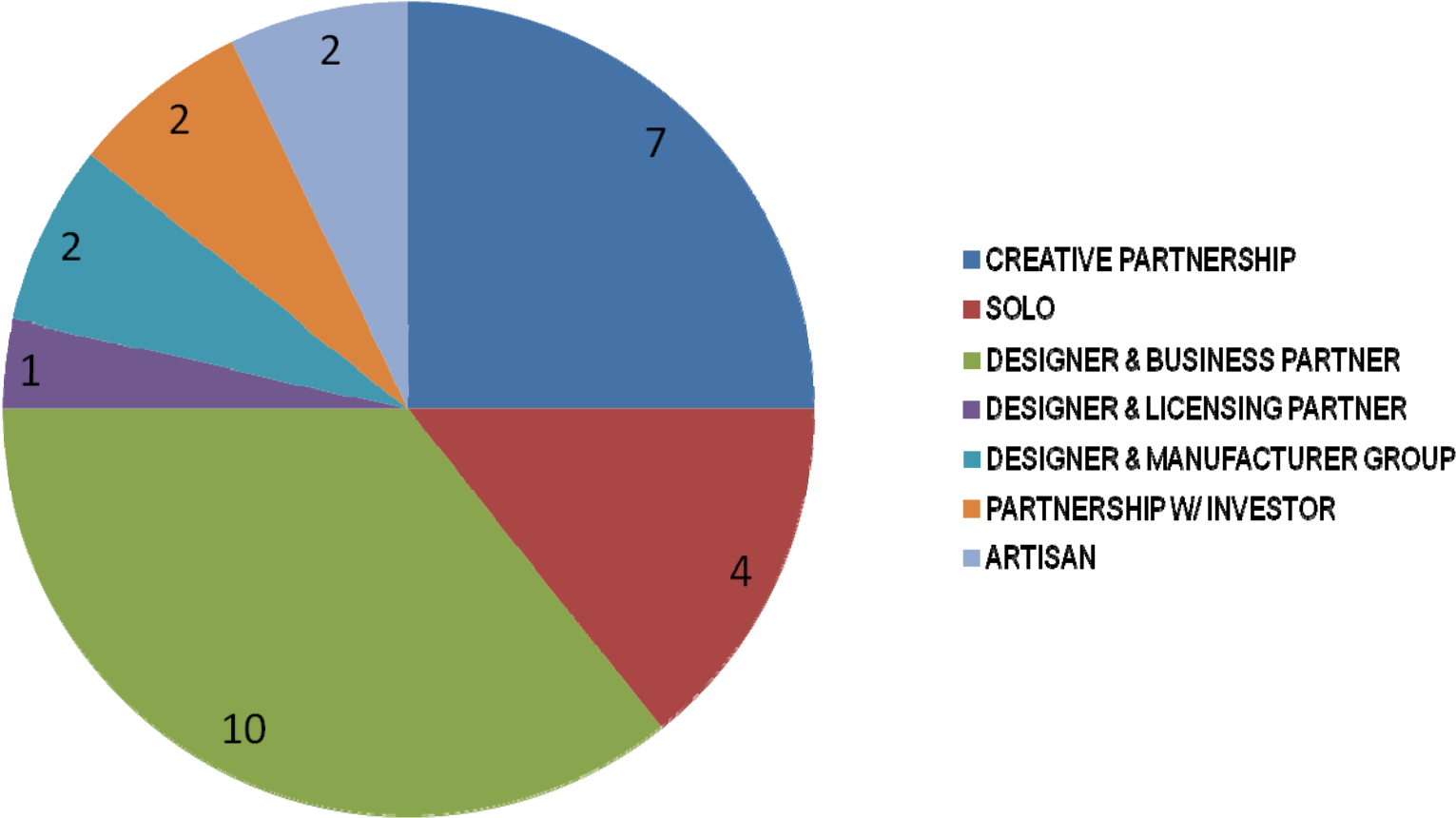


- DESIGNER RELATIONSHIP WITH MANUFACTURERS,
- DESIGNER RELATIONSHIP WITH RETAILERS,
- DESIGNER RELATIONSHIP WITH INTERMEDIARIES,
- DESIGNER RELATIONSHIP WITH INVESTORS



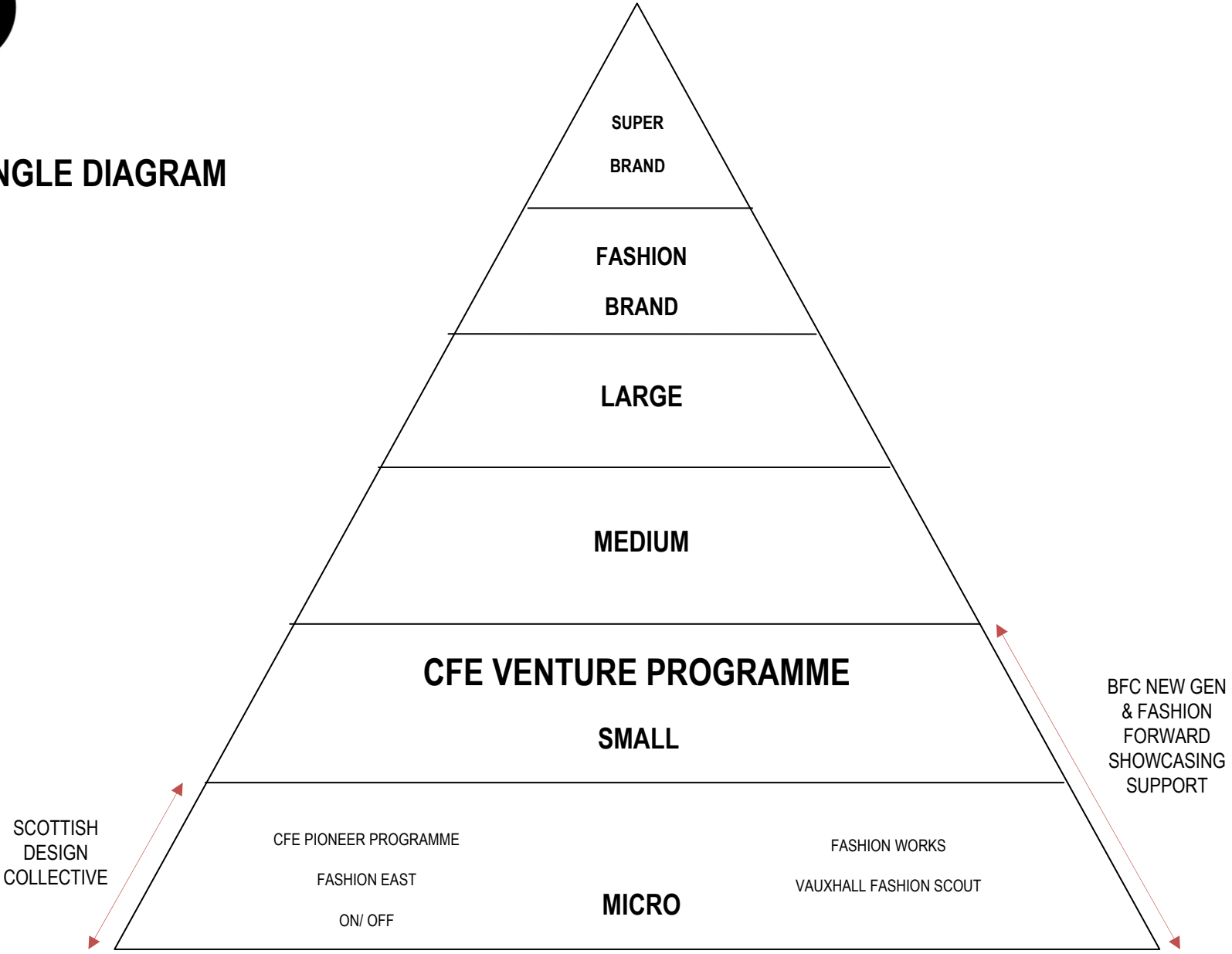
**SEVEN UK DESIGNER FASHION BUSINESS MODELS**

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# TRIANGLE DIAGRAM



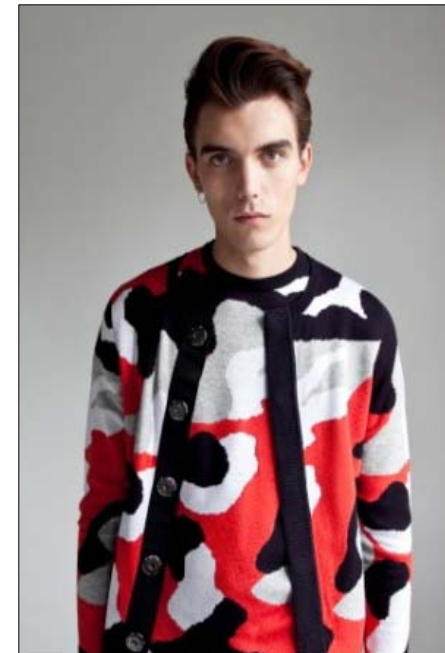


## BARRIERS FOR GROWTH

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### MANUFACTURER RELATIONSHIPS

- MICRO BUSINESS VOLUMES ARE LOW SO DESIGNERS HAVE TO PAY LARGE SURCHARGES FOR SMALL FABRIC AND PRODUCTION
- MANUFACTURERS MARGINS SQUEEZED BY GLOBAL COMPETITORS
- LACK OF RELATIONSHIP OR PARTNERSHIP APPROACH
- LOW QUALITY OF COMMISSIONING OF WORK AND UNPROFESSIONAL APPROACH BY DESIGNERS
- LACK OF FORMAL TRAINING OPPORTUNITIES IN THE SPECIALIST MANUFACTURING SECTOR
- ALL DESIGNERS PRODUCTION TIMINGS POLARISE WITH THE TWO SEASON MODEL AND MICRO BUSINESS LOSE OUT ON DELIVERY
- LOCAL MORE APPEALING TO DESIGNERS THAN GLOBAL SOURCING





## **BARRIERS FOR GROWTH**

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### RETAIL RELATIONSHIPS

- LONDON FASHION WEEK IS SQUEEZED BETWEEN NEW YORK AND PARIS FASHION WEEKS
- FEW MICRO AND SMALL DESIGNERS ARE RESPONDING TO THE PRE-SEASON MODEL AND STILL DO 2 COLLECTIONS A YEAR ONLY
- FASHION IS LATE ADOPTER OF NEW TECHNOLOGIES INCLUDING WEBSITES AND ECOMMERCE.
- FEWER INDEPENDENT HIGH END STOCKISTS IN EUROPE SO DESIGNERS NEED TO ACCESS NEW EMERGING MARKETS GLOBALLY
- BIG STORES HAVE HARSH CONTRACTUAL OBLIGATIONS AND EXTENDED PAYMENT.
- STRONG RETAIL GROUPS MAKE RECOGNISED DESIGNER LABELS MORE ACCESSIBLE SO DESIGNERS NEED TO PROTECT THEIR ASSETS BETTER





## BARRIERS FOR GROWTH

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### INTERMEDIARY RELATIONSHIPS



- DESIGNERS RESPOND WELL TO SUPPORT BUT CAN BE UNAPPRECIATIVE AND UNREALISTIC IF THEY GET TOO MUCH “FREE “ SUPPORT TOO SOON.
- DESIGNERS NEED TO GET SALES AND STOCKISTS BEFORE THEY START WITH A PR TO REALLY KNOW WHAT THEY NEED.
- LOTS OF PRESS IS NO SUBSTITUTE FOR A GOOD BUSINESS
- PRESS IS ESSENTIAL TO ATTRACT KEY BUYERS
- THE MOST INFLUENTIAL INTERMEDIARY CAN BE A DESIGNER WITH A RELATIONSHIP WITH A HIGH PROFILE STYLIST WHICH DEMONSTRATES BUSINESS BENEFIT.





## BARRIERS FOR GROWTH

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### INVESTOR RELATIONSHIPS



- TAKES DESIGNERS YEARS TO RECOGNISE THEY NEED INVESTMENT IF THEY WANT TO GROW AND DEVELOP
- THERE IS A BETTER CHANCE OF A HIGH RETURN ON INVESTMENT IF INVESTOR FROM FASHION INDUSTRY
- INVESTORS ONLY INTERESTED IN A PROVEN STRONG BRAND WHICH TAKES YEARS SO HOW TO ACCELERATE BRAND EQUITY
- FASHION DESIGN BUSINESSES ARE DESTABILISED IF INVESTMENT HAS ONLY 2 – 3 YEAR EXIT STRATEGY
- INVESTORS HAVE FOUND THAT DESIGNERS DON'T WANT TO GIVE EQUITY, EVEN IF THEIR COMPANY IS WORTHLESS



## BARRIERS FOR GROWTH

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OVERVIEW OF GENERAL BARRIERS TO GROWTH AND INNOVATION IN THE DESIGNER FASHION ECONOMY



- **CASHFLOW** IS A MAJOR PROBLEM FOR ALL DESIGNER BUSINESSES PARTICULARLY IN MICRO AND SMALL ENTERPRISE
- **INVESTORS** DO NOT SEE THE OPPORTUNITIES IN THE SECTOR TO DEVELOP PLANNING FOR LONGER TERM RETURNS AND PARTNERSHIPS TO REDUCE RISK.
- THERE IS AN **INVESTMENT GAP**: LACK OF FINANCIAL SUPPORT FOR SMALL AND MEDIUM STAGE BUSINESSES WHERE NEEDED MOST
- LACK OF **ENTREPRENEURIAL** AND MANAGERIAL SKILLS IN MICRO, SMALL AND MEDIUM ASPECTS OF THE SECTOR
- LACK OF INVESTMENT IN **NEW TECHNOLOGY AND INNOVATION** IN MANUFACTURING IN UK MANY OTHER EU REGIONS.
- THE DIFFERENT PARTS OF THE FASHION DESIGN ECONOMY DO NOT WORK TOGETHER RESULTING IN THE REDUCED ABILITY TO DEVELOP A **EUROPEAN STRATEGY**.
- LACK OF CREDIBLE SKILLED AND **EXPERIENCED PEOPLE** WORKING WITH MICRO AND SMALL DESIGNERS IN MANY SPECIALIST FIELDS INCLUDING PRODUCTION MANAGERS, QUALITY CONTROLLERS, AND BUSINESS PARTNERS



## A RANGE OF SOLUTIONS: NETWORKS, RELATIONSHIPS, R&D AND ADOPTING INNOVATION



- STUDY SME DESIGNER BUSINESSES ACROSS EU FASHION CITIES
- IDENTIFY INNOVATIVE BUSINESSES AS R& D AND NEW FUTURE BUSINESS MODELS
- DESIGNER – MANUFACTURER INNOVATION AND SUPPORT
- AN IP ROADMAP FOR FASHION DESIGNERS IN BUSINESS TO SECURE ASSETS
- EUROPEAN APPRENTICESHIPS TO HAVE IMPACT ON CURRENT GRASS ROOTS SHORTAGES
- JOBS SAFEGUARDED AND NEW JOBS CREATED
- INVESTMENTS FOR INCREASED ECONOMIC PERFORMANCES
- MAKING NEW AND EXISTING TECHNOLOGY MORE ACCESSIBLE.



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